Reviewed Abridged Financial Results

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Simbisa Brands LIMITED

Salient Features

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Six months ended 31-Dec-20 ZWL Reviewed	Six months ended 31-Dec-19 ZWL Restated	Change
INFLATION ADJUSTED			
Revenue (ZWL millions)	8,003.2	3,972.8	▲ 101%
Operating profit before impairment, depreciation and amortisation (ZWL millions)	1,348.9	771.3	▲ 75%
Profit before tax (ZWL millions)	1,233.8	630.5	▲ 96%
Profit for the period attributable to equity holders of the parent (ZWL millions)	844.1	442.6	▲ 91%
Cash generated from operating activities (ZWL millions)	1,997.5	499.1	▲ 300%
Headline earnings per share (ZWL cents)	150.06	78.73	▲ 91%
Interim dividend declared per share (ZWL cents)	53.00	22.74	▲ 133%
HISTORICAL COST - UNAUDITED			
Revenue (ZWL millions)	7,624.5	1,032.0	▲ 639%
Operating profit before impairment, depreciation and amortisation (ZWL millions)	1,440.4	204.8	▲ 603%
Profit before tax (ZWL millions)	1,245.7	127.7	▲ 876%
Profit for the period attributable to equity holders of the parent (ZWL millions)	891.3	89.0	▲ 902%
Cash generated from operating activities (ZWL millions)	2,340.5	215.2	▲ 987%
Headline earnings per share (ZWL cents)	158.46	15.82	▲ 902%
Interim dividend declared per share (ZWL cents)	53.00	5.07	▲ 945%

Chairman's Statement

Overview

The period under review was extremely challenging due to the effects of the Covid-19 pandemic restrictions on operations and trading hours, but Simbisa managed to produce a pleasing performance. Despite the uncertain times that lie ahead and the risk of a third wave of the pandemic, we are confident that the action plans the business has put in place will allow us to cope with the impact of the pandemic in the short-term and set the business up to take advantage of long-term growth opportunities. Our management teams and staff have responded well to the ever-changing environment and are to be commended. The results for the half-year ended 31 December 2020 bear testament to their hard work and resilience.

In this period, Simbisa emphasised focus on the well-being of both employees and customers. The Group continued enforcing strict hygiene measures in all its stores and offering free voluntary testing and counselling services to our employees.

Simbisa continued to contribute to various community based Covid-19 relief measures and complemented government efforts in the fight against Covid-19.

Notwithstanding this extremely challenging environment, some of the Group's notable achievements in the period include:

- Consistent month-on-month recovery in customer counts.
- Operating profit margins remained firm despite reduced customer counts as a result of the Group's response on the operating expense side of the business and improved operating efficiencies.
- Net new store growth of 21 stores from the beginning of the financial year and an increase of 13 stores for the quarter. The Group celebrated its 500th store opening during the quarter. This historic milestone reinforces Simbisa's continued commitment to grow its footprint. Simbisa closed the period with a store count of 509 stores.

The Group maintained a long-term view on growth opportunities and continued its expansion activities.

Operating Environment

The Zimbabwe operating environment remains challenging with annual inflation closing the year at 348.6% from a high of 837.5% recorded in July 2020. The re-introduction of the foreign exchange auction system in June 2020 resulted in a more stable foreign exchange system. However, pressure on disposable incomes persisted over the period. The business impact of Covid-19 gradually eased over the reporting period as restrictions were relaxed and Covid-19 cases remained under control until mid-way through December 2020. Stricter Covid-19 trading restrictions were reintroduced subsequent to the reporting date, from 4 January 2021, following a surge in Covid-19 cases. These have however since been relaxed.

In the period there was a steady lifting of Covid-19 trading restrictions in most of our Regional markets, with all stores operating over the period. Trading hours restrictions remained in Kenya and Namibia although they were progressively relaxed. "Sit-down" service restrictions have been lifted in all our markets, albeit at reduced capacity to maintain safe social distance. However, social and economic activities remained depressed compared to the same period last year.

Significant accounting and reporting matters

Partial compliance with International Financial Reporting Standards

Whilst the Group has complied fully with IFRS in the past, the market-wide impracticability in achieving full compliance with IFRS, specifically, International Accounting Standard ('IAS') 21,'The Effects of Changes in Exchange Rates,' and its consequential effect on IAS 29, ' Financial reporting in Hyperinflationary Economies,'and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'; persisted. The matters, described in full in the annual financial statements for the year ended 30 June 2020, remain unresolved in the Zimbabwean market and affect the comparability of current period results and corresponding prior-year results. For these reasons, the Independent Auditors have issued an adverse review conclusion on the Group's financial results for the half-year ended 31 December 2020. The Directors advise users of the financial results to exercise due caution concerning the corresponding previous year's results.

Financial performance highlights

Key highlights (in inflation-adjusted terms) are as follows:

- Revenue increased by 101% (+44% in Zimbabwe and +500% in the Region). Growth in Zimbabwe is mainly driven by a 56% increase in average spend. In the Region, whilst revenue fell by 14% in USD terms, driven by a 19% decline in customer counts offset by a 6% increase in average spend, translation into Zimbabwean dollars reflects a 500% growth.
- Operating profit increased by 75%. Profit attributable to shareholders and headline earnings increased by 91%.
- The Group recognised a net monetary gain of ZWL148 million.
- The Group recorded foreign currency exchange and other gains of ZWL530 million mainly comprised of foreign exchange gains on the net foreign currency position in Zimbabwe.
- Cash generated from operations was very strong at ZWL2.0 billion. Amounts spent on investing activities was ZWL1.3billion including ZWL663 million in short-term financial assets. Total capital expenditure for the period was ZWL644 million (ZWL 250million in Zimbabwe and ZWL 395 million in the Region).
- The Group's cash and liquidity position remains strong. Total debt (excluding IFRS 16 liabilities) was $1.9 billion. The Group had cash and cash equivalents of $1.9 billion resulting in a neutral net debt position.

The Board has resolved to declare an interim dividend of ZWL 53 cents per share (FY20: ZWL 5.07 cents per share). Furthermore, the board approved a dividend of ZWL 14 897 897 to the Simbisa Employee Share Trust. The dividend will be payable in Zimbabwe dollars on or about 30 April 2021 to shareholders registered in the books of the Company close of business on 16 April 2021. The last day to trade cum-divided is 13 April 2021 and the ex-dividend date 14 April 2021.

Corporate Governance

As announced by the Company and approved by shareholders at the Company's 5TH Annual General Meeting, the Board of Directors appointed Mrs. Jaqueline Hussein as an Independent Non-Executive Director of the Company with effect from 1 January 2021. Mrs. Hussein brings a wealth of experience and expertise as a chartered accountant registered and having practiced in South Africa and Zimbabwe. She currently runs her own firm of public accountants, July28, and sits as a non-executive director of companies in Zimbabwe and Zambia. The Board welcomes Jackie and looks forward to her contribution to the Company.

Treasury Shares

The Company bought back 2 500 900 of its own shares in line with the authority granted at the last Annual General Meeting. Cumulatively, the Company now holds 3 559 073 treasury shares.

