LAFARGE CEMENT ZIMBABWE LIMITED
CONDENSED FINANCIAL RESULTS
For the Half Year Ended 30 June 2020

LAFARGE

CHAIRMAN'S STATEMENT

INTRODUCTION
On behalf of the Board of Directors, I hereby present the condensed financial results for the half year period ended 30 June 2020.

OPERATING ENVIRONMENT
The operating environment has been notably impacted by a slowdown of economic activity in light of working restrictions induced by the COVID-19 pandemic response initiatives at a national level. A number of monetary policy adjustments have also been made in the period, including easing of trading currency restrictions to allow multicurrency transactions and the introduction of the foreign currency auction system. Power supply has generally been stable for the greater part of the year.

HYPERINFLATION
As previously reported, the Public Accountants and Auditors Board (PAAB), declared that Zimbabwe has met the conditions for financial reporting of an economy in hyperinflation with effect from 1 July 2019. Consequently, all Zimbabwean entities reporting under International Financial Reporting Standards (IFRS), and with the Zimbabwe dollar (ZWL) as their functional currency are required to comply with IAS 29 'Financial Reporting in Hyperinflationary Economies'. In order to comply with IFRS, the business continues to present hyperinflation adjusted financial statements on which the commentary is based. Historical information has been presented as supplementary information.

STRATEGIC AGENDA
We continue to pursue our strategic agenda in line with the Lafarge Holcim 2022 Vision, 'Building for Growth', with a focus on winning at the customer, creating sustainable industrial performance, building winning teams and restoring profitability. The business has been progressing positively on the respective strategic priorities, and these have been delivered through a strong value system and organisational culture that is premised on collaboration, agility, performance and fairness.

HEALTH, SAFETY AND ENVIRONMENT
Through a robust mix of health and safety policies and programmes, the Company continues to drive for zero harm in all its operations. In the period under review, the business' indicators on health and safety remained positive, with no major incidents being recorded. In the context of the COVID-19 pandemic, Lafarge instituted a business resilience programme prioritising employee wellness and business continuity early in the year. This programme has seen the business put in place rigorous infection prevention mechanisms as well as robust COVID-19 case management protocols and support systems. Subsequent to 30 June 2020, the business suffered a setback on the environment, following a surge in emissions experienced during the trial of alternative fuels between 31 July and 2 August 2020. This led to numerous stakeholder complaints, followed by temporary closure of the kiln operations by the Environmental Management Agency (EMA) on 11 August 2020. Following a series of investigations by EMA, the Company was allowed to resume production, subject to a number of operating conditions, on 13 August 2020. The Company has been making progress on its commitments to manage both fugitive dust and emissions, and is constantly updating the regulator and community stakeholders on the developments on these actions.

INFLATION ADJUSTED FINANCIAL PERFORMANCE
The business started the year on a satisfactory note with first quarter volumes marginally exceeding the same prior comparable period by 1.4%. However, the onset of the COVID-19 lockdown caused a significant drop in the monthly volumes of April 2020 by 71.4% compared to the same month in the prior year. The volumes recovered in May and June 2020, leading to total volumes for the period closing at 14.1% lower than the same period last year. This performance is largely in line with market trends as there is an overall market decline of 13.0% compared to the same period last year. The rebound continued into July 2020, further narrowing the volumes decline to only 6.4% lower than those achieved in the same period to July last year. The recovery for the remainder of the year is likely to be slower due to the planned plant shutdown scheduled for the last quarter of the year. Volumes for the Dry Mortar Mix (DMX) business however grew by over 100.0% compared to the same period in prior year. This remarkable growth comes ahead of the commissioning of the new DMX mortar plant set for December 2020.

