

## Reviewed Interim Condensed Group Results For the Six Months Ended 30 June 2022

The Directors report the following reviewed interim condensed results in respect of the Group and Company's operations for the six months ended 30 June 2022



## **Chairman's Statement**

## **Dear Stakeholders**

It gives me great pleasure, once again, to present the Zimplow Group's half year inflation adjusted financial statements to our stakeholders. The Group delivered a resilient performance driven by Powermec, Scanlink, Farmec and CT Bolts, the business units that delivered profitability and volumes growth. The Group once again demonstrated the strength in its diversified structure to achieve both revenue and profitability growth.

## **Operating Environment**

There has been numerous global challenges affecting Zimbabwe in general and the key market segments in which the Group operates in particular, such as erratic rainfall in the 2021/22 season, the geo-political conflict in Eastern Europe as well as the aftermaths of COVID-19 pandemic amongst the various factors. Such challenges have brought about increases in supply lead times and costs of equipment as well as various inputs required in agriculture, mining, constructions and automotive sectors. On the positive end, the increase in prices for minerals and various commodities has also been an incentive for capacity expansion for various mines and the respective value chains which supply the same raw materials.

Macro-economically, the delay in remittance of foreign currency awarded on the RBZ auction market further increased the lead times and therefore working capital cycles that had been substantially affected by the COVID-19 pandemic. The measures to reduce money supply, such as the suspension of lending in May dampened demand as most agricultural contractors decided to suspend extension of credit to the out-grower schemes in agriculture. In addition, the interest rate spike that followed discouraged bank borrowings which the Group has traditionally leveraged on to address the increased appetite for cash given the long working capital cycles.

The producer prices obtaining at the Grain Marketing Board have so far discouraged deliveries to the primary off-taker especially on the back of lower than expected 2021/22 yields and increases in inputs costs. On the mining and infrastructure segment, the delay in settling road contractors remain a bottleneck in the spending patterns of contractors both on fleet maintenance and replacement. Despite the various challenges, the Group has remained committed to finding solutions in order to support its stakeholders in the quest to be the right partner to equipment users in the segments the Group operates.

## **Operational Performance**

The Group continues to leverage on its diversified structure to deliver encouraging and strong performances despite the challenges prevailing in the operating environment.

## **Agriculture Equipment**

## Farmec - Large Scale Farming Equipment

Farmec continue to press ahead with its strategy to deliver high tech equipment to our customers to support their cause for increased productivity. During the period under review, Farmec had a strong volume performance with tractors at 22% ahead of prior year, and tractor drawn implements 3% up on the prior period. Efforts to improve throughput and capacity in the workshops through work studies resulted in a 73% growth in hours sold when compared to the same period last year.

### Mealie Brand - Small Scale Farming Equipment

The dry spell that persisted in the second half of the 2021/22 season had an impact on the demand for Mealie Brand products due to reduced yields by users of these products who are ordinarily dry land farmers. Animal drawn implements volumes declined by 26% against the comparative period. The spares volumes for the local market were however pleasing with a 35% growth against same period last year as farmers sought to apply the reduced disposal incomes on equipment maintenance rather than replacement. The drive to expand the business unit's capacity and product range remains on course as evidenced by the launch of the 2 Wheel Tractor range of products.

### **Logistics & Automotive**

### Scanlink - Trucks & Buses

The improved supply chain dynamics with Scania had a remarkable impact on our business as volumes for trucks and buses grew by 33% and 100% compared to same period last year. In 2021, Scanlink built a strong base in aftersales performance which has been sustained this year as service hours were level against the comparative period. With the supply chain unlocked, and supported by a strong order book going into the second half of the year, Scanlink is poised for a positive performance this financial year.

## Trentyre - Tyres

Trentyre has to a larger extent now weathered disruptions in the supply chain caused by COVID-19 and staff turnover. The adopted strategies as well as culture alignment is beginning to yield returns. However due to the stock supply gaps in Q1, new tyre sales were 33% down on prior year. On the other hand, retreading volumes grew positively by 61% compared to the previous year driven by new processes, technologies and equipment installed at the factory to enhance capacity. The unit will seek to stabilize the sales of new tyres as we enter the second half of the year.

## Mining & Infrastructure Equipment

## Powermec - Alternative Power

Powermec recorded an impressive performance buoyed by the continued improvement in reputation in service delivery by the business unit given the instability on the power grid. The unit recorded a 62% increase in service hours sold compared to prior year and sold 34% more power in KVA than 2021.

### **CT Bolts - Fasteners**

CT Bolts sold 12% more tonnage compared to 2021 same period under review. The focus remains on establishing relationships based on quality and strength of our product and services.

### Barzem - Earth Moving Equipment

The 6 months period under review has been challenging for Barzem. Firstly, the business unit experienced delays in the remittance of foreign payments via the auction system causing parts and equipment orders to be delayed or cancelled. The second quarter then began with a notice of termination of the CAT distributorship which is coming into effect on 1<sup>st</sup> October 2022. The business unit has therefore been seized with value preservation actions in preparation for Zimplow to transition to a new supplier of earth moving equipment albeit under a new corporate identity.

## **Financial Performance**

The Group recorded growth in revenue of 24% compared to prior year driven the by positive operational performance and volumes growth in key segments of the Group. Profitability was 64% ahead of prior year supported by a 12 fold increase in exchange and fair value gains.

The Group remains focused on realigning the working capital position given the need to rely on internal resources arising from increased lead times, delayed remittance of auction funds and reduced demand following the liquidity squeeze driven by monetary policy measures. The Group is geared on strengthening its balance sheet position by reducing foreign liabilities, and repositioning the Group to deliver earth moving equipment through a new Original Equipment Manufacturer (OEM) or supplier.

### Outlook

The difficult trading environment continues to put pressure on our customers who in turn are focusing on value preservation strategies instead of capacity expansion. The forecast of a La Nina season offers the much needed optimism as we enter the 2022/23 season.

The Group remains positive in its strategy execution to deliver a stronger Zimplow as the year 2022 closes. In addition, the Group is pushing ahead on its commitment to the mining and infrastructure equipment sector and will soon introduce a new corporate brand to service the market's earth moving equipment needs in line with our customer's expectations.

### Dividend

Given the Group's focus on realigning the company's structure to a new OEM for earth moving equipment, realignment of working capital cycles as well as the need to reduce exposures to borrowings and foreign liabilities following the monetary policy measures, the board has decided not to declare an interim dividend.

### Acknowledgements

I would like to extend my appreciation to Management and all the employees for their continued effort to deliver encouraging and resilient results despite the challenging trading environment. I would also like to thank my fellow Board members as well as our various stakeholders for their continued support to guide Zimplow into the future.

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G. T. Manhambara Chairman

30 September 2022

## Auditor's Statement

The Group's inflation adjusted interim financial statements for the period ended 30 June 2022 from which these abridged results have been extracted have been reviewed by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe).

A qualified review conclusion has been issued in respect of non-compliance with International Accounting Standard 21-The Effects of Changes in Foreign Exchange Rates; International Accounting Standard 8 - Accounting Polices, Changes in Accounting Estimates and Errors; International Financial Reporting Standard 13 - Fair Value Measurement and; International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies.

The auditor's review conclusion on the Group's inflation adjusted interim financial statements is available for inspection

at the Company's registered office. The engagement partner on the audit resulting in this independent auditor's review conclusion is Walter Mupanguri (PAAB Number 367).