Outlook

Although conditions surrounding the coronavirus have been stable in the majority of Simbisa's operating countries, it is hard to accurately predict the future developments as regards the pandemic and the extent of its continued negative impact in all economies. The resurgence in infection rates, such as that occurred in Zimbabwe in January continues to affect recovery efforts. The Board welcomes the approval by the Government of Zimbabwe for private sector importation of approved vaccines and advises that it is at an advanced stage of sourcing and providing free and voluntary vaccinations to all its employees before the end of this financial year.

The Authorities in Zimbabwe continue to introduce and put into effect market reforms that have stabilised the local currency and appear to have tamed rampant inflation. For this we commend them. However, we urge the Authorities to fine tune the reforms further by for instance removing the remaining foreign exchange and pricing arbitrage opportunities that arise from the growing disparity between the auction rate and the so called "market rates" which may hurt the progress achieved to date.

We therefore believe that we are well-positioned to navigate the challenges ahead successfully, due inter alia to our geographically diversified store network, strength of our take-away channel and fast-growing delivery and drive-thru channels. We continue to make progress towards long-term growth and explore new possibilities for operational optimisation as we gear up to ease into a post-Covid-19 world, with a pipeline of 38 new stores for the remaining six months of the financial year.

Appreciation

On behalf of the Board, I would like to express my gratitude, and appreciation to our staff, management, and the executive team for their incredible dedication to duty, self-sacrifice, commitment, and continued hard work during this Covid-19 period.

I also thank our loyal customers for their continued support and acknowledge the contributions of our suppliers, business associates, and stakeholders to our success.

ABC CHINAKE
Independent Non-executive Chairman
Harare
23 March 2021

Interim Dividend Announcement

Notice is hereby given that on 19 February 2021 the Board of Directors declared an interim dividend of ZWL 53 cents per share payable out of the profits of the Group for the half year ended 31 December 2020. Furthermore, the board approved a dividend of ZWL 14 897 897 to the Simbisa Employee Share Trust.

Dividend No	11
Announcement date	23 March 2021
Dividend per share	ZWL 53 cents
Record date	16 April 2021
Last date to trade cum-dividend	13 April 2021
Ex-dividend date	14 April 2021
Payment date	on or around 30 April 2021

Group Secretary
23 March 2021

Chief Executive Officer's Report

TRADING ENVIRONMENT

Challenges emanating from the Covid-19 pandemic in prevailed 1H FY2021, with travel and social restrictions, curfews and the resultant shortened counter trading hours impacting customer counts. Although the social impact of the pandemic has also put consumer spending power under pressure, through an increased delivery contribution Simbisa has seen an increase in average spend during the period under review. There was an improvement in the operating environment as restrictions were relatively more relaxed across Simbisa's operating markets in 1H FY2021, compared to the closing quarter of the prior financial year. As such, total Counter Trading Hours across the Group were down 22% in 1H FY2021, compared to a 42% loss in trading hours in 4Q FY2020. While difficulties persisted in the Zimbabwe operating environment, the foreign exchange auction system helped to stabilise the local currency and ease inflationary pressures over the financial period under review. Although high unemployment rates, depressed consumer disposable incomes and economic uncertainty continue to put pressure on the Zimbabwean operations, growing diaspora remittances continue to ameliorate the adverse impact of these downside risks.

Exchange rate devaluation remains a challenge in the Regional operations, particularly in Zambia where the closing Kwacha exchange rate depreciated 50% against the US Dollar between December 2019 and December 2020. The Group has put in place diversification strategies to mitigate exchange rate risks, detailed under the Strategic Focus section of this report.

GROUP PERFORMANCE OVERVIEW

Although trading conditions remained restrictive in the period under review, resulting in lost counter trading hours, the impact on lost customer counts has been mitigated through promotional activities, value offerings and continued growth in Simbisa's footprint. An increase in delivery sales contribution which has emerged through a change in customer buying habits during the pandemic and supported by an increased focus on the delivery business, has resulted in increased average spend across all Simbisa's operating markets. As such, the impact of the pandemic on revenue has been minimised. Furthermore, aggressive cost-saving measures initiated in response to the aforementioned operating environment challenges re-aligned the cost base and achieved operating margin efficiencies which allowed the Group's profitability to remain resilient.

ZIMBABWE

The Zimbabwe operations traded with remarkable resilience in the six-month period under review. Simbisa Zimbabwe managed to successfully navigate the health risks associated with Covid-19 without having to completely shut down any outlets over the period under review, although counter trading hours were still 19% down on prior year due to the curfew upheld throughout the period and with restrictions being tightened from mid-December. Most severely affected are the casual dining, sit-in restaurants and transit sites due to inter-regional travels restrictions.

Despite reduced trading hours, 1H FY2021 customer counts in Zimbabwe fell a more moderate 7% year on year, with a significant improvement between 1Q FY2021, where customer counts were down 18% versus prior year, and Q2 FY2021 in which Simbisa managed to grow customers compared to the prior year. As a result of gradual easing of restrictions and new store openings, customer counts grew 166% between 4Q FY2020 and 2Q FY2021. The progress made is testament to the success of the ongoing promotions and value meals being offered as well as steady growth in footprint, deliveries, and the introduction of curbside collections which was well-received by customers.

Although consumer spending power remains under pressure in the market, as a result of depressed economic conditions and the social implications of the Covid-19 pandemic, Simbisa Zimbabwe achieved real growth in average spend in 1H FY2021 versus the prior year comparable period. Average spend increased by 56% in inflation-adjusted Zimbabwe Dollar terms.

The Group continued to expand its footprint in Zimbabwe with the opening of 6 new counters between 30 June 2020 and 31 December 2020. As at 31 December 2020 there were 227 operational counters in Zimbabwe.

REGIONAL OPERATIONS

Customer counts in the regional business fell 19% from prior year, while average spend increased 644% in ZWL inflation-adjusted terms and 6% in USD-terms, despite currency devaluation against the USD across our regional operating markets. Revenue generated by our regional operations fell 14% year-on-year in USD-terms but increased by 500% in inflation-adjusted ZWL terms from $498m in prior year to $2.98b in 1H FY2021. Regional EBITDA margins improved significantly on the back of improved operating efficiencies and implementing aggressive cost management strategies.

Growing the Simbisa brand footprint was a key focus area in the Kenya, Zambia and Ghana operating markets whilst the priority is to turnaround the existing business in the other regional markets. The latter strategy involves a re-structuring exercise which has been initiated in Mauritius and which has already proved to be successful, with the full impact expected to reflect from FY2022. The unbundling of the delivery business in Kenya into Kutuma Kenya Limited has also delivered very promising results, with delivery revenue contribution to Simbisa Brands Kenya growing from an average of 14% in 1H FY2020 to 20% in 1H FY2021.

In the six-month period under review, 15 new counters were opened in the Region.

