LAFARGE CEMENT ZIMBABWE LIMITED ABRIDGED FINANCIAL RESULTS

For the Year Ended 31 December 2021

LAFARGE

CHAIRMAN'S STATEMENT

The operating environment for the financial year under review continued to be affected by Covid-19, with lockdown restrictions in place throughout the period. The second half, however, saw a gradual improvement in business activity owing to the phased re-opening of the economy, albeit under strict public health protocols, as Covid-19 lock down conditions were relaxed. In spite of the Company operating during these lockdowns, as its operations were designated as "essential services", the lockdown measures negatively impacted business through general business slowdown and reduced disposable incomes for consumers. Furthermore, the Company suffered a significant business interruption when the roof over both cement mills collapsed, which resulted in stoppage of cement production from the 10th of October 2021 up until mid-February 2022. The combination of the Covid-19 induced slowdown and the roof collapse resulted in volumes declining for the year by 21% from the prior year.

The country's overall economic performance has been positive, with an annual growth of 5.1% in 2021, against an estimate of 3.9%. In addition, inflation slowed down during the period under review to close at a year-on-year inflation rate of 60.74% (2020: 348.59%).

On behalf of the Board of Directors, I hereby present the financial results for the year ended 31 December 2021.

STRATEGIC AGENDA

The Company continued to face challenges such as curtailment of normal work routines, social structures and disruption of supply chains and operations. However, in line with the Holcim 2025 Vision "Accelerating Green Growth", the Company continued to focus on the key strategic pillars of Accelerating Growth, Expanding Solutions and Products, Leading in Innovation and Sustainability and Delivering Superior Performance. The Company will continue with this strategic agenda going forward.

HEALTH, SAFETY AND ENVIRONMENT

The Company continues to uphold the highest standards of health and safety through a robust cocktail of policies and programs tailored to achieve zero harm in its operations. In the context of the Covid-19 pandemic, the Company implemented a business resilience program, prioritising employee wellness and business continuity. This program saw the Company carry out rigorous infection prevention mechanisms, complemented by robust Covid-19 case management protocols and support systems.

In addition to health and safety, the Company is committed to sustainable environmental practices and subscribes to the Net Zero Pledge to reduce carbon emissions by 2030 as part of the Holcim Group global commitment. There is no letting up on continuous improvement to reduce dust emissions and other environmental impacts.

The Board and Management take safety very seriously. It is pleasing to report that no fatalities or serious injuries were recorded at any of the Company's operations or projects during the year under review.

The Company has a zero-tolerance attitude towards injuries in the workplace. Health, safety, environment and quality systems are continually being upgraded and improved, in line with the Holcim Group standards, to enhance performance in accordance with the Company's Zero Harm policy.

INFLATION ADJUSTED FINANCIAL PERFORMANCE

As a result of the poor industrial performance which was mainly attributable to the roof collapse incident, the Company's revenue declined by 35.5% to ZWL 7.2 billion (2020: ZWL 11.1 billion). Following the aforementioned incident, the Company resorted to selling clinker, an intermediary product, for sustenance. This business sustenance plan meant that the overall gross margins were squeezed, resulting in a decline in gross profit margins to 49.6% compared to 60.5% in the prior year.

In spite of the decline in the revenue and volumes during the year, the Company managed to maintain tight control over its expenditure as total expenses fell by 4.9%. Distribution expenses declined by 33.2% compared to the prior year, reflecting the decline in cement volumes alluded to earlier. The Company instituted various measures to contain structural administrative costs, under a difficult period, resulting in a marginal 4.4% increase compared to the prior year.

However, despite the cost containment efforts, the poor industrial performance and the ensuing decline in volumes weighed down the overall performance of the Company to a loss before tax of ZWL 364 million compared to a profit before tax of ZWL3.2 billion in 2020.

