



ZIMBABWE STOCK EXCHANGE LIMITED

Practice Note 11

To the Securities and Exchange Rules, Statutory Instrument 134 of 2019
("ZSE Listing Rules")

Issued pursuant to section 3 (1) (h) of Statutory Instrument 134 of
2019 of the ZSE Listing Rules

PUBLICATION OF INTERIM FINANCIAL REPORTS FOR THE FIRST AND THIRD QUARTERS IN TERMS OF SECTION 35 (5)

1. Definitions

Terms used in this Practice Note which are defined or interpreted in the ZSE Listing Rules shall have the same meaning as in the ZSE Listing Rules.

2. Quarterly Interim Reports

In line with section 35 (5) of ZSE Listing Rules, Issuers must publish first and third quarter interim reports on their websites and on the ZSE Data portal within a period of 45 days after the end of the reporting period.

3. Representations by Issuers

As per ZSE engagement policy, the Exchange received and considered a number of representations from issuers regarding full compliance with IFRS requirements in preparation of the first and third quarter reports, particularly, the associated additional costs of compliance.

4. Exemptions

As a result of the above, the ZSE has exempted full compliance for first and third quarter reports, for the time being, and now requires issuers to publish trading updates instead. The minimum contents of the trading update, which differ according to industry, are presented below.

For avoidance of doubt, industry sectors are as per Global Industry Classification Standards ("GICS") as published by the ZSE from time to time and available on the ZSE website [link](#).

5. Minimum Contents for the following Sectors - CONSUMER DISCRETIONARY, CONSUMER STAPLES, MATERIALS and INDUSTRIALS

a) Trading Environment: - Issuers are required to provide brief information on the following:

- i) Comments on the macro-economic environment.
- ii) Effects of the policy changes (if any) to the business operations.
- iii) Measures taken by the company to take advantage of or adapt to the macro-economic changes.

b) Volume Performance and profitability

- i) Issuers are required to disclose sales volume performance with comparisons against the corresponding quarter of the previous reporting year.
- ii) If the update is for Q3, in addition to quarter 3 performance, issuers should also comment on the year to date (i.e. 9 months to date) against previous year to date performance.
- iii) If ordinarily an issuer is required, in terms of IFRS, to disclose operating segments information; brief disclosures of segmental performance is required in the trading update.
- iv) Management should provide insights, in their opinion, the causes of either a decrease/increase in the sales volume performance.

c) Outlook

- i) On the basis of (a) and (b) above, issuers are required to discuss the business outlook in light of the trading environment and current performance of the business.

6. Other Information

- i) Issuers are not limited to the above disclosures but the form the minimum contents required of a trading update.
- ii) Disclosure of any other relevant information which is useful in aiding investment decisions is permissible.

7. In addition to the above, the ZSE may direct an issuer to provide additional information which it deems necessary.

8. This practice note is effective from 27 January 2020.

Issued by
Zimbabwe Stock Exchange Limited