KENYA

Restrictive trading conditions prevailed in the six-month period under review, with Simbisa Kenya trading on 33% less counter trading hours compared to the prior year period. Through aggressive marketing campaigns, value offerings and new store openings, the decline in customer counts was a more moderate 23% year on year and the impact on revenue was partly offset by an 18% increase in average spend, a result of increased deliveries with a higher basket value. The delivery business, Kutuma Kenya Limited, performed well in the period under review and is growing rapidly, with the business registering a 48% increase in revenue between 1Q and 2Q FY2021. The strategy to unbundle the delivery business with the view of growing delivery sales in the market and enhancing efficiencies has already started to pay-off with delivery sales in Kenya increasing 31% year on year, versus the legacy in-house delivery service. Growth in delivery revenue contribution to Simbisa Brands Kenya increased from an average of 14% in 1H FY2020 to 20% in 1H FY2021.

Expansion of Simbisa's footprint in Kenya remains a priority and in the six months to 31 December 2020, 10 new counters were opened in the market to close the period with 162 counters. The business is on track to achieve the pipeline target of 16 new store openings in FY2021.

ZAMBIA

The Zambian business faced challenges from significant exchange rate weakness and inflationary pressures in the Zambian economy in the review period, putting pressure on consumer disposable incomes, increasing the cost of imported raw materials and impacting key costs for the business. Borders remain closed to public transport, negatively effecting transit sites.

Aggressive marketing and brand specific promotions to improve customers counts across our brands have been successful and Simbisa Zambia achieved a 7% year on year increase in customer counts against the prior year same period. Local currency average spend remained stable resulting in a 9% increase in revenue versus prior year. Exchange rate pressures however dampened top-line growth in US Dollar terms and the Business registered a 27% decrease in revenue in real terms.

The impact of exchange rate pressures on gross profit and operating margins were countered through a strict cost management drive resulting in stable operating profits versus the prior year period. By 2Q FY2021 the business had turned profitable from a loss-making EBITDA position registered in the prior financial year.

Simbisa Zambia continued to grow through the opening of 2 new counters in the six month period under review. The Rocomama's restaurant, which was opened in July 2019, continues to perform exceptionally well and further restaurant openings are in the pipeline, with a second outlet set to open in 2H FY2021. Also as part of the growth strategy for this market is expansion into the Northern part of Zambia to compliment the footprint in Lusaka. The introduction of a bread and confectionaries factory in 3Q FY2021 is expected to improve revenue for the Bakers Inn brand by 30%. The period closed with 31 counters operating in this market.

MAURITIUS

The Mauritius business has initiated the first phase in the three-phased recovery plan, as presented in the FY2020 results release. The first phase entails restructuring the format of the counters from a table service to a counter service QSR model which requires less rental area and reduced staff. In 2Q FY2021, the first complex was converted which entailed the closure of one Creamy Inn counter, the restructuring of a Pizza Inn counter into a QSR format and the restructuring and relocation of a Galito's counter. We have already seen the exercise start to bear fruit, with growth in revenue and significant cost savings being realised between 1Q and 2Q FY2021. We expect to see the full impact reflect in the second half of the financial year. The second phase of the recovery plan will be to grow our footprint through the roll-out of new counters under the re-modelled business format and the third phase development into new, high-density regions.

Difficult operating conditions, temporary store closures during the restructuring exercise and the permanent closure of one counter led to a 10% year-on-year decline in customer counts. Improved average spend realised through increased delivery contribution resulted in a more moderate 7% year on year decline in local currency revenue. Significant cost savings were realised in the period under review through enhanced efficiencies under the new operating model as well as strict cost management policies implemented in the period. This resulted in a 138% increase in operating profit compared to the prior year same period and has seen the market return to profitability.

GHANA

Rocomama's was launched in Ghana with the inaugural restaurant opening in November 2020. The restaurant's performance to date has well exceeded expectations. A new Pizza Inn outlet was also launched in this market in December 2020 and the full contribution from both restaurants will reflect in FY2022. Revenue remained flat on prior year and through significant efforts put into cost containment, operating profit improved significantly, growing 355% year on year.

NAMIBIA

Simbisa Namibia's revenues have been negatively impacted by the loss of trading hours and lockdown restrictions that were reimposed in 2Q FY2021; revenue was down 17% versus prior year with customer counts falling 22% year on year. Management's success in rebasing costs resulted in a 51% improvement in the restaurant operating profit versus prior year. As previously mentioned, our intention is to franchise the Namibia operations. As such there were no new counters opened in 1H FY2021 and none in the pipeline for 2H FY2021.

Reviewed Abridged Financial Results

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Simbisa Brands LIMITED

Chief Executive Officer's Report - continued

FRANCHISED MARKETS

The Group's largest franchised business, the DRC, was impacted by lost trading hours due to trade restrictions and curfews, particularly in the months of July and December, and through civil unrest in the months of August and September. Although top-line performance remained depressed compared to the prior year period, the impact on operating profits was moderated through successful cost containment measures implemented in the period under review. No new counters were opened in the period under review and 4 new counters are in the pipeline to be opened in Kinshasa in 2H FY2021.

STRATEGIC FOCUS

The Group is working hard at recovering lost customer counts through promotions and affordable value options for customers where spending power is under pressure and to focus on driving growth in sales generated through delivery channels. Aggressive cost management strategies have been put in place across the markets to align the cost structure with the lower revenue base and ensure margins remain firm so that Group can remain profitable and continue to deliver value to Shareholders.

A key focus area remains on growing and improving the delivery business which is being realised through the continued development and refinement of the Dial-a-Delivery mobile application in order to enhance the user experience and with the target of growing application-related customers and orders. In Zimbabwe, the number of delivery zones has been increased in order to shorten delivery distances and to improve on delivery times and coverage. Through its subsidiary Kutuma Kenya Limited, Simbisa Brands is developing a Customer Data Platform to collate, analyse and interpret the data and information available through the mobile application, to improve the delivery businesses' performance and the customers' experience.

As part of the strategy to leverage technology to improve efficiencies and drive growth in the business, Simbisa is upgrading its ERP system. The scoping and design phase has been completed and the implementation of the upgrade is in progress. The upgrade is expected to unlock significant value through increased automation of work processes and improved system efficiencies and employee effectiveness.

The Group has put in place strategies to hedge against currency vulnerabilities in the Region which includes locally procuring capital expenditure, stock and expenses where possible and structuring borrowings in local-currency in all operating markets to minimise our exposure to US-Dollar obligations and therefore hedge against forex movements. Continued new store expansion is a key strategy for profitable markets to convert profits into tangible assets.

Simbisa will continue to focus on growth through expanding our QSR and casual dining footprint and growing market share in existing markets. In pursuit of this objective, there are 38 counter openings in the pipeline for 2H FY2021. The expansion of the Rocomama's brand in Zimbabwe, Zambia and Ghana as well as the launch of the Spur brand in Zimbabwe and the Ocean Basket brand in Kenya are included in the 2H FY2021 pipeline. The Group remains vigilant to brand development and business opportunities in both existing and new African markets.

