

31 August 2020

BISICHI PLC

Interim Results for the period ended 30 June 2020

For the six months ending 30th June 2020:

- EBITDA [1]: £0.35million loss (2019: £5.7million profit)
- Adjusted EBITDA [2]: £0.1million (2019: £5.6million)
- Loss before tax £2.0million (2019: £4.3million profit)
- EPS (basic): 12.66 p loss (2019: 24.75p profit)
- Total production: 580,000 tonnes (2019: 655,000 tonnes)
- The Group's results reflect the challenging period due to the impact of the Covid-19 pandemic and the related downturn in international coal markets.
- The Group's South African coal mining and processing operations have been designated by the South African government as 'essential business operations' and allowed to continue during lockdown periods.
- The Group's management continue to focus on keeping costs low at Black Wattle, as well as developing new opportunities at the Group's coal processing plant, Sisonke Coal Processing
- Invoiced income from the Group's directly owned UK retail property portfolio was £0.50million (2019: £0.65million) although, during the period, rental revenue collections have been temporarily impacted.

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 2020

The first half of 2020 has been a challenging period for your company due to the impact of the Covid-19 pandemic on all our operations. As a result, in the six months ended 30 June 2020, Bisichi PLC made a loss before interest, tax, depreciation and amortisation of £0.35million (2019: a profit of £5.7 million).

In managing the impact of the Covid-19 pandemic, your management has prioritised the health and safety of all our employees and stakeholders, while ensuring the continuity of our business during this challenging time. In order to help safeguard our people from the spread of Covid-19, the Group has implemented various health and safety measures, which are aligned with measures announced by both the UK and South African governments, including guidelines and regulations from the South African National Department of Health and the Department of Minerals Resources.

In terms of business continuity, the Group's South African coal mining and processing operations have been designated by the South African government as 'essential business operations', which has allowed the Group's operations to continue during lockdown periods, although with a reduced or socially distanced workforce to help safeguard the health and safety of our employees. At Black Wattle, our South African mining operation, disruptions to mining production in the first half of the year have been mainly limited to temporary staff shortages during the initial lockdown period. Overall, the mine was able to achieve total production of 580,000 metric tonnes (2019: 655,000 tonnes) during the reporting period, with similar levels expected in the second half of the year.

However, during the period, we have also seen reduced global economic activity as a result of the Covid-19 pandemic, which has had a significant impact on demand for coal in the international market. The overall decrease in Group revenue and earnings during the first half of the year can mainly be attributable to this downturn. In January, the average weekly price of Free on Board (FOB) Coal from Richard Bay Coal Terminal (API4 price) peaked at US\$92. By mid-April, as global economic activity slowed, the weekly API4 price had fallen to US\$44 before recovering to US\$50 by the end of the first half of the year. The impact on our operations has been a build-up in our coal stocks and lower prices achievable for our coal in the international market. Although there is a surplus of coal in the domestic market and prices have been negatively impacted, demand for our particular coal has to date remained more stable.

Looking forward, although the duration and extent of the impact of the Covid-19 pandemic on our South African operations remains uncertain, forward markets and leading research indicates some improvement in international coal prices going into the last quarter of the year, in conjunction with an expected improvement in global economic activity. In the interim, your management will continue to focus on keeping costs low at Black Wattle as well as developing new coal processing and marketing opportunities at our coal processing plant at Sisonke Coal Processing.

In the UK, the Covid-19 pandemic has had a significant impact on rental revenue collections from the group's UK retail property portfolio. Although the final impact of the pandemic on the portfolio remains uncertain, we expect much of the portfolio to recover as tenants fully resume operating. Overall, the Group billed revenue from our directly owned property portfolio of £0.50million (2019: £0.65million) during the period.

The Group continues to hold its joint venture investment, with London & Associated Properties PLC and Metroprop Real Estate Ltd, in the freehold of a retail and residential redevelopment in West Ealing, London. Last year, the joint venture submitted a planning application for an expanded residential redevelopment of 55 flats on the site and we look forward to updating shareholders on the situation in due course.

Finally, in line with what was reported in the 2019 Annual report and given our key priorities stated above and the need to conserve cash, the Board has decided that it will not be proposing an interim dividend, but will review the dividend position when there is greater visibility of the impact of Covid-19.

We would like to thank all our employees and stakeholders for their support during this extremely difficult time.

