Audited Abridged Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

Simbisa Brands LIMITED

Salient Features

FOR THE YEAR ENDED 30 JUNE 2021

	12 months ended 30-Jun-21 ZWL Audited	12 months ended 30-Jun-20 ZWL Restated		Change
INFLATION ADJUSTED				
Revenue (ZWL millions)	18,798.0	9,044.8	▲	108%
Operating profit before impairment, depreciation and amortisation (ZWL millions)	2,411.8	724.9	▲	233%
Profit before tax (ZWL millions)	2,165.0	1,631.2	▲	33%
Profit for the year attributable to equity holders of the parent (ZWL millions)	2,150.9	1,092.8	▲	97%
Cash generated from operating activities (ZWL millions)	3,022.3	912.6	▲	231%
Headline earnings per share (ZWL cents)	382.50	197.12	▲	94%
Dividend declared per share (ZWL cents)	132.00	53.09	▲	149%
HISTORICAL COST	**Unaudited**	**Unaudited**		**Change**
Revenue (ZWL millions)	17,068.0	3,103.5	▲	450%
Operating profit before impairment, depreciation and amortisation (ZWL millions)	2,458.3	450.8	▲	445%
Profit before tax (ZWL millions)	2,066.7	542.3	▲	281%
Profit for the year attributable to equity holders of the parent (ZWL millions)	2,235.2	394.5	▲	467%
Cash generated from operating activities (ZWL millions)	3,286.4	1,116.1	▲	194%
Headline earnings per share (ZWL cents)	397.52	73.51	▲	441%
Dividend declared per share (ZWL cents)	132.00	23.07	▲	472%

Chairman's Statement

Overview

Against the background of trading a full financial year under the Covid-19 pandemic, Simbisa delivered an excellent performance. Key highlights for the year include:

- The Group recorded improved operating profit margin despite the impact of Covid-19 on customer counts, which is testament to the success of efforts to improve operating efficiencies.
- Net growth of 32 stores during the year and an increase of 4 stores in the last quarter. The Group continues to reinvest profits into continued growth.
- 43% increase in food delivery volumes year-on-year as a result of the Group's elevated focus on this sales channel which ameliorates the impact of the pandemic and aligns the business with evolving customer behaviour. Along the same vein, the Group opened an additional drive-thru restaurant.
- Sustainable shareholder returns with a dividends growth rate of 472% year-on-year, ahead of the inflation rate of 107%.

Operating Environment

Amongst other challenges, the following matters had a significant impact on our business during the period under review:

i. Covid-19 impact on operations

All our restaurants experienced limited trade in FY21, with Mauritius being under full lock-down for 3 weeks from 9 March 2021 to 31 March 2021 (FY20: 10 weeks from 20 March 2021 to 30 May 2021). In our key markets, lost trading hours were as follows:

	Full Year FY21	Q4 FY20
Zimbabwe	-33%	-49%
Kenya	-28%	-48%
Other markets (combined)	-14%	-26%

Further to the direct impact on trading hours, the markets we operate in experienced depressed socio-economic activity. As further explained in the Chief Executive Officer's report, the Group's response focused on growing and improving the efficiency of its delivery and drive-thru offerings and extending various value offerings across its operations. Responses on the cost-side resulted in the Group maintaining profit margins. Simbisa is confident that some of the lessons and efficiencies gained over this difficult period will be carried forward into the post-pandemic era.

ii. Foreign exchange rate disparities in Zimbabwe

Whilst the foreign exchange supply has improved in Zimbabwe, the pricing mechanism and allocation of foreign exchange on the foreign exchange auction remain deficient as evidenced by the significantly divergent, multiple exchange rates in the economy which create opportunities for arbitrage between the different markets and platforms. The Board would like to urge the government to address the deficiencies in the foreign exchange auction and allow for efficient price discovery and distribution of foreign currency in the economy.

iii. Local currencies depreciation

Depreciation of emerging market currencies remain a significant risk in all our businesses. In FY21, the most affected currency was the Zambian Kwacha which lost 25% of its value against the USD between 30 June 2020 and 30 June 2021. This impacts our customers' disposable incomes in real terms and increases cost pressures on raw materials, capital items and services. The Group consistently manages its treasury and working capital positions to manage this risk across its markets. The Board, however, notes the recent significant recovery of the Zambian Kwacha following the August 2021 election and reaffirms its strategic intention to continue investing in that market.

Key financial reporting matters

i) Compliance with International Accounting Standard ("IAS") 21 "The Effects of Changes in Foreign Exchange Rates" requirements

Reference is made to the adverse opinion of the Independent Auditors on the financial statements. One of the reasons for this opinion is the use of an exchange rate other than the exchange rate derived from the Reserve Bank of Zimbabwe weekly Foreign Currency Auction System **("Auction Rate")**. The Group translated foreign currency monetary assets and liabilities for Zimbabwean Operations to ZWL using transactions-based exchange rate. The Simbisa transaction-based exchange rate was also used on the same date in translating the results of foreign operations to ZWL. The auditors believe that this treatment is not compliant with the financial reporting framework, International Financial Reporting Standards **("IFRS")**, as they believe the auction rate to be a "Spot Rate" compliant with the requirements of IAS 21, and therefore IFRS.

The Directors however believe that the Auction Rate is deficient with regards to IAS 21 and cannot be considered as Spot Rate for the following reasons, amongst others:

1. A regulatory prerequisite for bidding at the weekly foreign currency auction is that bidders must not have positive foreign currency balances in their foreign currency accounts (FCAs) that are equal to or more than the bid amount. This requirement disqualifies the Group's Zimbabwean Operation from bidding because of daily USD sales inflows into it's FCAs, which makes the auction rate inaccessible, and therefore fails to meet the accessibility criteria required by IAS 21;
2. It does not offer immediate delivery of foreign currency transactions occurring on the auction system. It has been made public by the Reserve Bank of Zimbabwe that auction transactions remain unsettled for lengthy periods, exceeding 12 weeks in some cases. The Directors do not believe that Simbisa would, in the event that it could participate in the auction, be priorotised ahead of other bidders and get immediate settlement of the foreign currency;
3. The foreign currency made available through auction system is insufficient to meet all the requirements of those who want access to it. The Directors do not believe that Simbisa would, in the event that it did not generate its own foreign currency from sales, meet all its foreign currency needs from the auction.

Furthermore, in April 2021, the International Accounting Standards Board ("IASB") released an exposure draft on a proposed amendment to IAS 21 (ED/2021/4), 'Lack of exchangeability'. IAS 21 specifies the exchange rate to use in reporting foreign currency transactions when exchangeability between two currencies is temporarily lacking. The proposed amendment addresses what an entity is required to do when a lack of exchangeability is not temporary. Paragraph 19A of the proposed amendment stipulates that when exchangeability between two currencies is lacking, an entity shall estimate the spot exchange rate at that date. The Directors believe that this amendment speaks to the current Zimbabwean economic environment.

In the considered view of the Directors, the use of transactions-based exchange rate for the translation of foreign currency monetary balances and the translation of foreign operations presents a fairer view of the Group's financial performance, financial position, and cash flows and disagree to use the Auction rate. The performance and financial position reflected by this basis of preparation has resulted in the Directors declaring a full year dividend of ZWL 132 cents per share (ZWL 53 cents interim dividend, ZWL 79 cents final dividend), for which the company has sufficient cash resources to settle.

