Audited Abridged Financial Results

FOR THE YEAR ENDED 30 JUNE 2022

Simbisa Brands LIMITED

Salient Features

FOR THE YEAR ENDED 30 JUNE 2022

	12 months ended 30-Jun-22 ZWL Audited	12 months ended 30-Jun-21 ZWL Restated	Change
INFLATION ADJUSTED			
Revenue (ZWL millions)	72,915.7	41,453.6 ▲	76%
Operating profit before depreciation, amortisation and impairment (ZWL millions)	5,732.0	4,158.7 ▲	38%
Profit before tax (ZWL millions)	13,958.5	5,447.7 ▲	156%
Profit for the year attributable to equity holders of the parent (ZWL millions)	9,584.0	5,602.0 ▲	71%
Cash generated from operating activities (ZWL millions)	21,725.8	4,915.8 ▲	342%
Headline earnings per share (ZWL cents)	1,655.01	996.11 ▲	66%
HISTORICAL COST	**Unaudited**	**Unaudited**	**Change**
Revenue (ZWL millions)	51,691.9	17,068.0 ▲	203%
Operating profit before depreciation, amortisation and impairment (ZWL millions)	5,673.3	2,458.3 ▲	131%
Profit before tax (ZWL millions)	10,883.0	2,066.7 ▲	427%
Profit for the year attributable to equity holders of the parent (ZWL millions)	8,429.3	2,235.2 ▲	277%
Cash generated from operating activities (ZWL millions)	15,010.5	3,286.4 ▲	357%
Headline earnings per share (ZWL cents)	1,412.77	397.52 ▲	255%

Chairman's Statement

OVERVIEW

Simbisa Brands Limited ("Simbisa" or the Group") is committed to providing the Pan-African population with affordable, accessible, nutritious, and delicious meals while offering the best quick service restaurant experience. Over the past six months, the business has continued to live up to its commitments in 567 stores across nine countries.

The key highlights for the period are that:

- Simbisa continued to record strong year-on-year growth in customer counts. Our restaurants served over 52.3 million customers, up 28.6% from the prior year.
- During the financial year ended 30 June 2022, the Group opened 86 new stores.
- In Kenya, Simbisa consolidated its position as the largest QSR operator in the market surpassing a key milestone of 200 stores.
- Delivery sales grew by 45% against the same period last year, contributing significantly to Simbisa' s overall financial performance.
- Simbisa won 'The Best Tangible Returns' award at the 2022 Zimbabwe Top Companies Survey Awards sponsored by Old Mutual Zimbabwe and The Financial Gazette.

The performance for the period is a testament to the dedication of the extraordinary people employed by the Group who share a common passion and enthusiasm for the Group's brands.

In the period under review the following matters received critical attention from the Board:

i. The Impact of global inflation and supply chain challenges on our businesses

All our markets have seen the negative impact of global inflation resulting in increased costs of raw materials, energy costs and other overheads. Inflation has also impacted consumers' disposable income. The Board is confident in the measures introduced in the different markets to mitigate the impact of inflation and still meet growth targets. These measures include, amongst others, importing our own raw materials where it's more economical to do so, investing additional amounts in working capital and providing value offerings to our customers.

ii. Growth Initiatives

During the period under review, the Group focused its growth strategy on the two largest markets, Zimbabwe, and Kenya, adding 27 stores, and 39 stores respectively.

In smaller markets, the Group focused on stabilising existing stores and optimising operating models. This enhanced focus on existing stores resulted in all markets contributing positively to the Group's operating profit.

Across the Group, excellent customer service remains key to the Group's organic growth. Key to achieving this objective is the fully-fledged Franchising Division which operates independently of the restaurant operators with the aim of improving brand quality and customer service in our stores. Simbisa invested significantly in expanding the scope and capacity of the restructured Franchising Division.

iii. Talent Management

Part of Simbisa' s mission is to improve and empower the more than 8,500 people employed by the Group. During the year, staff welfare and training matters were high on the agenda of the Board and periodic reviews of Training Programs and outcomes occurred.

FINANCIAL REPORTING MATTERS

i. Foreign Exchange rate disparities in Zimbabwe and impact on financial reporting

Foreign exchange rate distortions and the disparity between the official rate and the real exchange rate reflected by comparing market prices in local currency against market prices in foreign currency continued over the period under review. As highlighted in the Chairman's reports' accompanying the Group's financial statements for the financial years ended 30 June 2020 and 30 June 2021, the Board's considered view is that the exchange rate derived from the Reserve Bank of Zimbabwe weekly Foreign Currency Auction System **("Auction Rate")** is not appropriate and is not a "Spot Rate" compliant with the requirements of International Accounting Standard (IAS) 21, "The Effects of Changes in Foreign Exchange Rates" and therefore International Financial Reporting Standards (IFRS).

The Group's Zimbabwean Operation continues to generate all its foreign currency from the sale of its products in the local market in line with the multi-currency framework prevailing and therefore does not have access to the Reserve Bank of Zimbabwe foreign currency auction system.

To achieve a fair presentation of the Group's financial performance and financial position, Simbisa estimated an exchange rate based on the market transaction rates and applied this rate to translate monetary foreign currency balances on the statement of financial position. The Group used the same estimated exchange rates to translate the results of its foreign subsidiaries. This in your Board's view represents a true and fair view of Simbisa's financial position in the circumstances.

The Group's Independent Auditors are of the view that the Auction Rate is a "Spot Rate" compliant with the requirements of IAS 21. As a result, they have issued an adverse opinion, on the same basis as indicated in the audit opinion on the Group's financial statements for the years ended 30 June 2020 and 30 June 2021.

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

Inflation-adjusted (ZWL Millions)

	At transactions-based rate	At auction rate	Impact (decrease)/increase
Income Statement			
Operating Profit	5,732.0	3,663.1	(2,068.9)
Net profit attributable to shareholders	9,584.0	6,241.5	(3,342.5)
Basic Earnings per share – ZWL Cents	1,704.77	1,110.2	(594.57)
Balance Sheet			
Total assets	70,439.5	48,026.4	(22,413.1)
Total liabilities	44,724.6	29,856.3	(14,868.3)
Net debt	15,306.8	7,999.6	(7,307.2)
Total equity	25,714.9	18,170.1	(7,544.8)

The Group commends efforts by the Reserve Bank to stabilise the country's local currency in the period after the Group's reporting date. However, the Group urges the Reserve Bank of Zimbabwe to review minimum productive sector lending rates which are currently set at 200% as this may stifle growth in the medium term.

FINANCIAL PERFORMANCE HIGHLIGHTS

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

- Revenue increased by 76% (+48% in Zimbabwe and +214% in the Region). Growth in Zimbabwe is from an increase in customer counts of 28%. In the Region, (excluding the impact of the Zimbabwe dollar exchange rate depreciation), Revenue increased by 38% in USD terms, from a 30% increase in customer counts.
- Gains from foreign currency translations increased profit by ZWL 12.1 billion (2021: ZWL 3.1 billion).
- Profit attributable to shareholders and headline earnings increased by 71% and 66%, respectively.
- In addition, to the above profit measure, the Group tracks an adjusted attributable profit. This measure is after adjusting attributable profit for the impact of IFRS 16, Leases. IFRS 16 treats leases previously classified as operating leases under the previous standard, IAS 17, as financing arrangements. The Directors believe that considering the nature of the Group's lease arrangements, an adjusted profit measure excluding the impact of IFRS 16 is valuable to users of the financial statements. The adjusted measures are as follows:

Inflation-adjusted (ZWL Millions)

	Pre-IFRS 16	Change	Post-IFRS 16
Income Statement			
Operating Profit	3,923.1	1,808.9	5,732.0
Net profit attributable to shareholders	9,880.6	(296.6)	9,584.0
Basic Earnings per share - ZWL Cents	1,757.57	(52.8)	1,704.77
Balance sheet			
Total assets	54,718.6	15,720.9	70,439.5
Total liabilities	28,433.0	16,291.6	44,724.6
Net debt/(cash)	(1,172.2)	16,479.0	15,306.8
Total equity	26,285.6	(570,7)	25,714.9

- Cash generated from operations was ZWL 21.7 billion up 342% from last year.
- ZWL 18.7 billion was spent on investing activities, of which ZWL 6.3 billion was spent on capital expenditure in Zimbabwe and Kenya. ZWL 11.7 billion was invested in financial assets.
- Total debt (excluding IFRS 16 liabilities) was ZWL 4.9 billion (30 June 2021 restated: ZWL 4.2 billion). Total debt remains below x1 operating profit.