The Dry Mortars business realized some growth despite the significant impact of the cement roof collapse, which negatively affected availability of the majority of the Company's products which are cement based. Increased demand and capacity, following the commissioning of the new automated plant, saw the Dry Mortar business volumes grow by 19% compared to the prior year. This was also spurred by the introduction of WaterShield cement, and the scaling up of the SupaFix range of products in the first quarter of the year.

BORROWINGS

The Company has gross long term borrowings of ZWL 3.6 billion for the year under review.

HYPERINFLATION AND REGULATORY ENVIRONMENT

As previously reported, the Public Accountants and Auditors Board (PAAB), declared that Zimbabwe met the conditions for financial reporting of an economy in hyperinflation with effect from 1 July 2019. Consequently, all entities reporting under International Financial Reporting Standards (IFRSs) are required to comply with International Accounting Standard (IAS) 29 'Financial Reporting in Hyperinflationary Economies'. The business therefore continues to present hyperinflation adjusted financial statements, on which the commentary is based. Historical information has been presented as unaudited supplementary information.

CAPITAL EXPENDITURE

The business continues with the implementation of the previously announced USD 25 million capital expansion program. This three-pronged investment plan is now in its final phase of implementation, following the successful installation of alternative power infrastructure in 2020 and the successful completion and commissioning of the automated Dry Mortars plant in 2021.

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The final investment project under the investment plan is the installation of the Vertical Cement Mill (VCM), earmarked to double cement milling capacity. The project is nearing completion with cement production expected to commence from May 2022.

BOARD AND MANAGEMENT

Precious Murena resigned from the Company on 9 September 2021 to pursue personal interests. Amr Elmowafy Aly Mowafy, the Chief Financial Officer, served as the interim Chief Executive Officer until Geoffrey Ndugwa was substantively appointed as the Chief Executive Officer on 16 December 2021. Gratitude is extended to Precious Murena for the work that she did during her tenure as the Chief Executive Officer of the Company and to Amr Elmowafy Aly Mowafy for holding the fort until Geoffrey Ndugwa was appointed as the substantive Chief Executive Officer. The Board is confident that he will lead the business effectively to deliver shareholder value.

David Leslie Cruttenden, an Independent Non-Executive Director, resigned from the Board on 31 December 2021. I would like to thank him for his dedicated service to the Company during his tenure.

Virginie Darbo stepped down from the Board and was replaced by John William Stull who was appointed Non-Executive Director, to the Board, with effect from 10 June 2021. John William Stull brings to the Board a wealth of experience and knowledge from the Holcim group. Virginie Darbo, who is also with the Holcim Group, was appointed as an alternate Non-Executive Director with effect from 10 June 2021. We welcome John William Stull to the Board and would like to thank Virginie Darbo for all her valuable contribution to the Board.

DIVIDEND

Due to the uncertainties that prevail in the economic environment and the desire to ensure that adequate working capital is maintained in the business, the Directors have not declared a dividend.

APPRECIATION

I would like to extend a very special word of gratitude to our customers, suppliers and various stakeholders who have contributed to the success of the business, to all the employees for facing up to the challenges, and for trusting and co-operating with the leadership direction to manage the various headwinds in the year.

OUTLOOK

The Covid-19 situation seems to be improving and could reach an endemic phase in the shorter horizon. The emergence of the Omicron variant has seen increased infections but with less severe cases of illness. The high infection rates and the vaccination efforts could improve the overall immunity in the community and hopefully lead to a return to normalcy. Nevertheless, the Company will continue to adapt its business strategy so as to thrive in the ever-changing environment.

During the first quarter of 2022, human tragedy unfolded across eastern Europe. This may introduce uncertainties in the short-term horizon should the hostilities persist. Disruptions in supply chains coupled with sanctions on Russian fuel could see global increases in energy costs and potential shortages of raw materials. There was however a noted increase in commodity prices due to the war, which could be beneficial to the wider economy's exports.

The Company is optimistic about the opportunities in the infrastructure sector as the Government continues with its strategy for infrastructure development. However, the global economic trends due to the war in Ukraine could weigh down any meaningful growth in the country.

