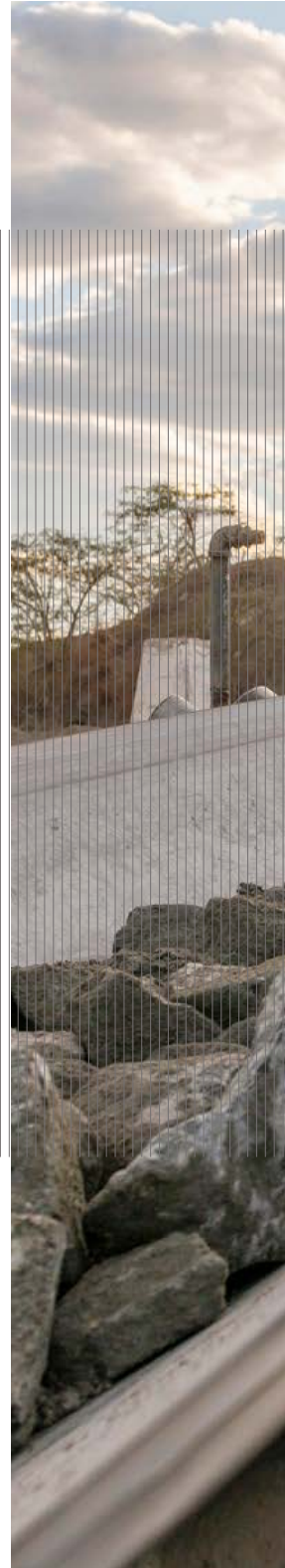




Directors' Report and Condensed Consolidated  
Interim Financial Statements (Reviewed)

**HALF YEAR ENDED  
31 DECEMBER 2020**

Zimplats Holdings Limited  
ARBN : 083 463 058  
Australian Stock Exchange code: ZIM  
Half Year Ended 31 December 2020



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*This report covers the consolidated entity of Zimplats Holdings Limited (the 'Company') and its subsidiaries (together the 'Group').*

*The report is presented in United States dollars (US\$).*



## Directors' Report

The directors present the condensed consolidated interim financial statements of Zimplats Holdings Limited (the 'Company') and its subsidiaries (together the 'Group') for the half year ended 31 December 2020, as well as the review report for the period.

### DIRECTORS

The directors of the Company during and since the end of the half year are set out below:

Dr Fholisani Sydney Mufamadi	Chairman-Non-executive
Alexander Mhembere	Chief Executive Officer
Patricia Zvandasara	Chief Finance Officer
Meroonisha Kerber	Non-executive
Thandeka Nozipho Mgoduso	Non-executive
Alec Muchadehama	Non-executive
Nicolaas Johannes Muller	Non-executive
Dr Dennis Servious Madenga Shoko	Non-executive
Zacharias Bernadus Swanepoel	Non-executive
Chipo Mtasa	Non-executive

### REVIEW OF PERFORMANCE

The Group's main purpose is the production of platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) from its Mineral Resources and Ore Reserves on the Great Dyke in Zimbabwe. At present, the Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary').

### Safety, Health and Environment

There were no lost-time injuries recorded during the half year. The lost-time injury frequency rate was thus zero against 1.26 for the same period last year when the Group reported six lost-time injuries. The Group's safety strategy, that is built on resilient leadership and operational discipline, will continue to be deployed to sustain the commendable safety performance.



## Directors' Report *(continued)*

An external safety, health and environment management systems audit was conducted during the half year. No non-conformities were raised for the three management systems (ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015) and certification for the three systems was maintained.

The Group recorded seven confirmed COVID-19 cases during the half year. Six employees had fully recovered by 31 December 2020 and one employee was recovering well at the Group's medical facility. The seven cases recorded during the half year were managed in line with the Group's COVID-19 code of practice, which incorporates Zimbabwe Ministry of Health and Child Care and World Health Organisation guidelines, resulting in no disruption to operations. An increase in the country infection rate was witnessed towards the end of the half year and management has responded by intensifying prevention measures in the Group. Adaptation of the workforce to the COVID-19 new normal is progressing well.

The Group received an environmental stewardship award in the 2020 national environmental stewardship responsible business and corporate social responsibility awards. The awards were organised by the Environmental Management Agency (EMA) in collaboration with Corporate Social Responsibility Network Zimbabwe (CSRNZ). The award recognizes Zimplats' excellence in environmental stewardship.

Rehabilitation of open pits and tailings storage facilities progressed as planned during the half year.

Water management strategies continued with recycled water accounting for 33% of the total water consumed, marginally down from 34% achieved in the same period last year.

### Operations

Ore mined during the half year increased by 3% to 3.7 million tonnes compared to the same period last year due to improved fleet productivity and additional ore from Mupani Mine, which is under development.

Tonnes milled remained unchanged at 3.4 million tonnes compared to the same period last year, reflecting consistent milling performance.

Six elements (platinum, palladium, rhodium, gold, ruthenium and iridium) (6E) mill head grade at 3.49g/t remained largely unchanged from the same period last year, reflecting sustained grade control at the Group's operations.