FINAL DIVIDEND

The Board resolved to declare a final dividend of 0,58 US cents per share. Furthermore, the Board approved a dividend of US$163,034 to the Simbisa Employee Share Trust. The dividend will be payable in United States dollars on or about 19 October 2022 to shareholders registered in the books of the Company close of business on 14 October 2022. The last day to trade cum-divided is 11 October 2022, and the ex-dividend date is 12 October 2022.

CORPORATE GOVERNANCE

There have been no changes to the Board composition since our last report.

SUSTAINABILITY

Creating long-term value for our stakeholders has been fundamental to Simbisa's growth since the business opened its first Chicken-Inn outlet in 1987. The Group has grown together with its stakeholders and sustainable business practices and decisions are already strongly embedded in the Group's culture as evidenced by the value the Group has created for its suppliers, the employment the Group has created and the contribution to governments and local authorities. However, Simbisa, like many responsible corporates in Africa, is on a journey to make sustainability a central focus for key decision makers. To this end, the Group has appointed sustainability champions across its business and continues to invest more time and resources in this objective.

From a Corporate responsibility perspective, the Board approved a 3-year corporate responsibility strategy focusing on three key United Nations Sustainable Development Goals: Zero Hunger, Quality Education and Clean Water and Sanitation. An exciting initiative already in progress under this strategy is the construction of the USAP Community School for underprivileged students in Marondera, Zimbabwe which Simbisa is supporting through various fund-raising initiatives with its suppliers as well as the business community in Zimbabwe.

OUTLOOK

The upcoming financial year has exciting prospects for the Group. The Group has a significant pipeline of new stores and expects to open 87 new stores in FY23, mainly in Zimbabwe (45) and Kenya (30) at a cost of about US$23 million. The Group's is generating sufficiently strong free cashflows to drive this growth. The Board intends to implement a number of initiatives to invest any additional free cash generated in additional areas, in order to achieve the Groups' overall target growth trajectory.

In Zimbabwe, inflation eased significantly in August from a mix of global and domestic factors. The Fiscal and Monetary Authorities in Zimbabwe are to be commended for the bold decisions taken towards the end of the period under review to address their previous policy mis-steps. It is the Boards' hope that the prudent and pragmatic regulation of the fiscal space will continue and usher in a more stable and predictable economic environment in Zimbabwe in the medium to long term. There is a dire and urgent need to address the current and unnecessarily punitive Taxation laws in particular Intermediated Money Transfer Tax (IMTT).

In the Regional businesses, global inflation will continue to be the single biggest factor influencing the Group's plans. The Board is confident that the measures put in place by management in the respective countries to address these challenges.

The Board remains focused on monitoring customer experience improvements across the Group and making sure that our staff will continue to focus on providing the best customer service.

APPRECIATION

On behalf of the Board, I would like to acknowledge the hard work and dedication of the more than 8,500 employees across the Group. I also wish to express our sincere appreciation to our loyal customers and business associates for their continued support and patronage. Finally, I recognise the efforts of my fellow Directors and Executive Management in producing this outstanding result.

ABC CHINAKE
Independent Non-executive Chairman
Harare

26 September 2022

Dividend Announcement

The Board resolved to declare a final dividend of US$ 0,58 cents per share. Furthermore, the Board approved a dividend of US$163,034 to the Simbisa Employee Share Trust.

The dividend will be payable in United States dollars on or about 19 October 2022 to shareholders registered in the books of the Company close of business on 14 October 2022. The last day to trade cum-divided is 11 October 2022, and the ex-dividend date is 12 October 2022.

Last Date to trade Cum-Dividend	11 October 2022
Date to trade Ex- Dividend	12 October 2022
Record Date	14 October 2022
Payment Date (on/about)	19 October 2022
Dividend Declared USD (cents)	0.58

Group Secretary
26 September 2022

Audited Abridged Financial Results

FOR THE YEAR ENDED 30 JUNE 2022

Simbisa Brands
LIMITED

Chief Executive Officer's Report

TRADING ENVIRONMENT

Although 2022 marked an emergence from the Covid-19 pandemic and related restrictive operating conditions in our markets, new challenges emerged during the period predominantly from global inflationary pressures and supply chain disruptions stemming from the war in Ukraine. These developments have catalysed record high inflation and currency volatility in our trading markets. Simbisa Brands performed remarkably well in the face of economic headwinds and stands poised to ride the wave of economic recovery from the effects of the pandemic. Measures have been implemented to ensure the business remains resilient to the new challenges.

Zimbabwe endured the dual pressures of lingering Covid-19 operating restrictions and weak economic conditions, characterised by continued currency volatility, policy uncertainty and depressed consumer spending power. Despite the complex operating landscape, Simbisa Zimbabwe continued to grow the business through new store rollouts and achieved impressive double-digit growth in revenue and profitability.

The regional businesses benefited from relaxed trading conditions, returning to full trading capacity in the period under review. On the downside, global inflation and supply chain disruptions challenged the Regional operating markets and high inflation levels, and exchange rate devaluation dominated the operating landscape in FY2022. The regional business remained resilient and continued to grow even in the face of the aforementioned adverse conditions. Simbisa Kenya continued to deliver an aggressive expansion initiative whilst the other markets achieved steady growth of the existing business to maximise shareholder returns.

GROUP PERFORMANCE OVERVIEW

In the financial year under review, Simbisa faced the challenges of ongoing Covid-19 operating restrictions and economic headwinds generated from record-high inflation levels, exchange rate weakness and overall subdued consumer demand. Against the myriad of operating challenges, Simbisa achieved strong financial results with top and bottom line growth recorded year-on-year and exceeding performance levels achieved in pre-Covid-19 financial periods. Customer counts grew 28.6% in FY2022 versus the prior year, driven by continued investment in new store rollouts and successful marketing and promotional initiatives in the review period. Real average-spend grew by 10.3% year-on-year. In inflation-adjusted ZWL terms, Group revenue grew 75.9% year-on-year, a very pleasing result, especially amid a challenging operating landscape.

The Group initiated a pricing strategy in the financial year under review that resulted in menu price increments executed in a minimal and phased approach to mitigate the impact on our customers. The strategy aimed to increase prices only as much as necessary to hedge against the effects of inflationary pressures whilst remaining alert to the price elasticity of demand. This approach ensured that the business remained competitive in a price-sensitive environment, where consumer disposable incomes are already under pressure.

The inflationary pressures and exchange rate weakness triggered a series of sharp price increases in essential raw material and cost line items, putting significant pressure on gross profit and operating margins in the period. However, effective cost management policies initiated to counter the effects of inflation allowed the business to realise cost efficiencies.