## Interim Condensed Consolidated Group and Company Statement of Financial Position as at 30 June 2022

		GROUP			-			сомі	PANY	
	Rev	iewed	Unau	dited		-	Revie		Unaud	dited
		Adjusted	Histo				Inflation		Histo	
N	30-Jun-22 otes ZWL\$	31-Dec-21 ZWL\$	30-Jun-22 ZWL\$	31-Dec-21 ZWL\$	Ν	Notes	30-Jun-22 ZWL\$	31-Dec-21 ZWL\$	30-Jun-22 ZWL\$	31-Dec-21 ZWL\$
ASSETS					ASSETS					
Non-current assets					Non-current assets					
Property, plant and equipment	9,133,187,247	4,007,222,506	8,045,539,944	1,599,114,730	Property, plant and equipment		2,276,046,260	1,284,842,496	2,084,205,162	536,154,140
Intangible assets	1,905,694	6,599,852	74,585	74,585	Intangible assets		1,905,694	6,599,852	74,583	74,583
Investment property	499,770,000	279,360,526	499,770,000	127,610,000	Investment property		1,102,800,000	356,463,243	1,102,800,000	162,830,000
Deferred tax	-	-	-	5,874,175	Investment in subsidiaries		3,267,237,765	3,267,237,765	784,179,427	784,179,427
Long term receivables	443,785,849	450,358,130	443,785,849	205,720,550	Right of use assets		-	10,636,959	-	989,993
Goodwill	1,552,090,093	1,752,558,394	578,777,779	636,712,769	Long term receivables		352,218,674	390,885,928	352,218,674	178,554,050
Total non-current assets	11,630,738,883	6,496,099,408	9,567,948,157	2,575,106,809	Total non-current assets	_	7,000,208,393	5,316,666,243	4,323,477,846	1,662,782,193
Current assets					Current assets					
Inventories	7,337,205,270	5,275,802,042	2.611.799.740	1,208,237,449	Inventories		4,440,797,335	2,601,504,913	1,723,947,897	757.619.739
Trade and other receivables	1,264,886,150	1,639,626,940	1,264,886,150	748,970,504	Inter company receivables		43,811,908	83,699,321	43,811,908	38,233,284
Prepayments	578,409,573	1,080,409,331	478,097,465	431,321,134	Trade and other receivables		373,258,304	287,630,578	373,258,304	131,387,704
Investment in financial assets	79,913	174,943	79,913	79,913	Prepayments		315,292,688	717,111,464	297,868,530	273,211,449
Cash and bank balances	1,773,824,602	3,109,449,839	1,773,824,602	1,420,375,670	Investment in financial assets		79,913	174,943	79,913	79,913
Total current assets	10,954,405,508	11,105,463,095	6,128,687,870	3,808,984,670	Cash and bank balances		844,223,021	676,738,233	844,223,021	309,129,451
Total assets	22,585,144,391	17,601,562,503	15,696,636,027	6,384,091,479	Total current assets		6,017,463,169	4,366,859,452	3,283,189,573	1,509,661,540
		<u> </u>	<u> </u>	<u> </u>	Total assets		13,017,671,562	9,683,525,695	7,606,667,419	3,172,443,733
EQUITY AND LIABILITIES Equity					EQUITY AND LIABILITIES					
Issued share capital	8,561,843	8,561,843	137,832	137,940	Equity					
Share premium	4,809,960,342	4,809,960,342	1,070,311,150	1,070,311,042	Issued share capital		8,561,843	8,561,843	137,832	137,940
Revaluation reserve	4,276,517,621	971,092,475	6,115,234,738	660,254,837	Share premium		4,809,960,342	4,809,960,342	1,070,311,151	1.070.311.043
Capital reserve	(17,206,923)	(17,206,923)	(194,451)	(194,451)	Revaluation reserve		1,305,990,622	517,350,713	1,584,633,641	387,151,381
Change in ownership reserve	(80,013,482)	(80,013,482)	(904,212)	(904,212)	Capital reserve		(17,206,923)	(17,206,923)	(194,451)	(194,451)
Accumulated profit	4,010,794,260	2,992,299,220	2,068,422,305	1,447,144,036	Accumulated profit		3,639,172,624	1,984,172,333	2,570,220,622	802,421,514
Attributable to holders of the parent	13,008,613,661	8,684,693,475	9,253,007,362	3,176,749,192	Attributable to holders of the parent	-	9,746,478,508	7,302,838,308	5,225,108,795	2,259,827,427
Non-controlling interests	1,571,057,999	1,115,098,259	901,181,192	155,150,629	Total equity		9,746,478,508	7,302,838,308	5,225,108,795	2,259,827,427
Total equity	14,579,671,660	9,799,791,734	10,154,188,554	3,331,899,821						
					Non-current liabilities					
Non-current liabilities					Deferred tax liabilities		1,480,065,855	640,915,505	722,452,631	149,680,241
Deferred tax liabilities	3,013,074,355	1,479,413,046	710,951,025	203,589,906	Total non-current liabilities		1,480,065,855	640,915,505	722,452,631	149,680,241
Total non-current liabilities	3,013,074,355	1,479,413,046	710,951,025	203,589,906						
- · · · · · · · · · · · · · · · · · · ·					Current liabilities					
Current liabilities	0.050 700 700	4 077 040 505	2 252 700 701	1 050 050 650	Trade and other payables		659,663,350	308,237,110	679,931,401	140,800,629
Trade and other payables	3,352,708,789	4,277,319,525	3,352,708,791	1,953,850,650	Provisions	2	20,268,051	21,087,913	-	9,632,817
Provisions	92,838,425	47,842,888	92,838,425	21,854,309	Short term borrowings	3	160,984,039	188,697,910	160,984,039	86,195,930
Short term borrowings	3 321,365,446	337,457,200	321,365,446	154,148,168	Customer deposits		433,850,591	738,315,338	302,058,084	305,477,485
Customer deposits	916,412,163	1,034,698,904	755,738,932	433,234,941	Lease liabilities		-	3,321,984	-	1,517,460
Current tax liabilities	309,073,553	625,039,206	308,844,854	285,513,684	Current tax liabilities	-	516,361,168	480,111,627	516,132,469	219,311,744
Total current liabilities	4,992,398,376	6,322,357,723	4,831,496,448	2,848,601,752	Total current liabilities		1,791,127,199	1,739,771,882	1,659,105,993	762,936,065
Total equity and liabilities	22,585,144,391	17,601,562,503	15,696,636,027	6,384,091,479	Total equity and liabilities	_	13,017,671,562	9,683,525,695	7,606,667,419	3,172,443,733



## Reviewed Interim Condensed Group Results For the Six Months Ended 30 June 2022

The Directors report the following reviewed interim condensed results in respect of the Group and Company's operations for the six months ended 30 June 2022



## Interim Condensed Consolidated Group and Company Statement of Profit or Loss and Other Comprehensive Income - For the Half Year ended 30 June 2022