Revenue for the six months grew by 27% to ZWL 1.1 billion (June 2019: ZWL 0.9 billion). Our cost rationalisation, innovation and efficiency initiatives helped to improve gross profit margins by 8% to 50% (June 2019: 42%). The same initiatives also resulted in an overall decline in the Company's operating costs by 10%. The Company's operations were weighed down by foreign currency shortages which drove up foreign exchange losses to ZWL 367 million compared to a gain of ZWL 18 million in the same period last year. However, the recent policy changes which includes the foreign currency have seen improved foreign currency inflows and the Company has made significant strides in settling foreign obligations.

The conclusion of the Blocked Funds registration process strengthened the Company's financial position as foreign denominated liabilities and capex commitments amounting to US$31 million were registered with the Reserve Bank of Zimbabwe (RBZ). The process was concluded in April 2020 and the required cash cover of ZWL 31 million was lodged with RBZ. The Company unwound previously recognised exchange differences and maintained both the receivable from RBZ and the registered foreign liabilities at a rate of ZWL 1:US$ 1. The overall conclusion of this process strengthens the statement of financial position, the effect of which is partly coming through gain in monetary position presented in the Statement of Comprehensive Income.

BORROWINGS
The business did not have any new borrowings during the period under review. However, in April 2020, the Company successfully registered legacy debt in line with the RBZ Exchange Control Directive RU28 of 2019 and the enabling Exchange Control Directive RU102 of 2019.

CAPITAL EXPENDITURE
The business continues with the implementation of the previously announced US$ 25 million capital expansion programme. This investment is earmarked to improve cement milling capacity and automate the DMX plant. In addition to the expected increase in production capacity, the programme will also create infrastructure to improve power supply and cement storage. Currently, the DMX plant is being installed and is set to be completed in the second half of 2020, while the Vertical Cement Mill supply contract was signed in August 2020.

BOARD AND MANAGEMENT
Gloria Zvaravanhu joined the Board on 21 May 2020, replacing Dominique Drouet who resigned as a Non-Executive Director. I would like to thank Dominique for his service to the Company and wish Gloria all the best during her tenure.

DIVIDEND
Due to the uncertainties that prevail in the economic environment and the desire to ensure that adequate working capital is maintained in the business, the Directors have not declared an interim dividend.

OUTLOOK
The Zimbabwean economy is expected to continue to experience challenges in the short to medium term. In addition to the dynamics prevailing around inflation and contraction of the wider economy, there are further issues presented in the context of the ongoing COVID-19 pandemic. Although the latter is yet to be fully quantified, it is inevitable that a further slowdown of economic activity may be expected in the absence of a cure or vaccine for COVID-19. As uncertainty about the duration and severity of the virus spread remains high, the World Bank expects the economy to contract by between 5% and 10% in 2020. Recent economic data also shows that demand has started to decline in response to these new fundamentals. However, there will be new opportunities in the coming year as the economy continues to evolve and adapt to operating in the context of the COVID-19 pandemic. With a robust and ambitious strategic agenda in place, as well as the capital investment to support it, the business is poised to mitigate the negative effects of the difficult economic environment and grow shareholder value.

By Order of the Board

K. C. Katsande

K. C. Katsande
Chairman
25 September 2020

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the period ending 30 June 2020

	UNREVIEWED INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	ZWL '000'	ZWL '000'	ZWL '000'	ZWL '000'
Revenue	1 137 605	895 739	761 932	87 459
Operating (loss) / profit before other income, finance costs and tax	**(27 645)**	**136 147**	**(47 833)**	**13 292**
Other income	42 209	4 757	39 517	465
Profit/ (loss) before finance costs and tax	**14 564**	**140 904**	**(8 316)**	**13 758**
Finance costs	(63 749)	(39 553)	(40 628)	(3 862)
Gain/(loss) on net monetory position	185 165	(86 444)	-	-
Profit / (loss) before tax	**135 980**	**14 907**	**(48 944)**	**9 896**
Income tax credit/ (expense)	111 181	(71 554)	45 990	(6 986)
Profit / (loss) for the period	**247 161**	**(56 647)**	**(2 954)**	**2 909**
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income / (loss) for the period	**247 161**	**(56 647)**	**(2 954)**	**2 909**
Basic earnings / (loss) per share based on 80,000,000 shares in issue (ZWL per share)	3.09	(0.71)	(0.04)	0.04
Diluted earnings per share (ZWL per share)	3.09	(0.71)	(0.04)	0.04
Headline earnings per share (ZWL per share)	3.09	(0.46)	(0.04)	0.06