OUTLOOK

Despite economic headwinds and challenging trading conditions, the Group has remained resilient and continues to pursue a growth strategy hinged on improved deliveries, technology development, continued growth in footprint and brand development. The turnaround strategies implemented in Zambia and Mauritius have been greatly successful and these markets are now entering into a growth phase, with Namibia being our only critical care market where the focus in the short term will be converting this into a franchised market.

With the gradual easing of trading restrictions in our operating markets, we expect an improvement in trading hours and with that a recovery in lost customer counts which will boost top line growth in the short to medium term. Considerable effort has been put into managing our cost base which has seen a considerable improvement in Group operating margins. Thus, a recovery in revenue will translate to growth in profitability and improved Shareholder returns and value delivery.

Simbisa continues to successfully navigate operating challenges through a robust strategy which has been swiftly and successfully implemented by a strong and determined management and support team to whom I would like to extend my sincere appreciation for their efforts. I would also like to thank the Simbisa Board of Directors, our loyal customers, suppliers and other stakeholders for their continued support in these challenging times.

B Dionisio
Chief Executive Officer

23 March 2021

Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this press release represents an extract. These abridged Group financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listing Requirements for provisional financial statements (Preliminary Reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) (COBE).

Cautionary Statement - Reliance On All Financial Statements Prepared In Zimbabwe For 2019/2020

The Directors would like to advise users to exercise caution in their use of these financial statements due to the material and pervasive impact of the technicalities brought about by the change in functional currency in Zimbabwe around February 2019, its consequent impact on the usefulness of the financial statements for 2019/2020 financial periods and the adoption of International Accounting Standard (IAS) 29 (Financial Reporting in Hyperinflationary Economies), effective 1 July 2019.

Whilst the Directors have exercised reasonable due care, and applied judgements that they felt were appropriate in the preparation and presentation of these financial statements, certain distortions may arise due to various specific economic factors that may affect the relevance and reliability of information that is presented in economies that are experiencing hyperinflation, as well as technicalities regarding the change in functional and reporting currency.

The review conclusion on these financial statements has been modified by the independent auditors, Ernst & Young Chartered Accountants (Zimbabwe), as indicated in the external auditor's statement below.

External Auditor's Review Conclusion

These Group's abridged inflation adjusted interim financial statements have been reviewed by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe), who have issued an adverse review conclusion as a result of non-compliance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) and the consequential impact on the inflation adjusted amounts determined in terms of IAS 29 as well as the impact on IAS 8. The auditor's review conclusion on the Group's abridged inflation adjusted interim financial statements is available for inspection at the Company's registered office.

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Inflation Adjusted		Historical Cost	
	Six months ended 31-Dec-20 Reviewed ZWL	Six months ended 31-Dec-19 Restated ZWL	Six months ended 31-Dec-20 Unaudited ZWL	Six months ended 31-Dec-19 Unaudited ZWL
Revenue	**8,003,183,041**	**3,972,765,660**	**7,624,460,137**	**1,031,966,951**
Operating profit before depreciation, amortisation and impairment	**1,348,938,169**	**771,324,297**	**1,440,352,169**	**204,771,614**
Gain/(loss) on monetary position	148,435,850	(5,984,170)	-	-
Foreign exchange and other gains	529,689,660	12,328,926	498,180,179	273,048
Depreciation, amortisation and impairment	(495,719,125)	(126,836,398)	(407,370,367)	(59,548,062)
Profit before interest and tax	**1,531,344,554**	**650,832,655**	**1,531,161,981**	**145,496,600**
Interest income	78,319,895	21,859,255	73,595,604	4,919,045
Interest expense	(375,872,166)	(42,206,231)	(359,043,795)	(22,760,499)
Profit before tax	**1,233,792,283**	**630,485,679**	**1,245,713,790**	**127,655,146**
Income tax expense	(383,346,724)	(183,819,032)	(347,844,814)	(36,971,098)
Profit for the period	**850,445,559**	**446,666,647**	**897,868,976**	**90,684,048**
Other comprehensive income - to be recycled to profit or loss				
Exchange differences arising on the translation of foreign operations	116,561,548	66,484,465	116,561,548	66,484,465
Other comprehensive income for the period, net of tax	**116,561,548**	**66,484,465**	**116,561,548**	**66,484,465**
Total comprehensive income for the period	**967,007,107**	**513,151,112**	**1,014,430,524**	**157,168,513**
Profit for the period attributable to:				
Equity holders of the parent	844,131,301	442,591,083	891,279,547	88,956,098
Non-controlling interests	6,314,258	4,075,564	6,589,429	1,727,950
	850,445,559	**446,666,647**	**897,868,976**	**90,684,048**
Total comprehensive income for the period attributable to:				
Equity holders of the parent	958,169,171	506,801,867	1,005,317,417	153,166,882
Non-controlling interests	8,837,936	6,349,245	9,113,107	4,001,631
	967,007,107	**513,151,112**	**1,014,430,524**	**157,168,513**
Earnings per share (ZWL cents):				
Basic earnings per share	150.15	78.73	158.54	15.82
Headline earnings per share	150.06	78.73	158.46	15.82
Diluted earnings per share	150.15	78.38	158.54	15.75
Diluted headline earnings per share	150.06	78.38	158.46	15.75

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Inflation Adjusted		Historical Cost	
	31-Dec-20 Reviewed ZWL	30-Jun-20 Restated ZWL	31-Dec-20 Unaudited ZWL	30-Jun-20 Unaudited ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	4,510,643,553	3,716,434,439	3,024,785,179	2,177,032,527
Right-of-use assets	1,615,248,428	1,552,971,431	1,450,365,091	1,370,208,593
Intangible assets	43,232,280	17,758,399	43,232,280	17,758,399
Deferred tax assets	71,047,234	50,479,411	86,985,315	62,018,579
	6,240,171,495	**5,337,643,680**	**4,605,367,865**	**3,627,018,098**
Current assets				
Financial assets	847,242,743	158,269,017	847,242,743	92,435,346
Inventories	766,393,168	449,891,847	766,198,394	330,176,114
Trade and other receivables	617,937,146	269,089,263	553,138,272	228,394,533
Cash and cash equivalents	1,861,011,033	1,288,786,882	1,861,011,033	814,467,350
	4,092,584,090	**2,166,037,009**	**4,027,590,442**	**1,465,473,343**
Total assets	**10,332,755,585**	**7,503,680,689**	**8,632,958,307**	**5,092,491,441**
EQUITY AND LIABILITIES				
Equity				
Share capital and share premium	445,814,509	445,814,509	18,178,323	18,178,323
Distributable reserves	2,157,168,104	1,430,350,934	1,188,593,678	641,181,385
Other reserves	749,778,803	654,374,044	737,000,661	403,453,013
	3,352,761,416	**2,530,539,487**	**1,943,772,662**	**1,062,812,721**
Non-controlling interests	42,895,336	16,968,164	31,369,460	5,167,116
Total equity	**3,395,656,752**	**2,547,507,651**	**1,975,142,122**	**1,067,979,837**
Non-current liabilities				
Deferred tax liabilities	341,305,160	325,831,094	62,024,400	71,178,907
Lease liability - non-current	1,219,707,392	1,239,382,309	1,219,707,392	1,091,229,101
Borrowings - non-current	922,337,363	463,974,789	922,337,363	455,250,178
	2,483,349,915	**2,029,188,192**	**2,204,069,155**	**1,617,658,186**
Current liabilities				
Lease liability - current	413,465,226	401,984,637	413,465,226	365,710,582
Borrowings - current	977,799,610	806,451,674	977,799,610	631,479,530
Trade and other payables	2,803,613,006	1,621,351,226	2,803,611,118	1,353,925,470
Current tax liabilities	258,871,076	97,197,309	258,871,076	55,737,836
	4,453,748,918	**2,926,984,846**	**4,453,747,030**	**2,406,853,418**
Total liabilities	**6,937,098,833**	**4,956,173,038**	**6,657,816,185**	**4,024,511,604**
Total equity and liabilities	**10,332,755,585**	**7,503,680,689**	**8,632,958,307**	**5,092,491,441**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