The impact of the use of the transactions-based exchange rate on the financial statements is as follows:

	Inflation adjusted (ZWL Millions)		
	Numbers as reported in the financial statements	Numbers excuding the use of Simbisa transaction-based rate	Impact (decrease)/increase
Income Statement			
Operating Profit	2,413.2	2,076.8	(336.4)
Net profit attributable to shareholders	2,150.9	1,851.5	(299.4)
Basic Earnings per share – ZWL cents	382.60	329.33	(53.27)
Balance Sheet			
Total assets	13,189.2	10,365.2	(2,824,0)
Total liabilities	8,301.0	6,639.7	(1,661.3)
Net debt	3,796.5	3,192.0	(604.5)
Total equity	4,888.2	4,188.9	(699.3)

ii) Impact of International Financial Reporting Standard (IFRS) 16: Leases

The Group implemented the new accounting standard on leases, IFRS 16, with effect from 1 July 2019. This standard has a material impact on the Group's results as it operates the majority of its stores under operating lease agreements. The new standard aligns the presentation of leased assets more closely to owned assets, bringing both a right of use asset and lease liability on the balance sheet. Rental expenses previously recorded on a straight-line basis are now replaced by depreciation on the Right of Use Asset, straight-lined over the term of the lease, and interest expense on the lease liability which reduces over the lease term. In the earlier years of the leases, IFRS 16 accounting has a significant dilutive effect on the Group's earnings.

The Directors believe that it is fundamental and decision-useful to the users of financial statements to consider the Group's financial statements without the impact of IFRS 16. The Board shall continuously assess the appropriateness and usefulness of complying with IFRS 16, particularly how it affects the usefulness of the financial statements as a whole.

IFRS 16 had the following notable implications on the Group's results for the year ended 30 June 2021:

	Inflation adjusted (ZWL Millions)		
	Pre-IFRS 16	Change	Post-IFRS 16
Income Statement			
Operating Profit	1,752.1	661.1	2,413.2
Net profit attributable to shareholders	2,243.1	(92.2)	2,150.9
Basic Earnings per share - ZWL Cents	399.0	(16.4)	382.6
Balance sheet			
Total assets	9,911.1	3,278.1	13,189.2
Total liabilities	5,093.8	3,207.2	8,301.0
Net debt	589.3	3,207.2	3,796.5
Total equity	4,940.9	(52.7)	4,888.2

iii) Finance Act (Chapter 23:04) amendment (included in Finance Act No. 2 of 2020) - Zimbabwe Operations

The newly introduced subsection (11) of section 4 allows for the rebasing of fixed assets acquired on or before 22 February 2019, and for any acquired in foreign currency from 22 February 2019 to 31 December 2020. This applies to the Group's property, plant and equipment which were acquired in foreign currency and had income tax values as at 30 June 2020. The income tax values were rebased to the equivalence of ZWL at the ruling exchange rate as at 1 January 2021 (ZWL 81.82: USD 1).

The Group implemented the rebasing of the income tax values for property plant and equipment with effect from 1 July 2020. The deferred tax impact of this was ZWL 724,743,997. As a result, the Group achieved an effective tax expense rate of 0.1% (inflation adjusted) and credit of 8.8% (historical cost).

Financial performance highlights

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

- Revenue increased by 108% (+60% in Zimbabwe and +318% in the Region). The main driver of growth in Zimbabwe was an increase of 34% in average spend with customer counts increasing by 8%. In the Region, excluding the impact of the Zimbabwe dollar exchange rate depreciation, revenue increased by 5% in USD terms from a 2% increase in customer counts and a 3% growth in average spend.
- Operating profit increased by 233% with operating profit margins firmer at 13% (2020: 8%).
- The Group recognised a net monetary gain of ZWL 227 million (2020: ZWL 564 million), mainly attributable to inflation hedging strategies in Zimbabwe anchored on re-investing profits in new stores to hedge against inflation.
- The Group recorded foreign currency exchange and other gains of ZWL 1.1 billion (2020: ZWL 909 million) driven by depreciation of the ZWL against the USD.
- Overall effective tax rate of positive 0.1% (2020: 32.5%) due to once-off tax credit arising from the application of updated tax legislation in Zimbabwe as highlighted above.
- Profit attributable to shareholders and headline earnings increased by 97% and 94% respectively.
- Cash generated from operations was very strong at ZWL 3.0 billion. Of this amount, ZWL 1.8 billion was spent on investing activities.
- The Group's cash and liquidity position remains strong. Total debt (excluding IFRS 16 liabilities) was ZWL 2 billion. Total borrowings remain below 1x annual EBITDA. The business closed with cash and cash equivalents of ZWL 1.4 billion.

Final Dividend

The Board has resolved to declare a final dividend of ZWL 79 cents per share (FY20: 18 ZWL cents per share). This takes the full year dividend to (historical cost) 132 ZWL cents per share (FY20: 23.07 ZWL cents per share). Furthermore, the Board approved a dividend of ZWL 22,206,299 to the Simbisa Employee Share Trust. The dividend will be payable in Zimbabwe dollars on or about 15 October 2021 to shareholders registered in the books of the Company close of business on 8 October 2021. The last day to trade cum-dividend is 5 October 2021 and the ex-dividend date 6 October 2021.

Corporate Governance

There are no changes to the Board since our last report.

Sustainability

Sustainability is a core part of our business model and is driven by objectives we set across key areas of our environment, people and the community. The Board is consistently reviewing its key targets and improving the way these are measured. In the current year, the key areas under focus included health and safety of employees and customers, energy use and packaging.

In view of the Covid-19 pandemic, our corporate and social responsibility has been focused on the supporting the health sector and provision of necessities for the vulnerable. Simbisa Brands donated to Mpilo Hospital after a fire burnt down a doctor's residence and on a separate occasion donated fridges and other appliances for the hospital functions. Simbisa assisted vulnerable groups (orphans and the elderly) through donations of groceries and other items. These donations ensured food security for a few months for these vulnerable groups. Recognising the critical role of media and public health communications in the fight against the Covid-19 pandemic, Simbisa donated studio and broadcasting equipment to the Zimbabwe Broadcasting Corporation to improve the efficiency of its operations. Our belief is that as a business we exist and grow when our communities are functioning and therefore, we always seek to make a positive impact.

Outlook

The Group's focus remains on growing our footprint with 92 new stores in the pipeline in FY22 at an estimated investment cost of USD 19,3 million. Of these stores, 8 will be Drive-thru sites in line with increased focus on diversifying the Group's customer service channels.

Maintaining high standards of health and safety in our stores will remain a priority for the sake of both our customers and our staff. As of the date of this report, restrictions on trading hours and sit-in service remain in place in our key markets, Zimbabwe and Kenya. Despite these restrictions, trading volumes remain strong. We are encouraged by government plans and the increasing availability and uptake of Covid-19 vaccines in the countries we operate in. Currently, over 80% of our Zimbabwe employees have been fully vaccinated. The business is confident of a swift upturn in customer counts as restrictions are gradually relaxed as witnessed earlier in the just ended financial year.

The Group will continue to invest in growing the Dial-a-Delivery ("DAD") business across all its markets leveraging on a refreshed DAD app, customised tech-enabled logistics management, call-centre platforms and expanded delivery zones.

Appreciation

The past eighteen months have been extremely challenging for our staff members and their families, with many directly affected by the virus and some losing their loved ones. The Covid-19 pandemic has also brought about much uncertainty and anxiety. On behalf of the Board, I would like to thank all members of staff for their unwavering commitment and hard work. I am confident that Simbisa will emerge stronger out of this crisis. I urge all our customers and staff to continue adhering to the recommended Covid-19 health protocols.

I also would like to express the Board's continued appreciation to our customers, suppliers and business associates for their continued support.

As Simbisa, we will continue to provide convenient, quality and affordable meals to our customers whilst maintaining the highest levels of hygiene and safety.

