



BORDER TIMBERS LIMITED

TRADING UPDATE

9 MONTHS TO 31 MARCH 2021

Economic Environment

The country's economic crisis which had been exacerbated by the COVID-19 (Coronavirus) pandemic, continues to show significant improvement, as the economy is set to rebound by 2.9% in 2021 supported by recovery of agriculture. The continuation of the rule-based monetary policy has seen stabilization of exchange rates, price stability as well as decline of the month-on-month inflation in the quarter under review. The positive signs being noticed on the economy are to a larger extent a payoff of significant trades that have been taking place on the foreign exchange auction since its introduction in June 2020.

Volume Performance and Profitability

	INFLATION ADJUSTED		HISTORICAL	
	Unaudited 9 months to 31-Mar-21	Unaudited 9 months to 31-Mar-20	Unaudited 9 months to 31-Mar-21	Unaudited 9 months to 31-Mar-20
Production Volume (m³)				
Transmission Poles	6,195	9,434	6,195	9,434
Lumber	33,041	43,828	33,041	43,828
Total	39,236	53,263	39,236	53,263
Sales Volume (m³)				
Transmission Poles	7,165	9,202	7,165	9,202
Lumber	36,155	42,306	36,155	42,306
Total	43,320	51,508	43,320	51,508
Financial Highlights (ZWL 000')				
Revenue	1,004,110	1,387,866	882,147	181,964
Net Profit/(loss) before tax	67,520	7,044	51,489	(878)

Year to Date Performance

Lumber production is lower compared to prior year due to disruptions in production and logistical bottlenecks that were caused by COVID-19 pandemic. Demand for Lumber remains very high both in the local market and the export market.

Treated poles reflect a decline in production and sales volume compared to prior year, this was because of lower demand since the advent of Covid-19.

Update on ICSID claim and Judicial Management.

No finalization has been reached with ongoing discussions with the other claimant. Discussions with Government will follow thereafter. Accordingly, the Company will remain under judicial management for the foreseeable future.



Outlook

The rollout of the vaccination program, which commenced in January 2021, is expected to suppress and contain the spread of COVID-19, resulting in improved economic conditions. The Company continues to focus on improving its value creation systems and making its production processes more agile, so that as the business environment improves and aggregate demand increases, it will be poised to meet market demands.

Commendation

Management continues to do an excellent job in difficult circumstances.

PETER LEWIS BAILEY
JUDICIAL MANAGER
13 MAY 2021