



Appendix 4D

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

**HALF YEAR ENDED
31 DECEMBER 2023**





Zimplats Holdings Limited

ARBN : 083 463 058

Australian Securities Exchange code : ZIM

Half Year Ended 31 December 2023



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

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

ASX Announcement

23 February 2024

Appendix 4D - Half Year Report



1. DETAILS OF REPORTING PERIODS

Reporting period: 1 July 2023 to 31 December 2023
 Previous reporting period: 1 July 2022 to 31 December 2022

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | | | 2023 US\$ 000 | 2022 US\$ 000 |
|--|---|--------|------------------|------------------|
| Revenue | ▼ | (32%) | 372 764 | 545 529 |
| Profit before income tax | ▼ | (94%) | 14 200 | 221 526 |
| Income tax expense | ▲ | 63% | (22 966) | (61 931) |
| (Loss)/profit for the half year attributable to shareholders | ▼ | (105%) | (8 766) | 159 595 |
| Basic/diluted earnings per share (cents) | ▼ | (95%) | (8) | 148 |
| Dividend per share (cents) | ▼ | (17%) | 92.90 | 111.49 |

Refer to the commentary on the results for the half year contained in the review of performance included within the Directors' report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the condensed consolidated financial statements for the half year ended 31 December 2023.


The condensed consolidated financial statements of Zimplats Holdings Limited (Zimplats or the Company) and its subsidiaries (together the Group) for the half year ended 31 December 2023, which have been reviewed using International Standards on Review Engagements 2410, by the independent auditor of the Company, Deloitte & Touche, and the Directors' report, have been released and are also available on the Company's website (www.zimplats.com).

This report was approved and authorised for release to the market by the board of directors of Zimplats on 30 January 2024.

3. DIVIDEND INFORMATION

- The board of directors declared a final dividend of US\$100 million (equating to 92.90 US cents per share) for the year ended 30 June 2023 which was paid on 13 September 2023. The ex-dividend and record dates for the dividend were 1 September 2023 and 4 September 2023, respectively.
- The board of directors declared a final dividend of US\$120 million (equating to US\$1.11 per share) for the year ended 30 June 2022 which was paid on 8 September 2022. The ex-dividend and record dates for the dividend were 19 August 2022 and 22 August 2022, respectively.

4. NET TANGIBLE ASSET BACKING

| | | | 2023 | 2022 |
|----------------------------------|---|----|-----------|-----------|
| Net tangible assets per security |  | 3% | US\$18.47 | US\$17.97 |

The net tangible assets include right-of-use assets and lease liabilities.

5. DETAILS OF DIVIDEND OR DISTRIBUTION REINVESTMENT PLANS

There were no dividend or distribution reinvestment plans in operation during the current and previous reporting periods.

6. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST

There are no entities over which control has been gained or lost during the period.

7. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Group has no joint venture entities or material associates. Refer to note 6 of the annual financial statements for the year ended 30 June 2023 for details of the associates held by the Group.

The Group's aggregate share of associates profit/(loss) was not material for the reporting period.

8. ACCOUNTING STANDARDS

The Group prepares its financial statements in accordance with IFRS® Accounting Standards and interpretations issued by the IFRS Interpretations Committee.

9. INTERIM REVIEW REPORT

The condensed consolidated interim financial statements for the half year ended 31 December 2023 have been reviewed by the Company's external auditors, Deloitte & Touche. The review conclusion is not modified.



Directors' report

The directors have the pleasure in presenting their report, together with the condensed consolidated interim financial statements for Zimplats Holdings Limited (Zimplats or the Company) and its subsidiaries (together the Group) for the half year ended 31 December 2023, as well as the auditors' review report for the period.

Directors

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

| | |
|-------------------------------------|---------------------------------------|
| Professor 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 |
| Chipo Mtasa | Non-executive (resigned January 2024) |
| Alec Muchadehama | Non-executive |
| Nicolaas Johannes Muller | Non-executive |
| Dr Dennis Servious Madenga Shoko | Non-executive |
| Zacharius Bernadus Swanepoel | Non-executive |

Reporting currency and rounding off of amounts

The condensed consolidated interim financial statements have been prepared in United States dollars (US\$).

In accordance with the Australian Securities and Investment Commission (ASIC) Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, amounts in the condensed consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

General Information

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).

REVIEW OF PERFORMANCE

Safety, Health and Environment

The Group retained certification for the following three management systems:

- ISO 45001:2018 – Occupational health and safety management system
- ISO 14001:2015 – Environmental management system
- ISO 9001:2015 – Quality management system.

Safety

The Group had two lost-time injuries (LTI) during the half year ended 31 December 2023, resulting in a lost-time injury frequency rate (LTIFR) of 0.18 per million-man hours against a tolerance of 0.25.

Zimplats board and management remain committed to ensuring a safe working environment for all employees and contractors.

Directors' report *(continued)*

Environment

No incidents relating to environmental non-compliance were recorded during the half year.

The Group continued with the quest to improve water stewardship with recycled water accounting for 38% of total water consumed. The Group is on course to achieve more than 40% by the end of the financial year.

Rehabilitation of the open pits and the tailings storage facilities progressed as planned during the period under review.

Operations

Ore mined during the half year increased by 5% to 4.0 million tonnes from 3.8 million tonnes for the same period last year. This was mainly due to pillar reclamation at Rukodzi Mine in addition to Mupani Mine production output which has increased from 1.1 Mtpa to 1.4 Mtpa.