ABC CHINAKE
Independent Non-executive Chairman
Harare

23 September 2021

Audited Abridged Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

Simbisa Brands LIMITED

Final Dividend Announcement

Notice is hereby given that on 17 September 2021 the Board of Directors declared a final dividend of ZWL 79 cents per share payable out of the profits of the Group for the year ended 30 June 2021.

Dividend No	12
Announcement date	23 September 2021
Dividend per share	ZWL 79 cents
Record date	8 October 2021
Last date to trade cum-dividend	5 October 2021
Ex-dividend date	6 October 2021
Payment date	On or about 15 October 2021

Group Secretary
23 September 2021

Chief Executive Officer's Report

TRADING ENVIRONMENT

FY2021 marked the first full financial year in which Simbisa navigated the Covid-19 pandemic and its inherent challenges including restrictions on seating capacity, operating hours and overall depressed economic activity. That Simbisa has achieved top-line growth through higher customer counts and average spend in FY2021 versus the prior year period as well as growth in profitability, is testament to the Group's resilience and ability to deliver value to shareholder's even in the face of significant challenges in the operating environment.

Challenges prevailed in the Zimbabwe operating environment, both from Covid-19 related restrictions as well as inflationary pressures borne from continued exchange rate volatility. Despite the resultant depressed economic activity and cost-pricing volatility, Simbisa Zimbabwe managed to achive organic growth in revenue and profitability and expanded its footprint through the roll-out of 13 new counters in FY2021.

Trading restrictions, reduced trading hours and exchange rate devaluation dominated the Regional operating landscape in the financial year under review. However, through increased promotional activities and significant growth in revenue from delivery channels, the Region also managed to achieve top-line growth. Kenya continues to lead growth in the Group's footprint with 16 new counters opened in the year.

GROUP PERFORMANCE OVERVIEW

Although Covid-19 related mandatory restrictions resulted in the Group trading at 70% of full capacity on counter trading hours in FY2021, Simbisa remained resilient and managed to grow customer counts by 6% versus the prior year through increased delivery sales contribution, promotional activities, value offerings and continued investment into new store roll-outs. Increased sales through delivery channels, which attract a higher basket value, supported an increase in the Group Average Spend and as a result inflation-adjusted Group Revenue increased 108% in FY2021 versus the prior year. Furthermore, aggressive cost-saving measures initiated in response to the aforementioned operating environment challenges resulted in cost efficiencies which allowed the Group to grow the Operating Profit Margin from 8.0% in FY2020 to 12.8% in FY2021.

ZIMBABWE

Challenging conditions prevailed in the Zimbabwe operating environment, with Simbisa Zimbabwe having to navigate three waves of Covid-19 and resultant operating restrictions, which included curfews, limitations on seating capacity and restrictions on trading hours which culminated in Simbisa operations trading at 33% fewer counter hours in FY2021 compared to full capacity. Most severely affected were the casual dining, sit-in restaurants and transit sites due to inter-city travel restrictions. Adhering to strict health and safety protocols, Simbisa Zimbabwe was able to successfully manage the health risks associated with Covid-19 without having to completely shut down any shops in the year or compromising employees' safety. Continued foreign exchange shortages and multiple exchange rates being used in the economy created further operating challenges through the distortionary impact on suppliers' and service-providers' pricing mechanisms and the effect on consumer disposable incomes and spending habits.

Despite these challenges, the Zimbabwe operations managed to trade with remarkable resilience in the financial year under review. Customer counts grew 8% year-on-year whilst inflation-adjusted average spend increased 34% versus prior year resulting in a 60% increase in revenue in FY2021 versus FY2020. This was achieved through increased promotional activity, value offerings and an upscaling of delivery services through Dial-a-Delivery which included expansion of sites offering the service across the country and improved capacity of bikes, riders and logistics management. Sales through delivery channels have increased significantly, with the number of deliveries increasing 133% in FY2021 versus the prior year.

The Group continued to expand its footprint in Zimbabwe with the opening of 13 new counters between 30 June 2020 and 30 June 2021. As at 30 June 2021, there were 232 operational counters in Zimbabwe.

REGIONAL OPERATIONS

With the gradual easing of trading restrictions in most of our Regional operating markets, top-line performance improved significantly in 2H FY2021. Customer counts in FY2021 increased 2% versus prior year, compared to a 19% year-on-year decline recorded in the first half of the financial year. An increase in delivery sales contribution resulted in a 3% year-on-year increase in Average Spend in USD-terms, despite currency devaluation against the USD across our regional operating markets. Revenue generated by our regional operations increased 5% year-on-year in USD-terms (versus a 14% decline versus prior year recorded in 1H FY2021) and increased by 318% in inflation-adjusted ZWL terms from $1.67b in prior year to $6.97b in FY2021. Regional EBITDA margins eased from 26% in FY2020 to 22% in FY2021 as a result of currency devaluation and as concessions on cost line-items that were obtained at the start of the Covid-19 pandemic began to fall away.

Although the primary focus in FY2021 was managing the inherent Covid-19 risks and maximising returns on the existing Regional Business, expansion of the Simbisa brand footprint continued through the opening of 22 new counters in the region, of which 16 were opened in Kenya. Namibia has been converted into a franchised market effective 1 July 2021 in line with the Group's previously communicated intentions.

KENYA

Restrictive trading conditions prevailed in the period under review, with sporadic government-stipulated restrictions imposed as a result of Covid-19 precautions, including the restriction on dine-in for restaurants that was put into effect in April 2021. As a result, Simbisa Kenya traded on 28% less counter trading hours in FY2021, compared to full capacity. Despite the constraints to trade, the market managed to recover customer counts in 2H FY2021 with the number of customers growing 31% in 2H FY2021 versus 2H FY2020. This was partly due to the fact that customer counts were impacted by Covid-19 in 4Q FY2020 but was also boosted by aggressive marketing campaigns, value offerings and organic growth through new store openings. In the full year FY2021, customer counts remained relatively flat (-2% year-on-year) compared to the prior year.

Local currency Average Spend increased 10% in FY2021 versus prior year, a result of increased delivery contributions. As a result, revenue grew 8% year-on-year in FY2021 in local currency terms and 4% in USD-terms.

The delivery business, Kutuma Kenya Limited, continues to grow steadily, with the business registering a 29% increase in deliveries in FY2021 versus FY2020. Growth in delivery revenue contribution to Simbisa Brands Kenya increased from an average of 16% in FY2020 to 20% in FY2021.

Simbisa Kenya continued to focus on growing the store footprint and in the twelve months from 30 June 2020 to 30 June 2021, 16 new stores were opened to close the period with 168 counters, achieving the pipeline target which was set for the financial year under review.

ZAMBIA

Sustained exchange rate weakness in the Zambian Kwacha, which depreciated 25% against the US Dollar between 30 June 2020 and 30 June 2021, continues to put pressure on the Zambian business through depressed consumer disposable incomes and increased cost of imported raw materials and key costs. Covid-19 trading restrictions led to 19% fewer trading hours in the financial year under review, when compared to normal trading hours at full capacity.

It is commendable that amidst a difficult operating environment, the Zambian business achieved a 41% increase in Local Currency Revenue in FY2021 versus prior year, driven by a 28% year-on-year increase in customer counts and a 9% growth in Average Spend. The improvement in customer counts was attributable to successful marketing campaigns and brand-specific promotions. Exchange rate pressures dampened top-line growth in US Dollar terms and the Business registered a 3% decrease in revenue in real terms, still a significant improvement from the 27% year-on-year decrease which was recorded in 1H FY2021.

