



Bisichi

Interim Results

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23 August 2023

BISICHI PLC

Interim Results for the period ended 30 June 2023

For the six months ending 30th June 2023:

-- EBITDA [1]: £1.42million (2022: £22.25million)

-- Adjusted EBITDA [2]: £2.17million (2022: £22.24million)

-- Profit before tax £0.3million (2022: £21.17million)

-- EPS (basic): 3.18p loss (2022: 108.29p)

-- The decrease in group earnings in the first half of the year can be attributed to lower coal prices achievable by Sisonke Coal Processing, the Group's South African coal processing operation, as well as difficult mining conditions at Black Wattle, the Group's South African mining operation.

- Continued constraints on the South African rail network, adversely impacted Group mining revenue achieved during the period of £25.1million (H1 2022: £44.7million).

- Total mining production from Black Wattle of 354,000 metric tonnes compared to 301,000 metric tonnes in the first half of 2022, and 523,000 in the second half of that year.

- Black Wattle will open a new lower cost mining area in third quarter of 2023, with mining production expected to improve in the second half of 2023.

- An interim dividend of 3p (H1 2022: 10p) declared.

END

For further information, please call:

Andrew Heller/Garrett Casey Bisichi PLC 020 7415 5030

[1] Earnings before Interest, taxation, depreciation and amortisation.

[2] Operating profit before depreciation, fair value adjustments and exchange movements.

Bisichi PLC

Half year review – 30 June 2023

For the six month period ended 30 June 2023, your company made a profit before interest, tax, depreciation and amortisation (EBITDA) of £1.42million (H1 2022: £22.25 million) and an operating profit before depreciation, fair value adjustments and exchange movements (Adjusted EBITDA) of £2.17million (H1 2022: £22.24million).

The lower earnings for the Group, compared to the first six months of 2022, are mainly attributable to lower prices for our coal sold by Sisonke Coal Processing, the Group's South African coal processing operation, as well as difficult mining conditions at our coal mining asset, Black Wattle Colliery.

During 2022, the Group benefited from significantly higher prices of Free on Board (FOB) coal from Richards Bay Coal Terminal (API4 price). However, during the first half of 2023, the weekly API4 price averaged US\$128 compared to US\$277 in the first half of 2022, and US\$270 in the second half of the year. In addition to the weaker international coal price, constraints in transporting coal for export on the South African rail network, constraints which were largely beyond our control, significantly impacted the Group's export sales during the period. Due to the lack of available rail capacity, the Group exported

59,000 metric tonnes in the first half of 2023, compared to 177,000 metric tonnes in the first half of 2022. This in turn had a further impact on earnings during the period, as coal allocated for export was eventually sold into the domestic market at prices that were significantly lower than the export price achievable by rail through Richards Bay. Transnet, the South African state rail operator, and the wider South African coal industry, are working hard to implement collectively measures to increase rail capacity. At this point, we remain optimistic that these measures will, once implemented, have a significant positive impact on both the export and domestic prices achievable for our coal.

At Black Wattle, difficult mining conditions impacted profitability during the period. During the first six months of the year the Group achieved production of 354,000 metric tonnes, compared to 301,000 metric tonnes in the first half of 2022 and 523,000 in the second half of the year. Temporary geological issues reduced the production from our opencast mining area as well as increasing related mining and blasting costs. In order to mitigate these issues, the mine will open a lower cost second mining area in the third quarter of 2023; we expect mining production and costs at Black Wattle to steadily improve going into the fourth quarter of 2023.

Lower coal production from Black Wattle had a knock-on effect on overall levels of coal processed at Sisonke Coal Processing during the period, during which the Group sold 473,000 metric tonnes compared to 614,000 metric tonnes in the first half of 2022 and 1.29million metric tonnes overall in 2022. The decrease in the Group's mining revenue during the period to £25.1million (H1 2022: £44.7million) can mainly be attributable to the lower prices achievable for our coal, and the lower overall quantity of coal sold.

Looking forward into the second half of 2023, we will see the benefits, both in terms of mining cost and production, from the new mining area at Black Wattle. In addition, we have seen a stabilisation in coal prices in both the export and domestic market. We remain confident in the Group's ability to achieve significant value from our South African operations.