Sir Michael Heller

Chairman

31 August 2020

Andrew Heller

Managing Director

Bisichi PLC
Consolidated income statement
For the six months ended 30 June 2020

		Unaudited	Unaudited	Audited
		6 months ended	6 months ended	Year ended
		30 June	30 June	31 December
		2020	2019	2019
	<i>Notes</i>	£000	£000	£000
Group revenue	1	14,250	26,399	48,106
Operating costs		(15,731)	(21,851)	(42,962)
Operating profit on trading activities		(1,481)	4,548	5,144
Decrease in value of investment properties		-	-	(1,480)
Gain/(Loss) on investments held at fair value		(261)	59	(6)
Operating profit	1	(1,742)	4,607	3,658
Share of profit/(loss) in joint ventures		13	36	20
Profit before interest and taxation		(1,729)	4,643	3,678
Interest receivable		19	15	28
Interest payable		(309)	(309)	(679)
Profit before taxation	1	(2,019)	4,349	3,027
Income tax	2	481	(1,289)	(1,432)
Profit for the period		(1,538)	3,060	1,595
Attributable to:				
Equity holders of the company		(1,352)	2,642	1,046
Non-controlling interest		(186)	418	549
Profit for the period		(1,538)	3,060	1,595
Earnings per share - basic	3	(12.66p)	24.75p	9.80p
Earnings per share - diluted	3	(12.66p)	24.34p	9.80p

Bisichi PLC
Consolidated statement of comprehensive income
For the six months ended 30 June 2020

	Unaudited 6 months ended 30 June 2020 £000	Unaudited 6 months ended 30 June 2019 £000	Audited Year ended 31 December 2019 £000
Profit for the period	(1,538)	3,060	1,595
Other comprehensive income:			
Exchange differences on translation of foreign operations	(467)	70	(49)
Taxation	-	-	-
Other comprehensive income for the period, net of tax	(467)	70	(49)
Total comprehensive income for the period	(2,005)	3,130	1,546
Attributable to:			
Equity shareholders	(1,752)	2,694	1,004
Non-controlling interest	(253)	436	542
Total comprehensive income for the period	(2,005)	3,130	1,546

Bisichi PLC
Consolidated Balance Sheet
as at 30 June 2020

	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 £'000	Audited 31 December 2019 £'000
Assets			
Non-current-assets			
Value of investment properties	11,566	13,045	11,566
Fair value of head leases	<u>184</u>	<u>185</u>	<u>182</u>
Investment property	11,750	13,230	11,748
Reserves, plant and equipment	8,786	9,500	9,508
Investments in joint ventures	1,355	1,359	1,342
Other investments at fair value through profit and loss ("FVPL")	<u>449</u>	<u>35</u>	<u>287</u>
Total non-current assets	<u>22,340</u>	<u>24,124</u>	<u>22,885</u>
Current assets			
Inventories	4,552	1,316	2,432
Trade and other receivables	6,385	9,893	7,559
Corporation tax recoverable	-	-	19
Investments in listed securities held at FVPL	926	1,090	1,119
Cash and cash equivalents	<u>4,977</u>	<u>9,876</u>	<u>7,720</u>
Total current assets	<u>16,840</u>	<u>22,175</u>	<u>18,849</u>
Total assets	<u>39,180</u>	<u>46,299</u>	<u>41,734</u>
Liabilities			
Current liabilities			
Borrowings	(4,835)	(11,009)	(5,103)
Trade and other payables	(8,409)	(7,850)	(7,619)
Current tax liabilities	<u>(317)</u>	<u>(128)</u>	<u>(457)</u>
Total current liabilities	<u>(13,561)</u>	<u>(18,987)</u>	<u>(13,179)</u>
Non-current liabilities			
Borrowings	(4,180)	(743)	(4,141)
Provision for rehabilitation	(1,359)	(1,615)	(1,554)
Finance lease liabilities	(231)	(185)	(232)
Deferred tax liabilities	(1,404)	(2,364)	(2,071)
Other non-current liabilities	<u>-</u>	<u>(45)</u>	<u>-</u>
Total non-current liabilities	<u>(7,174)</u>	<u>(4,952)</u>	<u>(7,998)</u>
Total liabilities	<u>(20,735)</u>	<u>(23,939)</u>	<u>(21,177)</u>
Net assets	<u>18,445</u>	<u>22,360</u>	<u>20,557</u>
Equity			
Share capital	1,068	1,068	1,068
Share premium	258	258	258
Translation reserve	(2,490)	(1,996)	(2,090)
Other reserves	707	707	707
Retained earnings	<u>18,530</u>	<u>21,585</u>	<u>19,989</u>
Total equity attributable to equity shareholders	<u>18,073</u>	<u>21,622</u>	<u>19,932</u>
Non-controlling interest	<u>372</u>	<u>738</u>	<u>625</u>
Total equity	<u>18,445</u>	<u>22,360</u>	<u>20,557</u>