			GP	ROUP			_	COMPANY				
			iewed 1 Adjusted		naudited istorical		_		iewed 1 Adjusted	Unauc Histor		
	Notes	30-Jun-22 ZWL\$	30-Jun-21 ZWL\$	30-Jun-22 ZWL\$	30-Jun-21 ZWL\$		Notes	30-Jun-22 ZWL\$	30-Jun-21 ZWL\$	30-Jun-22 ZWL\$	30-Jun-21 ZWL\$	
Sales of goods	, v	5,479,149,413	4,771,713,360	3,611,739,325	1,472,126,637	Sales of goods		3,308,045,216		2,229,306,110	822,108,793	
Rendering of services		513,376,672	56,046,680	345,920,809	78,810,891	Rendering of services		280,273,529	32,940,149	192,406,776	48,696,487	
Investment property rental income		13,781,813	11,709,970	9,281,265	1,732,283	Investment property rental income		23,671,875	_ /	-	-	
Revenue	4	6,006,307,898	4,839,470,010	3,966,941,399	1,552,669,811	Revenue	4	3,611,990,620	2,710,105,319	2,421,712,886	870,805,280	
Cost of sales		(3,023,238,476)	(2,979,649,949)	(1,713,922,465)	(927,559,825)	Cost of sales		(1,809,166,565)	(1,709,056,336)	(970,660,450)	(465,891,778)	
Gross profit	7	2,983,069,422	1,859,820,061	2,253,018,934	625,109,986	Gross profit		1,802,824,055	1,001,048,983	1,451,052,436	404,913,502	
Other operating income		1,505,061,696	122,633,297	1,347,588,593	39,233,825	Other operating income		1,460,769,068	82,813,621	1,477,309,650	26,796,711	
Selling and distribution expenses		(95,246,762)	(66,808,517)	(36,162,643)	(17,393,383)	Selling and distribution expenses		(74,012,268)	(53,529,480)	(37,526,304)	(12,838,945)	
Administrative expenses		(2,589,168,949)	(1,071,366,430)	(2,416,314,791)	(331,858,881)	Administrative expenses		(685,648,986)	(687,206,271)	(565,987,457)	(206,672,399)	
Other operating expenses		(848,430,298)	(180,131,410)	(26,292,387)	(42,591,749)	Other operating expenses		(160,092,070)	(148,694,042)	(17,341,461)	(32,395,720)	
Allowance for expected credit losses		(91,367,699)	27,970	(91,367,699)	9,593	Allowance for expected credit losses		(12,931,704)		(3,787,103)		
Monetary gain		918,474,907	127,684,613	-		Monetary gain		258,752,868	53,104,971	-	-	
Operating profit	7	1,782,392,317	791,859,584	1,030,470,007	272,509,391	Operating profit		2,589,660,963	247,537,782	2,303,719,761	179,803,149	
Finance costs		(23,547,972)	(533,233)	(14,826,023)	(161,704)	Finance costs		(17,757,724)		(9,060,381)	(690,082)	
Finance income		(23,347,972) 958,827	485,038	902,093	154,818	Finance income		(17,737,724) 82,006	(5,752,546) 318,019	(9,000,381) 52,939	101 002	
Profit before tax	, en	1,759,803,172	791,811,389	1,016,546,077	272,502,505	Profit before tax		2,571,985,245	244,123,453	2,294,712,319	179,215,029	
		(916,705,398)	(125,882,756)	(246,177,802)	(45,143,428)			(916,984,955)	(113,713,736)	(528,608,197)	(41,883,689)	
Income tax expense						Income tax expense	-					
Profit for the year Other comprehensive income		843,097,774	665,928,633	770,368,275	227,359,077	Profit for the year Other comprehensive income	-	1,655,000,290	130,409,717	1,766,104,122	137,331,340	
Other comprehensive income						Other comprehensive income						
Other comprehensive income that will						Other comprehensive income that will						
not be reclassified to profit or loss						not be reclassified to profit or loss						
Revaluation of plant, land and buildings net of tax		3,793,127,890	- "	5,991,592,093	151,487,560	Revaluation of plant, land and buildings net of tax		788,639,909	- 7	1,197,397,043	-	
Total other comprehensive income						Total other comprehensive income						
for the year, net of tax		3,793,127,890		5,991,592,093	151,487,560	for the year, net of tax		788,639,909	-	1,197,397,043	<u> </u>	
Total comprehensive income for the year		4,636,225,664	665,928,633	6,761,960,368	378,846,637	Total comprehensive income for the year		2,443,640,199	130,409,717	2,963,501,165	137,331,340	
Profit for the year attributed to:						Profit for the year attributed to:						
Owners of the parent		1,018,495,039	578,677,290	874,737,037	192,543,001	Owners of the parent		1,655,000,290	130,409,717	1,766,104,122	137,331,340	
Non controlling interests		(175,397,265)	87,251,343	(104,368,762)	34,816,076	·		1,655,000,290	130,409,717	1,766,104,122	137,331,340	
č	7	843,097,774	665,928,633	770,368,275	227,359,077	Total comprehensive profit			7		· · · · ·	
Total comprehensive profit	7					for the year attributable to:						
for the year attributable to:						Owners of the parent		2,443,640,199	130,409,717	2,963,501,165	137,331,340	
Owners of the parent		4.323.920.185	578.677.290	6,236,231,297	269.801.175			2,443,640,199	130,409,717	2,963,501,165	137,331,340	
Non controlling interests		312,305,479	87,251,343	525,729,071	109,045,462	Earnings per share	-	_,,		2,000,011,112		
Non controlling interests	7	4,636,225,664	665,928,633	6,761,960,368	378,846,637	Basic earnings per share		4.80	0.55	5.13	0.58	
Earnings per share		4,030,223,00	003,520,030	0,701,500,500	570,010,037	Diluted earnings per share		4.80		5.13	0.58	
Basic earnings per share		2.96	2.43	2.54	0.81	Headline earnings per share		4.80	0.55	5.12	0.59	
Diluted earnings per share		2.96	2.43	2.54	0.81	Diluted Headline earnings per share		4.80	0.57		0.5.	
0 1		2.96	2.43			Diluteu neauline earnings per share		4.00	0.57	-		
Headline earnings per share				2.53	0.82							
Diluted Headline earnings per share		2.96	2.45	2.53	0.82							