In the UK, we have seen rental revenue from our retail property portfolio remain stable in the first half of 2023. Overall, the Group billed revenue from our directly owned property portfolio of £0.54million (H1 2022: £0.56million) during the first half of the year. The Group continues to hold its joint venture development investment in West Ealing, with London Associated Properties PLC and Metroprop Real Estate Ltd. We continue to explore options to realise the value from the planning consent for 56 flats we obtained in 2021. We are weighing up the risks and rewards of both a land sale and building out the site, and are optimistic that a decision to realise the best value of this site can be taken shortly.

During the period the Group's total non-current and current listed equity investments held at fair value through profit and loss remained at similar levels as at the end of 2022 at £13.5million (H1 2022: £7.6million). The Group's dividend income from investments during the period of £0.28million (H1 2022: £0.15million) helped offset a loss in value from investments of £0.6million (H1 2022: Gain £0.1million). The Group's listed investments continue to comprise primarily listed equities involved in extractive and energy related business activities, including entities involved in the extraction of commodities needed for the clean energy transition.

Finally, your directors intend to pay an interim dividend of 3p (2022: 10p) per share. The dividend will be payable on Friday 2 February 2024 to shareholders registered at the close of business on 5 January 2024.

On behalf of the Board and shareholders, I would like to thank all of our staff for their hard work during this period.

Andrew Heller
Executive Chairman & Managing Director
22 August 2023

Bisichi PLC
Consolidated income statement
For the six months ended 30 June 2023

		Unaudited	Unaudited	Audited
		6 months ended	6 months ended	Year ended
		30 June	30 June	31 December
		2023	2022	2022
	Notes	£000	£000	£000
Group revenue	1	25,883	45,399	95,111
Operating costs		(24,668)	(23,937)	(57,111)
Operating profit on trading activities		1,215	21,462	38,000
Decrease in value of investment properties		-	-	(60)
Gain/(Loss) on investments held at fair value		(553)	49	1,036
Operating profit	1	662	21,511	38,976
Share of loss in joint ventures		(10)	(1)	(89)
Profit before interest and taxation		652	21,510	38,887
Interest receivable		124	39	174
Interest payable		(477)	(383)	(1,047)
Profit before taxation	1	299	21,166	38,014
Income tax	2	(165)	(5,956)	(11,908)
(Loss)/Profit for the period		134	15,210	26,106
Attributable to:				
Equity holders of the company		(339)	11,562	17,612
Non-controlling interest		473	3,648	8,494
(Loss)/Profit for the period		134	15,210	26,106
Loss/Earnings per share - basic	3	(3.18p)	108.29p	164.96p

Loss/Earnings per share - diluted	3	(3.18p)	103.63p	164.96p
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Bisichi PLC
Consolidated statement of comprehensive income
For the six months ended 30 June 2023

	Unaudited	Unaudited	Audited
	6 months	6 months	Year
	ended	ended	ended
	30 June	30 June	31 December
	2023	2022	2022
	£000	£000	£000
(Loss)/Profit for the period	134	15,210	26,106
Other comprehensive income/(expenses):			
Exchange differences on translation of foreign operations	(874)	565	(43)
Taxation	-	-	-
Other comprehensive (loss)/income for the period, net of tax	(874)	565	(43)
Total comprehensive (loss)/income for the period	(740)	15,775	26,063
Attributable to:			
Equity shareholders	(938)	12,052	17,593
Non-controlling interest	198	3,723	8,470
Total comprehensive (loss)/income for the period	(740)	15,775	26,063

Consolidated Balance Sheet

as at 30 June 2023

	Unaudited 30 June 2023	Unaudited 30 June 2022	Audited 31 December 2022
	£000	£000	£000
Assets			
Non-current-assets			
Value of investment properties	10,465	10,525	10,465
Fair value of head leases	170	175	175
Investment property	10,635	10,700	10,635
Mining reserves, plant and equipment	14,195	14,342	16,377
Investments in joint ventures	1,031	1,130	1,041
Deferred tax assets	183		
Other investments at fair value through profit and loss ("FVPL")	12,740	6,418	12,590
Total non-current assets	38,784	32,590	40,634
Current assets			
Inventories	4,502	4,188	5,199
Trade and other receivables	5,651	8,820	6,437
Investments in listed securities held at FVPL	779	1,209	886
Cash and cash equivalents	6,468	5,176	10,590
Total current assets	17,400	19,393	23,112
Total assets	56,184	51,983	63,755
Liabilities			
Current liabilities			
Borrowings	(3,556)	(3,929)	(3,795)
Trade and other payables	(9,153)	(9,246)	(13,282)
Current tax liabilities	(4,321)	(1,657)	(4,256)
Total current liabilities	(17,030)	(14,832)	(21,333)
Non-current liabilities			
Borrowings	(3,924)	(3,903)	(3,930)
Provision for rehabilitation	(1,475)	(1,609)	(1,715)
Finance lease liabilities	(215)	(400)	(344)
Deferred tax liabilities	-	(57)	(872)