INFLATION ADJUSTED

	Attributable To Equity Holders Of The Parent					
	Share capital and share premium ZWL	Distributable Reserves ZWL	Other Reserves ZWL	Total ZWL	Non-Controlling Interests ZWL	Total ZWL
Balance at 1 July 2019	**445,814,509**	**541,749,507**	**53,510,891**	**1,041,074,907**	**(10,797,366)**	**1,030,277,541**
Profit for the period	-	442,591,083	-	442,591,083	4,075,564	446,666,647
Other comprehensive income for the period	-	-	64,210,784	64,210,784	2,273,681	66,484,465
Total comprehensive income for the period	-	442,591,083	64,210,784	506,801,867	6,349,245	513,151,112
Transactions with owners	-	(1,077,357)	(82,332)	(1,159,689)	929,260	(230,429)
Purchase of treasury shares	-	-	(4,493,113)	(4,493,113)	-	(4,493,113)
Dividends	-	(45,691,505)	-	(45,691,505)	(1,538,095)	(47,229,600)
Balance at 30 December 2019	**445,814,509**	**937,571,728**	**113,146,230**	**1,496,532,467**	**(5,056,956)**	**1,491,475,511**
Profit for the period	-	557,339,073	-	557,339,073	20,897,763	578,236,836
Other comprehensive income for the period	-	-	541,354,764	541,354,764	5,512,365	546,867,129
Total comprehensive income for the period	-	557,339,073	541,354,764	1,098,693,837	26,410,128	1,125,103,965
Transactions with owners	-	29,577	(126,950)	(97,373)	275,110	177,737
Dividends	-	(64,589,444)	-	(64,589,444)	(4,660,118)	(69,249,562)
Balance at 30 June 2020	**445,814,509**	**1,430,350,934**	**654,374,044**	**2,530,539,487**	**16,968,164**	**2,547,507,651**
Profit for the period	-	844,131,301	-	844,131,301	6,314,258	850,445,559
Other comprehensive income for the period	-	-	114,037,870	114,037,870	2,523,678	116,561,548
Total comprehensive income for the period	-	844,131,301	114,037,870	958,169,171	8,837,936	967,007,107
Acquisition of subsidiary	-	-	-	-	17,089,236	17,089,236
Purchase of treasury shares	-	-	(18,633,111)	(18,633,111)	-	(18,633,111)
Dividends	-	(117,314,131)	-	(117,314,131)	-	(117,314,131)
Balance at 31 December 2020	**445,814,509**	**2,157,168,104**	**749,778,803**	**3,352,761,416**	**42,895,336**	**3,395,656,752**

HISTORICAL COST

	Attributable To Equity Holders Of The Parent					
	Share capital and share premium ZWL	Distributable Reserves ZWL	Other Reserves ZWL	Total ZWL	Non-Controlling Interests ZWL	Total ZWL
Balance at 1 July 2019	**18,178,323**	**45,286,075**	**36,206,354**	**99,670,752**	**(695,390)**	**98,975,362**
Profit for the period	-	88,956,098	-	88,956,098	1,727,950	90,684,048
Other comprehensive income for the period	-	-	64,210,784	64,210,784	2,273,681	66,484,465
Total comprehensive income for the period	-	88,956,098	64,210,784	153,166,882	4,001,631	157,168,513
Transactions with owners	-	(1,077,357)	(82,332)	(1,159,689)	929,260	(230,429)
Purchase of treasury shares	-	-	(381,235)	(381,235)	-	(381,235)
Dividends	-	(5,362,046)	-	(5,362,046)	(1,538,095)	(6,900,141)
Balance at 31 December 2019	**18,178,323**	**127,802,770**	**99,953,571**	**245,934,664**	**2,697,406**	**248,632,070**
Profit for the period	-	305,494,924	-	305,494,924	1,342,353	306,837,277
Other comprehensive income for the period	-	-	541,354,764	541,354,764	5,512,365	546,867,129
Total comprehensive income for the period	-	305,494,924	541,354,764	846,849,688	6,854,718	853,704,406
Transactions with owners	-	29,577	(126,950)	(97,373)	275,110	177,737
Dividends	-	(29,874,258)	-	(29,874,258)	(4,660,118)	(34,534,376)
Balance at 30 June 2020	**18,178,323**	**403,453,013**	**641,181,385**	**1,062,812,721**	**5,167,116**	**1,067,979,837**
Profit for the period	-	891,279,547	-	891,279,547	6,589,429	897,868,976
Other comprehensive income for the period	-	-	114,037,870	114,037,870	2,523,678	116,561,548
Total comprehensive income for the period	-	891,279,547	114,037,870	1,005,317,417	9,113,107	1,014,430,524
Acquisition of subsidiary	-	-	-	-	17,089,237	17,089,237
Purchase of treasury shares	-	-	(18,218,594)	(18,218,594)	-	(18,218,594)
Dividends	-	(106,138,882)	-	(106,138,882)	-	(106,138,882)
Balance at 31 December 2020	**18,178,323**	**1,188,593,678**	**737,000,661**	**1,943,772,662**	**31,369,460**	**1,975,142,122**

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Inflation Adjusted		Historical Cost	
	Six months ended 31-Dec-20 Reviewed ZWL	Six months ended 31-Dec-19 Restated ZWL	Six months ended 31-Dec-20 Unaudited ZWL	Six months ended 31-Dec-19 Unaudited ZWL
Cash generated from operations	**1,997,461,359**	**499,051,667**	**2,340,452,693**	**215,227,476**
Net interest paid	(343,141,683)	(20,346,975)	(305,684,666)	(21,149,596)
Tax paid	(188,755,708)	(27,103,034)	(165,608,044)	(14,463,767)
Net cash flow from operating activities	**1,465,563,968**	**451,601,658**	**1,869,159,983**	**179,614,113**
Investing activities	**(1,303,084,172)**	**(304,325,874)**	**(1,157,236,918)**	**(128,382,809)**
Net cash inflow before financing activities	**162,479,796**	**147,275,784**	**711,923,065**	**51,231,304**
Financing activities	**382,316,101**	**39,183,052**	**307,192,364**	**52,588,707**
Net increase in cash and cash equivalents	**544,795,897**	**186,458,836**	**1,019,115,429**	**103,820,011**
Effects of currency translation on cash and cash equivalents	**27,428,254**	**10,642,834**	**27,428,254**	**10,642,834**
Cash and cash equivalents at the beginning of the period	**1,288,786,882**	**198,230,605**	**814,467,350**	**17,894,178**
Cash and cash equivalents at the end of the period	**1,861,011,033**	**395,332,275**	**1,861,011,033**	**132,357,023**

Reviewed Abridged Financial Results

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Simbisa Brands LIMITED

NOTES TO THE REVIEWED ABRIDGED CONSOLIDATED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

1 General information

Simbisa Brands Limited (Simbisa or the Group) is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE"). Simbisa Brands Limited, and its subsidiaries own and operate quick service restaurants (QSR) across a number of countries in Africa.

