



ASX PRELIMINARY FINAL REPORT

Appendix 4E

Zimplats Holdings Limited

ARBN: 083 463 058

Australian Securities Exchange Code: ZIM

Year ended 30 June 2024



This report was approved and authorised for release to the market by the board of directors of Zimplats Holdings Limited ('Zimplats' or the 'Company'). The report covers the consolidated entity of Zimplats and its subsidiaries (together the 'Group') and it is based on the financial statements which are in the process of being audited by Deloitte & Touche. The report is presented in United States Dollars (US\$).

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

REPORTING PERIOD

Reporting period: 1 July 2023 to 30 June 2024 (FY2024)

Comparative reporting period: 1 July 2022 to 30 June 2023 (FY2023)

		2024 US\$ 000	2023 US\$ 000
Revenue	↓ 20%	767 113	962 290
Profit before income tax	↓ 87%	37 582	286 848
Income tax expense	↓ 64%	(29 360)	(81 382)
Profit for the year attributable to shareholders	↓ 96%	8 222	205 466
Dividends paid per share (US cents)	↓ 55%	93	204

NET TANGIBLE ASSET BACKING

Net tangible asset per security (US\$ per share)	↓ 5%	16.62	17.47
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NOTES

- FY in this report refers to the financial year for the Group which ends on 30 June.
- 6E (six elements) consists of platinum, palladium, rhodium, ruthenium, iridium and gold.
- Mtpa in this report refers to million tonnes per annum.

COMMENTARY ON RESULTS

FINANCIAL

- Revenue decreased by 20% to US\$767.1 million (FY2023: US\$962.3 million) as average US dollar metal prices softened during the period. Gross revenue per 6E ounce sold (including the revaluation of pipeline debtors) declined by 20% to US\$1 196 (FY2023: US\$1 595). Sales volumes increased by 6% to 641 000 6E ounces, benefiting from higher production in the period (FY2023: 603 000 6E ounces).
- Cost of sales increased by 5% to US\$684.7 million (FY2023: US\$651.9 million) primarily due to increased production and sales volumes and a higher depreciation charge, moderated by several cost containment initiatives implemented in the period.
- Operating unit cash costs decreased by 1% to US\$829 per 6E ounce (FY2023: US\$836 per 6E ounce) benefiting from cost containment initiatives.
- Achieved gross profit margins were negatively impacted by lower revenue and contracted to 11% (FY2023: 32%), while foreign exchange losses increased to US\$35.8 million (FY2023: US\$17.2 million) driven by depreciation of the Zimbabwean Dollar (ZWL) against the US\$ from ZWL5 769 on 30 June 2023 to ZWL33 904 on 5 April 2024.

Resultantly, profit before tax declined to US\$37.6 million (FY2023: US\$286.8 million). Income tax expense at US\$29.4 million was mainly driven by an increase in deferred tax expense of US\$17.2 million following the change in corporate income tax rate from 24.72% to 25.75%. Profit after tax fell to US\$8.2 million (FY2023: US\$205.5 million).

- Free cash generation was negatively impacted by weaker prevailing PGM pricing and elevated capital expenditure during the period. US\$60 million in debt was raised, resulting in a closing cash position of US\$78.1 million (FY2023: US\$253.6 million).

DIVIDENDS

- 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.
- An interim dividend for the half year ended 31 December 2022, amounting to US\$100 million (92.9 US cents per share) was declared in February 2023 and paid on 8 March 2023.

SAFETY, HEALTH AND ENVIRONMENT

- Regrettably, the Company recorded a fatal injury due to a trackless mobile machinery accident in the period, a significant set-back against the underlying improvements in safety performance achieved in FY2024, with Zimplats achieving 3.7 million fatality free shifts prior to the accident. In total, three lost-time injuries (LTIs) were recorded (FY2023: seven) and the lost-time injury frequency rate (LTIFR) improved 62% to 0.13 per million man-hours worked (FY2023: 0.34



COMMENTARY ON RESULTS (Continued)



per million man-hours worked). Management remains committed to achieving sustainable zero harm by implementing targeted safety interventions, including using leading indicators to provide predictive warnings on potential weaknesses in critical controls, thus enabling the implementation of pre-emptive preventative actions.