ABRIDGED STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

	UNREVIEWED INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	June 20	Dec 19	June 20	Dec 19
	ZWL "000"	ZWL "000"	ZWL "000"	ZWL "000"
ASSETS				
Non-current assets				
Property, plant and equipment, intangibles and other non-current receivables	**1 434 167**	**1 433 877**	**496 186**	**482 923**
Current assets				
Current assets other than cash and cash equivalents	802 749	865 746	334 189	139 573
Cash and cash equivalents	208 543	246 478	208 543	94 078
Total current assets	**1 011 292**	**1 112 224**	**542 732**	**233 651**
Total assets	**2 445 459**	**2 546 101**	**1 038 918**	**716 574**
EQUITY AND LIABILTIES				
Capital and reserves				
Issued capital	13 019	13 019	800	800
Revaluation reserve	812 874	812 874	310 267	310 267
Other Components of equity	-	(1 227 612)	-	105 909
Retained earnings	629 880	1 093 027	(166 703)	(240 136)
Total equity	**1 455 773**	**691 308**	**144 364**	**176 840**
Non-current liabilities				
Borrowings	30 609	-	30 609	-
Deferred tax	227 141	975 063	132 009	203 948
Provision for quarry rehabilitation	35 626	59 594	35 626	22 747
Total non-current liabilities	**293 376**	**1 034 657**	**198 244**	**226 695**
Current liabilities				
Trade and other payables	390 642	411 057	390 642	156 897
Related Party payables	296 923	384 990	296 923	146 947
Borrowings	1 711	4 755	1 711	1 815
Current tax payable	7 034	19 334	7 034	7 380
Total current liabilities	**696 310**	**820 136**	**696 310**	**313 039**
Total equity and liabilities	**2 445 459**	**2 546 101**	**1 038 918**	**716 574**

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LAFARGE

CONDENSED FINANCIAL RESULTS
For the half year ended 30 June 2020

ABRIDGED STATEMENT OF CASH FLOWS
for the period ending 30 June 2020

	UNREVIEWED INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	ZWL '000'	ZWL '000'	ZWL '000'	ZWL '000'
Profit / (loss) for the period	**247 161**	**(56 647)**	**(2 954)**	**2 909**
Net cash generated from operations before working capital changes	**180 881**	**72 708**	**38 827**	**7 099**
Cash generated from operations	**135 387**	**438 763**	**227 305**	**42 840**
Net cash generated by operating activities	**25 487**	**343 789**	**160 727**	**33 567**
Net cash used in investing activities	**(61 465)**	**(80 414)**	**(47 246)**	**(7 852)**
Net cash (used in) / generated from financing activities	**(1 957)**	**58 449**	**983**	**5 707**
Net (decrease) / increase in cash and cash equivalents	**(37 935)**	**321 824**	**114 464**	**31 422**
Cash and cash equivalents at the beginning of the year	246 478	144 314	94 079	14 091
Cash and cash equivalents at the end of the period	208 543	466 138	208 543	45 513

