



BORDER TIMBERS LIMITED

TRADING UPDATE

YEAR ENDED 30 JUNE 2021

Economic Environment

The economic conditions during the financial year under review were slowed down by partially relaxed COVID-19 induced restrictions to gatherings, travel, and business trading hours. The regional countries relaxed the lockdowns in response to the subsiding second wave COVID-19 infections rates, which had a positive impact on the export business. The reassuring recovery in the Zimbabwe economy, mainly attributable to rescinding inflation and a relatively stable exchange rate, created a better trading environment which is expected to continue as the government continue to implement economic reforms.

Volume Performance and Profitability

	INFLATION ADJUSTED		HISTORICAL	
	Unaudited 12 months to 30-June-21	Unaudited 12 months to 30-June-20	Unaudited 12 months to 30-June-21	Unaudited 12 months to 30-June-20
Production Volume (m³)				
Transmission Poles	6,195	11,300	6,195	11,300
Lumber	33,041	51,017	33,041	51,017
Total	39,236	62,317	39,236	62,317
Sales Volume (m³)				
Transmission Poles	7,165	11,300	7,165	11,300
Lumber	36,155	50,108	36,155	50,108
Total	43,320	61,408	43,320	61,408
Financial Highlights (ZWL 000')				
Revenue	1,480,469	1,698,409	1,236,149	288,188
Net (loss) /Profit before tax	(3,203,832)	(487,402)	1,642,452	2,727,966

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.

The results were inflation adjusted to reflect the impact of the change in the general purchasing power of the reporting currency (ZWL) in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies. Revenue for the year declined 13% in inflation adjusted terms to ZWL1.48b from ZWL1.69b in the prior year, whilst it grew by 329% in historical cost terms.

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 impact of Covid-19 on future business operations remains uncertain. Management is quite optimistic that the efforts by the government to vaccinate the population will go a long way in ensuring that the economy rebounds and economic activity normalize. The Company's financial position continue to grow stronger and pacifying measures are in place to ensure continuity and viability of operations.

Commendation

Management continues to do an excellent job in difficult circumstances.

PETER LEWIS BAILEY
JUDICIAL MANAGER
26 OCTOBER 2021