Tonnes milled, at 3.9 million tonnes, increased by 6.4% compared to same period last year mainly due to Third Concentrator Plant mill volume optimisation.

Six elements (platinum, palladium, rhodium, gold, ruthenium and iridium) (6E) mill head grade at 3.34g/t was marginally lower compared to 3.39g/t achieved same period last year due to increased contribution of ore from lower grade mines.

6E production increased by 9% to 327 810 ounces from 300 738 ounces in the same period last year mainly due to the increase in the milled tonnage.

-
- Mtpa refers to million tonnes per annum
 - g/t refers to grams per tonne



Directors' report *(continued)*

Production

The table below shows the total metal production

| Metal | Half year ended 31 December 2023 | Half year ended 31 December 2022 | Variance | Year ended 30 June 2023 |
|--------------------|-------------------------------------|-------------------------------------|-----------|----------------------------|
| Platinum (ounces) | 151 170 | 138 292 | 9% | 282 043 |
| Palladium (ounces) | 127 474 | 117 402 | 9% | 237 741 |
| Gold (ounces) | 17 274 | 15 632 | 11% | 31 790 |
| Rhodium (ounces) | 12 605 | 11 527 | 9% | 23 394 |
| Ruthenium (ounces) | 12 955 | 11 995 | 8% | 24 281 |
| Iridium (ounces) | 6 332 | 5 889 | 8% | 11 977 |
| 6E (ounces) | 327 810 | 300 738 | 9% | 611 226 |
| Silver (ounces) | 25 934 | 22 370 | 16% | 56 728 |
| Nickel (tonnes) | 3 050 | 2 862 | 7% | 5 787 |
| Copper (tonnes) | 2 336 | 2 131 | 10% | 4 354 |
| Cobalt (tonnes) | 51 | 38 | 34% | 92 |

Sales

The table below shows the metal sales volumes

| Metal | Half year ended 31 December 2023 | Half year ended 31 December 2022 | Variance | Year ended 30 June 2023 |
|--------------------|-------------------------------------|-------------------------------------|------------|----------------------------|
| Platinum (ounces) | 147 362 | 134 072 | 10% | 277 853 |
| Palladium (ounces) | 125 434 | 114 349 | 10% | 235 493 |
| Gold (ounces) | 16 866 | 15 087 | 12% | 31 387 |
| Rhodium (ounces) | 12 961 | 11 840 | 9% | 24 570 |
| Ruthenium (ounces) | 11 882 | 11 165 | 6% | 23 134 |
| Iridium (ounces) | 5 691 | 5 238 | 9% | 10 866 |
| 6E (ounces) | 320 196 | 291 751 | 10% | 603 303 |
| Silver (ounces) | 31 379 | 28 748 | 9% | 61 929 |
| Nickel (tonnes) | 3 051 | 2 888 | 6% | 5 917 |
| Copper (tonnes) | 2 333 | 2 130 | 10% | 4 434 |
| Cobalt (tonnes) | 50 | 44 | 14% | 91 |

Directors' report (continued)

Metal Prices

Average prices for most of the metals declined, except for gold, iridium, silver and copper which improved compared to the same period last year as shown in the table below:

| Metal | Half year ended 31 December 2023 | Half year ended 31 December 2022 | Variance | Year ended 30 June 2023 |
|------------------------|-------------------------------------|-------------------------------------|----------|----------------------------|
| Platinum (US\$/ounce) | 923 | 929 | (1%) | 970 |
| Palladium (US\$/ounce) | 1 169 | 2 008 | (42%) | 1 758 |
| Gold (US\$/ounce) | 1 953 | 1 729 | 13% | 1 831 |
| Rhodium (US\$/ounce) | 3 912 | 13 171 | (70%) | 10 811 |
| Ruthenium (US\$/ounce) | 374 | 421 | (11%) | 410 |
| Iridium (US\$/ounce) | 4 370 | 3 521 | 24% | 3 853 |
| Silver (US\$/ounce) | 23 | 20 | 15% | 22 |
| Nickel (US\$/tonne) | 18 767 | 23 690 | (21%) | 23 957 |
| Copper (US\$/tonne) | 8 262 | 7 873 | 5% | 8 288 |
| Cobalt (US\$/tonne) | 15 | 24 | (38%) | 20 |

Financial

- Revenue at US\$372.8 million was 32% lower than prior year comparative period as average US\$ metal prices softened during the period. Gross revenue per 6E ounce sold for the period declined by 38% to US\$1 164 from US\$1 870. Sales volumes of 6E ounces were 10% higher at 320 196 ounces compared to 291 751 in the prior period.
- Cost of sales at US\$342 million was 8% higher than the same period last year's US\$315.6 million. Consequently, gross profit margin was 8%, a 34% reduction from 42% achieved in the same period last year mainly due to the impact of higher than budget operating cost per 6E ounce in the current period.
- Cash operating cost per 6E ounce produced at US\$829, increased by 1% from the US\$822 reported in the same period last year mainly driven by local inflation and increase in labour headcount due to introduction of Third concentrator plant and pillar reclamation.

Resultantly, profit before income tax for the period at US\$14.2 million was 94% lower than US\$221.5 million recorded in the same period last year. Income tax for the half year at US\$23 million (2022: US\$61.9 million) was below prior year comparative period mainly due to lower profit before tax. However this was largely offset by the increase in deferred tax expense following the change in corporate income tax rate from 24.72% to 25.75% which resulted in loss after tax for the period of US\$8.8 million compared to a profit after tax of US\$159.6 million achieved in the same period last year.