- Management continues to implement international best practices and standards at all operations. The Company successfully retained certification to Environmental Management System ISO14001:2015, Occupational Health and Safety ISO45001:2018 and Quality Management System ISO9001:2015 following a third-party surveillance audit during the period.
- The use of recycled water decreased from 44% to 39% in FY2024 due to below-normal rainfall associated with the El Niño-induced drought. To augment water supplies, the volume of water abstracted from dams and underground sources increased by 15% compared to the prior reporting period.
- Zimplats rehabilitated 9.1ha of its open pit working areas during the period, in-line with the previous reporting period. A further 1.2ha area of the tailings storage facilities was revegetated as part of the concurrent rehabilitation programme underway at the operations.
- CO₂ emissions, measured per tonne of ore milled, decreased by a notable 60% to 0.021 in FY2024 (FY2023: 0.052), benefitting from the increased availability and utilisation of hydropower at the operation.
- SO₂ emissions, measured per tonne of concentrate smelted, decreased by 14% to 0.18 in FY2024 (FY2023: 0.21) reflecting a reduction in sulphur content of ore treated during the period.
- Construction of 35MW solar plant, first phase of the four-phase project is in progress at 86 percent completion. The project has now entered the testing and commissioning stage and is scheduled for grid connection in first quarter of FY2025. Subsequent phases will increase total solar power generation to 185MW.

OPERATIONS

- Mined volumes increased by 5% to 7.9 million tonnes (FY2023: 7.6 million tonnes) benefitting from increased production volumes from the replacement mines. Mined grade was negatively impacted by an increase in lower-grade development tonnages from Mupani Mine and dilution caused by traversing geological structures at the other mines, resulting in a 1% decline in the achieved 6E head grade to 3.32g/t (FY2023: 3.33g/t).
- Notable production gains were achieved across the operation with a 6% and 20% increase in volumes mined at Bimha and Mupani mines respectively as these operations ramped up to design capacity. Volumes at Mupfuti Mine declined by 4% in the period negatively impacted by trackless mining machinery availability. Production from Ngwarati Mine reduced by 20%, as the mine's primary operations were depleted with operations ceasing in June 2024. The pillar reclamation at Rukodzi Mine contributed 5% of total ore mined in FY2024, whilst ground conditions remained stable.

COMMENTARY ON RESULTS (Continued)

- Ore milled for the year at 7.9 million tonnes (FY2023: 7.5 million tonnes), increased by 6% mainly due to additional tonnage from the third concentrator plant which ran for a full year compared to nine months in prior year, in addition to higher milling rates. 6E production increased by 6% to 646 000 ounces from 611 000 ounces in prior year.

CAPITAL PROJECTS

- Zimplats is progressing a series of stay-in-business, mine replacement and expansion projects and, consequently, capital project spending increased by 45% to US\$440 million (FY2023: US\$304 million).
- Development of Mupani Mine, which will provide replacement volumes for Rukodzi Mine (depleted in June 2022) and Ngwarati Mine (depleted in June 2024), remains on schedule with total cumulative expenditure of US\$325 million. Mupani Mine is scheduled to achieve production of 2.2Mtpa in FY2025 (attaining full replacement of the depleted Rukodzi and Ngwarati mines) while design capacity production of 3.6Mtpa is planned for FY2029.
- The Bimha Mine upgrade was completed during the year, increasing Bimha's design capacity to 3.1Mtpa (from 2.0Mtpa), with a total of US\$82 million spent on the project. The Mine will partly replace tonnage from Mupfuti Mine, which is forecast to deplete in FY2028.
- A total of US\$387 million has been spent on the smelter expansion and SO₂ abatement plant project, against a total budget of US\$544 million. The expanded smelter, incorporating the new 38MW furnace, will increase smelting capacity to more than one million ounces of 6E in converter matte per annum. Commissioning of the expanded smelter is scheduled for H1 FY2025.
- US\$36 million has been spent on the implementation of the 35MW solar power plant project against a budget of US\$37 million. The plant will be commissioned in the Q1 FY2025.
- A total of US\$28 million of the budgeted US\$190 million has been spent to date on refurbishing the mothballed base metal refinery at Selous.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 US\$ 000	30 June 2023 US\$ 000
Revenue	4	767 113	962 290
Cost of sales	5	(684 744)	(651 927)
Gross profit		82 369	310 363
Administrative expenses		(3 560)	(6 713)
Other income		376	459
Other expenses		(4 755)	(1 547)
Finance income		3 191	4 128
Finance costs		(3 691)	(2 569)
Net foreign currency exchange transactions losses	6	(35 780)	(17 273)
Share of loss of equity-accounted entities		(568)	-
Profit before income tax		37 582	286 848
Income tax expense		(29 360)	(81 382)
Profit for the year		8 222	205 466
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		8 222	205 466
Earnings per share from continuing operations attributable to owners of the parent during the year:			
Basic earnings per share (cents)		8	191
Diluted earnings per share (cents)		8	191