6E production increased by 8% to 288 310 ounces from 267 366 ounces in the same period last year. Comparative period production was adversely affected by the build-up of inventory (first fill) in the furnace on start-up following the furnace rebuild shutdown.



## Directors' Report (continued)

The table below shows the total metal production.

Metal	Half year ended 31 December 2020	Half year ended 31 December 2019	Variance	Year ended 31 June 2020
Platinum (ounces)	132 033	123 106	7%	266 879
Palladium (ounces)	113 569	105 163	8%	228 030
Gold (ounces)	15 235	15 287	-	31 914
Rhodium (ounces)	11 796	10 418	13%	23 414
Ruthenium (ounces)	10 662	9 351	14%	20 537
Iridium (ounces)	5 015	4 041	24%	9 404
<b>6E (ounces)</b>	<b>288 310</b>	<b>267 366</b>	<b>8%</b>	<b>580 178</b>
Silver (ounces)	22 933	23 128	(1%)	49 119
Nickel (tonnes)	2 311	2 274	2%	4 991
Copper (tonnes)	1 820	1 654	10%	3 662
Cobalt (tonnes)	28	55	(49%)	90

### Sales

The table below shows the metal sales volumes.

Metal	Half year ended 31 December 2020	Half year ended 31 December 2019	Variance	Year ended 31 June 2020
Platinum (ounces)	137 017	115 871	18%	253 952
Palladium (ounces)	120 056	99 008	21%	218 310
Gold (ounces)	15 851	14 315	11%	30 840
Rhodium (ounces)	12 119	10 143	19%	22 517
Ruthenium (ounces)	11 030	9 319	18%	20 205
Iridium (ounces)	5 152	4 092	26%	9 120
<b>6E (ounces)</b>	<b>301 225</b>	<b>252 748</b>	<b>19%</b>	<b>554 944</b>
Silver (ounces)	24 933	23 940	4%	49 905
Nickel (tonnes)	2 487	2 436	2%	4 992
Copper (tonnes)	1 957	1 895	3%	3 873
Cobalt (tonnes)	31	57	(46%)	85

## Directors' Report (continued)

### Metal Prices

Average prices for most of the metals, except nickel and cobalt, improved compared to the same period last year as shown in the table below.

Metal	Half year ended 31 December 2020	Half year ended 31 December 2019	Variance	Year ended 31 June 2020
Platinum (US\$/ounce)	921	895	3%	871
Palladium (US\$/ounce)	2 258	1 666	36%	1 901
Gold (US\$/ounce)	1 893	1 477	28%	1 562
Rhodium (US\$/ounce)	12 358	4 849	155%	6 275
Ruthenium (US\$/ounce)	230	230	-	218
Iridium (US\$/ounce)	1 642	1 466	12%	1 478
Silver (US\$/ounce)	24	17	41%	17
Nickel (US\$/tonne)	15 086	15 489	(3%)	13 971
Copper (US\$/tonne)	6 847	5 843	17%	5 666
Cobalt (US\$/tonne)	15	16	(6%)	16

### Financial

Half year revenue increased by 79% to US\$674.9 million compared to the same period last year, largely driven by increases in average metal prices and volumes of metal sold. The gross revenue per 6E ounce for the half year at US\$2 241 was 50% higher than the US\$1 494 for the same period last year. 6E ounces sold increased by 19% to 301 225 ounces compared to 252 748 achieved in the same period last year.

Cost of sales at US\$297.4 million was 24% higher than the same period last year, mainly due to increase in sales volumes, and the resultant increase in royalty and commission costs. Additionally, share-based payments were higher due to improvement in the Impala Platinum Holdings Limited share price which forms the basis for the Group's share-based compensation scheme.

Consequently, gross profit margin at 56% increased by 20 percentage points from 36% achieved in the same period last year.

Administrative expenses for the half year at US\$4.2 million increased 14% from the US\$3.7 million incurred during the same period last year mainly due to higher corporate social responsibility costs.

The Group recorded net foreign currency exchange losses of US\$0.1 million compared to US\$5.6 million in the same period last year owing to the rate movements of the Zimbabwean Dollar observed on the foreign currency auction system that was introduced in June 2020 by the Reserve Bank of Zimbabwe.

Cash operating cost per 6E ounce produced at US\$642 was marginally above US\$641 for the same period last year. This was driven by an 8% increase in 6E ounces produced and savings on procurement costs. The positive impact of higher production volumes and lower procurement costs was partly offset by additional costs incurred to mitigate the impact of COVID-19 on our employees and the community in which the Group operates.

Finance costs at US\$1.7 million were 31% higher than the same period last year as there were no borrowing costs eligible for capitalisation during the period under review.



## Directors' Report *(continued)*

Other income for the half year increased significantly from US\$0.3 million reported in the same period last year to US\$5.6 million due to the fair value gain on the Impala Platinum Holdings Limited shares purchased by the Group for the share-based compensation scheme.

Resultantly, profit before income tax for the period at US\$375.4 million was 197% higher than US\$126.5 million recorded in the same period last year. Income tax for the half year at US\$124.7 million (2019: US\$45.3 million) resulted in profit after tax for the period of US\$250.6 million compared to US\$81.2 million achieved in the same period last year.