Despite exchange rate pressures on cost of sales and operating costs, rigorous cost containment measures implemented in the financial year under review allowed the Business to improve operating profit margins and return the business to profitability, from a loss-making position recorded in the prior year period.

Simbisa Zambia opened 2 new counters and a bread and confectionaries factory in FY2021 to close the financial year with 32 counters in operation. The bread factory is expected to significantly improve revenue and profitability in the Bakers Inn brand.

MAURITIUS

The Mauritius business was impacted by a complete lockdown in the market which took place between the 9th and 31st March 2021 following a spike in Covid-19 cases. As a result, the market lost 71% of counter trading hours in the month, versus full capacity. From April 2021 the market began to gradually relax the restrictions although in April and May, restaurants were able to provide services for take aways and deliveries only. Over the full year, the market traded on 90% of full operating capacity.

Despite the aforementioned trading disruptions, local currency revenue remained flat in FY2021 versus the prior year; customer counts fell 5% while Average Spend increased 5% year-on-year, on the back of increased delivery contribution. The restructuring exercise currently underway in the market, in which the Pizza Inn brand is being converted from a table service to a counter service QSR model, continues to bear fruit and the Pizza Inn brand recorded a 22% increase in revenue in FY2021 versus prior year. Under the new operating model and through strict cost management, significant cost savings were realised in the period under review. This resulted in a 73% increase in operating profit compared to the prior year.

By the close of 1H FY2022, the remaining Pizza Inn outlets in the market will have been converted to the streamlined QSR format which will drive revenue growth and improve efficiencies in the FY2022 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. One new QSR-format Pizza Inn outlet was opened in FY2021 and a further three new outlets are in the pipeline to open in FY2022.

GHANA

A relaxation in Covid-19 restrictions allowed the market to grow customer footfall significantly in 2H FY2021 resulting in an 8% year-on-year increase in customer counts in FY2021 versus prior year, despite having to trade at 50% seating capacity. Local currency revenue increased 32% against prior year, buoyed by a 23% year-on-year increase in Average Spend. Effective cost management policies allowed the business to realise cost efficiencies and operating profit margins improved significantly in FY2021 versus prior year, bringing the business from break-even operating position in FY2020 to a substantial operating profit in FY2021.

In the financial year under review, 3 new counters were opened in Ghana including a Rocomamas casual dining brand and a Chicken Inn trailer concept, the first of its kind in the Simbisa Regional Business. The Chicken Inn food trailer opened at the end of May so only traded for one month in the financial year. However, in this month, the food trailer was the highest contributor to revenue across all Chicken Inn outlets in the market and achieved a strong operating profit. Based on the success and relatively low investment cost of the food trailer, an additional three locations have been secured to roll out the same concept in FY2022 and we expect these to be significant contributors to revenue and profitability.

NAMIBIA

Simbisa Namibia's revenues were negatively impacted by the loss of trading hours and lockdown restrictions imposed in FY2021. As such, revenue was down 12% versus prior year with customer counts falling 20% year on year. Namibia has been converted into a franchised market effective 1 July 2021.

FRANCHISED MARKETS

The Group's largest franchised business, the DRC, was impacted by lost trading hours in the financial year under review due to Covid-19 related trade restrictions and civil unrest. As such, customer counts fell 4% in FY2021 versus the prior year. However based on a 12% increase in Average Spend on the back of increased delivery contribution, revenue grew 7% on prior year.

As trading restrictions have relaxed and through aggressive promotional activity, top line performance improved significantly in Q4 FY2021, with customer counts and revenue growing 98% and 113% respectively, versus the same quarter in the prior year.

No new counters were opened in FY2021 as the focus remained on keeping the existing business profitable. However, following a recovery in market activity the intention is to open 19 new couters in the market in FY2022 to significantly grow the contribution from this franchised market.

STRATEGIC FOCUS

As the Group navigated a tumultuous operating environment in FY2021 following the onset of the Global Covid-19 pandemic, the focus turned to navigating the existing business through unfamiliar operating territory. This entailed recovering customer counts lost through value offerings, aggressive promotional activity and driving growth in sales generated through delivery channels. Aggressive cost management strategies were implemented across all markets to re-align the cost structure and ensure margins remain firm to allow the Group to remain profitable and continue to deliver value to Shareholders. As such, new store growth was much more deliberate, with only the most lucrative sites being considered and with 35 counters being opened in the financial year.

Positive outcomes were borne of the shift in focus in FY2021 which included improved brand visibility through the increased promotional and marketing activities conducted throughout the year. The re-alignment in the cost base is sustainable and thus will see a significant improvement in operating margins as we move into the new financial year. New concepts devised to adapt to the challenges in the trading environment, such as the food trailer concept, have been hugely successful and will accelerate growth in the business going forward.

Another key focus area in the financial year under review was improving efficiencies in the delivery business and growing revenue streams through delivery channels. This has seen the Group establish an independent delivery business in Kenya, which has been successful in growing the delivery contribution in this market whilst enhancing cost efficiencies and refining performance for an improved customer experience. It is the Group's strategic intent to replicate this model in some of our other markets over time, whilst in other smaller markets, partnering with third party delivery service providers has proved to be a successful strategy in growing delivery revenue streams.

As we see our operating markets adjusting to the 'new normal' trading environment, with an easing in restrictions and a recovery in trading capacity, the intention is to accelerate growth in our footprint whilst still ensuring strong organic growth and recovery in our existing business. There are 92 new store roll-outs in the pipeline for FY2022 which include 8 new Chicken Inn Drive Thrus, 4 casual dining brands and 4 of the new food trailer or container concepts.

As part of the strategy to leverage technology to improve efficiencies and drive growth in the business, Simbisa is moving onto an upgraded ERP system, as previously communicated to stakeholders. The scoping and design phase has been completed and the implementation of the system is in progress with Simbisa's larget market, Zimbabwe, having migrated onto the upgraded system from 1 July 2021. The system is expected to unlock significant value through increased automation of work processes and improved system efficiencies and employee effectiveness.

OUTLOOK

With the gradual easing of trading restrictions in our operating markets, we expect an improvement in trading capacity and continued growth in customer counts to drive revenue growth. New revenue streams from an improved, more efficient delivery business will also underpin top line growth in the short to medium term. Continued cost management to maintain or make further traction in improving operating efficiencies will translate into increased profitability and shareholder returns.

A strong investment pipeline, as the focus moves from navigating the Covid-19 induced challenges to growing the Group's footprint, will also deliver growth and create value for stakeholders. Growth will be primarily focussed in Zimbabwe, Kenya and Ghana whilst the other regional markets will focus on making improvements in the existing business to maximise returns on the existing capacity. Namibia has been converted into a franchised market effective 1 July 2021.

Whilst the possibility of new Covid-19 waves still remains, with resultant tightening of trading restrictions, lessons learnt and successfully navigated since the onset of the pandemic will set the Group in good stead to remain resilient and continue to grow, as was achieved in the midst of the crisis.

Management remains vigilant of currency risks and has put in place mitigation strategies which include 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 adverse exchange rate movements.

Simbisa's performance in the midst of a global pandemic has been commendable, with the Group achieving bottom-line growth and continuing to deliver value to shareholders, despite a challenging operating environment. The success is attributable to a proactive, experienced and committed team of employees whom I would like to commend for their successes and express my sincere appreciation for their hard work. 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 and look forward to working together to make strides in the months to come.

B Dionisio
Chief Executive Officer

23 September 2021

Audited Abridged Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

Simbisa Brands LIMITED

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 2020/2021

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 2020/2021 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 audit report on these financial statements has been modified by the independent auditors, Ernst & Young Chartered Accountants (Zimbabwe) as indicated in the auditor's statement below.