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	2024 US\$ 000	2023 US\$ 000
ASSETS			
Non-current assets			
Property, plant and equipment	7	1 922 120	1 598 796
Investments in equity-accounted entities	8	2 062	2 430
Loans receivable	9	8 989	7 872
Prepayments		-	5 189
		1 933 171	1 614 287
Current assets			
Inventories		108 752	122 754
Prepayments		90 318	177 980
Trade and other receivables	10	282 565	298 658
Current tax receivable		5 424	5 486
Cash and cash equivalents		78 062	253 594
		565 121	858 472
Total assets		2 498 292	2 472 759
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital		10 763	10 763
Share premium		89 166	89 166
Retained earnings		1 688 521	1 780 299
		1 788 450	1 880 228
LIABILITIES			
Non-current liabilities			
Provision for environmental rehabilitation		22 665	19 422
Deferred tax		441 086	412 835
Borrowings		517	2 516
Share based compensation		961	1 523
		465 229	436 296
Current liabilities			
Trade and other payables		179 476	147 280
Borrowings		62 284	2 284
Share based compensation		2 853	6 671
		244 613	156 235
Total equity and liabilities		2 498 292	2 472 759

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

GROUP	Share capital US\$ 000	Share premium US\$ 000	Retained earnings US\$ 000	Total US\$ 000
Balance as at 1 July 2022	10 763	89 166	1 794 833	1 894 762
Total comprehensive income for the year	-	-	205 466	205 466
Profit for the year	-	-	205 466	205 466
Other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(220 000)	(220 000)
Balance as at 30 June 2023	10 763	89 166	1 780 299	1 880 228
Balance as at 1 July 2023	10 763	89 166	1 780 299	1 880 228
Total comprehensive income for the year	-	-	8 222	8 222
Profit for the year	-	-	8 222	8 222
Other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(100 000)	(100 000)
Balance as at 30 June 2024	10 763	89 166	1 688 521	1 788 450

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024 US\$ 000	30 June 2023 US\$ 000
Cash generated from operations			
Net cash generated from operations	11	217 540	489 689
Finance costs paid		(4 638)	(629)
Income taxes and withholding taxes paid		(434)	(31 311)
Net cash inflow from operating activities		212 468	457 749
Cash flows from investing activities			
Capital expenditure net of changes in prepayments on property, plant and equipment		(349 987)	(379 006)
Purchase of property, plant and equipment	7	(439 527)	(304 263)
Decrease/(increase) in prepayments on property, plant and equipment		89 540	(74 743)
Proceeds from disposal of property, plant and equipment		3 676	448
Investments in equity-accounted entities		(200)	(1 728)
Loans to equity-accounted entities		(1 117)	(5 802)
Finance income received		2 126	4 128
Net cash outflow from investing activities		(345 502)	(381 960)
Cash flows from financing activities			
Proceeds from borrowings		60 000	-
Repayments of lease liabilities		(1 999)	(1 982)
Dividends paid		(100 000)	(220 000)
Net cash outflow from financing activities		(41 999)	(221 982)
Net decrease in cash and cash equivalents		(175 033)	(146 193)
Cash and cash equivalents at beginning of the year		253 594	377 975
Reclassification from trade and other receivables		-	22 037
Exchange losses on cash and cash equivalents		(499)	(225)
Cash and cash equivalents at the end of the year		78 062	253 594

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. ACCOUNTING POLICIES, ESTIMATION METHODS AND MEASUREMENT BASIS

The Group prepares its financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

2. 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 year.

3. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Group has no joint venture entities but invested in associates.

4. REVENUE

Revenue from contracts with customers
Revenue from movements in commodity prices

	2024 US\$ 000	2023 US\$ 000
	792 024	1 054 365
	(24 911)	(92 075)
	767 113	962 290
The Group derives its revenue from the following metal products:		
Palladium	220 705	340 652
Rhodium	90 998	169 279
Platinum	246 048	240 980
Nickel	79 996	102 888
Gold	64 543	51 840
Iridium	29 720	25 054
Copper	29 389	25 626
Ruthenium	4 984	5 309
Silver	477	387
Cobalt	253	275
	767 113	962 290

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

	2024 US\$ 000	2023 US\$ 000
5. COST OF SALES		
Mining operations	283 146	262 885
Employee benefit expenses	69 986	66 190
Materials and other mining costs	197 460	185 574
Utilities	15 700	11 121
Concentrating and smelting operations	164 418	148 679
Employee benefit expenses	19 878	19 176
Materials and consumables	78 738	76 884
Utilities	65 802	52 619
Depreciation	118 466	109 060
Movement in ore, concentrate and matte stocks	(1 105)	4 402
Shared services	76 488	81 027
Employee benefit expenses	36 313	38 228
Insurance	10 402	11 498
Information, communication and technology	11 082	10 534
Selling and distribution expenses	11 051	9 864
Other costs	7 640	10 903
Mineral royalty	37 183	37 907
Export commission expense	6 148	7 967
	684 744	651 927
6. NET FOREIGN EXCHANGE TRANSACTIONS		
Unrealised foreign exchange (gains)/losses on the translation of the monetary assets and liabilities (net):	1 966	1 980
Trade and other receivables	394	6 844
Trade and other payables	(1 530)	(4 819)
Current income tax liabilities	2 603	(270)
Cash and cash equivalents	499	225
Realised foreign exchange losses/(gains) on translation of monetary assets and liabilities (net):	33 814	15 293
Trade and other receivables	20 949	17 917
Trade and other payables	12 732	1 063
Current income tax liabilities	-	(3 687)
Cash and cash equivalents	133	-
Foreign currency exchange losses (net)	35 780	17 273
For the purposes of the statement of cash flows, the foreign currency exchange adjustment comprises of:		
Unrealised foreign currency exchange (gains)/losses (net)	(1 136)	2 025
Net foreign currency exchange loss/(gain) on current income tax liabilities	2 603	(270)
Cash and cash equivalents	499	225
	1 966	1 981