ABRIDGED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2020

	UNREVIEWED INFLATION ADJUSTED				
	Issued capital	Revaluation reserve	Other Components of Equity	Retained earnings	Total
	ZWL '000'	ZWL '000'	ZWL '000'	ZWL '000'	ZWL '000'
Balance at 1 January 2019	800	12 508	24 000	25 969	63 277
Profit for the period	-	-	-	2 909	2 909
Balance at 30 June 2019	**800**	**12 508**	**24 000**	**28 878**	**66 186**
Balance at 31 December 2019	**800**	**310 267**	**105 909**	**(240 136)**	**176 840**
Loss for the period	-	-	-	(2 954)	(2 954)
Reversal of Accumulated exchange losses	-	-	(76 386)	76 386	-
Reclassification of other Equity to borrowings	-	-	(29 523)		(29 523)
Balance at 30 June 2020	**800**	**310 267**	**-**	**(166 703)**	**144 363**

ABRIDGED STATEMENT OF CHANGES IN EQUITY
for the period ending 30 June 2020

	UNREVIEWED HISTORICAL COST				
	Issued capital	Revaluation reserve	Other Components of Equity	Retained earnings	Total
	ZWL '000'	ZWL '000'	ZWL '000'	ZWL '000'	ZWL '000'
Balance at 1 January 2019	**13 019**	**203 549**	**390 557**	**422 594**	**1 029 719**
Loss for the period	-	-	-	(56 647)	(56 647)
Balance as at 30 June 2019	**13 019**	**203 549**	**390 557**	**365 947**	**973 072**
Balance at 31 December 2019	**13 019**	**812 874**	**(1 227 612)**	**1 093 027**	**691 308**
Profit for the period	-	-	-	247 161	247 161
Reversal of accumulated exchange losses	-	-	710 307	(710 307)	-
Reclassification of other equity to borrowings	-	-	(29 522)		(29 522)
Inflation effect of reversal			546 828		546 828
Balance at 30 June 2020	**13 019**	**812 874**	**-**	**629 880**	**1 455 773**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Lafarge Cement Zimbabwe Limited ("the Company") is incorporated in Zimbabwe and is engaged in the manufacture and distribution of cement and allied products. Its parent Company is Lafarge (SA), a French Company, and its ultimate holding Company is LafargeHolcim, a Swiss Company which is listed on the Euronext and Swiss stock exchanges. The address of its registered office and principal business is Manresa Works, Arcturus Road, Greendale, Harare, Zimbabwe.

The Company's condensed financial statements are presented in Zimbabwe dollar (ZWL). Amounts have been rounded to the nearest thousand.

2. APPROVAL OF CONDENSED FINANCIAL STATEMENTS

The condensed financial statements were approved by the Board of Directors and authorised for issue on 25 September 2020.

3. BASIS OF PREPARATION

This condensed financial statements for the half-year reporting period ended 30 June 2020 have been prepared with the intention to comply with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by Lafarge Cement Zimbabwe Limited during the interim reporting period.

Current period balances were restated using the applicable monthly indices, whilst the prior year June and December comparative balances were restated using the restatement indexes below.

The key restatement indices applied to restate balances are:

Month	CPI	Restatement Index
30 June 2020	1445.21	1.00
31 December 2019	551.6	2.62
30 June 2019	172.6	8.37

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Company has assessed the new standards or amendments issued by the International Accounting Standards Board specifically those that are effective for annual reporting period beginning on 1 January 2020 and those with a later effective date. There are no new disclosures introduced by the newly effective standards that are explicitly required in the condensed interim financial statements. The Company had no transactions that are affected by the newly effective standards and/or the existing accounting policies are already consistent with the new requirements.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Except for accounting for the borrowings from related parties, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5. AUDITORS REVIEW STATEMENT

These financial statements should be read in conjunction with the complete set of condensed financial statements for the period ending 30 June 2020. Deloitte & Touche were engaged to review the related inflation adjusted condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 6 month period then ended, and the notes to the inflation adjusted condensed financial statements ("the interim financial information"), and a disclaimer of opinion has been issued thereon.

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.