Total non-current liabilities	(5,614)	(5,969)	(6,861)
Total liabilities	(22,644)	(20,801)	(28,194)
Net assets	33,540	31,182	35,561
Equity			
Share capital	1,068	1,068	1,068
Share premium	258	258	258
Translation reserve	(3,158)	(2,050)	(2,559)
Other reserves	1,112	707	1,112
Retained earnings	32,303	28,940	33,923
Total equity attributable to equity shareholders	31,583	28,923	33,802
Non-controlling interest	1,957	2,259	1,759
Total equity	33,540	31,182	35,561

Bisichi PLC
Consolidated Cash Flow Statement
For the six months ended 30 June 2023

	Unaudited 30 June 2023 £000	Unaudited 30 June 2022 £000	Audited 31 December 2022 £000
Cash flows from operating activities			
Operating profit	662	21,511	38,976
Depreciation	764	744	1,093
Unrealised (gain)/loss on investments	553	(49)	(1,036)
Unrealised loss on investment properties	-	-	60
Share based payment expense	-	-	405
Exchange adjustments	188	37	270
Movement in working capital	(3,947)	(4,960)	(588)

Net interest paid	(353)	(344)	(553)
Income tax (paid)/received	(327)	(5,554)	(7,929)
Cash flow from operating activities	(2,460)	11,385	30,698
Cash flows from investing activities	(1,649)	(8,680)	(16,584)
Cash flows from financing activities	(513)	(1,889)	(7,206)
Net increase/(decrease) in cash and cash equivalents	(4,622)	816	6,908
Cash and cash equivalents at 1 January	7,365	482	482
Exchange adjustment	177	(51)	(25)
Cash and cash equivalents at end of period	2,920	1,247	7,365

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balance sheet amounts:

Cash and cash equivalents	6,468	5,176	10,590
Bank overdrafts	(3,548)	(3,929)	(3,225)
Cash and cash equivalents at end of period	2,920	1,247	7,365

Bisichi PLC

Consolidated statement of changes in shareholders' equity For the six months ended 30 June 2023

	Share	Share	Translation	Available for sale	Other	Retained	Non- controlling	Total	
	capital	premium	reserve	reserves	reserves	earnings	Total	Interest	Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	1,068	258	(2,540)	-	707	18,019	17,512	323	17,835
Profit for the period	-	-	-	-	-	11,562	11,562	3,648	15,210
Other									

comprehensive - income and expense	-	-	490	-	-	-	490	75	565
Total comprehensive - income for the period	-	-	490	-	-	11,562	12,052	3,723	15,755
Dividend	-	-	-	-	-	(641)	(641)	(1,787)	(2,428)
Balance at 30 June 2022	1,068	258	(2,050)	-	707	28,940	28,923	2,259	31,182
Balance at 1 January 2022	1,068	258	(2,540)	-	707	18,019	17,512	323	17,835
Profit for the year	-	-	-	-	-	17,612	17,612	8,494	26,106
Other comprehensive - income and expense	-	-	(19)	-	-	-	(19)	(24)	(43)
Total comprehensive - income for the year	-	-	(19)	-	-	17,612	17,593	8,470	26,063
Dividend	-	-	-	-	-	(1,708)	(1,708)	(7,034)	(8,742)
Share options - cancelled	-	-	-	-	(142)	-	(142)	-	(142)
Share options - issued	-	-	-	-	547	-	547	-	547
Balance at 31 December 2022	1,068	258	(2,559)	-	1,112	33,923	33,802	1,759	35,561
Profit for the year	-	-	-	-	-	(339)	(339)	473	134
Other comprehensive - income and expense	-	-	(599)	-	-	-	(599)	(275)	(874)
Total comprehensive - income for the period	-	-	(599)	-	-	(339)	(938)	198	(740)
Dividend	-	-	-	-	-	(1,281)	(1,281)	-	(1,281)
Balance at 30 June 2023	1,068	258	(3,158)	-	1,112	32,303	31,583	1,957	33,540

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

The results for the six months ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies applied are the same as those set out in the Financial Statements for the year ended 31 December 2022, and which will form the basis of the 2023 Annual report.