The Group generated net cash inflows from operating activities amounting to US\$70.1 million (2022: US\$163.7 million) and paid dividends of US\$100 million (2022: US\$120 million). The Group made a draw down from the Standard Bank of South Africa Borrowing Base Facility (US\$35 million) during the six months to December 2023.

The cash and cash equivalents balance as at 31 December 2023 was US\$71.9 million (30 June 2023: US\$253.6 million and 31 December 2022: US\$293.9 million).

Directors' report *(continued)*

CAPITAL PROJECTS

The Group's capital projects programme for the half year under review focused on the following:

Maintaining Current Production Levels through Mine Replacements and Upgrades

The development and upgrade of Mupani Mine (the replacement for Ngwarati, Rukodzi and part of Mupfuti mine), is on schedule. Mupani Mine targets a production capacity of 3.6 million tonnes per annum in August 2028. A total of US\$291 million had been spent on this project as at 31 December 2023 against an approved project budget of US\$386 million. The upgrading of Bimha Mine is progressing well, having achieved nominal production capacity of 3.1 million tonnes per annum. The mine upgrade is part of the replacement of production capacity from Mupfuti Mine which is scheduled for depletion in 2027. A total of US\$77 million had been spent on this project as at 31 December 2023 against an approved project budget of US\$82 million.

Expanding Production Levels through Growth Projects

The smelter expansion project implementation continued with on site construction and delivery of manufactured equipment in the half year under review. The project targets a capacity of 380 000 tonnes of concentrates (about 538 000 6E ounces). The sulphur dioxide (SO₂) abatement project has progressed well with significant offsite equipment manufacture being complete. As at 31 December 2023, a total of US\$295.9 million (inclusive of US\$75.9 million in prepayments) had been spent on both projects against an approved budget of US\$521 million.

Refurbishing the Mothballed Base Metals Refinery

The refurbishment of the mothballed base metals refinery (BMR) at SMC progressed well with a focus on early onsite construction activities, procurement of long lead equipment and metallurgical test work. The BMR targets a capacity of 5 200 tonnes of nickel equivalent to current production volumes. As at 31 December 2023, US\$18.5 million had been spent on the project, against a project budget of US\$190 million.

185 MW Solar Plant Investment

The Solar PV Plant Phase 1A was approved by the board in March 2022. The project is planned to deliver a power output capacity of 35MWac against a total output capacity of 185MWac planned across four project implementation phases. The project has an authorized capital budget of US\$37 million. Onsite construction and equipment deliveries are in progress with a cumulative US\$35 million (inclusive of US\$19.7 million in prepayments) committed as at 31 December 2023.

Directors' report *(continued)*

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any other subsequent events which materially impact the condensed consolidated interim financial statements.

OUTLOOK

The operating environment characterised by softening metal prices has affected the financial performance in the period under review. In response the company has instituted a number of survival strategies with stringent measures to contain costs and preserve cash. We remain focused, committed and determined to ensuring the overall success of the business.

In addition, the Group's focus on safety remains unwavering and we continue to invest in resources and technologies to ensure achievement of our zero-harm goal.



Alex Mhembere
Chief Executive Officer

26 February 2024



Approval of the condensed consolidated interim financial statements For the half year ended 31 December 2023

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 condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The condensed consolidated interim financial statements have been prepared under the supervision of the chief finance officer, Patricia Zvandasara, FCA (Z), CA (SA).

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 condensed consolidated 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 15 to 31 have been approved by the Board of Directors and are signed on its behalf by:



A Mhembere
Chief Executive Officer



P Zvandasara
Chief Finance Officer

26 February 2024





ZIMPLATS

Member of the Implats Group

Condensed consolidated interim financial statements



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 2023 and the related condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the six month period ended 31 December 2023 and a summary of material accounting policy information 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 the requirements of the Guernsey Companies Act.

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 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." 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 2023, 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" and the requirements of the Guernsey Companies Act.

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

26 February 2024



Condensed consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2023

| | Notes | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|--|-------|--|--|--|
| Revenue | 6 | 372 764 | 545 529 | 962 290 |
| Cost of sales | 7 | (341 968) | (315 606) | (651 927) |
| Gross profit | | 30 796 | 229 923 | 310 363 |
| Administrative expenses | | (2 210) | (1 983) | (6 713) |
| Other income | 8 | 166 | 641 | 459 |
| Other expenses | 9 | (1 892) | (995) | (1 547) |
| Finance income | 10 | 1 375 | 575 | 4 128 |
| Finance cost | 11 | (1 415) | (1 261) | (2 569) |
| Net foreign currency exchange transactions losses | 12 | (12 115) | (5 374) | (17 273) |
| Share of loss of equity-accounted entities | | (505) | - | - |
| Profit before income tax | | 14 200 | 221 526 | 286 848 |
| Income tax expense | 13 | (22 966) | (61 931) | (81 382) |
| (Loss)/profit for the period | | (8 766) | 159 595 | 205 466 |
| Other comprehensive (loss)/income for the period, net of tax | | - | - | - |
| Total comprehensive (loss)/income for the period | | (8 766) | 159 595 | 205 466 |
| Earnings per share from continuing operations attributable to owners of the parent during the period: | | | | |
| Basic earnings per share (cents) | 19 | (8) | 148 | 191 |
| Diluted earnings per share (cents) | 19 | (8) | 148 | 191 |