The bases of the disclaimer of conclusion relate to;

- Prior Year Carryover and Current Year Impact of Date of Change of Functional Currency Required by International Accounting Standard ("IAS") 21 – 'The Effects of Changes in Foreign Exchange Rates';
- Restatement Approach Required by IAS 29 'Financial Reporting in Hyperinflationary Economies';
- Incorrect Financial Statement Classification and Measurement of Group Loan with Requirements of IAS 32 'Financial Instruments: Presentation' and IAS 21;
- Reliability of ZWL Valuation of Property, Plant and Equipment Based on Attributes of Market Participants and Price as Prescribed in IFRS 13 'Fair Value Measurements'; and
- Significance and Multiplicity of Material Uncertainties Related to Use of the Going Concern Assumption

A disclaimer of opinion was issued on the Company's financial statements for the year ended 31 December 2019 because of the following matters.

Members may refer to our report for the year ended 31 December 2019, which is publicly available on the Company and Zimbabwe Stock Exchange websites, for the full details on these matters.

We believe the above matters continue to have both a material and pervasive carryover impact on the interim financial information for the 6 month period ended 30 June 2020, as well as the comparability of the related corresponding figures. We have been unable to quantify the extent of the misstatements.

6. BOROWINGS

In April 2020, the Company concluded the application process to register its outstanding foreign currency liabilities under the blocked funds framework (RU 28 of 2019 and Exchange Control Circular no 8 of 2019). Under this framework, the Company successfully secured facility arrangements with the RBZ which will provide the Company with access to foreign currency at the rate of ZWL 1: US$ 1. The facilities are ring-fenced to be applied to settlement of foreign denominated capital expenditure commitments, debts owing to the parent company and other specific creditors. The total amount registered and approved by the RBZ is US$ 31 million. A prerequisite cash cover of ZWL 31 million was duly paid to the RBZ in line with the blocked funds framework.

The debt owing to the parent Company was treated as an equity loan in 2019 in accordance with how the loan holder's recognises the loan. The Blocked Funds process had not been substantially completed for an asset to be recognised as at 31 December 2019.

Following the successful registration as described above, the Company has recognised its loan payable to the parent company of at an amount of ZWL 30.6 million, by applying an exchange rate of ZWL 1: US$ 1. The ZWL 31 million cash cover provided to the RBZ for the blocked funds has also been recognised at a rate of ZWL 1: US$ 1. Although the RBZ will issue a financial instrument which the Company can revalue in line with exchange rate movements, the Company has opted to record the cash cover at cost as at 30 June 2020.

Appropriate adjusting entries have been disclosed in the condensed statement of changes in equity for the period.

7. GOING CONCERN

In preparing the condensed financial statements, the Directors and management are required to make an assessment of the Company's ability to continue as a going concern. At the time of preparing the financial statements, management was aware of a number of uncertainties related to events and conditions prevailing within the country's economic environment that could cast significant doubt on its ability to continue as a going concern. These uncertainties include, but are not limited to the following;

- accessibility of foreign currency from in-country sources
- expected levels of domestic infrastructure building activity at individual and national level
- expected competition from domestic and imported products

The Directors and management are continuously monitoring and evaluating the Company's operating landscape to re-assess and appropriately adapt its strategies. This is to ensure the continued operation of the Company into the foreseeable future. Such strategies include taking advantage of government policies and initiatives intended to support the continued operation of the Company, and continuously engaging related parties within the LafargeHolcim group to ensure intergroup obligations are managed and settled.

The condensed financial statements have been prepared on the going concern basis. The Directors have reviewed the Company's budget and projected cash flows up to the year ending 31 December 2021. On the basis of this review and assessment of the current financial position, believe that the Company will remain a going concern for the foreseeable future.

8. CAPEX COMMITMENTS

	Unreviewed June 2020	Unreviewed June 2019
	ZWL "000"	ZWL"000"
Capital expenditure	61 472	23 093
Depreciation expense	59 107	55 209

9. RELATED PARTY TRANSACTIONS

	Unreviewed June 2020	Unreviewed June 2019
	ZWL "000"	ZWL"000"
Purchases of goods from related parties	121 093	254 627
Balances owed to related parties for goods and services	296 923	384 990
Balances receivable from related parties for goods and services	51 312	41 760
Loans to directors and key management personnel	2 585	102

10. SUBSEQUENT EVENTS

Post half year, the Company entered into a payment plan with the tax authorities for a tax liability of USD336,000 relating to VAT that had erroneously been settled in ZWL.