## Interim Condensed Consolidated Group and Company Statement of Cash Flows - For the Half Year ended 30 June 2022

Network   Unable   Historical   Operation   Return   Return <th< th=""><th></th><th colspan="4">GROUP</th><th></th><th colspan="5">COMPANY</th></th<>		GROUP					COMPANY				
a)   a)<		Revie	wed	Unau	dited	-	Reviewed Unaudited				
Low   Tavis   Tavis   Tavis   Tavis   Tavis     Cash flow from operating activities Operating activities and lactor unit   (2)29,097,017   79,191,398   (1)0,064,007   77,700,00		Inflation		Histo			Inflation A		Histo		
Cash flows from operating activities (Approximation recording profile profile bare tax to net cash flows compression of states of states of states of states of states of states of states of states of states of states of states of states of states of states of states of states of sta				-	-			· · · · ·	-		
Operating ports before tax   1,75583172   2113138   1,016546077   22254256   Operating profit before tax to net cash hows: Adjusted to recordicip ports before tax to net cash hows: Depresention of property part and equipment:   2,571,985,242   2,471,985,245   2,471,2318   2,291,712,210   1722153.07     Meditard in Concently profit and equipment:   124,532,077   222,049,474   322,049,474   322,049,474   323,0737   644,124,4   322,049,474   443,042,077   643,027,078   724,0170,00   723,027,077   643,027,078   724,027,00   643,028,077   644,028,077,078   724,027,00   643,028,077   744,024,079,000   723,023,077   724,027,00   723,028,077   724,027,00   723,028,077,078   724,027,00   723,028,077,078   724,027,00   723,028,077,078   724,017,00   723,028,077,078 <th></th> <th>ZWL\$</th> <th>ZWL\$</th> <th>ZWL\$</th> <th>ZWL\$</th> <th></th> <th>ZWL\$</th> <th>ZWL\$</th> <th>ZWL\$</th> <th>ZWL\$</th>		ZWL\$	ZWL\$	ZWL\$	ZWL\$		ZWL\$	ZWL\$	ZWL\$	ZWL\$	
Adjusted for crossile profit before tax to net cash flows: perfection of property plat and equipment and immediation of imangible assets   Adjusted for crossile profit before tax to net cash flows: perfection of property plat and equipment and amorbiation of imangible assets   How is a state interest part of isole (1) interest interest part of isole (1) interest and amorbiation of imangible assets   How is a state interest part of isole (1) interest interest part of isole (1) interest part of isole (1) interest part isole (1) interest interest part of isole (1) intere	Cash flows from operating activities					Cash flows from operating activities					
Depresentation of property plant and equipment and amortation of property plant and equipment and amortation of property plant and equipment polyading exchange differences   Depresentation of property plant and equipment and station of property plant and equipment polyading exchange differences   Depresentation of property plant and equipment property plant and equipment   Depresentation of property plant and equipment property plant and equipment   Depresentation of property plant and equipment property plant and equipment   Depresentation of property plant and equipment property plant and equipment   Depresentation of property plant and equipment property plant and equipment   Depresentation of property plant and equipment property plant and plant property plant and	Operating profit before tax	1,759,803,172	791,811,389	1,016,546,077	272,502,505	Operating profit before tax	2,571,985,245	244,123,453	2,294,712,319	179,215,029	
and amorestation of intragingle assets   11,2433,307   29,265/23   66,417,414   39,24694   and amorestation of intragingle assets   11,278,319   86,01,100   51,332,4519   31,333,464     Net Cirrivition adjustments   (220,014)/442											
Inst Bin rocke adjustments   (2)20,208,474)   (2) - 6,836,953,757   (2) - 6,938,757,70   (2) - 6,938,757,70     Internation for rocked   (1)6,827,72   (1)6,827,72   (1)6,827,72   (1)6,827,72   (1)6,828,73   (2)6,838,757,70   (2)2,938,72   (2)2,738,727   (2)2,738,727   (2)2,738,727   (2)2,938,72   (2)2,738,727   (2)2,938,72   (2)2,738,727   (2)2,938,728   (2)2,738,727   (2)2,938,728   (2)2,738,727   (2)2,738,727   (2)2,938,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,738,728   (2)2,7	Depreciation of property plant and equipment					Depreciation of property plant and equipment					
Net uncassled foreign exhange differences   (68/352.473)   (28/352.473) </td <td>and amortisation of intangible assets</td> <td>124,532,307</td> <td>262,967,233</td> <td>64,412,414</td> <td>39,249,694</td> <td>and amortisation of intangible assets</td> <td></td> <td>86,031,090</td> <td>51,824,519</td> <td>31,433,645</td>	and amortisation of intangible assets	124,532,307	262,967,233	64,412,414	39,249,694	and amortisation of intangible assets		86,031,090	51,824,519	31,433,645	
Interest predide   (952,827)   (964,187)   (952,029)   (101,622)		(220,409,474)	-	(48,962,688)	-	Net fair value adjustments	(746,336,757)	-	(939,970,000)	-	
Interest paid   23,547,972   400,374   59,00,381   690,082   Interest paid   17,257,274   3,732,348   9,060,381   690,082     Working capital changes   (19,758,775)   10,818,621   21,848,851   21,851,851,861   22,	Net unrealised foreign exchange differences	(887,352,473)	(28,902,330)	(4,088,634)	(15,417,222)	Net unrealised foreign exchange differences	(618,660,507)	(28,888,492)	(4,088,634)	18,697,761	
Movement: In provisions (Profil/sizes of the special of property, plant and equipment sizes of property, plant and equipment (Profil/sizes of the special of property, plant and equipment sizes of property, plant and equipment (Profil/sizes of the special of the s	Interest received	(958,827)	(364,187)	(902,093)	(154,818)	Interest received	(82,006)	(318,019)	(52,939)	(101,962)	
Circoftiols on disposal of property, plant and equipment   1,238,275   (Profit/loss on disposal of property, plant and equipment   1,244,2954   7,289,199   (830,619)   3,338,276     Working capital changes   (Drotter)   (1,339,232,462)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,262)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,442,757,272)   (1,444,772)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,774)   (1,772,	Interest paid	23,547,972	400,374	9,060,381	690,082	Interest paid	17,757,724	3,732,348	9,060,381	690,082	
Working capital changes (Increase) in twentories (Increase) in fuventories (Increase) in fuventorie	Movement in provisions	44,995,537	133,338,109	(19,358,506)	64,189,285		(819,862)	2,194,400	10,635,233	2,158,436	
Working capital changes (Increase) in twentories (Increase) in fuventories (Increase) in fuventorie	(Profit)/loss on disposal of property, plant and equipment	8,511,006	7,892,199	(2,778,071)	3,383,725	(Profit)/loss on disposal of property, plant and equipment	(344,954)	7,892,199	(860,619)	3,383,725	
Interesting   (2.06):1403.228   (2.2328):52:28:52:12   (1.403.362.23):035:146:55)   (Increase) in Inde and other receivables   (3.42.35):32:04   (4.41.573.327)   (4.41.573.327)   (4.45.753.327)   (2.06):03.28:158		852,669,220	1,167,142,787	1,013,928,880	364,443,251		1,335,775,202	314,766,979	1,421,260,260	235,476,716	
Interesting   (2.06):1403.228   (2.2328):52:28:52:12   (1.403.362.23):035:146:55)   (Increase) in Inde and other receivables   (3.42.35):32:04   (4.41.573.327)   (4.41.573.327)   (4.45.753.327)   (2.06):03.28:158	Working capital changes					Working capital changes					
Decrease/Increas	(Increase) in Inventories	(2,061,403,228)	(522,836,212)	(1,403,562,291)	(336,144,851)		(1,839,292,422)	(441,578,327)	(916,328,158)	(260,392,382)	
CDecrease/Increase in customer deposits   (118,268,741)   116,322,987   225,03.992   228,486,626   (Decrease/Increase in customer deposits   (30,446,474)   187,469,046   (3,419,401)   109,477,067     Increase (rocived   193,486,741   (13,324,809,337)   773,645,083   620,302,665   196,370,072   Increase (rocived   134,481,98,359   02,003   15,481   Increase (rocived   134,482,044,747)   187,469,046   (19,0477,067,744)   Iss,862,772   30,418,73   109,477,067,744   109,477,867,744   109,477,867,744   109,477,867,744   109,477,867,744   109,477,867,744   109,477,867,744   109,477,867,744   109,477,867,	Decrease/(Increase) in trade and other receivables	374,740,790	(35,513,695)	(753,980,945)	(49,159,504)	(Increase) in trade and other receivables	(85,627,726)	(34,408,064)	(415,535,224)	(20,606,488)	
Increase/Increase in trade and other payables   (@24.610,736)   (@20.037,624)   (1.48,189,359)   (67,543,404)   Increase/Increase in trade and other payables   39,887,413   95,503   12,72,749     Interest received   95,58,227   364,187   902,093   154,813   (100,477,264)   307,116,708   518,862,72   302,428,793     Interest received   (132,4890,397)   (400,374)   (9,006,381)   (69,0082)   (11,775,724)   (2,802,404)   (9,006,381)   (90,008,31)   (90,	Decrease/(Increase) in prepayments	501,999,758	183,526,840	(46,776,330)	26,287,954	Decrease/(Increase) in prepayments	401,818,776	176,379,385	(74,657,080)	23,413,625	
Increase/Increase in trade and other payables   (@24.610,736)   (@20.037,624)   (1.48,189,359)   (67,543,404)   Increase/Increase in trade and other payables   39,887,413   95,503   12,72,749     Interest received   95,58,227   364,187   902,093   154,813   (100,477,264)   307,116,708   518,862,72   302,428,793     Interest received   (132,4890,397)   (400,374)   (9,006,381)   (69,0082)   (11,775,724)   (2,802,404)   (9,006,381)   (90,008,31)   (90,	(Decrease)/Increase in customer deposits	(118,286,741)	161,362,987	322,503,992	258,486,626	(Decrease)/Increase in customer deposits	(304,464,747)	187,469,046	(3,419,401)	109,477,067	
Interest received   995,827   364,187   902,093   154,818   Interest received   100,477,264   307,116,708   524,604,496   119,070,805     Interest race   (12,847,972)   (40,03374)   (90,0082)   Interest race   (17,757,724)   (28,004,996   119,070,805   523,932   52,339   101,962     Dwidend paid   (14,16,040,503)   676,117,885   597,091,445   188,067,315   Interest race   (10,575,731)   (10,575,7	(Decrease)/Increase in trade and other payables	(924,610,736)	(180,037,624)	1,488,189,359	(67,543,404)		39,887,413	95,503	(5,578,623)	1,272,749	