Auditor's Statement

These financial results should be read in conjunction with the full set of financial statements for the year ended 30 June 2021, which have been audited by Ernst & Young Chartered Accountants (Zimbabwe). An adverse audit opinion has been issued thereon in respect of non-compliance with the requirements of International Financial Reporting Standards (IAS 21), 'The Effects of Foreign Exchange Rates' and its consequent impact on the adoption of International Accounting Standard (IAS 29), 'Financial Reporting in Hyperinflationary Economies,' effective 1 July 2019 and non-compliance with International Accounting Standard 8 ("IAS 8"), 'Accounting Policies, Changes in Accounting Estimates and Errors.' There were no key audit matters. The auditor's report on these financial statements is available for inspection at the Company's registered office.

The engagement partner on the audit resulting in this independent auditor's report, is Mr. Walter Mupanguri, (PAAB Practising Certificate Number 367).

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Inflation Adjusted		Historical Cost	
	Twelve months ended 30-Jun-21 Audited ZWL	Twelve months ended 30-Jun-20 Restated ZWL	Twelve months ended 30-Jun-21 Unaudited ZWL	Twelve months ended 30-Jun-20 Unaudited ZWL
Revenue	**18,797,986,371**	**9,044,785,811**	**17,068,037,632**	**3,103,475,214**
Operating profit before depreciation, amortisation and impairment	**2,411,804,839**	**724,921,406**	**2,458,348,229**	**450,777,752**
Gain on monetary position	227,416,005	564,411,734	-	-
Foreign exchange and other gains	1,128,435,053	909,274,093	994,384,404	483,992,797
Depreciation, amortisation and impairment	(1,006,984,962)	(448,814,046)	(836,914,269)	(293,065,860)
Profit before interest and tax	**2,760,670,935**	**1,749,793,187**	**2,615,818,364**	**641,704,689**
Interest income	191,425,480	71,139,851	163,366,272	18,949,245
Interest expense	(787,082,356)	(189,746,767)	(712,497,156)	(118,345,385)
Profit before tax	**2,165,014,059**	**1,631,186,271**	**2,066,687,480**	**542,308,549**
Income tax (expense)/ credit	(1,331,690)	(529,608,785)	181,703,156	(144,787,224)
Profit for the year	**2,163,682,369**	**1,101,577,486**	**2,248,390,636**	**397,521,325**
Other comprehensive income - to be recycled to profit or loss				
Exchange differences arising on the translation of foreign operations	283,780,138	613,351,594	283,780,138	613,351,594
Other comprehensive income for the year, net of tax	**283,780,138**	**613,351,594**	**283,780,138**	**613,351,594**
Total comprehensive income for the year	**2,447,462,507**	**1,714,929,080**	**2,532,170,774**	**1,010,872,919**
Profit for the period attributable to:				
Equity holders of the parent	2,150,915,105	1,092,765,803	2,235,197,658	394,451,022
Non-controlling interests	12,767,264	8,811,683	13,192,978	3,070,303
	2,163,682,369	**1,101,577,486**	**2,248,390,636**	**397,521,325**
Total comprehensive income for the year attributable to:				
Equity holders of the parent	2,427,253,694	1,698,331,353	2,511,536,245	1,000,016,570
Non-controlling interests	20,208,813	16,597,727	20,634,529	10,856,349
	2,447,462,507	**1,714,929,080**	**2,532,170,774**	**1,010,872,919**
Earnings per share (ZWL cents):				
Basic earnings per share	382.60	194.38	397.59	70.16
Headline earnings per share	382.50	197.12	397.52	73.51
Diluted earnings per share	382.60	192.76	397.59	69.58
Diluted headline earnings per share	382.50	195.48	397.52	72.90

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Inflation Adjusted		Historical Cost	
	30-Jun-21 Audited ZWL	30-Jun-20 Restated ZWL	30-Jun-21 Unaudited ZWL	30-Jun-20 Unaudited ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	5,630,794,412	4,067,315,533	3,823,249,049	2,177,032,527
Right-of-use assets	3,278,118,654	1,643,870,514	3,006,164,738	1,370,208,593
Intangible assets	47,076,686	17,758,399	47,076,686	17,758,399
Deferred tax assets	398,663,238	50,479,411	771,223,024	62,018,579
	9,354,652,990	**5,779,423,857**	**7,647,713,497**	**3,627,018,098**
Current assets				
Financial assets	534,106,392	191,012,109	534,106,392	92,435,346
Inventories	851,829,623	509,107,712	851,718,055	330,176,114
Trade and other receivables	1,056,784,440	326,472,729	1,056,524,645	228,394,533
Cash and cash equivalents	1,391,849,079	1,524,694,855	1,391,849,079	814,467,350
	3,834,569,534	**2,551,287,405**	**3,834,198,171**	**1,465,473,343**
Total assets	**13,189,222,524**	**8,330,711,262**	**11,481,911,668**	**5,092,491,441**
EQUITY AND LIABILITIES				
Equity				
Share capital and share premium	542,885,223	542,885,223	18,178,323	18,178,323
Distributable reserves	3,426,912,565	1,681,830,320	2,244,017,040	641,181,385
Other reserves	875,615,826	652,981,853	898,223,283	403,453,013
Attributable to equity owners of the parent	**4,845,413,614**	**2,877,697,396**	**3,160,418,646**	**1,062,812,721**
Non-controlling interests	42,821,274	19,663,786	29,014,125	5,167,116
Total equity	**4,888,234,888**	**2,897,361,182**	**3,189,432,771**	**1,067,979,837**
Non-current liabilities				
Deferred tax liabilities	12,006,288	393,239,849	3,497,553	71,178,907
Borrowings	207,336,385	455,250,178	207,336,385	455,250,178
Lease liability	2,725,090,376	1,313,067,917	2,725,090,376	1,091,229,101
	2,944,433,049	**2,161,557,944**	**2,935,924,314**	**1,617,658,186**
Current liabilities				
Borrowings	1,773,780,032	937,157,016	1,773,780,032	631,479,530
Lease liability	482,126,174	420,025,932	482,126,174	365,710,582
Trade and other payables	2,844,754,696	1,796,791,560	2,844,754,696	1,353,925,470
Current tax liabilities	255,893,685	117,817,628	255,893,681	55,737,836
	5,356,554,587	**3,271,792,136**	**5,356,554,583**	**2,406,853,418**
Total liabilities	**8,300,987,636**	**5,433,350,080**	**8,292,478,897**	**4,024,511,604**
Total equity and liabilities	**13,189,222,524**	**8,330,711,262**	**11,481,911,668**	**5,092,491,441**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

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	**542,885,223**	**723,208,444**	**53,075,114**	**1,319,168,781**	**8,059,900**	**1,327,228,681**
Profit for the year	-	1,092,765,803	-	1,092,765,803	8,811,683	1,101,577,486
Other comprehensive income for the year	-	-	605,565,550	605,565,550	7,786,046	613,351,596
Total comprehensive income for the year	-	1,092,765,803	605,565,550	1,698,331,353	16,597,729	1,714,929,082
Transactions with owners	-	(1,047,780)	(209,282)	(1,257,062)	1,204,370	(52,692)
Purchase of treasury shares	-	-	(5,449,529)	(5,449,529)	-	(5,449,529)
Dividends	-	(133,096,147)	-	(133,096,147)	(6,198,213)	(139,294,360)
Balance at 30 June 2020	**542,885,223**	**1,681,830,320**	**652,981,853**	**2,877,697,396**	**19,663,786**	**2,897,361,182**
Profit for the year	-	2,150,915,105	-	2,150,915,105	12,767,264	2,163,682,369
Other comprehensive income for the year	-	-	276,338,589	276,338,589	7,441,549	283,780,138
Total comprehensive income for the year	-	2,150,915,105	276,338,589	2,427,253,694	20,208,813	2,447,462,507
Acquisition of subsidiary	-	-	-	-	13,319,098	13,319,098
Change in tax rate - Simbisa Kenya Limited	-	1,567,437	-	1,567,437	-	1,567,437
Share options lapsed during the year	-	31,216,630	(31,216,630)	-	-	-
Purchase of treasury shares	-	-	(22,487,986)	(22,487,986)	-	(22,487,986)
Dividends	-	(438,616,927)	-	(438,616,927)	(10,370,423)	(448,987,350)
Balance at 30 June 2021	**542,885,223**	**3,426,912,565**	**875,615,826**	**4,845,413,614**	**42,821,274**	**4,888,234,888**