The organisational structure across all markets changed during the period under review to focus on a brand-oriented structure to enhance and streamline operating efficiencies and improve accountability. This reform will drive value for stakeholders through improved brand standards and optimised operating performance.

ZIMBABWE

Simbisa's operations in Zimbabwe continued to be impacted by ongoing Covid-19 trading restrictions, albeit with conditions improving in the second half of the financial year. Counter trading hours were 28% below normal in the financial year under review, with seating restrictions and curfews being upheld throughout the period. The business continued to navigate operating challenges emanating from policy uncertainty, currency volatility and inflationary pressures, with June 2022 annual inflation rates recorded at 257%. As a result of the difficult economic conditions, consumer spending behaviour remains depressed.

Simbisa Zimbabwe performed commendably in the period under review, despite a challenging operating environment. Customer counts grew 28.0% year on year whilst inflation-adjusted ZWL average-spend grew 15.7% to deliver a 48.1% increase in inflation-adjusted ZWL revenue in FY2022 from the prior year. Top line growth was driven by new store openings, with 27 counters opened in the financial year under review to close 30 June 2022 with 261 counters in operation. The market also achieved same-store revenue growth in existing outlets through promotional activity, value offerings and increased sales through delivery channels, with total deliveries growing by 55.5% year-on-year.

The aforementioned pricing strategy and strict cost control measures implemented in the financial year under review resulted in margins remaining firm. The market managed to grow operating profit margins between FY2021 and FY2022.

Significant capital investment was made in FY2022 into upgrading the operations' Central Stores and Central Kitchen to increase storage capacity and make the facilities more efficient through automating and streamlining production processes. These initiatives have reduced processing times, enhanced efficiencies, improved product quality, and minimised wastage.

A debt restructure was enacted during the period under review to manage the impact of exchange rate volatility and prescribed lending rate increases.

REGIONAL OPERATIONS

Operations returned to full capacity in our regional operating markets as Covid-19 operating restrictions eased in the period under review. A recovery in trading hours resulted in higher footfall in the existing business whilst new store rollouts accelerated growth in customer counts. Record high inflation levels, particularly on food and energy prices, supply chain disruptions, and exchange rate devaluation triggered raw material and operating cost increases in most of our regional operating markets. These developments led to significant downward pressure on margins and negatively impacted consumers' disposable incomes and general spending patterns in FY2022.

The strategic focus in the regional markets in the financial year under review was on hedging the businesses against inflationary and exchange rate pressures, continued organic growth and an increased contribution from delivery channel sales.

Revenue generated by our regional operations increased 38.1% year-on-year in USD terms and 213.5% in inflation-adjusted ZWL terms, of a 30.1% increase in customer counts and a 6.1% increase in real average-spend in FY2022 versus FY2021.

The Simbisa brand footprint continued to expand through the opening of 38 new counters in the region in the 12 months to 30 June 2022.

KENYA

Trading restrictions in Kenya eased considerably in the period under review, with Simbisa Kenya resuming normal operating hours in the second half. However, the market experienced significant inflationary pressures in the FY2022 period, with annual inflation accelerating to 7.9% in June 2022, its highest level recorded since August 2017. The Kenyan Shilling depreciated by 9.2% against the US Dollar from a closing rate of 107.9 in June 2021 to a record-high closing rate of 117.87 in June 2022, fuelled by inflationary pressures and pre-election uncertainty.

New store growth, improved trading hours, and promotional activity resulted in a 32.8% increase in customers in FY2022 versus the prior year. The customer base reached a record high and grew against pre-Covid-19 trading periods (+13% versus customer counts recorded in FY2019). Real average-spend increased 4.9% in FY2022 versus the prior year on the back of a supportive pricing strategy and increased delivery contributions. Resultantly, FY2022 revenue grew 44.3% versus the prior year in Local Currency Terms and 39.2% in USD terms, a commendable achievement in the face of adverse trading conditions.

In the delivery business, Kutuma Kenya (Pvt) Limited, a new operating model was implemented. The fleet operations were restructured to improve flexibility and enable rapid capacity scaling as required. Major efficiency initiatives executed in FY2022 focused on successfully reducing delivery times and improving the overall customer service experience. One such initiative involved restructuring the pricing model to match the products sold through Dial-a-Delivery to the in-store prices, benefiting the customer and improving the Dial-a-Delivery service's long-term competitiveness. New rider application and dispatch technology rolled out in April 2022 will further improve delivery time performance and reduce direct unit costs.

Simbisa Kenya continued to execute an aggressive expansion strategy by opening 38 new counters in the twelve months to 30 June 2022, to close the period with 206 counters.

ZAMBIA

The Zambian Kwacha appreciated 24.4% year-on-year against the US Dollar from a closing rate of 22.63 in June 2021 to a closing rate of 17.11 in June 2022. Post-election optimism, a potential debt restructuring and a bailout package from the IMF have seen a rally in the Kwacha. Supported by the strengthening exchange rate, annual inflation in Zambia registered 9.8% in June 2022, dropping below 10% for the first time in almost three years, bucking the global trend of record consumer-price growth. Despite a positive economic outlook, Simbisa Zambia's operations were still affected by reduced disposable income, removal of subsidies on energy costs and intensified competition in the Quick Service Restaurant sector.

The business drove top-line growth through aggressive marketing and brand-specific promotional activities to counter competition and declining consumer spending. The success of these initiatives, together with recovery from Covid-19 operating limitations, resulted in Simbisa Zambia growing customer counts by 19.7% in FY2022 versus the prior year. Average-spend grew 24.2% in real terms, on the back of Simbisa's pricing strategy and supported by the appreciation of the Kwacha in the same period. FY2022 US Dollar revenue increased 48.8% year-on-year. Both revenue and operating profit recorded a five-year record high, surpassing levels achieved even in the pre-Covid-19 operating environment.

The focus in Zambia during the financial year under review was on driving growth and unlocking efficiencies in the existing business, and growing the customer base in the higher LSM segment. In this vein, Simbisa Zambia opened 2 Rocomama's restaurants in FY2022 and closed one under-performing Pizza Inn outlet, closing 30 June 2022 with a total store count of 33.

MAURITIUS

Mauritius was not spared the effects of global inflation. The annual inflation rate in June 2022 was 9.6%, a 13-year record high. The Rupee depreciated 7.4% against the US Dollar between June 2021 and June 2022.

During the financial year under review, the focus in the market was on consolidating the brand portfolio to focus on the Pizza Inn and Vida e Caffe brands in this market and restructuring the format of the Pizza Inn brand from table service to a counter service QSR model. As part of the restructure, the market closed six counters in FY2022 and in Q4, the Dial-a-Delivery brand was dissolved and replaced by Pizza Inn delivery. Two new Pizza Inn counters opened in the financial year, with the market closing the period with 13 counters in operation as at 30 June 2022.

Even with the closing of 4 net counters in the period under review, Simbisa Mauritius managed to grow customer counts by 22.1% in FY2022 versus the prior year due to a relaxing of Covid-19 restrictions in the period and a successful marketing and promotional strategy. Average-spend increased 12.5% year on year in Local Currency terms and 3.1% in real terms, resulting in top-line growth of 25.9% in FY2022 versus FY2021.

Despite inflationary pressures on margins during the period under review, significant cost savings were achieved through enhanced efficiencies under the new operating model and strict cost management policies implemented. This resulted in significantly improved operating margins in FY2022 versus the prior year period.