By Order of the Board

K. C. Katsande
Chairman of the Board of Directors

26 April 2022

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Inflation Adjusted		Historical	
	2021 ZWL'000	*Restated 2020 ZWL'000	Unaudited 2021 ZWL'000	Unaudited *Restated 2020 ZWL'000
Revenue	7,175,486	11,133,278	5,586,097	2,854,212
Gross profit	**3,559,725**	**6,739,930**	**2,797,534**	**1,752,540**
Other income	8,592	250,579	6,620	60,600
Operating expenses	(3,957,441)	(3,842,671)	(3,247,209)	(1,156,759)
Finance costs	(336,060)	(598,300)	(263,871)	(154,191)
Net monetary gain	360,834	652,917	-	-
(Loss) / profit before tax	**(364,350)**	**3,202,455**	**(706,926)**	**502,190**
Income tax (expense) / credit	(330,386)	1,803,562	236,496	86,895
(Loss) / profit for the year	**(694,736)**	**5,006,017**	**(470,430)**	**589,085**
Other comprehensive income for the year, net of tax	1,245,908	-	2,234,205	1,279,635
Total comprehensive income for the year	**551,172**	**5,006,017**	**1,763,775**	**1,868,720**
Earnings per share				
Number of shares in issue	80,000,000	80,000,000	80,000,000	80,000,000
Basic and diluted (loss) / earnings per share (ZWL per share)	(8.68)	62.58	(5.88)	7.36

* Refer to note 7 for a description of the restatement.

ABRIDGED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Inflation Adjusted		Historical Cost	
	2021 ZWL'000	2020 ZWL'000	Unaudited 2021 ZWL'000	Unaudited 2020 ZWL'000
ASSETS				
Non-current assets				
Property, plant and equipment and other non-current assets	6,462,577	4,511,568	5,748,718	2,481,595
Statutory receivable	2,587,126	-	2,587,126	-
Total non-current assets	**9,049,703**	**4,511,568**	**8,335,844**	**2,481,595**
Current assets				
Inventories	1,870,787	829,657	1,577,348	365,840
Prepayments and deposits	442,042	612,419	349,223	329,853
Trade and other receivables	290,312	652,673	290,312	406,049
Related party receivables	43,234	89,673	43,234	55,789
Short term investments	-	16,081	-	10,004
Cash and cash equivalents	101,457	204,907	101,457	127,480
Total current assets	**2,747,832**	**2,405,409**	**2,361,574**	**1,295,014**
Total assets	**11,797,535**	**6,916,977**	**10,697,418**	**3,776,609**
EQUITY AND LIABILTIES				
Capital and reserves				
Issued capital	35,818	35,818	800	800
Revaluation reserve	3,476,420	2,236,454	3,820,410	1,589,902
Retained earnings / (accumulated losses)	371,572	1,066,308	(510,765)	(40,335)
Total equity	**3,883,810**	**3,338,580**	**3,310,445**	**1,550,367**
Non-current liabilities				
Long term borrowings	3,626,062	472,891	3,626,062	294,202
Deferred tax liabilities	1,052,595	588,533	640,551	366,146
Provision for quarry rehabilitation	132,185	135,858	132,185	84,522
Total non-current liabilities	**4,810,842**	**1,197,282**	**4,398,798**	**744,870**
Current liabilities				
Trade and other payables	1,372,169	732,061	1,257,461	455,440
Related party payables	1,536,554	1,259,102	1,536,554	783,330
Provisions	90,513	78,693	90,513	48,957
Borrowings	-	76,470	-	47,575
Current tax payable	103,647	234,789	103,647	146,070
Total current liabilities	**3,102,883**	**2,381,115**	**2,988,175**	**1,481,372**
Total equity and liabilities	**11,797,535**	**6,916,977**	**10,697,418**	**3,776,609**

