



NATIONAL TYRE SERVICES LIMITED

TRADING UPDATE FOR Q3 TO 31 DECEMBER 2021

1. Trading environment

The Company's operations were constrained by the harsh economic climate given the negative effects of Covid-19 pandemic, surge in inflation and inadequate foreign currency to import tyres. Power supply outages impacted production in our retreading factories, negatively affecting standard customer turnaround time.

Despite the challenges, retreading volumes and new tyre volumes recorded positive growth year to date 31 December 2021 compared to the same period in the prior year.

2. Volume performance

The table below shows volume performance for the quarter under review as well as comparisons with the preceding quarter and prior year's corresponding period.

GROUP	Q3-2021/2022	Q3-2020/21	YTD	LY-YTD
New tyres	8,931	12,632	34,062	27,614
Retreading	3,560	3,490	10,297	8,754
Other services	26,241	36,486	93,310	80,016
Total	38,732	52,608	137,669	116,384

Notes:

- New tyre volumes YTD 31 December 2021 increased by 23% compared to same period last year which was a significant progress under the difficult circumstances.
- Retreading volumes grew by 2% year to date compared to the same period last year, as the company implemented marketing initiatives to support retreading customers during the quarter under despite a challenging operating environment.
- New tyre volumes declined by 29% for the period October to December 2021 compared to same period last year as the Company struggled to land stocks on time for the festive season selling due to challenges in obtaining adequate foreign currency.

3. Outlook

The COVID-19 pandemic effects are expected to subside as infections continue to come down due to the rollout of vaccines. Key areas to watch, to ensure the continued viability of the business, will be cost control, an uninterrupted supply chain and avoidance of loss of capital

against inflationary pressures. It is hoped that the foreign currency auction platform will grow further to cater for the industry's needs.

By Order of the Board



S. N. Mandimika
Company Secretary
7 February 2022