Directors: K. C. Katsande (Chairman); D. L. Cruttenden; P. M. S. Deleplanque; G. Zvaravanhu, M. A. Masunda; S. M. Mutangadura; P. Nyika* (Chief Executive Officer); F. Kovhiwa*(Chief Finance Officer) ****Executive***

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAFARGE CEMENT ZIMBABWE LIMITED

REPORT ON THE REVIEW OF THE INFLATION ADJUSTED CONDENSED FINANCIAL STATEMENTS

Introduction

We were engaged to review the accompanying inflation adjusted condensed statement of financial position of Lafarge Cement Zimbabwe Limited ("the Company") as at 30 June 2020 and the related inflation adjusted condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows fro the 6 month period then ended, and the notes to the inflation adjusted condensed financial statements ("the interim financial information").

Management was responsible for the preparation and fair presentation of the interim financial information in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019.

Our responsibility was to express a conclusion on the interim financial information based on our review. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the interim financial information.

Scope of Review

We were engaged to conduct 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.

Basis for Disclaimer of Conclusion

1. Carryover Impact of Disclaimer of Opinion Issued on 31 December 2019 Year End Financial Statements

   A disclaimer of opinion was issued on the Company's financial statements for the year ended 31 December 2019 because of the following matters:

   i. Prior Year Carryover and Current Year Impact of Date of Change of Functional Currency Required by International Accounting Standard ("IAS") 21 - 'The Effects of Changes in Foreign Exchange Rates';
   ii. Restatement Approach Required by IAS 29 - 'Financial Reporting in Hyperinflationary Economies';
   iii. Incorrect Financial Statement Classification and Measurement of Group Loan with Requirements of IAS 32 'Financial Instruments: Presentation' and IAS 21;
   iv. Reliability of ZWL Valuation of Property, Plant and Equipment Based on Attributes of Market Participants and Price as Prescribed in IFRS 13 'Fair Value Measurements'; and
   v. Inability to Obtain Sufficient and Appropriate Evidence on the Use of the Going Concern Assumption.

   Members may refer to our report for the year ended 31 December 2019, which is publicly available on the Company and Zimbabwe Stock Exchange websites, for the full details on these matters.

   We believe the above matters continue to have both a material and pervasive carryover impact on the interim financial information for the 6 month period ended 30 June 2020, as well as the comparability of the related corresponding figures. We have been unable to quantify the extent of the misstatements.

A full list of partners and directors is available on request

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAFARGE CEMENT ZIMBABWE LIMITED

REPORT ON THE REVIEW OF THE INFLATION ADJUSTED CONDENSED FINANCIAL STATEMENTS

Basis for Disclaimer of Conclusion (continued)

2. Restatement Approach Not Compliant with IAS 29 - 'Financial Reporting in Hyperinflationary Economies'

   Management's restatement approach is described in note 3 of the inflation adjusted condensed financial statements. We have determined that this restatement approach is not in compliance with the requirements of IAS 29, and therefore results in a material misstatement of the interim financial information of the current period and also impacts the comparability of the related corresponding figures. We have been unable to quantify the extent of these misstatements, and their effects are also considered to be pervasive.

Disclaimer of Conclusion

Due to the significance of the matters described in the Basis for Disclaimer of Conclusion section, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying interim financial information. Accordingly, we do not express a conclusion on these condensed financial statements.

Deloitte & Touche
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Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per Stelios Michael
Partner
(PAAB Practice Certificate 0443)
Harare
Zimbabwe

Date: 28 September 2020