GHANA

Ghana's annual inflation rate accelerated to 29.8% in June, the highest reading since December 2003. Inflation is being fuelled by soaring public debt levels, currency weakness, global food and energy price increases, as well as the Government's removal of subsidies on import duties and introduction of new, unclaimable levies into the VAT input tax. The Ghanaian Cedi depreciated a significant 36.0% from a closing rate of 5.85 in June 2021 to a closing rate of 7.96 in June 2022.

A relaxation in Covid-19 restrictions and new store growth allowed the market to grow customer footfall significantly in FY2022 resulting in a 27.1% increase in customer counts in FY2022 versus the prior year, despite depressed economic conditions. Whilst local currency average-spend grew 9.7% year-on-year, the devaluation in the Cedi led to a 2.3% decline in average-spend in US Dollar terms. Local currency revenue growth outpaced inflation, and Simbisa Ghana managed to grow US Dollar revenue by 24.2% in FY2022 versus the prior year period.

In the financial year under review, two new counters were opened in Ghana, including a Chicken Inn Drive-Thru counter, bringing the total number of counters to 25 as at 30 June 2022.

FRANCHISED MARKETS

The DRC achieved top-line growth of 47.1% in FY2022 versus the prior year period. Revenue growth was driven by a 30.5% year-on-year increase in customer counts and a 12.7% increase in average-spend. Due to relaxation in trading restrictions in the DRC and aggressive promotional activity and new store openings, top-line performance improved significantly, particularly in the second half of the financial year. Cost management efforts bore fruit, and the market grew operating margins in FY2022 versus the prior year.

There were 12 new counters opened in the DRC between 30 June 2021 and 30 June 2022 to close the period with 29 counters in this franchised market.

STRATEGIC FOCUS

Simbisa's more developed markets, Zimbabwe and Kenya, are focused on increasing revenue streams through delivery channels and growing the market share through new store openings. Particular attention will be paid to penetrating the market in areas currently underserviced by our brands, particularly in small towns and high-density areas. There are 75 new store openings in the pipeline in Zimbabwe and Kenya alone for FY2023. Several Chicken Inn Drive-Thrus are in the pipeline as this has proved a value accretive brand concept. In Zimbabwe, the Group is exploring introducing the Drive-through concept for other brands such as Nandos and Steers.

To bolster delivery revenue streams in Zimbabwe, the focus is on increasing delivery capacity by scaling operations across the country by acquiring more bikes and increasing the number of call centre agents. A strategic decision was made to transition Pizza Inn to deliver exclusively on the Dial-a-Delivery platform in Kenya, effective 1 September 2022. Establishing Dial-a-Delivery as the premier pizza delivery service in Kenya will allow Simbisa Kenya to continue dominating this market segment against third-party delivery services and QSR competitors through the continued growth of the Pizza Inn brand. It will bolster delivery revenue streams to Simbisa Kenya through the growth of Pizza Inn delivery volumes and enable improvements in service quality. In both markets, initiatives in FY2023 will focus on improving order and bike tracking, thereby reducing delivery times and improving the overall customer experience.

Simbisa's other Regional markets will focus on consolidating and developing existing shops to generate growth from the existing capacity to increase shareholder returns on current investments. New store development will be highly selective, with only the best possible sites being considered. Only eight such sites have been identified and included in the pipeline for the remaining regional markets in FY2023. Making improvements to the delivery businesses in these markets remains a key priority.

The Group will continue to carefully assess and execute the pricing strategy adopted in the current financial period to hedge against high inflation and exchange rate weakness while remaining sensitive to customer affordability. Careful cost management policies will be implemented in the FY2023 financial year to counter the negative impact on margins.

OUTLOOK

Despite economic headwinds and challenges emanating from the Covid-19 pandemic, the Group has managed to grow the business to record levels and continues to create value for stakeholders. With the easing of trading restrictions in our operating markets, trading capacity has scaled up, and with that, customer counts have shown a recovery. This highlights the robustness and resilience of Simbisa's operating model, which stands the Group on solid ground to ride the wave of recovery into FY2023 and beyond as we leave the worst of the impact from the Covid-19 pandemic behind us.

A substantial investment pipeline, with 180 potential projects identified over the next two financial years, will drive growth and unlock shareholder value. As aforementioned, the primary growth markets will be Kenya and Zimbabwe in the short to medium term. However, the Group remains vigilant of new growth opportunities in existing and potential new markets and continues exploring business development options.

Between 2022 and 2024, Simbisa Brands intends to make significant progress in firmly establishing itself as a corporate that bridges the gap for people in various communities. This will be done by focusing the Simbisa Brands Corporate Social Responsibility strategy on three key United Nations Sustainable Development Goals: zero hunger, quality education, clean water, and sanitation. The Group is also embarking on a project to build a community school in Zimbabwe for underprivileged learners.

The business's success over the period under review could not have been achieved without our staff members' hard work and dedication, and I would like to extend my sincere appreciation for their efforts. I would also like to thank the Simbisa Board of Directors, our loyal customers, suppliers and other stakeholders for their continued support during these challenging times.

B Dionisio
Chief Executive Officer

26 September 2022

Audited Abridged Financial Results

FOR THE YEAR ENDED 30 JUNE 2022

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 2021/2022

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 2021/2022 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 2022, 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 International Accounting Standard (IAS 29), 'Financial Reporting in Hyperinflationary Economies,' effective 1 July 2019, non-compliance with (IAS 8), "Accounting Policies, Changes in Accounting Estimates and Errors as well as non-compliance with (IAS 40), "Investment Properties." There were no key audit matters. The auditor's report on these financial statements is available for inspection at the Company's registered office.

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Inflation Adjusted		Historical Cost	
	Twelve months ended 30-Jun-22 Audited ZWL	Twelve months ended 30-Jun-21 Restated ZWL	Twelve months ended 30-Jun-22 Unaudited ZWL	Twelve months ended 30-Jun-21 Unaudited ZWL
Revenue	**72,915,724,690**	**41,453,626,743**	**51,691,931,638**	**17,068,037,632**
Operating profit before depreciation, amortisation and impairment	**5,732,031,878**	**4,158,744,399**	**5,673,257,478**	**2,458,348,228**
Gain on monetary position	460,715,555	663,059,987	-	-
Fair value gain on investment properties	383,181,846	-	674,361,315	-
Foreign exchange and other gains	12,144,429,389	3,120,741,640	8,207,622,547	994,384,408
Depreciation, amortisation and impairment	(2,807,897,528)	(1,395,888,063)	(2,146,545,446)	(836,914,269)
Profit before interest and tax	**15,912,461,140**	**6,546,657,963**	**12,408,695,894**	**2,615,818,367**
Interest income	172,715,218	554,237,156	101,097,802	163,366,272
Interest expense	(2,126,626,639)	(1,653,188,641)	(1,626,763,598)	(712,497,156)
Profit before tax	**13,958,549,719**	**5,447,706,478**	**10,883,030,098**	**2,066,687,483**
Income tax (expense)/ credit	(4,473,118,521)	184,467,619	(2,530,003,659)	181,703,156
Profit for the year	**9,485,431,198**	**5,632,174,097**	**8,353,026,439**	**2,248,390,639**
Other comprehensive income - to be recycled to profit or loss				
Exchange differences arising on the translation of foreign operations	8,551,195,604	283,780,137	8,551,195,604	283,780,137
Other comprehensive income for the year, net of tax	**8,551,195,604**	**283,780,137**	**8,551,195,604**	**283,780,137**
Total comprehensive income for the year	**18,036,626,802**	**5,915,954,234**	**16,904,222,043**	**2,532,170,776**
Profit for the period attributable to:				
Equity holders of the parent	9,583,964,972	5,601,975,382	8,429,324,243	2,235,197,657
Non-controlling interests	(98,533,774)	30,198,715	(76,297,804)	13,192,982
	9,485,431,198	**5,632,174,097**	**8,353,026,439**	**2,248,390,639**
Total comprehensive income for the year attributable to:				
Equity holders of the parent	18,067,371,631	5,878,313,970	16,912,730,902	2,511,536,245
Non-controlling interests	(30,744,830)	37,640,264	(8,508,859)	20,634,531
	18,036,626,801	**5,915,954,234**	**16,904,222,043**	**2,532,170,776**
Earnings per share (ZWL cents):				
Basic earnings per share	1,704.77	996.47	1,499.39	397.59
Headline earnings per share	1,655.01	996.11	1,412.77	397.52
Diluted earnings per share	1,704.77	996.47	1,499.39	397.59
Diluted headline earnings per share	1,655.01	996.11	1,412.77	397.52