K. C. Katsande
Chairman
26 April 2022

G. Ndugwa
Chief Executive Officer
26 April 2022

Directors: K. C. Katsande (Chairman); M. A. Masunda; S. M. Mutangadura; G. E. Zvaravanhu; J. W. Stull (Alternate: V. Darbo); G. Ndugwa* (Chief Executive Officer) A.E.A Mowafy* (Chief Financial Officer) *Executive

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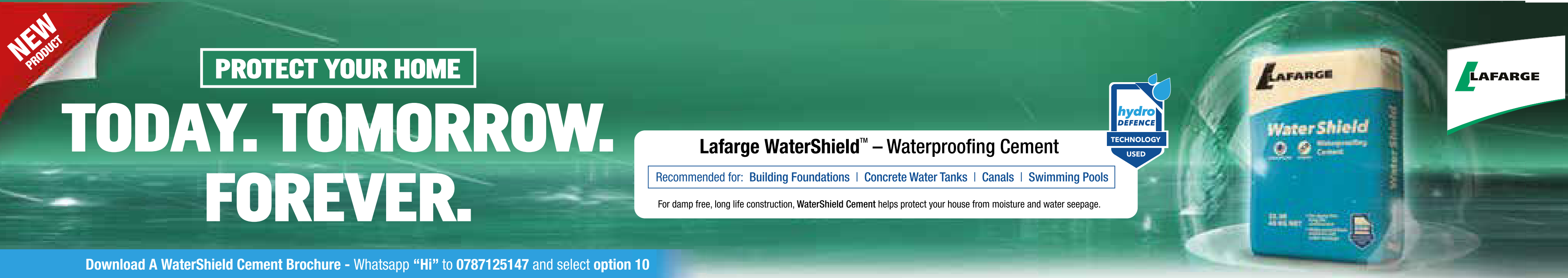

ABRIDGED FINANCIAL RESULTS
For the Year ended 31 December 2021

ABRIDGED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Share capital ZWL'000	Revaluation Reserve ZWL'000	Retained Earnings ZWL'000	Total Equity ZWL'000
Inflation Adjusted				
Balance at 1 January 2020	35,818	2,236,454	(3,939,709)	(1,667,437)
Profit for the year	-	-	5,006,017	5,006,017
Balance as 31 December 2020	**35,818**	**2,236,454**	**1,066,308**	**3,338,580**
Loss for the year	-	-	(694,736)	(694,736)
Revaluation gain net of tax		1,245,908	-	1,245,908
Reversal from assets impairment		(5,942)	-	(5,942)
Balance at 31 December 2021	**35,818**	**3,476,420**	**371,572**	**3,883,810**

	Share capital ZWL'000	Revaluation Reserve ZWL'000	Retained Earnings ZWL'000	Total Equity ZWL'000
Historical Cost (Unaudited)				
Balance at 1 January 2020	**800**	**310,267**	**(629,420)**	**(318,353)**
Profit for the year	-	-	589,085	589,085
Revaluation gain net of tax	-	1,279,635	-	1,279,635
Balance as 31 December 2020	**800**	**1,589,902**	**(40,335)**	**1,550,367**
Loss for the year	-	-	(470,430)	(470,430)
Revaluation gain net of tax	-	2,234,205	-	2,234,205
Reversal from assets impairment	-	(3,697)	-	(3,697)
Balance at 31 December 2021	**800**	**3,820,410**	**(510,765)**	**3,310,445**