1. Segmental analysis

For management purposes, the Group is organised into two operating Divisions, Mining and Property. These Divisions are the primary basis on which the Group reports its segment information. This is consistent with the way the Group is managed and with the format of the Group's internal financial reporting.

	Unaudited	Unaudited	Audited
	30 June	30 June	31 December
	2023	2022	2022
	£000	£000	£000
Revenue			
Mining	25,060	44,692	93,413
Property	543	561	1,108
Other	280	146	590
	25,883	45,399	95,111
Operating profit/(loss)			
Mining	715	21,055	36,763
Property	221	264	592
Other	(274)	192	1,621
	662	21,511	38,976
Share of profit in joint ventures	(10)	(1)	(89)
Interest receivable	124	39	174
Interest payable	(477)	(383)	(1,047)
Profit/(Loss) before taxation	299	21,166	38,014

1. Taxation

	Unaudited 30 June 2023 £000	Unaudited 30 June 2022 £000	Audited 31 December 2022 £000
Based on the results for the period:			
Corporation tax at 27.00% (2022: 27%)	1,015	6,425	11,520
Deferred taxation	(850)	(469)	388
	165	5,956	11,908

1. Earnings/ (loss) per share

Both the basic and diluted earnings per share calculations are based on a loss of £339,000 (2022: profit of £11,562,000). The basic earnings per share has been calculated on a weighted average of 10,676,839 (2022: 10,676,839) ordinary shares being in issue during the year. The diluted earnings per share has been calculated on the weighted average number of shares in issue of 10,676,839 (2022: 10,676,839) plus the dilutive potential ordinary shares arising from share options of nil (2022: 479,878) totalling 10,676,839 (2022: 11,156,717).

1. Investment properties

Investment properties are held a fair value at each reporting period. Management evaluate on an ongoing basis the impact of the current economic performance of the UK Retail market on the future performance of the group's existing UK property portfolio. The Directors have placed a valuation on the properties which is not materially different to the value as at 31 December 2022. Therefore no change in fair value of investment properties has been made during the period. Investment properties are therefore included at a Director's valuation which is considered to be the fair value as at 30 June 2023. Please refer to page 87 to 89 of the 2022 Annual report and Accounts for details on the valuation of investment and development properties as at 31 December 2022.

1. Related Parties

The related parties and the nature of costs recharged are as disclosed in the Group's annual financial statements for the year ended 31 December 2022. The Group paid management fees of

£100,000 (30 June 2022: £100,000 December 2022: £200,000) to London & Associated Properties PLC, an associated company.

1. Financial information

The above financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures for the year ended 31st December 2022 are based upon the latest statutory accounts, which have been delivered to the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, the interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in accordance with both IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom and the disclosure requirements of the Listing Rules.

The half year results have not been audited or subject to review by the company's auditors.

The annual financial statements of Bisichi PLC are prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The same accounting policies are used for the six months ended 30 June 2023 as were used for the year ended 31 December 2022.

The assessment of new standards, amendments and interpretations issued but not effective, are not anticipated to have a material impact on the financial statements.

The largest areas of estimation and uncertainty in the interim financial statements are in respect of:

- Life of mine and reserves;
- Depreciation;
- Provision for rehabilitation (relating to environmental rehabilitation of mining areas);
- Impairment; and
- The valuation of investment and development properties

Property, plant and equipment representing the group's mining assets in South Africa are reviewed for impairment where there is evidence of a material impairment. The impairment test indicated significant headroom as at 31 December 2022 and no impairment was considered appropriate. The directors have used similar key assumptions and estimates as outlined on page 76 of the 2022 Annual report and Accounts, and no impairment was considered appropriate as at 30 June 2023.

Other areas of estimation and uncertainty are referred to in the Group's annual financial statements. There have been no significant changes to the basis of accounting of key estimates and judgements as disclosed in the annual report as at 31 December 2022.