The Group generated net cash inflows from operating activities amounting to US\$189.7 million (2019: US\$83.8 million). The Group paid dividends of US\$44 million (2019: US\$45 million). The cash and cash equivalents balance as at 31 December 2020 was US\$226.1 million (30 June 2020: US\$128.5 million and 31 December 2019: US\$22.2 million).

### CAPITAL PROJECTS

The Bimha Mine redevelopment project is essentially complete. A total of US\$100 million had been spent on the redevelopment project as at 31 December 2020 against an estimated project cost of US\$101 million.

The development of Mupani Mine (the replacement for Ngwarati and Rukodzi mines) is ahead of schedule and the project has started receiving fleets from the depleting mines. Installation of key infrastructure is on schedule targeting full production in August 2025. A total of US\$124 million had been spent on this project as at 31 December 2020 against a project budget of US\$264 million.

The board approved the implementation of Mupani and Bimha mines upgrade (the replacement for Mupfuti Mine) and the construction of a third concentrator plant at Ngezi at an estimated total cost of US\$297 million. Work on the projects has commenced targeting to commission the concentrator plant in 2022 with the Bimha and

Mupani mines upgrades scheduled for completion in 2023 and 2028, respectively.

### EVENTS AFTER THE REPORTING PERIOD

The Group, in an ASX Announcement dated 18 February 2021, reported a fatal injury of a contractor employee, which occurred when a portion of the western high wall of Ngwarati Mine collapsed on 14 February 2021. A full investigation into the incident is still underway.

After the reporting date, the board of directors declared an interim dividend of US\$45 million (equating to US\$0.42 per share) for payment to shareholders on record as at 19 February 2021.

### OUTLOOK

As we continue to operate during very uncertain times with the COVID-19 pandemic still running rampant across the world, we remain optimistic about the Group's future. The performance in the first half of the year has already demonstrated that we are on the right path, despite the new challenging operating environment. We anticipate favourable metal prices to continue for the remainder of the year. While it is our aspiration to achieve the production and sales targets for the remainder of the year, we are cognisant of the potential impact of COVID-19 on our operations as Zimbabwe experienced a significant increase in the infection rate towards the end of the second quarter of the year. The board of directors and management team remain committed to ensuring a safe working environment at all operations. The Company will continue to foster cordial working relationships with all its stakeholders and remain vigilant as we adapt to our new environment.



**A Mhembere**  
**Chief Executive Officer**

**24 February 2021**

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## Approval of the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2020

The directors of the Group are responsible for the maintenance of adequate accounting records and the preparation of the condensed consolidated interim financial statements and related information in a manner that fairly presents the state of the affairs of the Group. These interim financial statements are prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

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 financial statements, and to prevent and detect material misstatement and loss.

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

The condensed consolidated interim financial statements, as set out on pages 12 to 27 have been approved by the Board of Directors and are signed on its behalf by:



**A Mhembere**  
Chief Executive Officer

24 February 2021



**P Zvandasara**  
Chief Finance Officer

24 February 2021





## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ZIMPLATS HOLDINGS LIMITED

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Zimplats Holdings Limited and its subsidiaries "the Group" as at 31 December 2020 and the related condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and selected explanatory notes.

### Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 – "Interim Financial Reporting" and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated interim financial information that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on this condensed consolidated financial information based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial information of the Group does not present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows for the period then ended in accordance with International Accounting Standard (IAS) 34 – "Interim Financial Reporting".

*Deloitte & Touche*

**Deloitte & Touche**  
**Chartered Accountants (Zimbabwe)**  
**Per: Charity Mtwazi – Audit Partner**

### Registered Auditor

Public Accountants and Auditors Board (PAAB), Practice Certificate Number 0585  
Institute of Chartered Accountants in England and Wales Membership Number 8190859

**24 February 2021**



## Condensed Consolidated Statement of Financial Position

As at 31 December 2020

		31 December 2020 US\$ 000 (Reviewed)	30 June 2020 US\$ 000 (Audited)	31 December 2019 US\$ 000 (Reviewed)
ASSETS	Notes			
<b>Non-current assets</b>				
Property, plant and equipment	6	1 172 217	1 159 904	1 145 133
Other financial assets		20	25	812
		<b>1 172 237</b>	<b>1 159 929</b>	<b>1 145 945</b>
<b>Current assets</b>				
Inventories	7	97 854	91 892	81 962
Prepayments		44 575	32 973	49 542
Trade and other receivables		409 075	287 948	243 492
Equity instruments at fair value through profit or loss	8	3 840	8 640	-
Other financial assets		269	276	1 539
Cash and cash equivalents	9	237 975	135 817	22 160
		<b>793 588</b>	<b>557 546</b>	<b>398 695</b>
<b>Total assets</b>		<b>1 965 825</b>	<b>1 717 475</b>	<b>1 544 640</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		10 763	10 763	10 763
Share premium		89 166	89 166	89 166
Retained earnings		1 378 676	1 172 070	991 419
		<b>1 478 605</b>	<b>1 271 999</b>	<b>1 091 348</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provision for environmental rehabilitation		19 294	19 023	20 820
Deferred tax		266 867	301 034	276 249
Borrowings	10	1 506	2 412	3 727
Share-based compensation		952	2 008	1 673
		<b>288 619</b>	<b>324 477</b>	<b>302 469</b>
<b>Current liabilities</b>				
Trade and other payables		97 965	84 612	92 876
Current tax payable		62 117	10 383	34 550
Borrowings	10	2 221	2 221	1 769
Share-based compensation		24 468	16 508	21 628
Bank overdraft	9	11 830	7 275	-
		<b>198 601</b>	<b>120 999</b>	<b>150 823</b>
<b>Total equity and liabilities</b>		<b>1 965 825</b>	<b>1 717 475</b>	<b>1 544 640</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