ABRIDGED STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	Inflation Adjusted		Historical Cost	
	2021 ZWL'000	*Restated 2020 ZWL'000	Unaudited 2021 ZWL'000	Unaudited *Restated 2020 ZWL'000
(Loss) / profit for the year	**(694,736)**	**5,006,017**	**(470,430)**	**589,085**
Net cash generated from operations before working capital changes	**1,003,637**	**4,173,456**	**611,663**	**801,760**
Cash generated from operations	**1,471,065**	**4,156,619**	**1,105,875**	**709,201**
Net cash generated from operating activities	**926,700**	**3,543,326**	**732,948**	**581,075**
Net cash used in investing activities	**(953,680)**	**(983,405)**	**(711,395)**	**(392,443)**
Net cash used in financing activities	**(76,470)**	**(3,033,145)**	**(47,575)**	**(155,231)**
Net (decrease) / increase in cash and cash equivalents	**(103,450)**	**(473,225)**	**(26,023)**	**33,401**
Cash and cash equivalents at the beginning of the year	204,907	678,132	127,480	94,079
Cash and cash equivalents at the end of the year	**101,457**	**204,907**	**101,457**	**127,480**

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SUPPLEMENTARY INFORMATION
for the year ended 31 December 2021

NOTES TO THE ABRIDGED FINANCIAL RESULTS

1. **GENERAL INFORMATION**
Lafarge Cement Zimbabwe Limited ("the Company") is incorporated in Zimbabwe and is engaged in the manufacture and distribution of cement and allied products. Its ultimate holding Company is Holcim Limited, a Swiss Company which is listed on the Euronext and Swiss stock exchanges. The address of its registered office and principal business is Manresa Works, Arcturus Road, Greendale, Harare, Zimbabwe.

The Company's financial statements are presented in Zimbabwe dollar (ZWL). Amounts have been rounded to the nearest thousand dollars (ZWL '000'). The historical cost amounts have been presented as supplementary information and the auditors have not expressed any opinion on those numbers.

2. **APPROVAL OF ABRIDGED FINANCIAL RESULTS**
The underlying financial statements to the abridged financial results were approved by the Board on 26 April 2022. Subsequent to the reporting period date there were no material adjusting or non-adjusting events warranting disclosure in the underlying financial statements, nor these abridged financial results.

3 **BASIS OF PREPARATION**
The financial statements have been prepared from the statutory records that are maintained under the historical cost basis except for certain property, plant and equipment items that are measured at revalued amounts, and certain financial instruments measured at amortised cost, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate.

Appropriate adjustments for general changes in purchasing power of the Zimbabwean Dollar for the purposes of fair presentation in accordance wit IAS 29 Financial Reporting in Hyperinflationary Economies, have been made in these financial statements to the historical cost financial information of the Company.

IAS 29 Financial Reporting in Hyperinflationary Economies requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous period be restated in the same terms. The restatement was calculated by means of conversion factors derived from the Zimbabwe Consumer Price Index (CPI) issued by the Zimbabwe Central Statistical Office.

The indices and conversion factors used to restate the accompanying financial statements as at 31 December 2021 are as follows:

Dates	Indices	Conversion Factor
CPI as at 31 December 2021	3 977.5	1.0000
CPI as at 31 December 2020	2 474.5	1.6074
Average CPI 2021	143.3	
Average CPI 2020	621.5	

SUPPLEMENTARY INFORMATION (continued)
for the year ended 31 December 2021

NOTES TO THE ABRIDGED FINANCIAL RESULTS (continued)

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period. The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate. The start date used for hyperinflation purposes for the year ended 31 December 2021 was 1 October 2018, whereas in the prior year it was 22 February 2019.

4. **GOING CONCERN**
In preparing the financial statements, the Directors and management are required to make an assessment of the Company's ability to continue as a going concern. At the time of preparing the financial statements, there were no material uncertainties related to events and conditions prevailing within the country's economic environment that could cast significant doubt on its ability to continue as a going concern.

The Directors and management are continuously monitoring and evaluating the Company's operating landscape to re-assess and appropriately adapt its strategies around the existing Covid-19 pandemic. This is to ensure the continued operation of the Company into the foreseeable future. Such strategies include taking advantage of government policies and initiatives intended to support the continued operation of the Company, and continuously engaging related parties within the Holcim Group to ensure intercompany obligations are managed and settled in a manner that does not negatively impact operations.