Interest paid (23,547,972) (400,374) (9,060,381) (690,082) Interest received 101,962 52,939 101,962   Dividend paid (18,560,421) (42,800,390) (15,052,932) 17,21,4813 Interest received (17,75,774) (2,202,472) (22,202,472) (10,975,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,922,978) (10,575,731) (13,920,00) 22,469,654   Investing activities 34,877,396 825,373 22,402,452 360,403 Proceeds from sale of property, plant and equipment 92,4248,651 Proceeds from sale of property, plant and equipment 92,520,308 (2,71,13,14)   Purchase of financial assets (19,167,893) (19,167,893) (47,267,950) Purchase of financial assets (11,40,78,61) (41,429,82,00) (46,998,008) (2,62,70,739) 12,79,680 <t< td=""><td></td><td>(1,374,890,937)</td><td>773,645,083</td><td>620,302,665</td><td>196,370,072</td><td>(Decrease)/Increase in trade and other payables</td><td>351,426,240</td><td>104,392,186</td><td>518,862,722</td><td>30,428,793</td></t<>		(1,374,890,937)	773,645,083	620,302,665	196,370,072	(Decrease)/Increase in trade and other payables	351,426,240	104,392,186	518,862,722	30,428,793	
Income fax paid   (13,560,421)   (42,800,390)   (15,052,932)   17,21,4813   Interest paid   (17,757,724)   (2,802,400,40)   (9,000,82)   (17,957,724)   (12,872,8713)   (23,872,738)   (10,957,731)   (13,900,022)     Net cash flow from/(used) in operating activities   (1,416,040,003)   676,117,885   597,091,445   188,067,315   Net cash flow from/(used) in operating activities   (12,872,8713)   235,934,487   505,021,323   92,469,564     Proceeds from sale of property, plant and equipment   (497,630,670)   (95,307,468)   (47,578,38)   (19,417)   (46,933,058)   676,010,403   935,000   360,403     Purchase of monolities contings   (462,753,274)   (94,591,512)   (433,997,038)   (47,267,356)   (17,407,861)   (41,222,321)   (46,933,058)   (26,700,392)     Financing activities   (19,167,893)   (14,088,674)   (20,952,2418   (5,726,114)   Purchase of financial assets   (17,407,861)   (14,088,674)   (19,167,893)   (5,726,114)     Net cash flows from investing activities   (19,167,893)   (14,088,674)   109,354,525   (5,726,114)   Purchase of financial assets   (10,1	Interest received	958,827	364,187	902,093	154,818		(100,477,264)	307,116,708	524,604,496	119,070,080	
Dividend paid   (54,690,621)   (24,982,306)   Income tax paid   (10,575,731)   (13,927,978)   (10,300,000)     Net cash flow from/(used) in operating activities	Interest paid	(23,547,972)	(400,374)	(9,060,381)	(690,082)	Interest received	82,006	238,782	52,939	101,962	
Net cash flow from/(used) in operating activities   (1,416,040,503)   676,117,885   597,091,445   188,067,315   Dividend paild   (24,982,306)     Investing activities   Proceeds from sale of property, plant and equipment   34,877,396   825,373   22,402,452   360,403     Purchase of francial assets   (497,630,670)   (95,307,468)   (456,399,490)   (47,578,358)   Investing activities   Investing activities   Investing activities   102,492,206)   360,403     Purchase of financial assets   (497,630,670)   (95,307,468)   (47,267,936)   Purchase of property, plant and equipment   935,000   825,373   935,000   360,403     Purchase of financial assets   (19,167,893)   (47,267,936)   Purchase of property, plant and equipment   935,000   825,373   935,000   360,403     Purchase of property, plant and equipment   (19,167,893)   (47,267,936)   Purchase of property, plant and equipment   (17,407,861)   (41,229,321)   (46,938,058)   (26,700,892)     Purchase of property, plant and equipment   (19,167,893)   (57,26,114)   Purchase of property, plant and equipment   (17,407,861)   (41,229,321)   (45,998,058) <td>Income tax paid</td> <td>(18,560,421)</td> <td>(42,800,390)</td> <td>(15,052,932)</td> <td>17,214,813</td> <td>Interest paid</td> <td>(17,757,724)</td> <td>(2,802,404)</td> <td>(9,060,381)</td> <td>(690,082)</td>	Income tax paid	(18,560,421)	(42,800,390)	(15,052,932)	17,214,813	Interest paid	(17,757,724)	(2,802,404)	(9,060,381)	(690,082)	
Investing activities   Net cash flow from/(used) in operating activities   (128,728,713)   235,934,487   505,021,323   92,469,654     Proceeds from sale of property, plant and equipment Purchase of property, plant and equipment   34,877,396   825,373   22,402,452   360,403   Investing activities   935,000   825,373   935,000   360,403     Purchase of property, plant and equipment   (497,578,258)   (47,578,258)   Proceeds from sale of property, plant and equipment   935,000   825,373   935,000   360,403     Purchase of property, plant and equipment   (462,753,274)   (94,591,512)   (433,997,038)   (47,267,936)   Purchase of from sale of property, plant and equipment   935,000   360,403     Proceeds from borrowings   (19,167,893)   (11,018,8674)   (19,167,893)   (5,726,114)   Purchase of property, plant and equipment   (14,088,674)   (19,167,893)   (5,726,114)   Purchase of property, plant and equipment   (14,088,674)   (19,167,893)   (5,726,114)   Purchase of property, plant and equipment   (14,088,674)   (19,167,893)   (5,726,114)   Purchase of property, plant and equipment   (14,088,674)   (19,167,893)   (5,726,114)   Purchase of property, pl	Dividend paid		(54,690,621)		(24,982,306)	Income tax paid	(10,575,731)	(13,927,978)	(10,575,731)	(1,030,000)	
Investing activities   Net cash flow from/(used) in operating activities   (128,728,713)   235,934,487   505,021,323   92,469,654     Proceeds from sale of property, plant and equipment Purchase of property, plant and equipment   34.877,396   825,373   (45,593,490)   (45,593,490)   (45,593,490)   (45,593,490)   360,403     Purchase of property, plant and equipment   (462,753,274)   (94,591,512)   (433,997,038)   (47,267,936)   Proceeds from investing activities   (109,417)   (45,998,058)   (27,011,314)     Net cash flows from investing activities   (19,167,893)   (119,167,893)   (5,726,114)   Purchase of prorowings   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/(used) in financing activities   190,354,525   (14,088,674)   190,354,525   (5,726,114)   Purchase of property, plant and equipment   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/(used) in financing activities   190,354,525   (14,088,674)   190,354,525   (5,726,114)   Purchase of property, plant and equipment   9,24,75,978   9,24,75,978   9,24,75,978   9,24,75,978   9,24,75,978   9,24,75,978   9,24,75	Net cash flow from/(used) in operating activities	(1,416,040,503)	676,117,885	597,091,445	188,067,315	Dividend paid	-	(54,690,621)	-	(24,982,306)	
Proceeds from sale of property, plant and equipment Purchase of property, plant and equipme						Net cash flow from/(used) in operating activities	(128,728,713)		505,021,323	92,469,654	
Purchase of property, plant and equipment   (497,630,670)   (95,307,468)   (456,399,490)   (47,578,358)   Proceeds from sale of property, plant and equipment   935,000   825,373   995,000   360,033     Purchase of financial assets   (462,753,274)   (94,591,512)   (433,997,038)   (47,267,936)   (47,267,936)   (47,267,936)   (109,417)   (45,998,058)   (27,011,419,452,77)   (46,933,058)   (26,700,892)     Financing activities   (19,167,893)   (14,088,674)   (19,167,893)   (5,726,114)   Financing activities   Financing activities   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/lused) in financing activities   (16,88,439,252)   567,437,699   135,073,265   (14,088,674)   190,354,525   (14,088,674)   190,354,525   (14,088,674)   190,354,526   (5,726,114)   Repayments of borrowings   95,475,978   12,79,680   882,016   12,79,680   882,016   12,79,680   882,016   12,778,81   (14,088,674)   12,67,936   12,778,81   12,67,936   12,778,81   12,67,936   12,79,680   882,016   12,778,81   12,67,937,81 <td< td=""><td>Investing activities</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Investing activities										
Purchase of financial assets   (109,417)   (49,981)     Net cash flows from investing activities   (462,753,274)   (94,591,512)   (433,997,038)   (47,267,936)   Purchase of financial assets   (109,417)   (46,933,058)   (27,011,314)     Financing activities   (19,167,893)   (19,167,893)   (5,726,114)   Purchase of financial assets   (109,417)   (46,933,058)   (26,708,92)     Financing activities   (19,167,893)   (19,167,893)   (5,726,114)   Purchase of property, plant and equipment   (109,417)   (46,993,058)   (26,708,92)     Proceeds from borrowings   (19,167,893)   (5,726,114)   Purchase of property, plant and equipment   (109,417)   (46,993,058)   (26,708,92)     Net cash flows from/(used) in financing activities   190,354,525   (14,088,674)   190,354,525   (5,726,114)   Proceeds from borrowings   (2,053,688)   (2,057,978)   (19,167,893)   (5,726,114)     Net cash flows from/(used) in financing activities   187,596,119   3,579,670   Proceeds from borrowings   (2,73,57,978   (16,156,073)   77,587,765   (4,844,098)     and cash equivalents at 1 January   3,095,598,919	Proceeds from sale of property, plant and equipment	34,877,396	825,373	22,402,452	360,403	Investing activities					
Net cash flows from investing activities   (462,753,274)   (94,591,512)   (433,997,038)   (47,267,936)   Purchase of financial assets Net cash flows from investing activities   (109,417)   (45,998,058)   (26,700,892)     Financing activities Repayments of borrowings Proceeds from borrowings   (19,167,893)   (14,088,674)   (19,167,893)   (5,726,114)   Lease liability principal repaid   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/(used) in financing activities   190,354,525   (14,088,674)   (19,167,893)   (5,726,114)   Lease liability principal repaid   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/(used) in financing activities   190,354,525   (14,088,674)   (19,167,893)   (5,726,114)   Repayments of borrowings   (2,72,79,512)   (14,088,674)   (19,167,893)   (5,726,114)     Net decrease/(increase) in cash and cash equivalents   187,596,119   3,579,670   -	Purchase of property, plant and equipment	(497,630,670)	(95,307,468)	(456,399,490)	(47,578,358)	Proceeds from sale of property, plant and equipment	935,000	825,373	935,000	360,403	