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 year	-	394,451,022	-	394,451,022	3,070,303	397,521,325
Other comprehensive income for the year	-	-	605,565,548	605,565,548	7,786,046	613,351,594
Total comprehensive income for the year	-	394,451,022	605,565,548	1,000,016,570	10,856,349	1,010,872,919
Transactions with owners	-	(1,047,780)	(209,282)	(1,257,062)	1,204,370	(52,692)
Purchase of treasury shares	-	-	(381,235)	(381,235)	-	(381,235)
Dividends	-	(35,236,304)	-	(35,236,304)	(6,198,213)	(41,434,517)
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 year	-	2,235,197,657	-	2,235,197,657	13,192,978	2,248,390,635
Other comprehensive income for the year	-	-	276,338,588	276,338,588	7,441,551	283,780,139
Total comprehensive income for the year	-	2,235,197,657	276,338,588	2,511,536,245	20,634,529	2,532,170,774
Acquisition of subsidiary	-	-	-	-	13,319,098	13,319,098
Change in tax rate - Simbisa Kenya Limited	-	1,366,854	-	1,366,854	-	1,366,854
Share options lapsed during the year	-	1,074,195	(1,074,195)	-	-	-
Purchase of treasury shares	-	-	(18,222,495)	(18,222,495)	-	(18,222,495)
Dividends	-	(397,074,679)	-	(397,074,679)	(10,106,618)	(407,181,297)
Balance at 30 June 2021	**18,178,323**	**2,244,017,040**	**898,223,283**	**3,160,418,646**	**29,014,125**	**3,189,432,771**

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Inflation Adjusted		Historical Cost	
	Twelve months ended 30-Jun-21 Audited ZWL	Twelve months ended 30-Jun-20 Restated ZWL	Twelve months ended 30-Jun-21 Unaudited ZWL	Twelve months ended 30-Jun-20 Unaudited ZWL
Cash generated from operations	**3,022,313,456**	**912,584,951**	**3,286,387,710**	**1,116,086,822**
Net interest paid	(595,656,876)	(118,606,916)	(546,353,920)	(99,473,803)
Tax paid	(408,875,218)	(121,672,868)	(362,116,087)	(52,414,610)
Net cash flow from operating activities	**2,017,781,362**	**672,305,167**	**2,377,917,703**	**964,198,409**
Investing activities	**(1,795,822,922)**	**(1,172,961,489)**	**(1,618,464,934)**	**(403,715,383)**
Net cash inflow before financing activities	**221,958,440**	**(500,656,322)**	**759,452,769**	**560,483,026**
Financing activities	**(91,622,736)**	**465,248,477**	**(231,537,896)**	**122,632,730**
Net increase / (decrease) in cash and cash equivalents	**130,335,704**	**(35,407,845)**	**527,914,873**	**683,115,756**
Effects of IAS 29 inflation adjustment on cash flow items	(312,648,336)	1,285,091,774	-	-
Effects of currency translation on cash and cash equivalents	49,466,856	113,457,416	49,466,856	113,457,416
Cash and cash equivalents at the beginning of the year	1,524,694,855	161,553,510	814,467,350	17,894,178
Cash and cash equivalents at the end of the year	**1,391,849,079**	**1,524,694,855**	**1,391,849,079**	**814,467,350**

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2021

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 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.

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 2021 which are available for inspection at the Company's registered office.

3 Basis of preparation

The Group`s financial statements for year ended 30 June 2021 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 consolidated financial statements have been prepared based on the statutory records that are maintained under the historical cost basis. The consolidated 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 consolidated 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' as well as non-compliance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2021 - *(continued)*

4 Summarised segment information

INFLATION ADJUSTED

Year ended 30 June 2021	Zimbabwe Audited ZWL	Region Audited ZWL	Net eliminations Audited ZWL	Total Audited ZWL
Revenue	11,826,756,313	6,971,230,058	-	18,797,986,371
Operating profit before depreciation and amortisation	911,941,933	1,499,862,906	-	2,411,804,839
Depreciation and amortisation	(203,016,208)	(803,968,754)	-	(1,006,984,962)
Profit before tax	1,713,639,634	451,374,425	-	2,165,014,059
Capital expenditure	547,235,417	717,573,048	-	1,264,808,465
Segment assets	6,492,919,306	7,198,503,698	(502,200,480)	13,189,222,524
Segment liabilities	2,936,359,789	5,871,410,268	(506,782,421)	8,300,987,636

Year ended 30 June 2020	Zimbabwe Restated ZWL	Region Restated ZWL	Net eliminations Restated ZWL	Total Restated ZWL
Revenue	7,378,482,179	1,666,303,632	-	9,044,785,811
Operating profit before depreciation and amortisation	297,759,333	427,162,073	-	724,921,406
Depreciation and amortisation	(190,279,216)	(258,534,830)	-	(448,814,046)
Profit before tax	1,573,743,894	57,442,377	-	1,631,186,271
Capital expenditure	537,448,718	252,706,793	-	790,155,511
Segment assets	4,682,593,573	3,686,282,640	(38,164,951)	8,330,711,262
Segment liabilities	2,442,449,016	3,007,906,524	(17,005,460)	5,433,350,080

HISTORICAL COST

Year ended 30 June 2021	Zimbabwe Unaudited ZWL	Region Unaudited ZWL	Net eliminations Unaudited ZWL	Total Unaudited ZWL
Revenue	10,096,807,575	6,971,230,057	-	17,068,037,632
Operating profit before depreciation and amortisation	958,485,323	1,499,862,906	-	2,458,348,229
Depreciation and amortisation	(32,945,515)	(803,968,754)	-	(836,914,269)
Profit before tax	1,615,313,055	451,374,425	-	2,066,687,480
Capital expenditure	461,568,034	717,573,048	-	1,179,141,082
Segment assets	4,785,608,451	7,198,503,697	(502,200,480)	11,481,911,668
Segment liabilities	2,927,851,053	5,871,410,268	(506,782,424)	8,292,478,897