The Directors have concluded that the Company's various responses are adequate, and that there are no uncertainties which can hinder the ability of the Company to continue operating as a going concern.

5. **CAPITAL COMMITMENTS**

	Inflation Adjusted		Historical Cost	
	2021 ZWL'000	2020 ZWL'000	2021 ZWL'000	2020 ZWL'000
Capital expenditure	1,144,365	717,372	1,144,365	446,302

6. **RELATED PARTY TRANSACTIONS AND BALANCES**

During the year the Company entered into related party transactions and had related party balances as follows:	Inflation Adjusted		Historical Cost	
	2021 ZWL'000	2020 ZWL'000	Unaudited 2021 ZWL'000	Unaudited 2020 ZWL'000
Cement purchases from related parties	409,195	768,467	282,719	174,344
Purchases from related parties for non-trade related transactions	503,701	864,391	460,923	310,759
Amounts receivable from related parties for goods and services	43,244	89,673	43,234	55,789
Amounts payable to related parties for goods and services	1,536,554	1,259,102	1,536,554	783,330

7. **RESTATEMENT ARISING FROM CHANGES IN THE CLASSIFICATION OF EXPENSES BY FUNCTION**
The Company analyses expenses recognized in profit or loss using the functional analysis method. In the current year, the Company reassessed the relevance and reliability of the classifications in its analysis and determined that they were no longer reliable and appropriate for inter-period comparability, nor strictly in compliance with the presentation requirements of IFRSs. Presentation of the information for 2020 has been restated to reflect the new classification that emphasizes more on the functional presentation of the income statement. Some expenses line items have been reclassified into their functional expense classifications. Where there is need for a detailed analysis of the expenses users can refer to the actual notes in the detailed financial statements which are available for inspection at the Company's registered office. The reclassifications have no impact on the overall reported losses or profits.

8. **AUDITOR'S STATEMENT**
The Company's auditors, Deloitte & Touche, have issued a disclaimer of opinion on the underlying financial statements to these results.

The abridged financial results should be read in conjunction with the complete set of financial statements for the year ended 31 December 2021, which have been audited by Deloitte & Touche, with the responsible partner being Stelios Michael.

A disclaimer of opinion was issued thereon in respect of:
- Non-compliance with International Financial Reporting Standards IAS 21 – The Effects of Changes in Foreign Exchange Rates (IAS 21) in the prior and current financial year;
- Inability to Obtain Sufficient and Appropriate Audit Evidence to Conclude on the Appropriateness of the Fair Valuation of Property, Plant and Equipment in Accordance With IFRS 13 'Fair Value Measurements'; and
- Impact of prior year modifications on comparative information and resultant carryover effects on current year financial statements.

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A MEMBER OF HOLCIM

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAFARGE CEMENT ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the inflation adjusted financial statements of Lafarge Cement Zimbabwe Limited ("the Company"), which comprise the inflation adjusted statement of financial position as at 31 December 2021, and the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying inflation adjusted financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these inflation adjusted financial statements.

Basis for Disclaimer of Opinion

Our basis for disclaimer of opinion has been arrived at after consideration of the following matters.

1. Non-compliance with International Financial Reporting Standards ("IFRS") IAS 21 – The Effects of Changes in Foreign Exchange Rates (IAS 21) in the prior and current financial year

   As described in note 3.3 to the inflation adjusted financial statements, in preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The Company translated foreign currency transactions and balances into its reporting and presentation currency, the Zimbabwe dollar ("ZWL") using the exchange rates derived from the Reserve Bank of Zimbabwe's ("RBZ's") Foreign Exchange Auction System.

   Based on an assessment of ZWL prices and the corresponding US dollar ("USD") prices for certain transactions, as well as our understanding and observations of actual market pricing practices between ZWL and USD prices for goods and services, we determined that the effective and implied ZWL/USD exchange rates that the Company actually experienced during the course of the financial year were not always consistent with the auction ZWL/USD exchange rates. While the Company participated on the Foreign Exchange Auction Trading System during the year, it did not receive its full requirements. Under these conditions, from an IAS 21 perspective, the Company is considered to have experienced a long term lack of exchangeability between the ZWL and USD on this foreign exchange trading mechanism in the country, and an estimation of the exchange rate was required.