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Inflation Adjusted		Historical Cost	
	30-Jun-22 Audited ZWL	30-Jun-21 Restated ZWL	30-Jun-22 Unaudited ZWL	30-Jun-21 Unaudited ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	31,424,636,591	10,230,284,300	24,319,904,945	3,823,249,049
Investment properties	1,125,878,550	-	1,125,878,550	-
Right-of-use assets	15,720,890,034	4,071,905,112	14,268,863,412	3,006,164,738
Intangible assets	218,944,475	47,076,686	218,944,475	47,076,686
Deferred tax assets	913,016,213	121,737,951	2,246,534,355	771,223,024
	49,403,365,863	**14,471,004,049**	**42,180,125,737**	**7,647,713,497**
Current assets				
Financial assets	6,210,060,801	1,557,254,415	6,210,060,801	534,106,392
Inventories	4,650,336,771	1,944,417,215	4,649,718,584	851,718,055
Trade and other receivables	4,086,107,184	2,479,932,349	4,080,425,912	1,056,524,645
Cash and cash equivalents	6,089,647,477	3,405,179,937	6,089,647,477	1,391,849,079
	21,036,152,233	**9,386,783,916**	**21,029,852,774**	**3,834,198,171**
Total assets	**70,439,518,096**	**23,857,787,965**	**63,209,978,511**	**11,481,911,668**
EQUITY AND LIABILITIES				
Equity				
Share capital and share premium	1,582,850,210	1,582,850,210	18,178,323	18,178,323
Distributable reserves	15,000,941,291	7,708,466,513	9,406,205,674	898,223,283
Other reserves	9,281,563,207	795,579,639	9,384,210,658	2,244,017,040
Attributable to equity owners of the parent	**25,865,354,708**	**10,086,896,362**	**18,808,594,655**	**3,160,418,646**
Non-controlling interests	(150,437,607)	85,619,370	(50,722,834)	29,014,125
Total equity	**25,714,917,101**	**10,172,515,732**	**18,757,871,821**	**3,189,432,771**
Non-current liabilities				
Deferred tax liabilities	439,196,422	765,129,203	166,702,117	3,497,553
Borrowings	982,643,578	207,336,385	982,643,578	207,336,385
Lease liability	13,765,272,682	2,876,991,918	13,765,272,682	2,725,090,376
	15,187,112,682	**3,849,457,506**	**14,914,618,377**	**2,935,924,314**
Current liabilities				
Borrowings	3,934,773,415	4,060,269,234	3,934,773,415	1,773,780,032
Lease liability	2,713,731,266	599,532,318	2,713,731,266	482,126,174
Trade and other payables	20,277,408,632	4,425,909,091	20,277,408,632	2,844,754,696
Current tax liabilities	2,611,575,000	750,104,084	2,611,575,000	255,893,681
	29,537,488,313	**9,835,814,727**	**29,537,488,313**	**5,356,554,583**
Total liabilities	**44,724,600,995**	**13,685,272,233**	**44,452,106,690**	**8,292,478,897**
Total equity and liabilities	**70,439,518,096**	**23,857,787,965**	**63,209,978,511**	**11,481,911,668**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

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 2020 - Restated	**1,582,850,210**	**3,283,975,521**	**675,821,331**	**5,542,647,062**	**49,018,508**	**5,591,665,570**
Profit for the year	-	5,601,975,382	-	5,601,975,382	30,198,715	5,632,174,097
Other comprehensive income for the year	-	-	276,338,588	276,338,588	7,441,549	283,780,137
Total comprehensive income for the year	-	5,601,975,382	276,338,588	5,878,313,970	37,640,264	5,915,954,234
Acquisition of subsidiary	-	-	-	-	13,319,098	13,319,098
Purchase of treasury shares	-	-	(65,566,554)	(65,566,554)	-	(65,566,554)
Share options lapsed during the year	-	91,016,014	(91,016,014)	-	-	-
Change in Tax Rate - Simbisa Brands Kenya Limited	-	1,567,437	-	1,567,437	-	1,567,437
Dividends	-	(1,278,842,859)	-	(1,278,842,859)	(14,358,500)	(1,293,201,359)
Balance at 30 June 2021 - Restated	**1,582,850,210**	**7,699,691,495**	**795,577,351**	**10,078,119,056**	**85,619,370**	**10,163,738,426**
Profit for the year	-	9,583,964,972	-	9,583,964,972	(98,533,774)	9,485,431,198
Other comprehensive income for the year	-	-	8,483,406,659	8,483,406,659	67,788,945	8,551,195,604
Total comprehensive income for the year	-	9,519,591,025	8,483,406,659	18,002,997,684	(29,504,966)	17,973,492,718
Transactions with owners	-	(77,262,837)	-	(77,262,837)	155,875	(77,106,962)
Establishment of subsidiary - Innbucks (Private) Limited	-	-	-	-	129,298,650	129,298,650
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	-	-	2,580,721	2,580,721	-	2,580,721
Other movements	-	(19,764,558)	75,214,287	55,449,729	-	55,449,729
Dividends	-	(2,205,306,952)	-	(2,205,306,952)	(336,006,536)	(2,541,313,488)
Balance at 30 June 2022	**1,582,850,210**	**15,000,941,291**	**9,281,563,207**	**25,865,354,708**	**(150,437,607)**	**25,714,917,101**

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 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	13,192,982	2,248,390,639
Other comprehensive income for the year	-	-	276,338,588	276,338,588	7,441,549	283,780,137
Total comprehensive income for the year	-	2,235,197,657	276,338,588	2,511,536,245	20,634,531	2,532,170,776
Acquisition of subsidiary	-	-	-	-	13,319,098	13,319,098
Change in tax rate - Simbisa Brands 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)	(10,106,620)	(407,181,299)
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**
Profit for the year	-	8,429,324,245	-	8,429,324,243	(76,297,804)	8,353,026,439
Other comprehensive income for the year	-	-	8,483,406,659	8,483,406,659	67,788,945	8,551,195,604
Total comprehensive income for the year	-	8,429,324,245	8,483,406,659	16,912,730,902	(8,508,859)	16,904,222,043
Establishment of subsidiary - Innbucks (Private) Limited	-	-	-	-	108,302,543	108,302,543
Transactions with owners	-	(77,262,839)	-	(77,262,837)	155,875	(77,106,962)
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	-	-	2,580,716	2,580,716	-	2,580,716
Dividends	-	(1,189,872,772)	-	(1,189,872,772)	(179,686,518)	(1,369,559,290)
Balance at 30 June 2022	**18,178,323**	**9,406,205,674**	**9,384,210,658**	**18,808,594,655**	**(50,722,834)**	**18,757,871,821**