2 Accounting policies

The Group reports in terms of International Financial Reporting Standards (IFRS). The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year, except for a reassessment and change in the treatment of foreign operations in hyperinflation accounting. The change in treatment of foreign operations was guided by technical guidance published in March 2021 by the Institute of Chartered Accountants of Zimbabwe ("ICAZ") titled 'IAS 29 Consolidation which includes a subsidiary whose functional currency is not hyper-inflationary.' In the prior year, financial performance and financial position for foreign operations were adjusted for inflation. In the current year, financial performance and financial position for regional operations were not adjusted for inflation, in line with the guidance from ICAZ referred to above. As a result of the change, the Group's financial results are now comparable across similar groups in the country.

The abridged inflation adjusted consolidated financial results do not include all of the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's annual financial statements as at 30 June 2020 which are available for inspection at the Company's registered office.

3 Basis of preparation

The Group's interim inflation adjusted condensed financial statements for the half year ended 31 December 2020 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The Listing Requirements require interim financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by IAS 34, 'Interim Financial Reporting.' The interim inflation adjusted condensed financial statements have been prepared based on the statutory records that are maintained under the historical cost basis. The interim inflation adjusted condensed financial statements are presented in Zimbabwean Dollars (ZWL) and all values are rounded to the nearest dollar, except where otherwise indicated. The principal accounting policies applied in the preparation of the interim inflation adjusted condensed financial statements are in terms of IFRS except for the non-compliance with IAS 21, (The Effects of Change in Foreign Exchange Rates) and its consequential impact on the inflation adjusted amounts determined in terms of IAS 29 (Financial Reporting in Hyperinflationary Economies) and the impact thereof on IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and have been applied consistently in all material respects with those of the previous inflation adjusted consolidated annual financial statements, except for a reassessment and change in the treatment of foreign operations treatment for hyperinflation accounting.

4 Summarised segment information

INFLATION ADJUSTED

Six months ended 31 December 2020 - Reviewed	Zimbabwe ZWL	Region ZWL	Net eliminations ZWL	Total ZWL
Revenue	5,018,278,312	2,984,904,729	-	8,003,183,041
Operating profit before depreciation and amortisation	671,432,971	677,505,198	-	1,348,938,169
Depreciation and amortisation	(121,132,869)	(374,586,256)	-	(495,719,125)
Profit before tax	1,060,876,584	172 915 699	-	1,233,792,283
Capital expenditure	312,855,543	331,500,697	-	644,356,240
Segment assets	5,590,633,950	4,838,625,686	(96,504,051)	10,332,755,585
Segment liabilities	3,130,518,932	3,907,665,895	(101,085,994)	6,937,098,833

Six months ended 31 December 2019 - Restated	Zimbabwe ZWL	Region ZWL	Net eliminations ZWL	Total ZWL
Revenue	3,475,156,336	497,609,324	-	3,972,765,660
Operating profit before depreciation and amortisation	673,024,256	98,300,041	-	771,324,297
Depreciation and amortisation	(70,294,800)	(56,541,598)	-	(126,836,398)
Profit before tax	609,447,977	21,037,702	-	630,485,679
Capital expenditure	268,470,617	36,119,226	-	304,589,843
As at 30 June 2020 - Restated				
Segment assets	3,879,908,385	3,686,282,638	(62,510,334)	7,503,680,689
Segment liabilities	2,023,767,015	3,002,761,637	(70,355,614)	4,956,173,038

HISTORICAL COST

Six months ended 31 December 2020 - Unaudited	Zimbabwe ZWL	Region ZWL	Net eliminations ZWL	Total ZWL
Revenue	4,639,555,407	2,984,904,730	-	7,624,460,137
Operating profit before depreciation and amortisation	762,846,972	677 505 197	-	1,440,352,169
Depreciation and amortisation	(32,784,111)	(374,586,256)	-	(407,370,367)
Profit before tax	1,072,798,091	172,915,699	-	1,245,713,790
Capital expenditure	232,795,204	331,500,697	-	564,295,901
Segment assets	3,890,836,673	4,838,625,685	(96,504,051)	8,632,958,307
Segment liabilities	2,851,236,285	3,907,665,894	(101,085,994)	6,657,816,185

Six months ended 31 December 2019 - Unaudited	Zimbabwe ZWL	Region ZWL	Net eliminations ZWL	Total ZWL
Revenue	534,357,627	497,609,324	-	1,031,966,951
Operating profit before depreciation and amortisation	106,471,573	98,300,041	-	204,771,614
Depreciation and amortisation	(3,006,465)	(56,541,597)	-	(59,548,062)
Profit before tax	106,617,444	21,037,702	-	127,655,146
Capital expenditure	32,234,306	36,119,226	-	68,353,532
As at 30 June 2020 - Unaudited				
Segment assets	1,442,717,302	3,686,282,639	(36,508,500)	5,092,491,441
Segment liabilities	1,062,842,286	3,002,759,761	(41,090,443)	4,024,511,604

5 Leases

The Group has applied IFRS 16 using the modified retrospective approach with effect from 1 July 2019. As at that date, comparative information was not restated. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises a right of use asset and lease liabilities for its leases.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 July 2019. Right of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The lease liability and right of use asset were remeasured as at 30 June 2020 to take account of changes in the lease payments. During the 6 months ended 31 December 2020, all changes to the Group's leases were properly accounted for as modifications.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

i Applied a single discount rate to a portfolio of leases with similar characteristics;