Bisichi PLC**Consolidated Cash Flow Statement****For the six months ended 30 June 2020**

Unaudited	Unaudited	Audited
30 June	30 June	31 December
2020	2019	2019
£000	£000	£000

Cash flows from operating activities

Operating profit	(1,743)	4,607	3,658
Depreciation	1,379	1,041	2,190
Unrealised (gain)/loss on investments	261	(59)	6
Unrealised loss on investment properties	-	-	1,480
Exchange adjustments	206	(12)	123
Movement in working capital	(633)	(3,151)	(1,459)
Net interest paid	(289)	(294)	(651)
Income tax (paid)/received	(72)	(1,134)	(1,199)
Cash flow from operating activities	(891)	998	4,148
Cash flows from investing activities	(2,079)	(1,840)	(3,662)
Cash flows from financing activities	(125)	(7)	(3,322)
Net increase/(decrease) in cash and cash equivalents	(3,095)	(849)	(2,836)

Cash and cash equivalents at 1 January	2,878	5,686	5,686
Exchange adjustment	481	7	28
Cash and cash equivalents at end of period	264	4,844	2,878

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	4,977	9,876	7,720
Bank overdrafts	(4,713)	(5,032)	(4,842)
Cash and cash equivalents at end of period	264	4,844	2,878

Bisichi PLC

Consolidated statement of changes in shareholders' equity

For the six months ended 30 June 2020

	Share capital £'000	Share premium £'000	Translation reserve £'000	Available for sale reserves £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non- controlling Interest £'000	Total Equity £'000
Balance at 31 December 2018	1,068	258	(2,048)	-	707	19,584	19,569	566	20,135
Profit for the period	-	-	-	-	-	2,642	2,642	418	3,060
Other comprehensive income and expense	-	-	52	-	-	-	52	18	70
Total comprehensive income for the period	-	-	52	-	-	2,642	2,694	436	3,130
Dividend	-	-	-	-	-	(641)	(641)	(264)	(905)
Balance at 30 June 2019	1,068	258	(1,996)	-	707	21,585	21,662	738	22,360
Balance at 31 December 2018	1,068	258	(2,048)	-	707	19,584	19,569	566	20,135
Profit for the year	-	-	-	-	-	1,046	1,046	549	1,595
Other comprehensive income and expense	-	-	(42)	-	-	-	(42)	(7)	(49)
Total comprehensive income for the year	-	-	(42)	-	-	1,046	1,004	542	1,546
Dividend	-	-	-	-	-	(641)	(641)	(483)	(1,124)
Balance at 31 December 2019	1,068	258	(2,090)	-	707	19,989	19,932	625	20,557
Profit for the year	-	-	-	-	-	(1,352)	(1,352)	(186)	(1,538)
Other comprehensive income and expense	-	-	(400)	-	-	-	(400)	(67)	(467)
Total comprehensive income for the period	-	-	(400)	-	-	(1,352)	(1,752)	(253)	(2,005)
Dividend	-	-	-	-	-	(107)	(107)	-	(107)
Balance at 30 June 2020	1,068	258	(2,490)	-	707	18,530	18,073	372	18,445

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

The results for the six months ended 30 June 2020 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 2019, and which will form the basis of the 2020 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 30 June 2020 £000	Unaudited 30 June 2019 £000	Audited 31 December 2019 £000
Revenue			
Mining	13,716	25,713	46,704
Property	503	650	1,290
Other	31	36	112
	14,250	26,399	48,106
Operating profit/(loss)			
Mining	(1,920)	4,004	4,204
Property	409	510	(648)
Other	(231)	93	102
	(1,742)	4,607	3,658
Share of profit in joint ventures	13	36	20
Interest receivable	19	15	28
Interest payable	(309)	(309)	(679)
Profit/(Loss) before taxation	(2,019)	4,349	3,027

2. Taxation

	Unaudited 30 June 2020 £000	Unaudited 30 June 2019 £000	Audited 31 December 2019 £000
Based on the results for the period:			
Corporation tax at 27.00% (2019: 27%)	6	1,199	1,570
Prior year adjustment - UK	-	-	(2)
	6	1,199	1,568
Deferred taxation	(487)	90	(136)
	(481)	1,289	1,432

3. Earnings/ (loss) per share

Both the basic and diluted earnings per share calculations are based on a loss of £1,352,000 (2019: profit of £2,642,000). The basic earnings per share has been calculated on a weighted average of 10,676,839 (2019: 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 (2019: 10,676,839) plus the dilutive potential ordinary shares arising from share options of nil (2019: 179,324) totalling 10,676,839 (2019: 10,856,163).