ABRIDGED GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Inflation Adjusted		Historical Cost	
	Twelve months ended 30-Jun-22 Audited ZWL	Twelve months ended 30-Jun-21 Restated ZWL	Twelve months ended 30-Jun-22 Unaudited ZWL	Twelve months ended 30-Jun-21 Unaudited ZWL
Cash generated from operations	**21,725,793,121**	**4,915,786,588**	**15,010,543,163**	**3,286,387,715**
Net interest paid	(2,066,060,995)	(1,098,951,485)	(1,525,378,399)	(546,353,920)
Tax paid	(1,468,934,212)	(931,042,788)	(988,023,527)	(362,116,087)
Net cash flow from operating activities	**18,190,797,914**	**2,885,792,315**	**12,497,141,237**	**2,377,917,708**
Investing activities	**(18,694,416,589)**	**(3,868,046,601)**	**(11,051,872,472)**	**(1,618,464,934)**
Net cash inflow before financing activities	**(503,618,675)**	**(982,254,286)**	**1,445,268,765**	**759,452,774**
Financing activities	**(4,363,315,272)**	**1,088,539,925**	**(744,201,502)**	**(231,537,901)**
Net (decrease)/increase in cash and cash equivalents	**(4,866,933,947)**	**106,285,639**	**701,067,263**	**527,914,873**
Effects of IAS 29 inflation adjustment on cash flow items	788,348,015	(911,565,579)	-	-
Effects of currency translation on cash and cash equivalents	6,763,053,472	49,466,856	3,996,731,135	49,466,856
Cash and cash equivalents at the beginning of the year	3,405,179,937	4,160,993,021	1,391,849,079	814,467,350
Cash and cash equivalents at the end of the year	**6,089,647,477**	**3,405,179,937**	**6,089,647,477**	**1,391,849,079**

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2022

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 2022 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 2022 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 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 IAS 29, 'Financial Reporting in Hyperinflationary Economies' as well as non-compliance with IAS 8, 'Accounting Polices, 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 2022 - *(continued)*

4 Summarised segment information

INFLATION ADJUSTED

Year ended 30 June 2022 - Audited	Zimbabwe Audited ZWL	Region Audited ZWL	Net eliminations Audited ZWL	Total Audited ZWL
Revenue	51,057,986,212	21,857,738,478	-	72,915,724,690
Operating profit before depreciation, amortisation and impairment	978,089,644	4,753,942,234	-	5,732,031,878
Depreciation, amortisation and impairment	(809,009,573)	(1,998,887,955)	-	(2,807,897,528)
Profit before tax	10,631,578,407	3,326,971,312	-	13,958,549,719
Capital expenditure	3,047,055,502	3,215,665,413	-	6,262,720,915
Segment assets	30,130,887,827	42,278,927,393	(1,970,297,124)	70,439,518,096
Segment liabilities	17,162,219,275	29,537,260,797	(1,974,879,077)	44,724,600,995

Year ended 30 June 2021 - Restated	Zimbabwe Restated ZWL	Region Restated ZWL	Net eliminations Restated ZWL	Total Restated ZWL
Revenue	34,482,396,685	6,971,230,058	-	41,453,626,743
Operating profit before depreciation, amortisation and impairment	2,658,881,493	1,499,862,906	-	4,158,744,399
Depreciation, amortisation and impairment	(591,919,309)	(803,968,754)	-	(1,395,888,063)
Profit before tax	4,996,332,053	451,374,425	-	5,447,706,478
Capital expenditure	1,595,533,740	717,573,048	-	2,313,106,788
Segment assets	18,123,512,981	7,198,503,698	(1,464,228,714)	23,857,787,965
Segment liabilities	9,291,449,927	5,871,410,268	(1,477,587,962)	13,685,272,233

HISTORICAL COST

Year ended 30 June 2022	Zimbabwe Unaudited ZWL	Region Unaudited ZWL	Net eliminations Unaudited ZWL	Total Unaudited ZWL
Revenue	29,834,193,160	21,857,738,478	-	51,691,931,638
Operating profit before depreciation, amortisation and impairment	919,315,244	4,753,942,234	-	5,673,257,478
Depreciation, amortisation and impairment	(147,657,491)	(1,998,887,955)	-	(2,146,545,446)
Profit before tax	7,556,204,083	3,326,826,015	-	10,883,030,098
Capital expenditure	1,929,678,045	3,047,055,502	-	4,976,733,547
Segment assets	22,901,346,365	42,278,927,393	(1,970,295,247)	63,209,978,511
Segment liabilities	16,889,724,972	29,537,260,797	(1,974,879,079)	44,452,106,690

Year ended 30 June 2021	Zimbabwe Unaudited ZWL	Region Unaudited ZWL	Net eliminations Unaudited ZWL	Total Unaudited ZWL
Revenue	10,096,807,574	6,971,230,058	-	17,068,037,632
Operating profit before depreciation, amortisation and impairment	958,485,324	1,499,862,904	-	2,458,348,228
Depreciation, amortisation and impairment	(32,945,515)	(803,968,754)	-	(836,914,269)
Profit before tax	1,615,313,058	451,374,425	-	2,066,687,483
Capital expenditure	461,568,034	717,573,048	-	1,179,141,082
Segment assets	4,785,608,450	7,198,503,698	(502,200,480)	11,481,911,668
Segment liabilities	2,927,852,929	5,871,408,392	(506,782,424)	8,292,478,897

5 Leases
The Group 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 2021 to take account of changes in the lease payments. During the year ended 30 June 2022, 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 year:

	Inflation adjusted Audited ZWL	Historical cost Unaudited ZWL
Right of Use Asset		
As at 1 July 2020	**2,659,677,970**	**1,370,208,593**
Non-cash additions	1,687,481,342	1,687,481,342
Depreciation expense	(510,841,252)	(490,059,655)
Remeasurement	(369,529,447)	(166,582,041)
Exchange differences on translation of foreign subsidiaries	605,116,499	605,116,499
As at 30 June 2021	**4,071,905,112**	**3,006,164,738**
Non-cash additions	1,488,559,572	1,345,597,708
Depreciation expense	(1,228,907,367)	(1,150,134,414)
Remeasurement	450,251,229	128,153,892
Exchange differences on translation of foreign subsidiaries	10,939,081,488	10,939,081,488
As at 30 June 2022	**15,720,890,034**	**14,268,863,412**

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

	Inflation adjusted Audited ZWL	Historical cost Unaudited ZWL
Lease liability		
As at 1 July 2020	**2,758,152,215**	**1,456,939,683**
Non-cash additions	1,626,249,955	1,626,249,955
Accretion of interest	293,454,378	258,697,164
Payments	(719,885,024)	(655,811,719)
Remeasurement	(389,182,570)	(120,298,048)
Effect of IAS 29	(733,704,233)	-
Exchange differences on translation of foreign subsidiaries	641,439,515	641,439,515
As at 30 June 2021	**3,476,524,236**	**3,207,216,550**
Non-cash additions	1,488,559,570	1,345,597,708
Accretion of interest	973,985,401	880,959,319
Payments	(1,808,899,918)	(1,632,080,154)
Remeasurement	450,251,310	128,153,973
Effect of IAS 29	(634,184,324)	-
Exchange differences on translation of foreign subsidiaries	12,532,767,673	12,549,156,552
As at 30 June 2022	**16,479,003,948**	**16,479,003,948**
As at 30 June 2021 - Restated		
Non-current	2,876,991,918	2,725,090,376
Current	599,532,318	482,126,174
Total	**3,476,524,236**	**3,207,216,550**
As at 30 June 2022 - Audited		
Non-current	13,765,272,682	13,765,272,682
Current	2,713,731,266	2,713,731,266
Total	**16,479,003,948**	**16,479,003,948**