ii Applied the exemption not to recognise right of use assets and liabilities for leases with less than 12 months of remaining lease term.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Inflation adjusted Reviewed ZWL	Historical cost Unaudited ZWL
Right of Use Asset		
As at 1 July 2019	-	-
Initial Recognition	219,178,251	191,614,165
Additions	5,309,614	3,101,023
Disposals	(4,097,155)	(4,097,155)
Depreciation expense	(172,193,040)	(166,793,991)
Remeasurement	387,341,795	220,017,089
Exchange differences on translation of foreign subsidiaries	1,117,431,966	1,126,367,461
As at 30 June 2020	**1,552,971,431**	**1,370,208,592**
Additions	209,215,372	209,215,373
Disposals	(50,200,364)	(50,200,364)
Depreciation expense	(278,558,989)	(260,679,489)
Exchange differences on translation of foreign subsidiaries	181,820,978	181,820,978
As at 31 December 2020	**1,615,248,428**	**1,450,365,090**
Lease liability		
As at 1 July 2019	-	-
Initial Recognition	219,178,251	191,614,165
Additions	3,212,582	1,560,721
Accretion of interest	82,596,869	76,281,277
Payments	(221,067,144)	(211,900,636)
Remeasurement	378,188,217	220,017,089
Exchange differences on translation of foreign subsidiaries	1,179,258,171	1,179,367,067
As at 30 June 2020	**1,641,366,946**	**1,456,939,683**
Additions	141,398,619	141,398,618
Accretion of interest	161,817,333	158,131,153
Payments	(337,569,143)	(332,194,106)
Effect of IAS 29	(182,738,407)	-
Exchange differences on translation of foreign subsidiaries	208,897,270	208,897,270
As at 31 December 2020 - Reviewed	**1,633,172,618**	**1,633,172,618**
As at 30 June 2020 - Restated		
Non-current	1,239,382,309	1,091,229,101
Current	401,984,637	365,710,582
As at 31 December 2020 - Reviewed		
Non-current	1,219,707,392	1,219,707,392
Current	413,465,226	413,465,226

NOTES TO THE REVIEWED ABRIDGED CONSOLIDATED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020 - *(continued)*

6 Financial assets

INFLATION ADJUSTED	Rate of interest Per annum	Year Repayable	31-Dec-20 Reviewed ZWL	30-Jun-20 Restated ZWL
Financial assets held at amortised cost				
Short term receivable (secured)				
- current	5%-45%; 35%	2021	847,242,743	158,269,017
			847,242,743	**158,269,017**

HISTORICAL COST	Rate of interest Per annum	Year Repayable	31-Dec-20 Unaudited ZWL	30-Jun-20 Unaudited ZWL
Financial assets held at amortised cost				
Short term receivable (secured)				
- current	5%-45%; 35%	2021	847,242,743	92,435,346
			847,242,743	**92,435,346**

7 Hyper inflation

The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities that report based on the International Financial Reporting Standards (IFRSs) on the application of Financial Reporting in Hyperinflationary Economies Standard (IAS 29) in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial periods ended on or after 1 July 2019 apply the requirements of IAS 29 "Financial Reporting in Hyperinflationary economies."

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current as at the balance sheet date, and that corresponding figures for previous periods be restated on the same basis. The restatement of Zimbabwean operations' financial statements was performed using conversion factors based on changes in the Consumer Price Index (CPI). The CPI is issued by the Zimbabwe National Statistical Agency (Zimstat). The indices and conversion factors used to restate the accompanying financial statements are as follows:

	Indices	Conversion Factor
As at 31 December 2020	2,474.5	1.00
As at 30 June 2020	1,445.2	1.71
As at 31 December 2019	551.6	4.49
Average CPI - 6 months to 31 December 2020	2,239.7	1.11
Average CPI - 6 months to 31 December 2019	362.3	7.71

8 Borrowings

Non-current borrowings

The Group's non-current borrowings are repayable from August 2023 to January 2024. The facilities are secured with a Corporate Guarantee and bear interest at an average rate of 8% in the Region segment.

Current borrowings

Short-term borrowings form part of the Group's core borrowings and are renewed on maturity in terms of on-going facilities negotiated with the relevant financial institutions. The average interest rate for short-term borrowings is 8% and 45% per annum for the Region and Zimbabwe respectively.

9 Commitments for capital expenditure

	Inflation Adjusted		Historical Cost	
	31-Dec-20 Reviewed ZWL	31-Dec-19 Restated ZWL	31-Dec-20 Unaudited ZWL	31-Dec-19 Unaudited ZWL
Authorised by Directors and contracted	581,909,049	407,973,960	581,909,049	90,946,766
Authorised by Directors but not contracted	432,631,320	848,485,792	432,631,320	189,146,971
	1,014,540,369	**1,256,459,752**	**1,014,540,369**	**280,093,737**

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

10 Changes in interests in subsidiaries

Current period

Acquisition of Kutuma Kenya Limited

Effective 1 July 2020, the Group acquired 75% interest in Kutuma Kenya Limited through it's subsidiary Simbisa International Franchising Limited. The transaction gave the Group control with effect from 1 July 2020. Kutuma Kenya Limited is a food delivery company, whose clients comprise Simbisa Kenya Limited's Dial-A-Delivery and other third party restaurants.

As at the date of acquisition, this transaction gave rise to goodwill of ZWL7 426 055 and non controliing interests of ZWL17,089,237.

Prior period

Acquisition of additional interest in Mauritius

Effective 1 July 2019, the Group acquired the remaining 12.5% interest in Simbisa Brands (Mauritius) Limited for ZWL52,692. The transaction did not result in a change in control and has been treated as a transaction among owners, with a difference of ZWL(1,257,062) recognised in equity.

11 Earnings per share

	Inflation Adjusted		Historical Cost	
	31-Dec-20 Reviewed ZWL	31-Dec-19 Restated ZWL	31-Dec-20 Unaudited ZWL	31-Dec-19 Unaudited ZWL
Basic and Diluted earnings				
Profit attributable to equity holders of the parent (basic and diluted earnings)	844,131,301	442,591,083	891,279,547	88,956,098
Number of shares in issue for Basic earnings per share				
Number of ordinary shares in issue	562,184,788	562,184,788	562,184,788	562,184,788
Weighted average number of ordinary shares in issue	**562,184,788**	**562,184,788**	**562,184,788**	**562,184,788**
Number of shares in issue for Diluted earnings per share				
Weighted average number of ordinary shares in issue	562,184,788	562,184,788	562,184,788	562,184,788
Dilutive impact of employee share option scheme	-	2,504,963	-	2,504,963
Weighted average number of ordinary shares in issue for diluted earnings per share	**562,184,788**	**564,689,751**	**562,184,788**	**564,689,751**
Basic earnings per share (ZWL cents)	150.15	78.73	158.54	15.82
Diluted basic earnings per share (ZWL cents)	150.15	78.38	158.54	15.75
Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	844,131,301	442,591,083	891,279,547	88,956,098
Adjustment for capital items (gross of tax):				
Profit on disposal of property, plant and equipment	(677,807)	-	(609,923)	-
Tax effect on adjustments	167,554	-	150,773	-
Headline earnings attributable to ordinary shareholders	**843,621,048**	**442,591,083**	**890,820,397**	**88,956,098**
Headline earnings per share (ZWL cents)	150.06	78.73	158.46	15.82
Diluted headline earnings per share (ZWL cents)	150.06	78.38	158.46	15.75

12 Events after the reporting date

There were no significant events after the reporting period.