Financing activities (19,167,893) (14,088,674) (19,167,893) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (14,088,674) (14,088,674) (14,088,674) (15,726,114) (14,088,674) (14,088,674) (15,726,114) (14,088,674) (15,726,114) (14,088,674) (15,726,114) (14,088,674) (15,726,714) (14,088,674) (15,726,714) (14,088,674) (15,726,714) (14,088,674) (15,726,714) (14,088,74) (15,726,714) (14,088,74) (15,726,714) (14,088,74) (15,726,714) (14,088,74) (15,726,714) (14,084,778) (16,156,073) (17,758,77,755) </td <td>Purchase of financial assets</td> <td>-</td> <td>(109,417)</td> <td>-</td> <td>(49,981)</td> <td>Purchase of property, plant and equipment</td> <td>(72,342,861)</td> <td>(41,945,277)</td> <td>(46,933,058)</td> <td>(27,011,314)</td>	Purchase of financial assets	-	(109,417)	-	(49,981)	Purchase of property, plant and equipment	(72,342,861)	(41,945,277)	(46,933,058)	(27,011,314)	
Financing activities (19,167,893) (14,088,674) (19,167,893) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,167,893) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (19,0354,525) (14,088,674) (14,088,674) (14,088,674) (14,088,674) (15,726,114) (14,088,674) (14,088,674) (15,726,114) (14,088,674) (15,726,114) (14,088,674) (15,726,114) (14,088,674) (15,726,714) (14,088,674) (15,726,714) (14,088,674) (15,726,714) (14,088,674) (15,726,714) (14,088,74) (15,726,714) (14,088,74) (15,726,714) (14,088,74) (15,726,714) (14,088,74) (15,726,714) (14,084,778) (16,156,073) (17,758,77,755) </td <td>Net cash flows from investing activities</td> <td>(462,753,274)</td> <td>(94,591,512)</td> <td>(433,997,038)</td> <td>(47,267,936)</td> <td>Purchase of financial assets</td> <td>-</td> <td>(109,417)</td> <td></td> <td>(49,981)</td>	Net cash flows from investing activities	(462,753,274)	(94,591,512)	(433,997,038)	(47,267,936)	Purchase of financial assets	-	(109,417)		(49,981)	
Repayments of borrowings (19,167,893) (14,088,674) (19,167,893) (5,726,114) Financing activities Lease liability principal repaid (2,053,688) (2,067,399) 1,279,680 882,016   Net cash flows from/(used) in financing activities 190,354,525 (14,088,674) 190,354,525 (5,726,114) Repayments of borrowings (2,053,688) (2,067,399) 1,279,680 882,016   Net cash flows from/(used) in financing activities 190,354,525 (5,726,114) Repayments of borrowings 95,475,978 19,574,593 (5,726,114) Repayments of borrowings 95,475,978 19,574,593 (19,167,893) (5,726,114) Repayments of borrowings 95,475,978 19,574,593 (19,167,893) (5,726,114) Repayments of borrowings 95,475,978 19,57,593 (19,167,893) (5,726,114) Repayments of borrowings 95,475,978 19,57,57,593 (19,167,893) (5,726,114) 95,475,978 19,574,593 (19,167,893) (5,726,114) Net cash flows from/(used) in financing activities 66,142,778 (16,156,073) 77,587,765 (4,844,098) (4,844,098) (13,993,796) 178,596,110,30 60,924,664 Effects of IAS29 179,068,816 17,73,824,602 290,020,018	Ũ					Net cash flows from investing activities	(71,407,861)	(41,229,321)	(45,998,058)	(26,700,892)	
Proceeds from borrowings   209,522,418   209,522,418   209,522,418   Lease liability principal repaid   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/(used) in financing activities   190,354,525   (14,088,674)   190,354,525   (5,726,114)   Repayments of borrowings   (2,053,688)   (2,067,399)   1,279,680   882,016     Net cash flows from/(used) in financing activities   (1,688,439,252)   567,437,699   353,448,932   135,073,265   Repayments of borrowings   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   95,475,978   -   -   66,122,778   16,156,073   77,587,765   (4,844,098)   and cash equivalents at 1 January   3,095,598,919   409,381,013   1,420,375,670   154,946,753   Effects of exchange rate changes on cash   and cash equivalents at 30 June   1,773,824,602<	Financing activities					-					
Net cash flows from/(used) in financing activities Net decrease/(increase) in cash and cash equivalents   190,354,525   (14,088,674)   190,354,525   (5,726,114)     Net decrease/(increase) in cash and cash equivalents   (1,688,439,252)   567,437,699   353,448,932   135,073,265   Proceeds from borrowings   95,475,978   95,475,978   95,475,978   -     Effects of exchange rate changes on cash and cash equivalents   187,596,119   3,579,670   -   -   Net cash flows from/(used) in financing activities   66,142,778   (16,156,073)   77,587,765   (4,844,098)     Cash and cash equivalents at 1 January   3,095,598,919   409,381,013   1,420,375,670   154,946,753   and cash equivalents   183,691,372   3,579,670   -   -     Cash and cash equivalents at 30 June   1,773,824,602   997,778,453   1,773,824,602   290,020,018   Effects of IAS29   357,076,544   208,061,616   307,611,991   75,305,728     Cash and cash equivalents at 30 June   1,773,824,602   3,109,449,839   1,773,824,602   290,020,018   Effects of IAS29   359,908,091   307,611,991   75,305,728     Cash and cash balances   1,773,824,602	Repayments of borrowings	(19,167,893)	(14,088,674)	(19,167,893)	(5,726,114)	Financing activities					
Net decrease/(increase) in cash and cash equivalents   (1,688,439,252)   567,437,699   353,448,932   135,073,265   Proceeds from borrowings   95,475,978 <th< td=""><td>Proceeds from borrowings</td><td>209,522,418</td><td>-</td><td>209,522,418</td><td>-</td><td>Lease liability principal repaid</td><td>(2,053,688)</td><td>(2,067,399)</td><td>1,279,680</td><td>882,016</td></th<>	Proceeds from borrowings	209,522,418	-	209,522,418	-	Lease liability principal repaid	(2,053,688)	(2,067,399)	1,279,680	882,016	
Effects of exchange rate changes on cash and cash equivalents at lanuary Cash and cash equivalents at 1 January Cash and cash equivalents at 30 June Comprising of: 187,596,119 3,579,670 154,946,753 Net cash flows from/(used) in financing activities Net increase/(decrease) in cash and cash equivalents at 1 January Cash and cash equivalents at 30 June Comprising of: 187,596,119 3,579,670 154,946,753 Net cash flows from/(used) in financing activities Net increase/(decrease) in cash and cash equivalents at 1 January Cash and cash equivalents at 30 June Comprising of: 187,596,119 3,579,670 154,946,753 Effects of exchange rate changes on cash and cash equivalents at 1 January Cash and cash equivalents at 30 June Comprising of: 187,692,103 77,587,765 (4,844,098)   Cash and cash equivalents at 1 January Cash and cash equivalents at 30 June Comprising of: 3,095,598,919 409,381,013 1,420,375,670 154,946,753 Effects of IAS29 183,691,372 3,579,670 536,611,030 60,924,664 Effects of IAS29 183,691,372 3,579,670 16,156,073 77,587,765 (4,844,098) Effects of IAS29 183,691,372 3,579,670 16,156,073 77,587,765 (4,844,098) Effects of IAS29 183,691,372 3,579,670 16,156,073 77,587,765 (4,844,098) Effects of IAS29 183,691,372 3,579,670 16,156,073 77,587,765 16,156,073	Net cash flows from/(used) in financing activities	190,354,525	(14,088,674)	190,354,525	(5,726,114)	Repayments of borrowings	(27,279,512)	(14,088,674)	(19,167,893)	(5,726,114)	
and cash equivalents 187,596,119 3,579,670 Net increase/(decrease) in cash and cash equivalents (133,993,796) 178,549,093 536,611,030 60,924,664   Effects of IAS29 179,068,816 17,380,071 - <	Net decrease/(increase) in cash and cash equivalents	(1,688,439,252)	567,437,699	353,448,932	135,073,265	Proceeds from borrowings	95,475,978	-	95,475,978	-	
Effects of IAS29 179,068,816 17,380,071 - Effects of exchange rate changes on cash and cash equivalents at 1 January 1,420,375,670 154,946,753 Effects of exchange rate changes on cash and cash equivalents at 30 June 1,773,824,602 997,778,453 1,773,824,602 290,020,018 Effects of IAS29 1,83,691,372 3,579,670 409,381,013 -	Effects of exchange rate changes on cash					Net cash flows from/(used) in financing activities	66,142,778	(16,156,073)	77,587,765	(4,844,098)	
Cash and cash equivalents at 1 January 3,095,598,919 409,381,013 1,420,375,670 154,946,753 and cash equivalents 183,691,372 3,579,670 -   Cash and cash equivalents at 30 June 1,773,824,602 997,778,453 1,773,824,602 290,020,018 Effects of IAS29 427,448,901 (30,282,288) - -   Comprising of: 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Cash and cash equivalents at 1 January 367,076,544 208,061,616 307,611,991 75,305,728   Cash and cash balances 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Cash and cash equivalents at 30 June 844,223,021 359,908,091 844,223,021 136,230,392	and cash equivalents	187,596,119	3,579,670	-	-		(133,993,796)	178,549,093	536,611,030	60,924,664	
Cash and cash equivalents at 1 January 3,095,598,919 409,381,013 1,420,375,670 154,946,753 and cash equivalents 183,691,372 3,579,670 -   Cash and cash equivalents at 30 June 1,773,824,602 997,778,453 1,773,824,602 290,020,018 Effects of IAS29 427,448,901 (30,282,288) - -   Comprising of: 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Cash and cash equivalents at 1 January 367,076,544 208,061,616 307,611,991 75,305,728   Cash and cash balances 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Cash and cash equivalents at 30 June 844,223,021 359,908,091 844,223,021 136,230,392	Effects of IAS29	179,068,816	17,380,071	-	-	Effects of exchange rate changes on cash					
Cash and cash equivalents at 30 June 1,773,824,602 997,778,453 1,773,824,602 290,020,018 Effects of IAS29 427,448,901 (30,282,288) - -   Comprising of: Cash and cash balances 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Effects of IAS29 427,448,901 (30,282,288) - -   Cash and cash balances 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Effects of IAS29 6ash and cash equivalents at 1 January 367,076,544 208,061,616 307,611,991 75,305,728   Cash and cash balances 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Effects of IAS29 6ash and cash equivalents at 30 June 844,223,021 359,908,091 844,223,021 136,230,392 136,23		3,095,598,919	409,381,013	1,420,375,670	154,946,753	and cash equivalents	183,691,372	3,579,670	-	-	
Cash and cash balances 1,773,824,602 3,109,449,839 1,773,824,602 290,020,018 Cash and cash equivalents at 30 June 844,223,021 359,908,091 844,223,021 136,230,392 Comprising of:	Cash and cash equivalents at 30 June	1,773,824,602	997,778,453	1,773,824,602	290,020,018		427,448,901	(30,282,288)	-	-	
Comprising of:	Comprising of:					Cash and cash equivalents at 1 January		208,061,616		75,305,728	
	Cash and cash balances	1,773,824,602	3,109,449,839	1,773,824,602	290,020,018		844,223,021	359,908,091	844,223,021	136,230,392	
Cash and cash balances 844,223,021 676,738,233 844,223,021 136,230,392						Comprising of:					
						Cash and cash balances	844,223,021	676,738,233	844,223,021	136,230,392	