6 Financial assets

INFLATION ADJUSTED	Denomination	Rate of interest Per annum	Year Repayable	30-Jun-22 Audited ZWL	30-Jun-21 Restated ZWL
Financial assets held at amortised cost					
Short term receivable (secured) - current	USD / ZWL	5 to 12% /42%	2022 / 2021	6,210,060,801	1,557,254,415
				6,210,060,801	**1,557,254,415**

HISTORICAL COST	Denomination	Rate of interest Per annum	Year Repayable	30-Jun-22 Unaudited ZWL	30-Jun-21 Unaudited ZWL
Financial assets held at amortised cost					
Short term receivable (secured) - current	USD / ZWL	5 to 12% /42%	2022 / 2021	6,210,060,801	534,106,392
				6,210,060,801	**534,106,392**

7 Hyper inflation
The Public Accountants and Auditors Board of Zimbabwe ("PAAB"), 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 2022	8,707.4	1.00
As at 30 June 2021	2,986.4	2.92
As at 30 June 2020	1,445.2	6.02
Average CPI - 12 months to 30 June 2022	4,600.5	2.07
Average CPI - 12 months to 30 June 2021	2,514.2	3.52

8 Borrowings
Non-current borrowings
The Group's non-current borrowings are repayable from July 2023 to January 2024. The facilities are secured with a Corporate guarantee and bear interest at an average rate of 5.2% 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 5.2% and 32% per annum for the Region and Zimbabwe respectively.

9 Commitments for capital expenditure

	Inflation Adjusted		Historical Cost	
	30-Jun-22 Audited ZWL	30-Jun-21 Restated ZWL	30-Jun-22 Unaudited ZWL	30-Jun-21 Unaudited ZWL
Authorised by Directors and contracted	9,569,065,437	1,547,790,277	9,569,065,437	1,026,753,256
Authorised by Directors but not contracted	4,052,995,087	1,437,857,333	4,052,995,087	968,690,856
	13,622,060,524	**2,985,647,610**	**13,622,060,524**	**1,995,444,112**

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
Establishment of Innbucks (Private) Limited
The Group established a new business, Innbucks, in partnership with a local fintech investor. Innbucks is a mobile application which allows customers to send, receive money and buy food at Simbisa outlets. The Group owned 50% of the business on inception.

The non-controlling interests contributed ZWL130,538,514 (ZWL108,302,543 historical cost) as at the date of establishment of the subsidiary.

Acquisition of additional interest in Innbucks (Private) Limited
Effective 1 June 2022, the Group acquired an additional 50% in Innbucks (Private) Limited for ZWL77,106,964, increasing the Group's shareholding in the subsidiary to 100%.

The transaction did not result in a change in control and has been treated as a transaction among owners, with a difference of ZWL77,262,839 recognised in equity.

Disposal of Simbisa Brands Namibia Limited
The Group disposed of its 100% shareholding in Simbisa Namibia Limited effective 1 July 2021, by ceding its net assets to the buyer at no consideration. The net cash ceded has been included under investing activities, whilst all other assets and liabilities have resulted in non-cash adjustments to the various cash flow items.

As at the date of disposal, this transaction gave rise to a loss on disposal of ZWL414,836 recognised in profit or loss.

Prior 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 ZWL6,040,373 and non controlling interests of ZWL13,319,098.

11 Earnings per share

	Inflation Adjusted		Historical Cost	
	30-Jun-22 Audited ZWL	30-Jun-21 Restated ZWL	30-Jun-22 Unaudited ZWL	30-Jun-21 Unaudited ZWL
Basic and Diluted earnings				
Profit attributable to equity holders of the parent (basic and diluted earnings)	9,583,964,972	5,601,975,382	8,429,324,243	2,235,197,657
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
Weighted average number of ordinary shares in issue for diluted earnings per share	**562,184,788**	**562,184,788**	**562,184,788**	**562,184,788**
Basic earnings per share (ZWL cents)	1,704.77	996.47	1,499.39	397.59
Diluted basic earnings per share (ZWL cents)	1,704.77	996.47	1,499.39	397.59
Reconciliation of basic earnings to headline earnings				
Profit for the year attributable to equity holders of the parent	9,583,964,972	5,601,975,382	8,429,324,243	2,235,197,657
Adjustment for capital items (gross of tax):				
Loss on disposal of subsidiary	414,836	-	414,836	-
FCTR Loss recycled to Profit or loss - disposal of subsidiary - Namibia	2,580,721	-	2,580,721	-
Derecognition of plant and equipment	12,771,826	-	12,771,826	-
Fair value adjustments to investment properties	(383,181,846)	-	(674,361,315)	-
(Profit)/loss on disposal of property, plant and equipment	(4,171,686)	(2,625,421)	11,729,059	538,271
Tax effect on adjustments	91,856,096	649,004	159,904,997	133,061
Headline earnings attributable to ordinary shareholders	**9,304,234,919**	**5,599,998,965**	**7,942,364,367**	**2,234,792,447**
Headline earnings per share (ZWL cents)	1,655.01	996.11	1,412.77	397.52
Diluted headline earnings per share (ZWL cents)	1,655.01	996.11	1,412.77	397.52

12 Events after the reporting date

Disposal of interest in Innbucks Private Limited
The Group disposed of its 100% shareholding in its subsidiary, Innbucks Private Limited to Ndoro Microfinance Bank Private Limited (""Ndoro Bank""), effective 1 July 2022. As consideration, the Group received 35% shareholding in the financial institution. Ndoro Bank is a deposit taking microlending financial institution, under which the Innbucks brand will be run going forward.

The Group's 35% shareholding in Ndoro Bank, combined with the fact that the Group has no control over the financial institution, makes this an investment in an associate. The Group will use equity accounting for this investment, effective 1 July 2022.

EY
Building a better working world

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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 consolidated inflation adjusted financial statements of Simbisa Brands Limited and its subsidiaries (the Group) as set out on pages 10 to 76 which comprise the Consolidated inflation adjusted Statement of Financial Position as at 30 June 2022, the Inflation Adjusted Consolidated Statement of Comprehensive Income, Consolidated inflation adjusted Statement of Changes in Equity and Consolidated inflation adjusted Statement of Cash Flows for the year then ended, and notes to the consolidated inflation adjusted 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 consolidated inflation adjusted annual financial statements do not present fairly the financial position of the Group as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Companies and Other Business Entities Act (Chapter 24:31).

Basis for adverse opinion

<u>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.</u>

Matter 1: Historical Incorrect date of change in functional currency (<u>Zimbabwean</u> operations included in consolidated amounts)
As explained in **note 3 to the consolidated inflation adjusted** 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.

This matter has not been corrected through a restatement in terms of IAS 8, consequently, corresponding amounts for Property, plant and equipment, Deferred Taxation and Distributable reserves on the consolidated inflation adjusted Statement of Financial Position, corresponding Cost of sales, Depreciation and Taxation on the consolidated inflation adjusted Statement of Profit or loss and Other comprehensive income and corresponding working capital changes on the consolidated inflation adjusted Statement of Cashflows remain misstated. Our audit opinion is thus modified only in respect of the comparability of the current period's figures with the prior period figures.