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023	
		US\$ 000	US\$ 000	
7.	PROPERTY, PLANT AND EQUIPMENT			
	Year ended 30 June 2024			
	Opening net book amount	1 598 796	1 404 612	
	Additions	439 527	304 263	
	Right of use assets capitalised	-	6 048	
	Environmental rehabilitation asset adjustment	3 568	(6 486)	
	Borrowing costs capitalised	2 512	-	
	Disposals	(50 032)	(49 183)	
	Accumulated depreciation on disposals	46 357	48 741	
	Depreciation charge	(118 608)	(109 199)	
	Closing net book amount	1 922 120	1 598 796	
8.	INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES			
		Country of	Ownership interest	
	Name	incorporation		
			2024	
			2023	
			%	
			%	
	Palmline Investments (Private) Limited	Zimbabwe	40	40
	Value Bridge Investments (Private) Limited	Zimbabwe	35	35
	Voltron Mining (Private) Limited	Zimbabwe	35	35
	Mine Support Solutions (Private) Limited	Zimbabwe	10	10
			2024	2023
			US\$ 000	US\$ 000
	Palmline Investments (Private) Limited		-	500
	Value Bridge Investments (Private) Limited		2 062	1 923
	Voltron Mining (Private) Limited		-	-
	Mine Support Solutions (Private) Limited		-	7
	Total investments in equity-accounted entities		2 062	2 430
9.	LOANS RECEIVABLE			
	Long term loans to equity-accounted entities			
	Voltron Mining (Private) Limited	1 501	1 769	
	Mine Support Solutions (Private) Limited	312	293	
	Palmline Investments (Private) Limited	7 176	5 810	
		8 989	7 872	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

	2024 US\$ 000	2023 US\$ 000
10 TRADE AND OTHER RECEIVABLES		
Trade receivables due from related parties	174 968	275 742
Statutory receivable (note 10.1)	60 169	-
Value added tax receivable	19 140	10 559
Other receivables	28 288	12 357
	282 565	298 658

10.1 Statutory receivable

Following the announcement of the 2024 Monetary Policy Statement on 5 April 2024, US\$60.2 million which was held by the Reserve Bank of Zimbabwe (RBZ) under the 25% export proceeds surrender in terms of the Exchange Control regulations, was reclassified from Cash and cash equivalents to statutory receivable. The announcement stated that outstanding payments for foreign currency surrendered to the RBZ would be converted into a ZWG denominated instrument with a tenor of 1 year at an interest rate of 7.5% per annum, resulting in their reclassification to a statutory receivable. As of reporting date the instrument had not yet been issued. No impairment was recognised in current period.

	Note	30 June 2024 US\$ 000	30 June 2023 US\$ 000
11 CASH GENERATED FROM OPERATIONS			
Profit before income tax		37 582	286 848
Adjustments for:			
Depreciation	7	118 608	109 199
Provision for obsolete inventories		(473)	2 003
Share based compensation		(4 380)	(6 629)
Payments made for environmental rehabilitation		(1 891)	(2 036)
Share of loss of equity-accounted entities		568	-
Unrealised foreign currency exchange losses		1 966	1 981
Gain on disposal of property, plant and equipment		-	(7)
Finance income		(3 191)	(4 128)
Finance costs		3 691	2 569
Changes in operating assets and liabilities			
Decrease/(Increase) in inventories		14 475	(23 061)
Decrease/(Increase) in prepayments		3 311	(8 724)
Decrease in trade and other receivables		16 764	110 180
Increase in trade and other payables		30 510	21 494
		217 540	489 689

12 CONTINGENCIES

12.1 Contingent liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

12.2 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 to the extent that disclosure does not prejudice the Group.

12.3 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. Subsequent to year end, the Supreme Court of Zimbabwe ruled in favour of ZIMRA on one of the tax matters.

The ruling did not have any financial impact as the Group has on without prejudice basis, settled the disputed liabilities involved in these cases.

13 EVENTS AFTER THE REPORTING PERIOD

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

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