The Group's contingent liabilities and bank guarantees are referred to in the Group's 2022 annual financial statements. Black Wattle Colliery (Pty) Ltd continues to be involved in a tax dispute in South Africa related to Vat. The dispute arose during the year ended 31 December 2020 and is related to events which occurred prior to the years ended 31 December 2020. The interpretation of laws and regulations in South Africa where the Group operates can be complex and can lead to challenges from or disputes with regulatory authorities. Such situations often take significant time to resolve. Where there is a dispute and where a reliable estimate of the potential liability cannot

be made, or where the Group, based on legal advice, considers that it is improbable that there will be an outflow of economic resources, no provision is recognised. Further details of the contingent tax liability can be found on page 107 of the 2022 Annual report and Accounts.

The interim financial statements have been prepared on the going concern basis. Cashflow forecasts demonstrate that the group has adequate resources to continue in operational existence for the foreseeable future and is well placed to manage its business risks.

1. Dividend

The final dividends in respect of 2022, totalling £1,281,000 was approved by the shareholders at the Annual General Meeting held on the 6th June 2023 and were paid on the 28th July 2023. The final dividends in respect of 2022 are included as a liability in these interim financial statements. A proposed interim dividend for the year ended 31 December 2023 totalling £320,305 (2022: 1,067,684) was approved by the Board of Directors on 22 August 2023 and has not been included as a liability in these Interim Financial Statements.

1. Principal risks and uncertainties

The Group has an established risk management process which works within the corporate governance framework as set out in the 2022 Annual Report and Accounts. Risks and uncertainties identified by the Group are set out on page 19 to 23 of the 2022 Annual Report & Accounts and are reviewed on an ongoing basis. There have been no significant changes in the first half of 2023 to the principle risks and uncertainties as set out in the 2022 Annual Report & Accounts.

Risks faced by the business are assessed by the Board on an ongoing basis. Strategies for mitigating the risks have been defined and specific measures for achieving these are already underway. These include the measures outlined in the Chairman's Statement, Mining Review and Financial Review & Performance sections of the 2022 Annual report and Accounts.

The principal risks as stated in the 2022 Annual Report & Accounts reflect the challenging environment in which the business operates and are considered under the following broad headings:

Mining:

- Coal price and volume risk
- Mining risk
- Currency risk
- New reserves and mining permissions
- Power supply risk
- Flooding risk
- Environmental risk
- Health & safety risk
- Climate change risk
- Labour risk
- Cashflow

Property:

- Property valuation risk

1. Board approval

These interim results were approved by the Board of Bisichi PLC on 22 August 2023.

DIRECTORS RESPONSIBILITY STATEMENT AND REPORT ON PRINCIPAL RISKS AND UNCERTAINTIES

Responsibility Statement

We confirm to the best of our knowledge:

(a) the condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

(b) the interim management report includes a fair review of the information required by:

(1) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(2) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period; and any changes in the related party transactions described in the last annual report that could do so.

This report contains forward-looking statements. These statements are based on current estimates and projections of management and currently available information. Future statements are not guarantees of the future developments and results outlined therein. Rather, future developments and results are dependent on a number of factors; they involve various risks and uncertainties and are based upon assumptions that may not prove to be accurate. Risks and uncertainties identified by the Group are set out on page 19 to 23 of the 2022 Annual Report & Accounts. We do not assume any obligation to update the forward-looking statements contained in this report.

Andrew Heller
Executive Chairman & Managing Director
22 August 2023

DIRECTORS AND ADVISERS

Directors

Andrew R Heller MA, ACA (Executive Chairman & Managing Director)
Robert Grobler PR Cert Eng (Mining Director)
Garrett Casey CA (SA) (Finance Director)

Christopher A Joll MA (Non-executive)
John A Sibbald BL (Non-executive)
John Wong ACA, CFA (Non-executive)
John Heller LLB MBA (Non-executive) (appointed 29th March

2023)

Secretary & Registered office

Garrett Casey CA (SA)
12 Little Portland Street
London W1W 8BJ

Black Wattle Colliery - Directors

Andrew Heller (Managing Director)
Garrett Casey (Finance Director)
Ethan Dube (Commercial Director)
Robert Grobler (Mining Director)
Millicent Zvarayi

Registrars and transfer office

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(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales)

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