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

Condensed consolidated statement of financial position

As at 31 December 2023

| | Notes | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|--|-------|---|--|---|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 14 | 1 734 045 | 1 598 796 | 1 484 076 |
| Investments in equity-accounted entities | | 1 924 | 2 430 | 1 006 |
| Loans receivable | | 8 548 | 7 872 | 5 132 |
| Prepayments | 16 | - | 5 189 | - |
| | | 1 744 517 | 1 614 287 | 1 490 214 |
| Current assets | | | | |
| Inventories | 15 | 124 995 | 122 754 | 130 859 |
| Prepayments | 16 | 176 396 | 177 980 | 173 507 |
| Trade and other receivables | | 295 600 | 298 658 | 394 860 |
| Current tax receivable | | 6 046 | 5 486 | - |
| Cash and cash equivalents | 17 | 97 450 | 253 594 | 293 919 |
| | | 700 487 | 858 472 | 993 145 |
| Total assets | | 2 445 004 | 2 472 759 | 2 483 359 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | | 10 763 | 10 763 | 10 763 |
| Share premium | | 89 166 | 89 166 | 89 166 |
| Retained earnings | | 1 671 533 | 1 780 299 | 1 834 426 |
| | | 1 771 462 | 1 880 228 | 1 934 355 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Provision for environmental rehabilitation | | 18 955 | 19 422 | 26 080 |
| Deferred tax | | 435 126 | 412 835 | 371 508 |
| Borrowings | 18 | 1 534 | 2 516 | 3 462 |
| Share-based compensation | | 834 | 1 523 | 1 485 |
| | | 456 449 | 436 296 | 402 535 |
| Current liabilities | | | | |
| Trade and other payables | | 151 897 | 147 280 | 114 386 |
| Current tax payable | | 121 | - | 19 684 |
| Borrowings | 18 | 37 284 | 2 284 | 2 284 |
| Share-based compensation | | 2 257 | 6 671 | 10 115 |
| Bank overdraft | 17 | 25 534 | - | - |
| | | 217 093 | 156 235 | 146 469 |
| Total equity and liabilities | | 2 445 004 | 2 472 759 | 2 483 359 |

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

Condensed consolidated statement of changes in equity

For the half year ended 31 December 2023

| GROUP | Share capital US\$ 000 | Share premium US\$ 000 | Retained earnings US\$ 000 | Total US\$ 000 |
|--|---------------------------------------|---------------------------------------|---|---------------------------|
| Balance as at 1 July 2023 | 10 763 | 89 166 | 1 780 299 | 1 880 228 |
| Total comprehensive income for the period | - | - | (8 766) | (8 766) |
| Loss for the period | - | - | (8 766) | (8 766) |
| Other comprehensive income for the period | - | - | - | - |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends paid (note 24) | - | - | (100 000) | (100 000) |
| Balance as at 31 December 2023 (Reviewed) | 10 763 | 89 166 | 1 671 533 | 1 771 462 |
| Balance as at 1 July 2022 | 10 763 | 89 166 | 1 794 833 | 1 894 762 |
| Total comprehensive income for the period | - | - | 205 466 | 205 466 |
| Profit for the period | - | - | 205 466 | 205 466 |
| Other comprehensive income for the period | - | - | - | - |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends paid (note 24) | - | - | (220 000) | (220 000) |
| Balance as at 30 June 2023 (Audited) | 10 763 | 89 166 | 1 780 299 | 1 880 228 |
| Balance as at 1 July 2022 | 10 763 | 89 166 | 1 794 833 | 1 894 762 |
| Total comprehensive income for the period | - | - | 159 595 | 159 595 |
| Profit for the period | - | - | 159 595 | 159 595 |
| Other comprehensive income for the period | - | - | - | - |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends paid (note 24) | - | - | (120 000) | (120 000) |
| Balance as at 31 December 2022 (Reviewed) | 10 763 | 89 166 | 1 834 428 | 1 934 357 |

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 2023

| | Notes | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|--|-------|--|--|--|
| Cash flows from operating activities | | | | |
| Net cash generated from operations | 20 | 72 812 | 199 380 | 499 267 |
| Finance costs paid | | (854) | (291) | (629) |
| Share-based compensation payments | | (151) | (7 363) | (7 542) |
| Payments made for environmental rehabilitation | | (1 251) | (894) | (2 036) |
| Income taxes and withholding taxes paid | | (398) | (27 129) | (31 311) |
| Net cash inflow from operating activities | | 70 158 | 163 703 | 457 749 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | | (193 966) | (125 553) | (304 263) |
| Decrease/(increase) in deposits on property, plant and equipment | | 7 608 | (41 662) | (74 743) |
| Proceeds from disposal of property, plant and equipment | | 27 | 260 | 448 |
| Investments in equity-accounted entities | | - | (303) | (1 728) |
| Loans to equity-accounted entities | | (676) | (2 974) | (5 802) |
| Finance income received | | 1 375 | 575 | 4 128 |
| Net cash outflow from investing activities | | (185 632) | (169 657) | (381 960) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | | 35 000 | - | - |
| Repayments of lease liabilities | 18 | (981) | (1 036) | (1 982) |
| Dividends paid | 24 | (100 000) | (120 000) | (220 000) |
| Net cash outflow from financing activities | | (65 981) | (121 036) | (221 982) |
| Net decrease in cash and cash equivalents | | (181 455) | (126 990) | (146 193) |
| Cash and cash equivalents at beginning of the year | | 253 594 | 377 975 | 377 975 |
| Reclassification from trade and other receivables* | | - | 43 106 | 22 037 |
| Exchange losses on cash and cash equivalents | | (223) | (172) | (225) |
| Cash and cash equivalents at the end of the year | 17 | 71 916 | 293 919 | 253 594 |

*Amounts held with Reserve bank of Zimbabwe (RBZ) were reclassified from trade and other receivables to cash and cash equivalents (June 2023: US\$22 million; December 2022: US\$43.1 million).