Year ended 30 June 2020	Zimbabwe Unaudited ZWL	Region Unaudited ZWL	Net eliminations Unaudited ZWL	Total Unaudited ZWL
Revenue	1,437,171,583	1,666,303,631	-	3,103,475,214
Operating profit before depreciation and amortisation	96,485,386	354,292,366	-	450,777,752
Depreciation and amortisation	(15,105,857)	(277,960,003)	-	(293,065,860)
Profit before tax	484,866,174	57,442,375	-	542,308,549
Capital expenditure	105,636,560	252,706,793	-	358,343,353
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 year ended 30 June 2021, 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 Audited ZWL	Historical cost Unaudited ZWL
Right of Use Asset		
As at 1 July 2019	-	-
Initial Recognition	232,887,548	191,614,165
Non-cash additions	25,367,685	3,101,023
Disposals	(4,097,155)	(4,097,155)
Depreciation expense	(174,878,316)	(166,793,991)
Remeasurement	466,014,160	220,017,089
Effect of IAS 29	(27,790,870)	-
Exchange differences on translation of foreign subsidiaries	1,126,367,462	1,126,367,462
As at 30 June 2020	**1,643,870,514**	**1,370,208,593**
Non-cash additions	1,687,481,342	1,687,481,342
Remeasurement	(166,582,041)	(166,582,041)
Depreciation expense	(491,767,660)	(490,059,655)
Exchange differences on translation of foreign subsidiaries	605,116,499	605,116,499
As at 30 June 2021	**3,278,118,654**	**3,006,164,738**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Inflation adjusted Audited ZWL	Historical cost Unaudited ZWL
Lease liability		
As at 1 July 2019	-	-
Initial Recognition	232,887,548	191,614,165
Non-cash additions	15,033,170	1,560,721
Accretion of interest	85,737,997	76,281,277
Payments	(225,626,206)	(211,900,636)
Remeasurement	457,182,895	220,017,089
Effect of IAS 29	(11,488,622)	-
Exchange differences on translation of foreign subsidiaries	1,179,367,067	1,179,367,067
As at 30 June 2020	**1,733,093,849**	**1,456,939,683**
Non-cash additions	1,626,249,955	1,626,249,955
Accretion of interest	261,553,802	258,697,164
Payments	(661,077,797)	(655,811,719)
Remeasurement	(142,397,238)	(120,298,048)
Effect of IAS 29	(251,645,536)	-
Exchange differences on translation of foreign subsidiaries	641,439,515	641,439,515
As at 30 June 2021	**3,207,216,550**	**3,207,216,550**
As at 30 June 2020		
Non-current	1,313,067,917	1,091,229,101
Current	420,025,932	365,710,582
Total	**1,733,093,849**	**1,456,939,683**
As at 30 June 2021		
Non-current	2,725,090,376	2,725,090,376
Current	482,126,174	482,126,174
Total	**3,207,216,550**	**3,207,216,550**

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2021 - *(continued)*

6 Financial assets

INFLATION ADJUSTED	Denomination	Rate of interest Per annum	Year Repayable	30-Jun-21 Audited ZWL	30-Jun-20 Restated ZWL
Financial assets held at amortised cost					
Short term receivable (secured)					
- current	USD	8%	2021	440,591,350	-
- current	ZWL	42%	2021	93,515,042	191,012,109
				534,106,392	**191,012,109**

HISTORICAL COST	Denomination	Rate of interest Per annum	Year Repayable	30-Jun-21 Unaudited ZWL	30-Jun-20 Unaudited ZWL
Financial assets held at amortised cost					
Short term receivable (secured)					
- current	USD	8%	2021	440,591,350	-
- current	ZWL	42%	2021	93,515,042	92,435,346
				534,106,392	**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 30 June 2021	2,986.4	1.00
As at 30 June 2020	1,445.2	2.07
As at 30 June 2019	172.6	17.30
Average CPI - 12 months to 30 June 2021	2,514.2	1.21
Average CPI - 12 months to 30 June 2020	640.4	6.45

8 Borrowings

Non-current borrowings

The Group's non-current borrowings are repayable from June 2021 to January 2022. The facilities are secured with a Corporate guarantee and bear interest at an average rate of 9% 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 9% and 38% per annum for the Region and Zimbabwe respectively.

9 Commitments for capital expenditure

	Inflation Adjusted		Historical Cost	
	30-Jun-21 Audited ZWL	30-Jun-20 Restated ZWL	30-Jun-21 Unaudited ZWL	30-Jun-20 Unaudited ZWL
Authorised by Directors and contracted	1,026,753,256	483,021,378	1,026,753,256	233,745,643
Authorised by Directors but not contracted	968,690,856	434,718,361	968,690,856	210,370,653
	1,995,444,112	**917,739,739**	**1,995,444,112**	**444,116,296**

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 year

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 ZWL 6,040,373 and non controlling interests of ZWL 13,319,098.

Prior year

Acquisition of additional interest in Mauritius

Effective 1 July 2019, the Group acquired the remaining 12.5% interest in Simbisa Brands (Mauritius) Limited for ZWL 52,692. 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	
	30-Jun-21 Audited ZWL	30-Jun-20 Restated ZWL	30-Jun-21 Unaudited ZWL	30-Jun-20 Unaudited ZWL
Basic and Diluted earnings				
Profit attributable to equity holders of the parent (basic and diluted earnings)	2,150,915,105	1,092,765,803	2,235,197,658	394,451,022
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	-	4,734,357	-	4,734,357
Weighted average number of ordinary shares in issue for diluted earnings per share	**562,184,788**	**566,919,145**	**562,184,788**	**566,919,145**
Basic earnings per share (ZWL cents)	382.60	194.38	397.59	70.16
Diluted basic earnings per share (ZWL cents)	382.60	192.76	397.59	69.58
Reconciliation of basic earnings to headline earnings				
Profit for the year attributable to equity holders of the parent	2,150,915,105	1,092,765,803	2,235,197,658	394,451,022
Adjustment for capital items (gross of tax):				
Profit on disposal of property, plant and equipment	(709,810)	(5,297,035)	(538,271)	(780,999)
Impairment and derecognition of plant and equipment	-	19,425,173	-	19,425,173
Tax effect on adjustments	175,465	1,309,427	133,061	193,063
Headline earnings attributable to ordinary shareholders	**2,150,380,760**	**1,108,203,368**	**2,234,792,448**	**413,288,259**
Headline earnings per share (ZWL cents)	382.50	197.12	397.52	73.51
Diluted headline earnings per share (ZWL cents)	382.50	195.48	397.52	72.90

12 Events after the reporting date

There were no significant events after the reporting period.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

Report on the Audit of the Consolidated inflation adjusted financial statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Simbisa Brands Limited and its subsidiaries (the Group) as set out on pages 11 to 76, which comprise the Inflation Adjusted Consolidated Statement of Financial Position as at 30 June 2021, the Inflation Adjusted Consolidated Statement of Comprehensive Income, Inflation Adjusted Consolidated Statement of Changes in Equity and Inflation Adjusted Consolidated Statement of Cash Flows for the year then ended, and notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted consolidated annual financial statements do not present fairly the financial position of the Group as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for adverse opinion

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: Impact of prior year matters on current year (Zimbabwean operations included in consolidated amounts)

As explained in note 3 to the inflation adjusted consolidated financial statements, the Group 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.

Our most recent year end audit report was modified due to the impact of an incorrect date of change in functional currency. We believed 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.

Further contributing to our modified opinion in prior year was the translation of foreign denominated transactions and balances at exchange rates which did not meet the requirements for a spot rate in terms of IAS21. As a consequential impact, the application of IAS29 was incorrect as IAS 29 adjustments were based on incorrect base numbers and started from an incorrect date due to the non-compliance with IAS21. The impact could not be quantified because an IAS21 compliant exchange rate had not been identified for the stated period.

Management has not restated the prior year amounts in line with the requirements of IAS8, consequently, many corresponding numbers remain misstated on the inflation adjusted financial statements. Our audit report is thus also modified in respect of the comparability of the current period's figures with the prior period figures.

These matters continue to impact the following elements, which still comprise of amounts from opening balances that are misstated as at 30 June 2021:

Property, plant and equipment, stated as ZWL5 630 794 412 (30 June 2020: ZWL4 067 315 533) of which Zimbabwean operations are ZWL2 401 037 674 (30 June 2020: ZWL2 046 921 479) and Deferred Taxation stated as ZWL12 006 288 (30 June 2020: ZWL393 239 849) of which Zimbabwean operations are ZWL12 006 288 (30 June 2020: ZWL393 239 849).