## **Interim Condensed Group Consolidated Statement of Changes in Equity -** For the Half Year ended 30 June 2022

internin condensed droup consolidated statement of changes in Equit	Share Capital	Capital Reserve	Share Premium	Revaluation Reserve	Change in Ownership reserve	Retained earnings	Attributable to Owners of the parent	Non- Controlling Interest	Total
Inflation Adjusted Balance on 1 January 2021 Dividend paid Profit for the year	8,437,673 - -	(17,206,923) - -	1,746,891,668	1,800,351,063 - -	(80,013,482) - -	<b>2,380,921,543</b> (72,839,058) 578,677,290	<b>5,839,381,541</b> (72,839,058) 578,677,290	<b>1,041,767,976</b> - 87,251,343	<b>6,881,149,519</b> (72,839,058) 665,928,631
Balance at 30 June 2021	8,437,673	(17,206,923)	1,746,891,668	1,800,351,063	(80,013,482)	2,886,759,775	6,345,219,773	1,129,019,319	7,474,239,092
<b>Balance on 1 January 2022</b> Profit for the year Other comprehensive income net of tax	8,561,843 - -	(17,206,923) - -	4,809,960,342 - -	<b>971,092,475</b> - 3,305,425,146	(80,013,482) - -	<b>2,992,299,221</b> 1,018,495,039	<b>8,684,693,475</b> 1,018,495,039 3,305,425,146	<b>1,258,752,519</b> (175,397,265) 487,702,744	<b>9,943,445,994</b> 843,097,774 3,793,127,890
Balance at 30 June 2022	8,561,843	(17,206,923)	4,809,960,342	4,276,517,621	(80,013,482)	4,010,794,260	13,008,613,660	1,571,057,998	14,579,671,658

## Interim Condensed Company Statement of Changes in Equity - For the Half Year ended 30 June 2022

Inflation Adjusted	Share Capital	Capital Reserve	Share Premium	Revaluation Reserve	Retained Earnings	Attributable to Owners of the parent
Balance on 1 January 2021	8,437,673	(17,206,923)	1,746,891,668	480,899,178	2,073,066,506	4,292,088,102
Dividend paid	-	-		-	(72,839,058)	(72,839,058)
Profit for the year	-	-	-	-	130,409,717	130,409,717
Balance at 30 June 2021	8,437,673	(17,206,923)	1,746,891,668	480,899,178	2,130,637,165	4,349,658,761
Balance on 1 January 2022	8,561,843	(17,206,923)	4,809,960,342	517,350,713	1,984,172,333	7,302,838,309
Profit for the year	-	-	-	-	1,655,000,290	1,655,000,290
Other comprehensive income net of tax	-	-	-	788,639,909	-	788,639,909
Balance at 30 June 2021	8,561,843	(17,206,923)	4,809,960,342	1,305,990,622	3,639,172,623	9,746,478,508



## **Reviewed Interim Condensed Group Results** For the Six Months Ended 30 June 2022

The Directors report the following reviewed interim condensed results in respect of the Group and Company's operations for the six months ended 30 June 2022



## Supplementary Information

5 Segment information

Supplementary information		GROUP							
	Reviewed	l		dited					
	Inflation Adjuste 30-Jun-22	30-Jun-21							
	No. of shares	No. of shares	No. of shares	No. of shares					
Shares in issue	344,580,486	238,380,780	344,580,486	238,380,780					
For the purpose of basic EPS	344,580,486	238,380,780	344,580,486	238,380,780					
For the purpose of diluted EPS	344,580,486	238,380,780	344,580,486	238,380,780					
	ZWL\$	ZWL\$	ZWL\$	ZWL\$					
Headline earnings	923,436,816	584,618,535	706,567,387	192,372,139					
Profit for the year	923,696,497	578,677,288	709,345,458	192,543,001					
Headline earnings per share Basic profit per share	2.68 2.68	2.45 2.43	2.05 2.06	0.81 0.81					
Diluted profit per share	2.68	2.43	2.06	0.81					
Depreciation	120,195,189	262,967,233	64,412,414	39,249,694					
Taxation: Current tax expense	(447,390,483)	211,489,868	(447,390,483)	290,439,797					
Deferred tax movement	536,940,298	(85,607,111)	(15,256,996)	(12,041,981)					
		COMP							
	Reviewed		Unaudited						
	Inflation Adjuste		Historical						
	30-Jun-22	30-Jun-21	30-Jun-22						
	No. of shares	No. of shares	No. of shares	No. of shares					
Shares in issue	344,580,486	238,380,780	344,580,486	238,380,780					
For the purpose of Basic EPS	344,580,486	238,380,780	344,580,486	238,380,780					
For the purpose of Diluted EPS	344,580,486	238,380,780	344,580,486	238,380,780					
	ZWL\$	ZWL\$	ZWL\$	ZWL\$					
Headline earnings	1,654,740,609	136,350,964	1,765,243,503	137,160,478					
Profit for the year	1,655,000,290	130,409,717	1,766,104,122	137,331,340					
Headline earnings per share	4.80	0.57	5.12	0.58					
Basic profit per share Diluted profit per share	4.80 4.80	0.55 0.55	5.13 5.13	0.58 0.58					
Depreciation	107,939,201	86,031,090	51,824,519	31,433,645					
	- ,,			- ,,					
Taxation:	305,075,178	147,681,570	305,075,178	100 240 153					
Current tax expense Deferred tax movement	611,909,776	(33,967,834)	223,533,019	190,249,152 22,183,248					
	011,505,770	(33,307,034)	223,333,013	22,103,240					

## Notes to the financial statements

## 1. Presentation and statement of compliance

### Basis of preparation

The Group's interim condensed consolidated financial statements for the six months ended 30 June 2022 have not been prepared under policies consistent with the requirements of International Financial Reporting Standards (IFRS). This is due to non-compliance with International Financial Reporting Standards (IAS 21) - The Effects of Changes in Foreign Exchange Rates and IAS 8-Accounting Policies, Changes in Accounting Estimates and Errors in Prior Year. The Interim condensed financial statements have been prepared under the current cost convention in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies and IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

## Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

During the reporting period, the economy continued to face significant inflationary pressures as evidenced by a rising Consumer Price Index (CPI). These results have been prepared in accordance with IAS 29 which requires that the interim condensed financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are given below.