The interim financial statements were authorised for issue by the board of directors and were signed on its behalf by:


**A Mhembere**  
 Chief Executive Officer

24 February 2021


**P Zvandasara**  
 Chief Finance Officer

24 February 2021



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2020

	Notes	Half year ended 31 December 2020 US\$ 000 (Reviewed)	Half year ended 31 December 2019 US\$ 000 (Reviewed)	Year ended 30 June 2020 US\$ 000 (Audited)
Revenue	11	674 943	377 726	868 912
Cost of sales		(297 424)	(240 614)	(480 358)
<b>Gross profit</b>		<b>377 519</b>	<b>137 112</b>	<b>388 554</b>
Administrative expenses		(4 245)	(3 730)	(5 711)
Net foreign exchange transactions losses		(136)	(5 585)	(4 830)
Other expenses	12	(1 666)	(335)	(1 371)
Other income	13	5 579	309	609
Finance income		4	45	84
Finance cost	14	(1 704)	(1 298)	(3 105)
<b>Profit before income tax</b>		<b>375 351</b>	<b>126 518</b>	<b>374 230</b>
Income tax expense		(124 746)	(45 330)	(112 391)
<b>Profit for the period</b>		<b>250 605</b>	<b>81 188</b>	<b>261 839</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>250 605</b>	<b>81 188</b>	<b>261 839</b>
<b>Earnings per share (cents)</b>				
Basic	15	233	75	243
Diluted	15	233	75	243

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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## Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2020

	Share capital US\$ 000	Share premium US\$ 000	Retained earnings US\$ 000	Total US\$ 000
<b>Balance as at 1 July 2020</b>	<b>10 763</b>	<b>89 166</b>	<b>1 172 070</b>	<b>1 271 999</b>
Total comprehensive income for the period	-	-	250 605	250 605
Profit for the period	-	-	250 605	250 605
Other comprehensive income for the period	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 17)	-	-	(43 999)	(43 999)
<b>Balance as at 31 December 2020 (Reviewed)</b>	<b>10 763</b>	<b>89 166</b>	<b>1 378 676</b>	<b>1 478 605</b>
<b>Balance as at 1 July 2019</b>	<b>10 763</b>	<b>89 166</b>	<b>955 231</b>	<b>1 055 160</b>
Total comprehensive income for the year	-	-	261 839	261 839
Profit for the year	-	-	261 839	261 839
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 17)	-	-	(45 000)	(45 000)
<b>Balance as at 30 June 2020 (Audited)</b>	<b>10 763</b>	<b>89 166</b>	<b>1 172 070</b>	<b>1 271 999</b>
<b>Balance as at 1 July 2019</b>	<b>10 763</b>	<b>89 166</b>	<b>955 231</b>	<b>1 055 160</b>
Total comprehensive income for the period	-	-	81 188	81 188
Profit for the period	-	-	81 188	81 188
Other comprehensive income for the period	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 17)	-	-	(45 000)	(45 000)
<b>Balance as at 31 December 2019 (Reviewed)</b>	<b>10 763</b>	<b>89 166</b>	<b>991 419</b>	<b>1 091 348</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2020

	Notes	Half year ended 31 December 2020 US\$ 000 (Reviewed)	Half year ended 31 December 2019 US\$ 000 (Reviewed)	Year ended 30 June 2020 US\$ 000 (Audited)
<b>Cash flows from operating activities</b>				
Cash generated from operations	16	323 209	120 022	364 053
Finance costs paid		(1 010)	(2 087)	(2 895)
Share-based compensation payments		(27 389)	(13 428)	(13 420)
Payments made for environmental rehabilitation		(423)	(368)	(755)
Income taxes and withholding taxes paid		(104 732)	(20 324)	(88 599)
<b>Net cash inflow from operating activities</b>		<b>189 655</b>	<b>83 815</b>	<b>258 384</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	6	(57 227)	(40 369)	(104 244)
Proceeds from disposal of property, plant and equipment		358	6	339
Disposals/(acquisitions) of equity instruments	8	9 951	-	(9 129)
Finance income		4	45	84
<b>Net cash outflow from investing activities</b>		<b>(46 914)</b>	<b>(40 318)</b>	<b>(112 950)</b>
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	10	-	(42 500)	(42 500)
Lease payments	10	(906)	(823)	(1 687)
Dividends paid	17	(43 999)	(45 000)	(45 000)
<b>Net cash outflow from financing activities</b>		<b>(44 905)</b>	<b>(88 323)</b>	<b>(89 187)</b>
Net increase/(decrease) in cash and cash equivalents		97 836	(44 826)	56 247
Cash and cash equivalents at beginning of the period		128 542	67 018	67 018
Exchange gains/(losses) on cash and cash equivalents		(233)	(32)	5 277
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>226 145</b>	<b>22 160</b>	<b>128 542</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 31 December 2020

### 1 GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a public company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange (ASX). The condensed consolidated interim financial statements for the half year ended 31 December 2020 comprise the Company and its subsidiaries (together the 'Group').