As opening balances enter into the determination of performance and cash flows, our audit opinion is also modified in respect of the impact of these matters on the inflation adjusted consolidated Statement of Cash Flows, distributable reserves on the inflation adjusted consolidated statement of changes in equity and the following amounts on the inflation adjusted consolidated Statement of Profit and Loss:

- Cost of sales stated as ZWL9 924 456 031 (30 June 2020: 4 912 048 479) of which Zimbabwean operations are ZWL6 8 34 532 955 (30 June 2020: ZWL4 180 504 684).
- Depreciation stated as ZWL1 006 984 962 (30 June 2020: ZWL448 814 046) of which Zimbabwean operations are ZWL203 016 208 (30 June 2020: ZWL190 279 216).
- Taxation stated as ZWL1 331 690 (30 June 2020: ZWL529 608 785) of which Zimbabwean operations are ZWL96 991 439 (30 June 2020: ZWL509 982 290).

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

As disclosed in Note 5h, management has translated all foreign denominated monetary assets and liabilities at a transaction- based rate from USD to ZWL functional currency. Transactions denominated in foreign currency during the year were translated to the reporting currency using the auction rate, however, balances at the end of the period were translated to the reporting currency using management's transaction-based rate. We disagree with the use of the transaction-based rate for translating foreign denominated balances to ZWL at year end as we believe that the transaction-based exchange rate used for the translation of foreign denominated balances 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.*

Furthermore, we disagree with the use of two different rates for translation of transactions and balances in the financial statements. Whilst management have used the auction rate for all transactions in the statement of comprehensive income and the Simbisa transaction-based exchange rate for the Statement of financial position balances, in our opinion the average auction rate should have been used for translation of transactions in the statement of comprehensive income and the spot auction rate as at 30 June 2021 for balances in the statement of financial position. As a result, had the correct exchange rate had been used, the following elements of the inflation adjusted consolidated statement of financial position relating to the Zimbabwean operations would have been materially different:

Element of Financial Statements	At transaction-based rate	At Auction rate	Impact ZWL (decrease)/increase
Cash and bank	912 192 903	620 699 532	(291 493 371)
Financial Assets	438 737 945	298 538 211	(140 199 734)
Trade Payables	446 106 256	303 551 961	(142 554 295)

Accordingly, exchange gains included in foreign exchange gains or losses on the inflation adjusted consolidated statement of profit or loss would have decreased by ZWL358 709 849. Consequently, taxation, distributable reserves, non-controlling interests and deferred tax liability would have been materially impacted.

Our opinion the prior year was modified for a similar matter but where the acceptable exchange rate was unknown and therefore our opinion is further modified for the comparability of the current year amounts with corresponding numbers as we could not quantify the difference in the prior period.

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 and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described in Matter 1 and Matter 2 above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the monetary gains or losses of ZWL227 416 005 on the consolidated inflation adjusted Statement of profit or loss and other comprehensive income are impacted.

Matter 4: Consolidation of Foreign Subsidiaries using Incorrect Rates (Foreign Operations)

Further to the issue noted above in respect of inappropriate exchange rates, management used internally determined exchange rates, (transaction-based rates) to translate the foreign subsidiaries to group reporting currency, ZWL, on consolidation. We consider this to be inappropriate and in non-compliance with International Financial Reporting Standards – IAS 21 for the reasons included on Note 5h to the inflation adjusted consolidated financial statements. This impacted the financial statements of the foreign operations which were translated into the group amounts on consolidation as a result of being translated at the incorrect rate. If the correct exchange rate had been used, the following elements of the inflation adjusted consolidated statement of financial position would have been would have been materially different:

Inflation adjusted consolidated Statement of financial position

Element of Financial Statements	At transaction-based rate	At Auction rate	Impact ZWL (decrease)/ increase
Inflation adjusted Statement of Financial Position			
Property, Plant and Equipment	3 229 756 738	2 167 539 342	(1 062 217 396)
Intangible fixed assets	47 076 686	31 593 887	(15 482 799)
Right of use assets	2 863 744 183	1 921 902 696	(941 841 487)
Deferred tax assets	121 737 951	81 700 208	(40 037 743)
Total Non-current assets	6 262 315 558	4 202 736 133	(2 059 579 425)

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Element of Financial Statements	At transaction-based rate	At Auction rate	Impact ZWL (decrease) /increase
Inflation adjusted Statement of Financial Position – continued			
Inventories	281 474 207	188 901 662	(92 572 544)
Trade and other receivables	313 869 065	210 642 350	(103 226 716)
Cash and bank	340 844 868	228 746 225	(112 098 643)
Total Current assets	936 188 141	628 290 237	(307 897 904)
Borrowings – third party	647 183 432	434 334 698	(212 848 734)
Lease Liability	2 645 794 338	1 775 633 208	(870 161 130)
Total Non-current Liabilities	3 292 977 770	2 209 967 907	(1 083 009 863)
Bank Overdraft	140 333 942	94 952 695	(45 381 248)
Lease Liabilities	420 837 513	282 430 517	(138 406 996)
Trade and other payables	1 471 836 571	987 772 124	(484 064 447)
Provisions	49 125 243	32 968 705	(16 156 538)
Current tax liability	2 095 322	1 406 203	(689 119)
Total Current Liabilities	2 080 037 947	1 396 717 838	(683 320 109)
Total Liabilities	5 373 015 717	3 606 685 745	(1 766 329 973)
Net Impact on Equity	1 331 664 799	1 224 340 626	(601 147 355)
Inflation adjusted Statement of Profit or Loss			
Revenue	(6 971 230 058)	(5 383 694 466)	(1 585 535 592)
Expenses	5 750 674 193	4 450 802 962	(1 299 871 231)
Other income	(279 307 042)	(208 786 394)	(70 520 648)
Operating profit before depreciation, amortisation and impairment	1 499 862 907	1 143 677 898	(356 185 009)
Depreciation and armotisation	803 968 754	622 810 536	(181 158 218)
Financial income	(88 405 987)	(64 570 525)	(23 835 462)
Interest expense	334 955 301	257 547 503	(77 407 798)
Interest income	(451 374 424)	(329 629 346)	(121 745 078)
Profit before tax	(353 051 295)	(251 896 430)	(101 154 873)
Taxation	98 323 129	77 732 925	(20 590 205)
Profit for the year	353 051 295	251 896 430	(101 154 865)

Our opinion in the prior year was modified for a similar matter but where the acceptable exchange rate was unknown and therefore our opinion is further modified for the comparability of the current year amounts with corresponding numbers as we could not quantify the differences in the prior period.

The effects of the above departures from IFRS are material and pervasive to the inflation adjusted consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Except for the matter described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The Directors are responsible for the other information. Other information consists of the Chairman's statement, CEO's Report, the Directors responsibility statement and historical cost financial information but does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. The Sustainability report, Corporate Governance, Report of the directors and GRI Context and Index "core" is expected to be made available to us after the date of this auditor's report. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates in respective of using internal rates for the translation of year end monetary assets in the local operations being consolidated and also for the entirety of the foreign operations being consolidated. We have concluded that the Chairman's Statements in the other information makes reference to these matters and is thus materially misstated for the same reason with respect to the amounts or other items included therein and affected by the failure to comply with the referred standard.

Responsibilities of the Directors for the Inflation adjusted consolidated financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated a financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

Ernst & Young

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

Harare

23 September 2021