4. Investment properties

Investment properties are held a fair value at each reporting period. Management evaluate on an ongoing basis the impact of Covid-19 and the current economic performance of the UK Retail market on the future performance of the group's existing UK property portfolio. The Board considers the final impact of Covid-19 on the investment properties to remain uncertain. However the Directors have placed a valuation on the properties which is not materially different to the value as at 31 December 2019. 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 2020. Please refer to page 64 and 65 of the 2019 Annual report and Accounts for details on the valuation of investment and development properties as at 31 December 2019.

5. 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 2019. The Group paid management fees of £100,000 (30 June 2019: £100,000 December 2019: £200,000) to London & Associated Properties PLC, an associated company.

6. 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 2019 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 European Union 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 IFRS as adopted by European Union. The same accounting policies are used for the six months ended 30 June 2020 as were used for the year ended 31 December 2019.

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:

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

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 2019 and no impairment was considered appropriate. During the first half of the year, the Covid-19 pandemic impacted on the Group's South African mining operations, in particular in relation to the operations coal markets and coal prices. In terms of business continuity, the Group's South African entities have remained in operation as the entities have been classified as essential businesses. Although the final impact of Covid-19 remains uncertain, the directors have assessed the expected range of impact of the Covid-19 pandemic on its impairment model using similar key assumptions and estimates as outlined on page 64 of the 2019 Annual report and Accounts, and no impairment was considered appropriate as at 30 June 2020. However, it must be acknowledged that if circumstances change and the balance of factors shifts as the Covid-19 pandemic runs its course, impairment values may in turn be impacted.

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 2019.

The interim financial statements have been prepared on the going concern basis. Although the final impact of Covid-19 on both our UK and South African operations remains uncertain and an estimate of the overall financial effect cannot be made, the Directors have assessed the range of expected impact of the pandemic on its cashflow forecasts. The 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.

7. Dividend

The interim dividend in respect of 2019, totalling £107,000 was paid on the 7th of February 2020. No final dividend in respect of 2019 was proposed by the Board. No interim dividend for the year ended 31 December 2020 has been proposed by the Board.

8. Principal risks and uncertainties

The Group has an established risk management process which works within the corporate governance framework as set out in the 2019 Annual Report and Accounts. Risks and uncertainties identified by the Group are set out on page 11 of the 2019 Annual Report & Accounts and are reviewed on an ongoing basis. There have been no significant changes in the first half of 2020 to the principle risks and uncertainties as set out in the 2019 Annual Report & Accounts.

Covid-19 risk:

The Group is proactively assessing and managing the potential risks brought about by the uncertainty of the Covid-19 pandemic. Overall the Group is exposed to impacts on the health and safety of its employees and stakeholders and risks related to business continuity. In the UK, the Group expects there to be an impact on retail property revenue and potentially values. In South Africa, the Group is expected to be impacted by additional health and safety measures related to its workforce and coal price risk.

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 2019 Annual report and Accounts. The final impact of the Covid-19 pandemic remains uncertain and the Group will adapt plans accordingly as more information becomes available or government advice changes.

The other principal risks as stated in the 2019 Annual Report & Accounts reflect the challenging environment in which the business operates and are considered under the following broad headings:

Mining:

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

Property:

- Property valuation
- Economic performance of United Kingdom
- Covid-19
- Brexit

9. Board approval

These interim results were approved by the Board of Bisichi PLC on 31 August 2020.

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 11 of the 2019 Annual Report & Accounts. We do not assume any obligation to update the forward-looking statements contained in this report.

Michael Heller
Chairman
31 August 2020

Andrew Heller
Managing Director

DIRECTORS AND ADVISERS

Directors

Sir Michael A Heller MA, FCA (Chairman)
Andrew R Heller MA, ACA (Managing Director)
Robert Grobler PR Cert Eng (Mining Director)
Garrett Casey CA (SA) (Finance Director)
Christopher A Joll MA (Non-executive)
John A Sibbald MA (Non-executive)

Secretary & Registered office

Garrett Casey CA (SA)
24 Bruton Place
London W1J 6NE

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

Link Asset Services
Shareholder Services
The Registry, 34 Beckenham Road
Beckenham, Kent
BR3 4TU

UK Telephone: 0371 664 0300
International Telephone: +44 (0) 371 664 0300

(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 08:00 - 17:30, Monday to Friday excluding public holidays in England and Wales)

Website: www.linkassetservices.com
E-mail: shareholderenquiries@linkgroup.co.uk

Company registration number

112155 (Incorporated in England and Wales)

Web site

www.bisichi.co.uk

E-mail

admin@bisichi.co.uk