The Group's principal business is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe. The Group operates mines in Ngezi and has processing plants in Selous and Ngezi.

### 2 BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue in operation for the foreseeable future.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2020 which were prepared in accordance with International Financial Reporting Standards (IFRS) and any public announcements made by the Company during the interim period under the ASX Listing Rules.

The condensed consolidated interim financial statements are presented in United States Dollars (US\$), which is the Group's functional currency. The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the following:

- Equity instruments designated as financial assets measured at fair value through profit or loss
- Trade receivables measured at fair value
- Liabilities for cash-settled share-based payment arrangements measured using a binomial option pricing model.

Taxes on income in the interim periods are accrued using the effective tax rate that would be applicable to expected total annual profit or loss.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used by the Group are consistent with those of the previous financial year, except for changes from the adoption of new or revised IFRSs and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC').

The following amendments to IAS 16 'Property, plant and equipment' effective for annual periods beginning on or after 1 January 2022 were early adopted by the Group:



## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

### For the half year ended 31 December 2020

#### IAS 16 'Property, plant and equipment'

In summary, the amendment to IAS 16 'Property, plant and equipment' prohibits deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity instead recognises the proceeds from selling such items, and related cost of production in profit or loss.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The adoption of these amendments had no material impact on the Group at 31 December 2020.

#### 4 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision maker.

The executive committee has been identified as the chief operating decision maker and is responsible for making strategic decisions, allocating resources and assessing the performance and financial position of the Group.

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Group operates as a vertically integrated mining concern and is managed as a single segment. The Group's operations are based in one geographical location, Zimbabwe. The chief operating decision maker (the executive committee) makes strategic decisions based on internal reports on the Group's performance and financial position as a whole, which is shown in the primary statements.

#### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2020.

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## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

For the half year ended 31 December 2020

	31 December 2020 US\$ 000	30 June 2020 US\$ 000	31 December 2019 US\$ 000
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Opening net book value	1 159 904	1 141 380	1 141 380
Additions	57 227	104 244	40 369
Right-of-use assets capitalised (note 10)	-	6 320	6 319
Environmental rehabilitation asset adjustment	-	(2 410)	-
Borrowing costs capitalised (note 14)	-	1 734	1 734
Disposals	(18 960)	(2 368)	(40)
Accumulated depreciation on disposals	18 674	2 022	34
Depreciation charge (note 16)	(44 628)	(91 018)	(44 663)
<b>Closing net book value</b>	<b>1 172 217</b>	<b>1 159 904</b>	<b>1 145 133</b>

### Right-of-use assets

Included in property, plant and equipment are right-of-use assets, namely, mobile equipment with a carrying amount of US\$3.3 million (June 2020: US\$4.2million, December 2019: US\$5.1million) and land and buildings with a carrying amount of US\$0.2 million (June 2020: US\$0.2 million, December 2019: US\$0.3million) arising from leases capitalised.

	31 December 2020 US\$ 000	30 June 2020 US\$ 000	31 December 2019 US\$ 000
<b>Commitments in respect of property, plant and equipment</b>			
Commitments contracted for	54 488	74 418	70 889
Approved capital expenditure not yet contracted	154 626	156 948	176 893
	209 114	231 366	247 782
Less than one year	85 157	86 722	88 895
Between one and five years	117 958	138 272	158 887
Greater than five years	5 999	6 372	-
	209 114	231 366	247 782

The capital expenditure commitments will be financed from internal resources and borrowings, where necessary.

No property, plant and equipment was pledged as collateral other than the right-of-use assets that are encumbered by leases.

## Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the half year ended 31 December 2020