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 2023

1 GENERAL INFORMATION

Zimplats Holdings Limited (the Company) is a public company domiciled in Guernsey, Channel Islands and listed on the Australian Securities Exchange (ASX). The condensed consolidated interim financial statements for the half year ended 31 December 2023 comprise of 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 the annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2023 which were prepared in accordance with IFRS Accounting Standards 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.

Sustainability and climate change-related disclosures

Zimplats adheres to existing legislation and financial reporting framework. The Group additionally notes the current developments in corporate sustainability reporting, particularly in relation to their financial impact. Zimplats supports the work of the IFRS International Sustainability Standards Board (ISSB) toward achieving this goal through its published sustainability disclosure standards, whose impact on the Group is currently being evaluated.

Climate change and other sustainability-related matters have been considered to the extent that these have materially impacted the carrying amounts of assets and liabilities, cash flows or the related estimates and judgements contained in the financial statements and have been disclosed in the relevant notes and Sustainability Matters section of the Integrated annual report.

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

The following foreign currency exchange rates were used to prepare the condensed consolidated interim financial statements:

| | Half year ended 31 December 2023 Reviewed | Half year ended 31 December 2022 Reviewed | Year ended 30 June 2023 Audited |
|---------------------------------------|--|--|--|
| US\$/ZAR (South African rand) | | | |
| Period-end rate | 18.36 | 17.04 | 18.85 |
| Average rate | 18.56 | 17.37 | 17.89 |
| US\$/ZWL\$ (Zimbabwean dollar) | | | |
| Period-end rate | 6 192.40 | 684.33 | 5 769.13 |
| Average rate | 5 395.30 | 599.33 | 1 305.52 |

3 MATERIAL ACCOUNTING POLICIES

The principal accounting policies and methods used by the Group are consistent with those of the most recent annual financial statements, except for changes due to the adoption of new or revised IFRS Accounting Standards. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes where necessary.

4 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 expense. 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 2023.

5 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.

Notes to the condensed consolidated interim financial statements *(continued)*

For the half year ended 31 December 2023

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. The Group has one customer, Impala Platinum Limited.

| | Half year ended 31 December 2023 US\$ 000 Reviewed | Half year ended 31 December 2022 US\$ 000 Reviewed | Year ended 30 June 2023 US\$ 000 Audited |
|--|---|---|---|
| 6 REVENUE | | | |
| Revenue from contracts with customers | 399 326 | 554 259 | 1 054 365 |
| Revenue from movements in commodity prices | (26 562) | (8 730) | (92 075) |
| | 372 764 | 545 529 | 962 290 |
| The Group derives its revenue from the following metal products: | | | |
| Palladium | 117 344 | 200 690 | 340 652 |
| Platinum | 36 078 | 113 686 | 240 980 |
| Rhodium | 118 983 | 129 619 | 169 279 |
| Nickel | 38 871 | 54 312 | 102 888 |
| Gold | 29 727 | 22 956 | 51 840 |
| Copper | 13 540 | 11 396 | 25 626 |
| Iridium | 15 192 | 10 216 | 25 054 |
| Ruthenium | 2 683 | 2 340 | 5 309 |
| Cobalt | 140 | 143 | 275 |
| Silver | 206 | 171 | 387 |
| | 372 764 | 545 529 | 962 290 |

Notes to the condensed consolidated interim financial statements (*continued*) For the half year ended 31 December 2023

Accounting Policy

The group sells white matte or concentrate which primarily consists of platinum, palladium, rhodium, iridium, ruthenium and associated metals (nickel, gold, copper, cobalt, and silver). The products are sold to one customer, Impala Platinum Limited ('Impala'), a fellow subsidiary in South Africa, under the terms of a contract. Performance obligations included in the sales contract are assessed to allocate the transaction price to the performance obligation in order to determine revenue to be recognised.

Revenue from contracts with customers

Revenue from the sale of white matte and concentrate is recognised when the product has been delivered to Impala where it is subjected to further processing in accordance with contractual terms. This is the point at which the performance obligation is satisfied and a receivable is recognised as the consideration is unconditional and only the passage of time is required before payment is due. No element of financing is present due to short term nature of group contracts and credit terms are consistent with market practice. Prices of the individual extracted metals are based on observable spot prices. Quantities of the metals contained in the white matte and concentrate are obtained from the assay report results from both the Group and Impala and agreed by the two parties.

Revenue from movements in commodity prices

The sales price is determined on a provisional basis at the date of the sale, with adjustments made to the sale price based on the movements in quoted market prices up to the date of final pricing.