Simbisa Brands Limited

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 consolidated inflation adjusted statement of comprehensive income and the Simbisa transaction-based exchange rate for the consolidated inflation adjusted statement of financial position balances, in our opinion the average auction rate should have been used for translation of transactions in the consolidated inflation adjusted statement of comprehensive income and the spot auction rate as at 30 June 2021 for balances in the consolidated inflation adjusted statement of financial position. Had the correct exchange rate been used, the following elements of the consolidated inflation adjusted statement of financial position relating to the Zimbabwean operations would have been materially different:

Financial Statement Line Item – SFP	Amount in Foreign Currency - USD	ZWL Equivalent (Client)	ZWL Equivalent (EY recalculated using Auction rate)	Impact
Financial Assets (current and non-current)	3 248 399	2 111 459 350	1 189 786 879	921 672 471
Cash and Bank	4 790 861	3 114 059 650	1 754 742 430	1 359 317 220
Trade and other payables	-5 701 666	-3 706 082 900	-2 088 341 794	-1 617 741 106
Trade and other receivables	1 325 814	861 779 100	485 604 170	376 174 930
Exchange gain or loss				1 039 423 514

Accordingly, exchange gains included in foreign exchange gains or losses on the consolidated inflation adjusted statement of profit or loss would have decreased by ZWL1 039 423 514. Consequently, taxation, distributable reserves, non-controlling interests and deferred tax liability on the consolidated inflation adjusted statement of financial position and working capital changes on the consolidated inflation adjusted statement of cashflows would have been materially impacted.

Our prior year opinion was modified for the same matter.

Matter 3: Valuation of investment properties (Zimbabwean operations)
Investment property stated as ZWL1 125 878 000

The investment properties were valued using USD denominated inputs and converted to ZWL at the transaction-based rate as described on Note 17 to the consolidated inflation adjusted financial statements. We believe that applying a conversion rate to a USD valuation to calculate ZWL property values may not be an accurate reflection of market dynamics, as risks associated with currency trading do not always reflect the risks associated with property trading. We however cannot quantify the misstatements as we are unable to determine the appropriate inputs.

The matter had a consequential impact on Fair Value adjustments and Taxation on the consolidated inflation adjusted statement of profit or loss and Distributable reserves on the consolidated inflation adjusted statement of financial position.

Simbisa Brands Limited

Matter 4: 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, Matter 2 and Matter 3 above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the gain on monetary position of ZWL460 715 555 (2021: ZWL 663 059 987) on the consolidated inflation adjusted Statement of profit or loss and other comprehensive income are impacted.

Matter 5: Non-compliance with IAS 29 on inflation adjustment of costs of sales in current year (Zimbabwe operations)
In current year, management changed the method for inflation adjusting cost of sales from an indirect approach to a direct approach. Cost of sales is a calculation based on opening and closing inventory balances as well as the purchases during the period. In order to reflect the IAS 29 value of the inventory sold, each component of this calculation should be inflation adjusted separately and the calculation of cost of sales re-performed. Further, the change implemented by Management in current year results in an inconsistency in the method applied in current and prior year, therefore making comparability difficult. Had the Group applied the indirect approach consistent with prior year, the cost of sales for the year presented on the consolidated inflation adjusted statement of profit or loss would have increased by ZWL2 655 476 288, the gain on monetary position and the gross profit margin would have decreased by the same amount.

Matter 6: 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 consolidated inflation adjusted 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 consolidated inflation adjusted statement of financial position would have been would have been materially different:

Financial Statement Item	Amount in Foreign Currency (USD)	ZWL Equivalent (Client)	ZWL Equivalent (EY recalculated based on Auction rate)	Difference
Statement of Profit or loss and other comprehensive income				
Revenue	(89 093 305)	(21 857 738 478)	-11 050 361 455	(10 807 377 023)
Cost of sales	39 086 084	9 646 825 653	4 847 899 089	4 798 926 564
Net impact on gross profit	**(50 007 222)**	**(12 210 912 825)**	(6 202 462 366)	-6 008 450 460
Other trading income	-2 155 217	(653 673 906)	(267 314 416)	-386 359 490
Rent and variable costs	6 026 870	1 412 062 226	747 520 741	664 541 485
Staff and other overheads	26 724 189	6 588 056 115	3 314 636 794	3 273 419 321
Financial income	-5 639 590	(1 598 500 720)	(699 485 832)	(899 014 888)
Depreciation & Amortisation	8 052 167	1 981 427 935	998 721 009	(982 706 926)
Interest receivable	-5 001	(1 167 160)	(620 288)	(546 871)
Interest payable	4 063 326	1 022 381 198	503 979 682	518 401 515
Net impact on profit or loss before tax	**-12 940 477**	**(3 460 327 137)**	(1 605 024 676)	(1 855 302 461)
Taxation	2 229 544	**495 567 607**	276 533 341	219 034 266
Net impact on profit/loss after tax	**-10 710 933**	1 416 327 757	(1 328 491 334)	(1 636 268 195)
Minority Interest	87 685	46 780 676	10 875 632	21 284 982

Simbisa Brands Limited

Financial Statement Item	Amount in Foreign Currency (USD)	ZWL Equivalent (Client)	ZWL Equivalent (EY recalculated based on Auction rate)	Difference
Statement of Financial Position				
Net impact on equity	21 499 298	14 217 865 393	7 874 520 024	6 857 821 148
Net impact on equity attributable to owners				6 857 821 148
Deferred tax	965 638	627 664 535	353 684 138	(273 980 398)
Lease Liability	(20 986 708)	(13 641 360 512)	(7 686 801 715)	5 954 558 797
Loans - third party	5 133 524	3 336 790 915	1 880 256 013	1 456 534 902
Total Non-current Liabilities	**(21 046 839)**	**(14 490 755 403)**	**(7 708 798 193)**	**(6 267 481 431)**
PPE	33 628 988	21 858 842 303	12 317 245 775	9 541 596 528
Intangible assets	336 838	218 944 475	123 373 090	95 571 386
Right of use assets	21 342 441	13 872 586 702	7 817 068 149	6 055 518 553
Total non-current Assets	**55 308 267**	**36 864 492 943**	**20 257 687 014**	**16 606 805 929**
Inventory	2 753 992	1 790 094 530	1 008 700 918	781 393 613
Third party debtors	2 286 411	1 486 167 198	837 440 811	648 726 386
Cash balances	3 291 194	2 139 275 985	1 205 461 283	933 814 702
Total current assets	**8 331 596**	**5 415 537 713**	**3 051 603 012**	**2 363 934 701**
Bank overdraft	(1 679 364)	(1 091 586 739)	(615 098 547)	(476 488 191)
Third party creditors	-14 500 337	(9 285 706 646)	(5 311 019 587)	(3 974 687 059)
Lease Liability	(3 966 320)	(2 578 108 068)	(1 452 738 908)	(1 125 369 159)
Provisions	(525 329)	(341 463 566)	(192 411 410)	(149 052 156)
Taxation	(422 377)	(274 544 842)	(154 703 357)	(119 841 484)
Total current liabilities	**(21 093 727)**	**(13 571 409 860)**	**(7 725 971 810)**	**(5 845 438 050)**

Our opinion in the prior year was modified for the same matter and therefore our opinion is further modified for the comparability of the current year amounts with corresponding numbers.

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

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 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 consolidated inflation adjusted 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 consolidated 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 consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated inflation adjusted 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, IAS 40- Investment Property in respect of the investment properties acquired during the year and also for the entirety of the foreign operations being consolidated. Consequently, IAS29 was applied on a misstated base. Further as described in the Basis for Qualified Adverse Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of the company's investment property. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Directors for the Consolidated inflation adjusted financial statements

The directors are responsible for the preparation and fair presentation of the consolidated inflation adjusted 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 consolidated inflation adjusted and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted 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 Consolidated inflation adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated inflation adjusted 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 consolidated inflation adjusted 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.

Independent Auditor's Report (Continued)

Simbisa Brands Limited

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

26 September 2022