	31 December 2020 US\$ 000	30 June 2020 US\$ 000	31 December 2019 US\$ 000
<b>7 INVENTORIES</b>			
Ore, concentrate and matte stocks	36 234	36 452	32 178
Consumables	68 377	62 197	55 167
	104 611	98 649	87 345
Less: provision for obsolete consumables	(6 757)	(6 757)	(5 383)
	<b>97 854</b>	<b>91 892</b>	<b>81 962</b>
The movement in the provision for obsolete consumables is as follows:			
At the beginning of the period	6 757	5 021	5 021
Charged to the income statement during the period	-	1 736	362
<b>At the end of the period</b>	<b>6 757</b>	<b>6 757</b>	<b>5 383</b>
<b>8 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Investment in Impala Platinum Holdings Limited ('Implats') listed shares	3 840	8 640	-
The movement in equity instruments at fair value through profit or loss is as follows:			
At the beginning of the period	8 640	-	-
Acquisitions	-	9 129	-
Fair value adjustments (notes 12 and 13)	5 151	(489)	-
Disposals	(9 951)	-	-
<b>At the end of the period</b>	<b>3 840</b>	<b>8 640</b>	<b>-</b>
<b>9 CASH AND CASH EQUIVALENTS</b>			
Cash at bank	226 106	135 795	22 144
Cash on hand	39	22	16
	237 975	135 817	22 160
Cash and balances with banks	237 975	135 817	22 160
Bank overdraft	(11 830)	(7 275)	-
<b>Cash and cash equivalents</b>	<b>226 145</b>	<b>128 542</b>	<b>22 160</b>
The exposure of cash and cash equivalents by country is as follows:			
Isle of Man	992	993	998
United Kingdom	38 768	19 784	12 954
Jersey	147 454	45 177	6 759
Zimbabwe	38 925	62 572	1 436
Australia	6	16	13
	<b>226 145</b>	<b>128 542</b>	<b>22 160</b>

## Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the half year ended 31 December 2020

Cash and cash equivalents are denominated in US\$ except the net exposures to foreign currency detailed below:

	31 December 2020 ZAR 000	30 June 2020 ZAR 000	31 December 2019 ZAR 000
Balances with banks (South African Rands - ZAR)	1	1	1
	31 December 2020 AUD 000	30 June 2020 AUD 000	31 December 2019 AUD 000
Balances with banks (Australian dollars - AUD)	28	23	19
	31 December 2020 ZW\$ 000	30 June 2020 ZW\$ 000	31 December 2019 ZW\$ 000
Balances with banks (Zimbabwean dollars - ZW\$)	37	930	1 865
Bank overdraft (ZW\$)	(969 754)	(463 735)	-

### 10 BORROWINGS

#### Non-current

Lease liabilities	1 506	2 412	3 727
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#### Current

Lease liabilities	2 221	2 221	1 769
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#### Total

	3 727	4 633	5 496
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The movement in borrowings is as follows:

At the beginning of the period	4 633	42 500	42 500
Lease liabilities	4 633	-	-
Bank borrowings	-	42 500	42 500
Leases capitalised (note 6)	-	6 320	6 319
Interest accrued (note 14)	204	2 334	2 087
Lease liabilities	204	534	287
Bank borrowings	-	1 800	1 800
Repayments	(1 110)	(46 521)	(45 410)
Capital: Lease liabilities	(906)	(1 687)	(823)
Capital: Bank borrowings	-	(42 500)	(42 500)
Interest	(204)	(2 334)	(2 087)
<b>At the end of the period</b>	<b>3 727</b>	<b>4 633</b>	<b>5 496</b>

The carrying amounts of the Group's borrowings are all denominated in US\$.



## Notes to the Condensed Consolidated Interim Financial Statements (continued)

### For the half year ended 31 December 2020

The maturity analysis for the Group's leases as at the end of the reporting period is as follows:

	31 December 2020 US\$ 000	30 June 2020 US\$ 000	31 December 2019 US\$ 000
Up to 6 months	950	907	863
6 months to 1 year	997	950	906
1 year to 2 years	1 780	2 042	1 947
2 years to 5 years	-	734	1 780
	<b>3 727</b>	<b>4 633</b>	<b>5 496</b>

#### 10.1 Leases

The group had two leases deemed as material as at 31 December 2020, as follows:

##### Ore and concentrates haulage

The Group has a contract for the provision of services relating to the transportation of ore and concentrates between Ngezi and the Selous Metallurgical Complex (SMC). The contract has a period of five years from 1 November 2017 to 31 October 2022. As at 31 December 2020, the present value of the lease liability was US\$3.5 million (30 June 2020: US\$4.3 million, 31 December 2019: US\$5.2 million).

##### Borrowdale Office Park

The lessor and Zimplats entered into a lease agreement in which Zimplats leases premises measuring 1146m<sup>2</sup> - situated at stand 19308, Borrowdale Office Park – 1st Floor, South block, Borrowdale, Harare for the purposes of administration offices. The lease contract was initially for five years to November 2018 and provides for an extension for further two years. The contract was further extended to 30 November 2022. As at 31 December 2020, the present value of the lease liability was US\$0.2 million (30 June 2020: US\$0.3 million, 31 December 2019: US\$0.3 million).

#### 10.2 Bank borrowings

Bank borrowings in prior periods comprised a loan facility for general business purposes from Standard Bank of South Africa Limited. The loan was a revolving facility of US\$85 million and bore interest at 3 months LIBOR plus 7% per annum. The first capital repayment installment amounting to US\$42.5 million was made during the year ended 30 June 2019 and the balance of US\$42.5 million was paid in December 2019.

The Group had no bank borrowing facilities at 31 December 2020, 30 June 2020 and 31 December 2019.