Areas of judgement and estimates

Significant judgements made in applying IFRS 15 to contracts with customers

The group recognised revenue for the half year ended 31 December 2023 amounting to US\$372.8 million (December 2022: US\$545.5 million, year ended June 2023: US\$962.3 million) for metal sales to Impala. Sales to Impala are governed by a contract which stipulates when payments are to be received and the prices to be effected. During the course of the year, assays performed by the group are compared against those done by Impala and averages for both parties are used to determine sales volume. The Group believes that, based on past experience, these assays will not vary significantly.

At period end, deliveries to Impala for which actual prices are not yet certain are valued using average metal prices for the month of December 2023. Appropriate adjustments will be made in the following period when they fall due for payment. Total sales for the period comprise current period sales and prior period pipeline sales adjustments.

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

| | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|---|---|---|--|
| 7 COST OF SALES | | | |
| Mining operations | 142 325 | 127 898 | 262 885 |
| Processing operations | 82 790 | 71 808 | 148 679 |
| Depreciation | 58 912 | 51 625 | 109 199 |
| Mineral royalties | 18 047 | 23 829 | 37 907 |
| Insurance | 5 228 | 5 788 | 11 498 |
| Information, communication and technology | 6 422 | 5 651 | 10 534 |
| Other costs | 28 244 | 29 007 | 71 225 |
| | 341 968 | 315 606 | 651 927 |
| 8 OTHER INCOME | | | |
| Gain on disposal of property, plant and equipment | - | 7 | 7 |
| Scrap sales | 147 | 323 | 452 |
| Other income | 19 | 311 | - |
| | 166 | 641 | 459 |
| 9 OTHER EXPENSES | | | |
| Care and maintenance costs for Hartley Platinum Mine | 1 892 | 995 | 1 538 |
| Other expenses | - | - | 9 |
| | 1 892 | 995 | 1 547 |
| 10 FINANCE INCOME | | | |
| Interest earned on cash and cash equivalents | 1 374 | 575 | 4 119 |
| Other finance income | 1 | - | 9 |
| | 1 375 | 575 | 4 128 |
| 11 FINANCE COSTS | | | |
| Interest expense on bank overdraft and borrowings | 693 | 206 | 348 |
| Borrowing costs capitalised (note 14) | (222) | - | - |
| Unwinding of the rehabilitation provision | 783 | 970 | 1 940 |
| Interest expense on leases (note 18) | 161 | 85 | 281 |
| | 1 415 | 1 261 | 2 569 |
| 12 NET FOREIGN EXCHANGE TRANSACTIONS | | | |
| Other receivables (mainly value added tax) | 6 947 | 8 457 | 24 761 |
| Trade and other payables | 2 517 | (1 248) | (3 756) |
| Current income tax receivable/(payable) | 2 430 | (2 069) | (3 957) |
| Cash and cash equivalents | 221 | 234 | 225 |
| | 12 115 | 5 374 | 17 273 |

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

| | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|--|---|---|--|
| 13 INCOME TAX EXPENSE | | | |
| Corporate tax: | 675 | 28 393 | 6 517 |
| - Current year | 392 | 26 747 | 4 872 |
| - Adjustment in respect of prior years | 283 | 1 646 | 1 645 |
| Withholding tax | - | 14 250 | 14 250 |
| Total current tax | 675 | 42 643 | 20 767 |
| Deferred tax | 22 291 | 19 288 | 60 615 |
| - Temporary differences | 5 090 | 30 135 | 71 462 |
| - Adjustment in respect of prior years | - | (10 847) | (10 847) |
| - Change in tax rate | 17 201 | - | - |
| Income tax expense | 22 966 | 61 931 | 81 382 |

The statutory tax rate of the Group's main operating subsidiary went up to 25.75% (2023: 24.72%) resulting in a US\$17 million increase in deferred tax liability.

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|---|---|--|---|
| 14 PROPERTY, PLANT AND EQUIPMENT | | | |
| Carrying value - opening balance | 1 598 796 | 1 404 612 | 1 404 612 |
| Additions | 193 966 | 304 263 | 125 553 |
| Environmental rehabilitation asset adjustment | - | (6 486) | - |
| Borrowing costs capitalised (note 11) | 222 | - | - |
| Right-of-use assets capitalised | - | 6 048 | 6 047 |
| Disposals | (6 268) | (49 183) | (31 304) |
| Accumulated depreciation on disposals | 6 241 | 48 741 | 31 050 |
| Depreciation charge | (58 912) | (109 199) | (51 882) |
| Carrying value - closing balance | 1 734 045 | 1 598 796 | 1 484 076 |

Right-of-use assets

Included in property, plant and equipment are right-of-use assets, namely, mobile equipment with a carrying amount of US\$3.6 million (June 2023: US\$4.5 million, December 2022: US\$5.7 million) and land and buildings with a carrying amount of US\$0.1 million (June 2023: US\$0.1 million, December 2022: US\$0.1 million) arising from leases capitalised.

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|--|---|--|---|
| Commitments in respect of property, plant and equipment | | | |
| Commitments contracted for | 368 286 | 481 589 | 387 025 |
| Approved capital expenditure not yet contracted | 324 528 | 392 129 | 607 991 |
| | 692 813 | 873 718 | 995 016 |
| Less than one year | 203 556 | 319 492 | 453 429 |
| Between one and five years | 489 258 | 554 226 | 541 587 |
| | 692 813 | 873 718 | 995 016 |

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

The Group had a US\$40 million revolving borrowing base facility with Standard Bank South Africa at 31 December 2023. Refer to note 18 for draw down on facility disclosure.