   As a consequence, foreign currency denominated transactions and balances for the year and closing balances for the prior year are misstated as they have not been translated in accordance with the requirements of IAS 21 as the inputs to determine such a rate are very limited in the Zimbabwean environment. We have thus been unable to obtain sufficient and appropriate evidence with which to determine the impact on the current year financial statements. Similarly, since opening balances have a bearing into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the movements in the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity.

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REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS (continued)

Basis for Disclaimer of Opinion (continued)

2. Inability to Obtain Sufficient and Appropriate Audit Evidence to Conclude on the Appropriateness of the Fair Valuation of Property, Plant and Equipment in Accordance with IFRS 13 'Fair Value Measurements'

   The Company engaged professional valuers to revalue its property, plant and equipment as at 31 December 2021 and 2020. The 31 December 2020 revaluation was done as a desktop valuation in USD, and management subsequently determined the ZWL equivalent fair values by translating the USD valuations using the closing ZWL/USD spot exchange rates as at 31 December 2020. The 31 December 2021 revaluation was also done as a desktop valuation, but in ZWL.

   In the prior year, while we found the assumptions and methods used by the professional valuers to determine the USD valuations reasonable, we were unable to obtain sufficient appropriate evidence regarding the exchange rate used to convert the USD valuation to ZWL. In the current year, we have been unable to obtain sufficient appropriate third party evidence to support a number of the key assumptions, judgments and inputs applied in determining the ZWL fair value of property, plant and equipment, as well as the completeness of the related disclosures, due to such evidence being very limited in the Zimbabwean environment.

3. Impact of prior year disclaimer of opinion on comparative information and resultant carryover effects on the current year financial statements

   The Company has not restated the inflation adjusted financial statements, as required by IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', to resolve some of the matters which resulted in the disclaimer of opinion issued in respect of the year ended 31 December 2020. The following matters that formed the basis of disclaimer in the prior year have been resolved prospectively, which is not in compliance with IAS 8:

   i. Absence of contractual documentation to support the accounting treatment of the cash cover provided under the RBZ Blocked Funds Framework;

   ii. Non-compliance with the requirements of IAS 29 'Financial Reporting in Hyperinflationary Economies'; and

   iii. Material weakness in internal control over financial reporting resulting in unauthorised foreign currency transactions.

   All of the above matters have since been resolved in the year ended 31 December 2021. However, we were unable to obtain sufficient appropriate audit evidence that the closing balances as at 31 December 2020 were free of material misstatements and have been brought forward correctly.

   The matters noted above in section 1 and 2 of the basis for disclaimer of opinion were present in the prior year and contributed, as explained in those paragraphs, to our inability to express an opinion on the prior year inflation adjusted financial statements.

   We were unable to satisfy ourselves by alternative means concerning the opening balances. Since opening balances have a bearing into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the movements in the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity. Furthermore, the matters above lead to an inability to determine the possible effects of these matters on the comparability of the current year's inflation adjusted financial statements with that of the prior year.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAFARGE CEMENT ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management and the Directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with IFRSs, the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements, and for such internal control as Management and the Directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, Management and the Directors are responsible for assessing the Company'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 Management and the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

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

Our responsibility is to conduct an audit of the Company's inflation adjusted financial statements in accordance with International Standards on Auditing, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these inflation adjusted financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the inflation adjusted financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements.

The engagement partner on the audit resulting in this independent auditor's report is Stelios Michael.

Deloitte & Touche

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Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per Stelios Michael
Partner
(PAAB Practice Certificate 0443)
Harare, Zimbabwe

Date: 27 April 2022