Building a better working world

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Report on review of interim financial information

To the Shareholders of Simbisa Brands Limited

Introduction

We have reviewed the accompanying inflation adjusted interim condensed consolidated financial information of Simbisa Brands Limited and its subsidiaries ("the Group") , as set out on pages 10 to 25, which comprise the inflation adjusted interim condensed consolidated statement of financial position as at 31 December 2020 and the related inflation adjusted interim condensed consolidated statement of profit or loss and other comprehensive income, the inflation adjusted interim condensed statement of changes in equity and the inflation adjusted interim condensed statement of cash flows for the six-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of this inflation adjusted interim condensed consolidated financial information in accordance with the Internal Financial Reporting Standards. Our responsibility is to express a review conclusion on this inflation adjusted interim condensed consolidated financial information based on our review.

Scope of review

We conducted 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 adverse review conclusion

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors.

Matter 1: Historical functional currency date of application (Zimbabwean operations included in consolidated amounts)

As explained in note **2.1** to the inflation adjusted interim condensed consolidated financial information, the Company changed its functional and reporting currency from United States Dollar (US$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

Building a better working world

Report on review of interim financial information (Continued)

Simbisa Brands Limited

We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

The difference in the date of the change of the functional currency along with the use of rates which were not determined to be spot rates and the resulting incorrect application of IAS 29 due to inappropriate inputs resulted in a modified opinion in the prior period and furthermore where these balances remain in closing balances those balances remain misstated by amounts which cannot be fully quantified owing to the nature of the issue.

The matter continues to impact the following elements which still comprise of amounts from opening balances:

- All corresponding numbers remain misstated on the Inflation Adjusted Statement of Financial Position, Inflation Adjusted Cashflows, Inflation Adjusted Statement of Profit or Loss and Inflation Adjusted Changes in Equity. This also affects the comparability of the current year's figures.

- Consequentially the Inflation Adjusted Depreciation and Amortisation and Taxation in Profit and Loss and Deferred Taxation liabilities on the Statement of Financial Position may be impacted by an amount which cannot determined:

- As opening balances enter into the determination of cash flows, our review conclusion is also modified in respect of the impact of this matter on the inflation adjusted interim condensed consolidated Statement of Cash Flows.

Matter 2: Exchange rates used in current year (Zimbabwean operations)

As disclosed in Note 18 all foreign denominated monetary assets and liabilities held as at 31 December 2020 were translated at an operational rate from USD to ZWL presentation currency. Management has used the operational rate for the reasons disclosed in Note 18 and the basis for the rate is different to the rate used to translate transactions during the year. We disagree with both the difference in approach and the rationale for the use of the rate at year end. The auction rate was used to translate foreign denominated transactions during the year. The operational exchange rate used for the translation does not meet the definition of a spot exchange rate as per International Financial Reporting Standards - IAS 21 - *The Effects of Changes in Foreign Exchange Rates.* As a result, had the auction exchange rate had been used, the following elements of the inflation adjusted interim condensed consolidated statement of financial position would have been materially different:

- Cash and Bank which is stated as ZWL1 861 011 033 includes ZWL1 483 973 898 of Zimbabwean operations which would have been less by ZWL327 386 331.

- Trade and other payables stated as ZWL2 803 613 006 includes ZWL1 476 671 229 of Zimbabwean operations which would have been less by ZWL85 429 341.

- Trade receivables stated as ZWL617 937 146 includes ZWL446 811 260 of Zimbabwean operations which would have been less by ZWL9 220 424.

Report on review of interim financial information (Continued)

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Accordingly, exchange gains included in foreign exchange gains or losses on the inflation adjusted interim condensed consolidated statement of profit or loss would have decreased by ZWL251 177 414. Consequently, taxation, distributable reserves, non-controlling interests and deferred tax liability would have been materially impacted.

Our opinion was also modified in respect of inappropriate rates in the prior period as noted in matter 1 above.

Matter 3: Reporting in Hyper-Inflationary Economies– IAS29 (Zimbabwe Operations)

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior (matter 1) and current periods' (matter 2) financial information which is not in compliance with IAS 21 as described above. Had the correct base numbers and start date been used, the following accounts on the inflation adjusted interim condensed consolidated financial information would have been materially affected:

Inflation adjusted interim condensed consolidated Statement of financial position

- Property, Plant and Equipment
- Distributable reserves
- Deferred tax liabilities
- Non-controlling interests

Inflation adjusted interim condensed consolidated Statement of Profit or loss

- Depreciation & Amortisation
- Taxation
- Foreign exchange and other gains/losses
- Gain or loss on monetary position which all came from Zimbabwean operations.

The impact has however not been quantified.

Matter 4: Consolidation of Foreign Subsidiaries using foreign exchange rates that are not in compliance with IAS 21 (Foreign Operations)

Further to the issue noted above in respect of inappropriate exchange rates, management used internally determined exchange rates, (operational rate) to translate the foreign subsidiaries to group reporting currency, ZWL, on consolidation which we deem to be inappropriate and in non-compliance with International Financial Reporting Standards – IAS 21 for the reasons noted in Matter 2 above This impacted the results of the foreign operations which were translated into the group amounts on consolidation as a result of being translated at the inappropriate rate. As a result, if the auction exchange rate had been used, the following elements of the inflation adjusted interim condensed consolidated statement of financial position would have been materially different:

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Inflation adjusted interim condensed consolidated Statement of financial position

- Non – Current Assets stated as ZWL6 240 171 495 of which the foreign operations are ZWL3 976 177 531.
- Current Assets – stated as ZWL4 092 584 090 of which the foreign operations are ZWL862 448 152
- Non - Current liabilities – stated as ZWL3 059 221 265 of which the foreign operations are ZWL1 949 200 594
- Current liabilities – stated as ZWL3 877 877 568 of which the foreign operations are ZWL1 772 974 980
- Equity – stated as ZWL3 395 656 752 of which the foreign operations are ZWL930 959 791

Inflation adjusted interim condensed consolidated Statement of Profit or loss

- Gross profit
- Net impact on Profit before tax
- Profit after tax
- Minority interests

Our opinion was also modified in respect of inappropriate rates in the prior period to translate these amounts as noted in matter 1 above.

Overall Consequential Impacts

- As no restatements have been recorded in current year per IAS 8 to correct matter 1, our audit report on the Group's inflation adjusted interim condensed financial information for the half year ended 31 December 2020 is further modified for the following reason:

  Virtually all corresponding numbers remain misstated on the inflation adjusted interim condensed consolidated Statement of Financial Position, the inflation adjusted interim condensed consolidated Statement of Profit or Loss and Other Comprehensive Income, the inflation adjusted interim condensed consolidated Statement of Cash Flows and the inflation adjusted interim condensed consolidated Statement of Changes in Equity and thus also modified in respect of the comparability of the current period's figures with the prior period figures.

- Had the above misstatements been corrected on the inflation adjusted interim condensed financial statements, the amounts would have been materially different

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Report on review of interim financial information (Continued)

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Adverse review conclusion

In view of the matters described in the preceding paragraphs, the inflation-adjusted interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards.

The engagement partner on the review audit resulting in this review conclusion report on the interim condensed consolidated financial information is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

Ernst & Young.

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

Harare

23 March 2021