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

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|--|---|--|---|
| 15 INVENTORIES | | | |
| Ore, concentrate and matte stocks | 33 028 | 29 652 | 40 649 |
| Consumables | 98 262 | 99 397 | 94 502 |
| | 131 290 | 129 049 | 135 151 |
| Less: provision for obsolete consumables | (6 295) | (6 295) | (4 292) |
| | 124 995 | 122 754 | 130 859 |

The movement in the provision for obsolete consumables is as follows:

| | | | |
|---|--------------|--------------|--------------|
| At the beginning of the period | 6 295 | 4 292 | 4 292 |
| Charged to the income statement during the period | - | 2 003 | - |
| At the end of the period | 6 295 | 6 295 | 4 292 |

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|---|---|--|---|
| 16 PREPAYMENTS | | | |
| Deposits on property, plant and equipment | 132 710 | 140 318 | 107 237 |
| Consumables and other operating expenditure | 39 843 | 42 804 | 61 826 |
| Insurance premiums | 3 843 | 47 | 4 444 |
| | 176 396 | 183 169 | 173 507 |
| Current | 176 396 | 177 980 | 173 507 |
| Non-current | - | 5 189 | - |
| | 176 396 | 183 169 | 173 507 |

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|--|---|--|---|
| 17 CASH AND CASH EQUIVALENTS | | | |
| Cash at bank | 97 422 | 253 576 | 293 905 |
| Cash on hand | 28 | 18 | 14 |
| | 97 450 | 253 594 | 293 919 |
| Cash and balances with banks | | | |
| Bank overdraft | (25 534) | - | - |
| Cash and cash equivalents | 71 916 | 253 594 | 293 919 |
| Cash and cash equivalents are denominated in US\$ except the net exposures to foreign currency detailed below: | | | |
| Balances - Zimbabwean dollars (ZWL) | 11 272 | 9 970 | 9 690 |
| Balances - Australian dollars (AUD) | 62 | 45 | 60 |

The Group has a US\$35 million overdraft facility with Stanbic Bank Zimbabwe. The overdraft is unsecured with a tenor of 12 months and bears an interest of 8% per annum.

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|---|---|--|---|
| 18 BORROWINGS | | | |
| Non-current | | | |
| Lease liabilities (note 18.2) | 1 534 | 2 516 | 3 462 |
| Current | | | |
| Lease liabilities (note 18.2) | 2 284 | 2 284 | 2 284 |
| Bank borrowing (note 18.1) | 35 000 | - | - |
| | 37 284 | 2 284 | 2 284 |
| Total | 38 818 | 4 800 | 5 746 |
| The movement in borrowings is as follows: | | | |
| At the beginning of the period | | | |
| Lease liabilities | 4 800 | 734 | 734 |
| Leases capitalised | - | 6 048 | 6 048 |
| Bank borrowing | 35 000 | - | - |
| Interest accrued: | 383 | 281 | 85 |
| Lease liabilities | 161 | 281 | 85 |
| Borrowing costs | 222 | - | - |
| Repayments: | (1 365) | (2 263) | (1 121) |
| Capital | (981) | (1 982) | (1 036) |
| Interest | (384) | (281) | (85) |
| At the end of the period | 38 818 | 4 800 | 5 746 |

Notes to the condensed consolidated interim financial statements (*continued*) For the half year ended 31 December 2023

18.1 Bank Borrowings

Bank borrowings comprised US\$40 million Revolving Borrowing Base Facility with Standard Bank of South Africa Limited with a tenor of 12 months. The facility is used to mainly fund capital expenditure and any gaps in working capital. Interest is charged at Secured Overnight Financing Rate (SOFR) plus 2.85% per annum and is paid quarterly.

The Group had US\$5 million undrawn on the facility at 31 December 2023.

18.2 Leases

The Group had two leases deemed as material as at 31 December 2023, as follows:

DHI Ore and Concentrates Haulage

The Group has a contract for haulage trucks used for the transportation of ore and concentrates between Ngezi and the Selous Metallurgical Complex.

The lease contract has a period of three years from 1 November 2022 to 31 October 2025.

As at 31 December 2023, the present value of the lease liability was US\$3.7 million (30 June 2023: US\$4.7 million, 31 December 2022: US\$5.5 million) at a discount rate of 7.3%.

Old Mutual Properties - Borrowdale Office Park

The lessor and Zimplats entered into a lease agreement in which Zimplats leases premises measuring 1 146m² – situated at stand 19308, Borrowdale Office Park – 1st Floor, South block, Borrowdale, Harare for the purposes of administration offices.

The lease contract has a period of two years from 1 December 2022 to 30 November 2024. As at 31 December 2023, the present value of the lease liability was US\$0.1 million (30 June 2023: US\$0.1 million, 31 December 2022: US\$0.2 million).