#### 11 REVENUE

Revenue from contracts with customers  
 Revenue from movements in commodity prices

	Half year ended 31 December 2020 US\$ 000	Half year ended 31 December 2019 US\$ 000	Year ended 30 June 2020 US\$ 000
	560 522	336 152	821 814
	114 421	41 574	47 098
	<b>674 943</b>	<b>377 726</b>	<b>868 912</b>
The Group derives its revenue from the following metal products:			
Palladium	266 722	160 119	388 366
Platinum	125 535	95 529	195 999
Rhodium	203 092	61 926	160 162
Nickel	32 743	28 644	52 506
Gold	28 350	19 139	44 993
Copper	11 002	7 591	15 286
Ruthenium	1 634	1 163	8 251
Iridium	5 489	3 411	2 865
Cobalt	157	89	247
Silver	219	115	237
	<b>674 943</b>	<b>377 726</b>	<b>868 912</b>

The Group has a sole customer, Impala Platinum Limited.

## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

For the half year ended 31 December 2020

	Half year ended 31 December 2020 US\$ 000	Half year ended 31 December 2019 US\$ 000	Year ended 30 June 2020 US\$ 000
<b>12 OTHER EXPENSES</b>			
Care and maintenance costs for Hartley Platinum Mine	1 460	335	683
Loss on re-measurement of equity investments at fair value through profit and loss (note 8)	-	-	489
Loss on disposal of property, plant and equipment	-	-	6
Other expenses	206	-	193
	<b>1 666</b>	<b>335</b>	<b>1 371</b>
<b>13 OTHER INCOME</b>			
Gain on re-measurement of equity instruments at fair value through profit or loss (note 8)	5 151	-	-
Gain on disposal of property, plant and equipment	72	-	-
Other income	356	309	609
	<b>5 579</b>	<b>309</b>	<b>609</b>
<b>14 FINANCE COSTS</b>			
Interest expense on bank overdraft	806	-	561
Unwinding of the rehabilitation provision	694	945	1 944
Interest expense on leases (note 10)	204	287	534
Interest expense on bank borrowings (note 10)	-	1 800	1 800
Borrowing costs capitalised (note 6)	-	(1 734)	(1 734)
	<b>1 704</b>	<b>1 298</b>	<b>3 105</b>

## 15 EARNINGS PER SHARE

### 15.1 Basic earnings per share

Basic earnings per ordinary share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

	Half year ended 31 December 2020	Half year ended 31 December 2019	Year ended 30 June 2020
Profit attributable to equity holders of the Company (US\$ 000)	250 605	81 188	261 839
Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649
Basic earnings per share (cents)	233	75	243

### 15.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (December 2019: nil, June 2020: nil).

## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

### For the half year ended 31 December 2020

	Half year ended 31 December 2020	Half year ended 31 December 2019	Year ended 30 June 2020
Profit attributable to equity holders of the Company (US\$ 000)	250 605	81 188	261 839
Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649
Diluted earnings per share (cents)	233	75	243
	Half year ended 31 December 2020 US\$ 000	Half year ended 31 December 2019 US\$ 000	Year ended 30 June 2020 US\$ 000
<b>16 CASH GENERATED FROM OPERATIONS</b>			
Profit before income tax	375 351	126 518	374 230
<b>Adjustments for:</b>			
Depreciation (note 6)	44 628	44 663	91 018
Provision for obsolete inventories (note 7)	-	362	1 736
Provision for share-based compensation	34 293	25 241	20 448
Foreign currency exchange adjustment	(2 682)	(237)	(9 196)
(Gain)/loss on disposal of property, plant and equipment	(72)	-	6
(Gain)/loss on remeasuring equity instruments at fair value through profit or loss (note 8)	(5 151)	-	489
Finance income	(4)	(45)	(84)
Finance costs (note 14)	1 704	1 298	3 105
<b>Changes in operating assets and liabilities</b>			
Increase in inventories (note 7)	(5 962)	(26 764)	(38 068)
Increase in prepayments	(11 602)	(17 772)	(1 203)
Increase in trade and other receivables	(121 108)	(35 715)	(83 825)
Decrease/(increase) in other financial assets	13	(19)	2 031
increase in trade and other payables	13 801	2 492	3 366
<b>Cash generated from operations</b>	<b>323 209</b>	<b>120 022</b>	<b>364 053</b>
<b>17 DIVIDENDS</b>			
Amounts recognised as distributions to equity holders in the year:			
Final dividend for the year ended 30 June 2020	43 999	-	-
Final dividend for the year ended 30 June 2019	-	45 000	45 000
	<b>43 999</b>	<b>45 000</b>	<b>45 000</b>

## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

For the half year ended 31 December 2020

### 18 RELATED PARTIES

The Company is controlled by Impala Platinum BV which owns 87% of the ordinary shares of Zimplats Holdings Limited. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum BV.

	Half year ended 31 December 2020 US\$ 000	Half year ended 31 December 2019 US\$ 000	Year ended 30 June 2020 US\$ 000
<b>18.1 Related party transactions and balances</b>			
The following transactions were carried out with related parties:			
<b>a) Revenue</b>			
Sales of metal products to:			
Impala Platinum Limited (note 11)	674 943	377 726	868 912
<b>b) Support services</b>			
Services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited	1 414	1 028	1 207
Support services mainly relate to information, communication and technology systems.			
<b>c) Amounts due from related parties</b>			
Impala Platinum Limited: trade receivables	392 906	231 997	280 457
The amounts due from Impala Platinum Limited are due three to five months after the date of sale. The trade receivables bear no interest.			
<b>d) Amounts due to related parties</b>			
Impala Platinum Limited	6 505	11 141	10 723

The amounts due to Impala Platinum Limited bear no interest and they are payable within 30 days of receipt of invoice, subject to exchange control approval.



## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

### For the half year ended 31 December 2020

	31 December 2020 US\$ 000	30 June 2020 US\$ 000	31 December 2019 US\$ 000
<b>19 FINANCIAL INSTRUMENTS</b>			
<b>Financial assets</b>			
<b>Financial assets at amortised cost</b>			
Cash and balances with banks	237 975	135 817	22 160
Other receivables	2 926	2 450	4 575
Other financial assets	289	301	2 351
	<b>241 190</b>	<b>138 568</b>	<b>29 086</b>
<b>Financial assets at fair value through profit or loss</b>			
Trade receivables*	392 906	280 457	231 997
Equity instruments▼ (note 8)	3 840	8 640	-
	<b>396 746</b>	<b>289 097</b>	<b>231 997</b>
<b>Total financial assets</b>	<b>637 936</b>	<b>427 665</b>	<b>261 083</b>

▼ Level 1 of the fair value hierarchy - Quoted prices in active markets for the same instrument.

\* Level 2 of the fair value hierarchy - Quoted market metal price and estimates of metals contained in matte/concentrate sold.

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

Included in trade and other receivables is value added tax of US\$13.2 million (June 2020: US\$5 million, December 2019: US\$6.9 million) which is not classified as a financial asset.

	31 December 2020 US\$ 000	30 June 2020 US\$ 000	31 December 2019 US\$ 000
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost</b>			
Lease liabilities (note 10)	3 727	4 633	5 496
Bank overdraft (note 9)	11 830	7 275	-
Trade and other payables (excluding statutory liabilities)	69 199	72 622	84 259
	<b>84 756</b>	<b>84 530</b>	<b>89 755</b>

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting is not significant due to the short-term nature of bank overdraft, trade and other payables. Included in trade and other payables are statutory obligations of US\$28.8 million (June 2020: US\$12 million, December 2019: US\$8.6 million) which are not classified as financial liabilities.

## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

### For the half year ended 31 December 2020

#### 20 CONTINGENT LIABILITIES AND UNCERTAIN TAX MATTERS

##### Contingent liabilities

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

##### Uncertain tax matters

The Group has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The fiscal legislation in Zimbabwe is volatile, highly complex and subject to interpretation. From time to time, the Group is subject to a review of its historic income tax returns and in connection with such reviews, disputes can arise with the Zimbabwe Revenue Authority ('ZIMRA') over the interpretation and/or application of certain legislation. Significant judgement is required in determining the provision for income taxes due to the complexity and differences of interpretation of fiscal legislation, and application which may require determination through the courts. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

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

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

##### Matters before the courts

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the Supreme Court of Zimbabwe in relation to various historical income tax matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases and therefore, no further liabilities will arise in respect of these disputed tax matters.

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## Notes to the Condensed Consolidated Interim Financial Statements (*continued*)

### For the half year ended 31 December 2020

#### Foreign currency taxes

As previously reported, the Group's operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, is required to pay taxes in accordance with the laws of Zimbabwe, specifically the Income Tax Act (Chapter 23:06), as read with the Finance Act (Chapter 23:04).

Through a Public Notice 26 of 2019 published on 19 June 2019, the tax authorities, introduced a computation formula which would consequently require an apportionment of such income tax payment between ZW\$ and US\$. The Group has been lawfully computing and effecting payment of income taxes in ZW\$ in settlement of its tax liabilities.

The tax authorities, have indicated during December 2020 that they hold a different interpretation of the fiscal legislation, as read with the public notices available to guide tax payers and require the operating subsidiary to pay income taxes in US\$ after 22 February 2019. Expert tax and legal views on this matter are that the settlement of these taxes in ZW\$ by the Group is in full discharge of its obligations.

This ongoing difference in interpretation continues to result in uncertainty associated with the payment of taxes in US\$, with the resultant effect that, it is possible that at a future date, on conclusion of the matter, the outcome may vary significantly and may impact financial results in the year in which such a determination is made. In the absence of a legal basis upon which to base the estimation, the Group is unable to quantify at this stage, what the potential impact of the above could be. Engagement with the tax authorities is ongoing.

## 21 EVENTS AFTER THE REPORTING PERIOD

### 21.1 Ngwarati Mine high wall collapse

The Group, in an ASX Announcement dated 18 February 2021, reported a fatal injury of a contractor employee, which occurred when a portion of the western high wall of Ngwarati Mine collapsed on 14 February 2021. A full investigation into the incident is still underway. The board of directors and management team remain committed to ensuring a safe working environment at all operations.

### 21.2 Dividends

After the reporting date, the board of directors declared an interim dividend of US\$45 million (equating to US\$0.42 per share) to shareholders on record as at 19 February 2021. These interim financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, 'Events after the reporting period' and IAS 1, 'Presentation of financial statements'.

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