19 EARNINGS PER SHARE

19.1 Basic earnings per share

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

| | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|--|---|---|---|
| (Loss)/profit attributable to equity holders of the Company (US\$ 000) | (8 766) | 159 595 | 205 466 |
| Weighted average number of ordinary shares in issue | 107 637 649 | 107 637 649 | 107 637 649 |
| Basic earnings per share (cents) | (8) | 148 | 191 |

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

| | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|--|---|---|--|
| 19.2 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 2022: nil, June 2023: nil). | | | |
| (Loss)/profit attributable to equity holders of the Company (US\$ 000) | (8 766) | 159 595 | 205 466 |
| Weighted average number of ordinary shares in issue | 107 637 649 | 107 637 649 | 107 637 649 |
| Diluted earnings per share (cents) | (8) | 148 | 191 |
| 20 CASH GENERATED FROM OPERATIONS | | | |
| Profit before income tax | 14 200 | 221 526 | 286 848 |
| Adjustments for: | | | |
| Depreciation (note 14) | 58 912 | 51 882 | 109 199 |
| Provision for obsolete inventories (note 15) | - | - | 2 003 |
| Provision for share-based compensation | (886) | 4 140 | 913 |
| Share of loss in equity-accounted entities | 505 | - | - |
| Foreign currency exchange adjustment | 6 629 | (1 259) | 1 981 |
| Gain on disposal of property, plant and equipment | - | (7) | (7) |
| Finance income (note 10) | (1 375) | (575) | (4 128) |
| Finance costs (note 11) | 1 415 | 1 261 | 2 569 |
| Changes in operating assets and liabilities | | | |
| Increase in inventories (note 15) | (2 241) | (29 163) | (23 061) |
| Increase in prepayments (note 16) | (835) | (32 143) | (8 724) |
| (Increase)/decrease in trade and other receivables | (2 118) | (1 163) | 110 180 |
| (Decrease)/increase in trade and other payables | (1 394) | (15 119) | 21 494 |
| Cash generated from operations | 72 812 | 199 380 | 499 267 |

Notes to the condensed consolidated interim financial statements (*continued*) For the half year ended 31 December 2023

21 CONTINGENCIES

Contingent liabilities

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

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 company, such difference in computation will impact the income tax expenses and liabilities in the period in which such determination is made.

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

22 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.

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

| | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|---|---|---|---|
| 22.1 Related party transactions and balances | | | |
| The following transactions were carried out with related parties: | | | |
| a) Revenue | | | |
| Sales of metal products to: Impala Platinum Limited (note 6) | 372 764 | 545 529 | 962 290 |
| b) Support services | | | |
| Services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited | 3 587 | 1 295 | 2 456 |
| Support services mainly relate to information, communication and technology systems. | | | |
| c) Amounts due from related parties | | | |
| Impala Platinum Limited: trade receivables | 249 979 | 374 604 | 275 742 |
| The amounts due from Impala Platinum Limited are due three to five months after the date of sale. The trade receivables bear no interest. | | | |
| d) Amounts due to related parties | | | |
| Impala Platinum Limited | 5 033 | 2 246 | 3 297 |
| The amounts due to Impala Platinum Limited bear no interest and they have no fixed repayment terms. | | | |
| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
| 23 FINANCIAL INSTRUMENTS | | | |
| Financial assets | | | |
| Financial assets at amortised cost | | | |
| Cash and cash equivalents | 71 916 | 253 594 | 293 919 |
| Other receivables | 18 169 | 12 357 | 50 604 |
| Loans receivable | 8 548 | 7 872 | - |
| | 98 633 | 273 823 | 344 523 |
| Financial assets at fair value through profit or loss | | | |
| Trade receivables | 249 979 | 275 742 | 331 498 |
| | 249 979 | 275 742 | 331 498 |
| Total financial assets | 348 612 | 549 565 | 676 021 |

Notes to the condensed consolidated interim financial statements (*continued*)

For the half year ended 31 December 2023

Level 1 of the fair value hierarchy - Quoted prices in active markets for the same amount

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

Level 3 of the fair value hierarchy - Inputs for the asset or liability that are unobservable

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

Included in trade and other receivables is the value added tax of US\$27.5 million (June 2023: US\$10.6 million, December 2022 US\$12.8 million) which is not classified as a financial asset.

| | 31 December 2023 US\$ 000 (Reviewed) | 30 June 2023 US\$ 000 (Audited) | 31 December 2022 US\$ 000 (Reviewed) |
|--|---|--|---|
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| Borrowings (note 18) | 38 818 | 4 800 | 5 746 |
| Trade and other payables (excluding statutory liabilities) | 136 073 | 128 814 | 96 295 |
| | 174 891 | 133 614 | 102 041 |

The carrying amounts of financial assets and financial liabilities which are not carried at fair value is a reasonable approximation of their fair value. The impact of discounting is not significant due to the short term nature of bank overdraft, trade and other payables.

| | Half year ended 31 December 2023 US\$ 000 (Reviewed) | Half year ended 31 December 2022 US\$ 000 (Reviewed) | Year ended 30 June 2023 US\$ 000 (Audited) |
|--|---|---|---|
| 24 DIVIDENDS | | | |
| Final dividend for the year ended 30 June 2023 | 100 000 | - | - |
| Interim dividend for the year ended 30 June 2023 | - | - | 100 000 |
| Final dividend for the year ended 30 June 2022 | - | 120 000 | 120 000 |
| | 100 000 | 120 000 | 220 000 |

25 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the statement of financial position date that have a bearing on the understanding of these interim financial statements.

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Dube, Manikai and Hwacha Legal Practitioners

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Australian Securities Exchange (ASX)
 ASX Code: ZIM

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1. Zimplats has a webpage, which can be viewed at www.zimplats.com. Whilst visiting our page, please register for e-mail alerts in order that you may be kept up to date with what is happening within the Company.
2. Securities exchange information and announcements can be viewed online at www.asx.com.au.
3. The ASX company code is ZIM.



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