Dates	Indices	Conversion Factors
30 June 2022	8,707.4	1.00
31 December 2021	3,977.5	2.19
30 June 2021	2986.44	2.92
01 January 2021	2,608.80	3.34

The procedures applied in the above restatement of transaction	ions and halances are as follows:
The procedures applied in the above restatement of transact	

me	procedures applied in the above restatement of
•	Comparative information

Inflation Adjusted	Agriculture ZWL\$	Mining and Infrastructure ZWL\$	Logistics and Automative ZWL\$		Other Segments ZWL\$	Total Segments ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$
30 June 2022								
Revenue	2,749,952,386	1,619,821,712	1,652,951,845	13,781,813	23,563,291	6,060,071,047	(53,763,149)	6,006,307,898
Segment								
operating profit	1,302,649,032	(85,969,647)	312,288,327	1,277,270,973	193,330,089	2,999,568,774	(1,217,176,457)	1,782,392,317
Other items								
Finance income	816,472	142,355	-	-	-	958,827	-	958,827
Finance costs	(15,224,470)	-	(7,659,686)	(191,659)	-	(23,075,815)	(472,157)	(23,547,972)
Income taxes	(560,616,874)	(125,675,733)	(111,238,419)	203,086,842	(182,374,078)	(776,818,262)	(139,887,136)	(916,705,398)
Group profit after tax	727,624,160	(211,503,025)	193,390,222	1,480,166,156	10,956,011	2,200,633,524	(1,357,535,750)	843,097,774
Segment assets	7,841,662,704	6,860,944,372	3,438,192,896	2,847,130,000	5,022,704,829	26,010,634,801	(3,425,490,410)	22,585,144,391
Segment liabilities	(2 004 046 600)	(2,881,010,290)	(1 504 686 883)	4,434,737	(153 162 786)	(6 709 271 822)	(1,296,200,909)	(8 005 472 731)

Other segment information Depreciation								
and amortisation Additions to	84,499,009	16,384,144	1,966,185	8,556,174	13,126,795	124,532,307	-	124,532,307
non-current assets Inventory provision Impairment loss	66,040,848 88,996,865	76,655,852 271,000,173	1,391,967 11,942,406	-	(2,921,240) -	141,167,427 371,939,444	-	141,167,427 371,939,444
recognized on receivables	12,931,704	78,435,995	-	-	-	91,367,699	-	91,367,699

Inflation Adjusted	Agriculture ZWL\$	Mining and Infrastructure ZWL\$	Property ZWL\$	Other Segments ZWL\$	Segments	Adjustments ZWL\$	Consolidated ZWL\$
30 June 2021							
Revenue	2,253,830,852	2,573,929,188	11,709,970	-	4,839,470,009	(1)	4,839,470,008
Segment							
operating profit	334,305,820	262,171,833	5,399,576	(60,987,972)	540,889,258	250,970,324	791,859,582
Other items							
Finance income	64,281	-	-	8,750	73,031	412,007	485,038
Finance costs	8,252	(38,096)	-	-	(29,844)	(503,389)	(533,232)
Income taxes	(88,985,313)	(63,258,043)	36,711	(18,571,811)	(170,778,456)	44,895,699	(125,882,756)
Group profit after tax	245,393,040	198,875,695	5,436,286	(79,551,033)	370,153,989	295,774,642	665,928,631
Segment assets	5,033,535,027	4,020,310,445	1,440,597,168	1,649,245,528	12,143,688,167	5,457,874,336	17,601,562,503
Segment liabilities	(1,554,173,108)	(1,565,896,318)	5,951,585	(338,594,499)	(3,452,712,340)	(4,349,058,429)	(7,801,770,769)
Other segment information							
Depreciation	97,644,797	15,550,365	12,167,548	4,330,772	129,693,482	(32,314,173)	97,379,309

89,506,597

81,373,366 131,294,263

21,567,086

#### Barzem Enterprises: Going Concern 6.

Additions to non-current assets Impairment loss recognized on receivables

> As of 30 June 2022, Barzem Enterprises (hereinafter referred to as Barzem) had total assets value of ZWL\$5,967,591,435 (ZWL\$4,992,847,095 - unaudited historical) and Net Asset value of ZWL\$3,038,387,597 (ZWL\$1,654,052,627 - unaudited historical). During the six months to 30 June 2022, Barzem which operates in the Mining Cluster of the Group incurred an inflation adjusted loss of ZWL357,953,602 (ZWL190,323,348 - unaudited historical). Included in the incurred loss is an inventory obsolescence provision of ZWL\$270,111,205 (ZWL\$142,161,686 - unaudited historical). Therefore, the Group has prepared the Barzem financial statements for the six months ending 30 June 2022 on the basis that it will continue to operate as a going concern. This is notwithstanding the fact that Barzem will cease to be the official distributor of the Caterpillar (CAT) franchise with effect from 30 September 2022, following the issuance of a notice of termination of the Distributorship Agreement by Barloworld Equipment UK. The Group through the Barzem Board of Directors embarked on a deliberate balance sheet preservation initiative in a bid to preserve shareholder value.

15,860,442 126,934,125 (31,626,657)

212,667,629

95,307,468

212,667,629

The Directors consider that there is no material uncertainties that may cast significant doubt over the above stated assumption as the judgment is premised on the fact that Zimplow being a 51% shareholder in Barzem is in an arbitration process with Barloworld Equipment UK, a 49% shareholder in Barzem. Furthermore, Zimplow is at an advanced stage in concluding discussions with a view to acquiring a new supplier of earthmoving equipment where business operations will be operated under Barzem assets. However, the potential total retrenchment costs associated with this transition is an estimated ZWL\$417,285,140.53

## Barzem Enterprises (Private) Limited

		ewed Adjusted	Unaudited Historical		
	30-Jun-22 ZWL\$	30-Dec-21 ZWL\$	30-Jun-22 ZWL\$	30-Dec-21 ZWL\$	
Summarized statement of financial position					
Current assets	3,669,139,642	4,066,021,305	1,614,117,021	320,945,543	
Non-current assets	2,298,451,793	926,825,790	2,201,753,968	290,222,233	
Current liabilities	(2,000,341,288)	(2,127,944,473)	(1,831,712,973)	(274,593,123)	
Non-current liabilities	(784,685,221)	(519,721,805)	(330,105,393)	(37,769,641)	
Tota equity	3,182,564,926	2,345,180,817	1,654,052,623	298,805,012	
Non-controlling interests	1,571,057,998	1,129,019,319	901,181,192	155,150,629	
Summarized statement of profit or loss					
Revenue	753,456,020	2,117,654,720	429,212,415	687,106,086	
Expenses and taxation	763,732,218	497,870,571	418,418,845	183,232,764	
Profit for the year	(357,953,602)	178,063,963	(190,323,348)	73,462,431	
Other comprehensive	995,311,722	-	1,285,913,944	224,950,973	
Summarized statement of cash flows					
Net cash inflow from operating activities	(823,822,585)	212,180,935	-	76,025,051	
Net cash outflow from investing activities	(11,805,194)	(71,069,802)	76,868,521	(2,316,610)	
Net cash inflow/(outflow)	(835,627,779)	141,111,133	76,868,521	73,708,441	

- All comparative figures as of and of the half-year ended 30 June 2021 were restated by applying the change in the index to 30 June 2022 using the relevant factor of 2.92, for the statement of Profit or Loss and Other Comprehensive Income, statement of Cash Flows and statement of Changes in Equity. The statement of Financial position, comparatives were restated by applying a factor of 2.19.
- Current period information
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at balance sheet date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the more recent of the date of the transaction and the date of their most recent revaluation to 30 June 2022.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred by applying the monthly index for the half year ended 30 June 2022. Depreciation and amortisation amounts are based on the restated amounts.
- Gains and losses arising from the net monetary position are included in the income statement.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

## Hyper Inflation

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL\$). Professional judgement was used and appropriate adjustments in preparing financial statements according to IAS 29. The indices used were obtained from the Zimbabwe National Statistics Agency for the period.

#### Statement of compliance

These consolidated financial statements have been prepared with the aim of complying with International Financial Reporting Standards and presented in ZWL\$ (Zimbabwe Dollars, rounded to the dollar), which is the Group's functional and presentation currency. While full compliance with IFRS has been possible in the previous periods, compliance has not been achieved from 2019.

#### 2. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### 3. Borrowings

The Group and Company acquired a term loan facility of ZWL95,910,335 and ZWL113,612,083 respectively. The average cost of borrowing was 60% per year for the period, however the interest rates will be raised to a minimum of 200% per year as from July 2022.

#### 4. Revenue

An analysis of Group revenue and results for the year:

	Reviewed Inflation Adjuste	ed	Unaudited Historical	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Group	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Sale of goods: Domestic	5,854,506,278	4,605,637,443	3,450,298,938	2,487,982,722
Sale of goods: Export	138,019,807	222,122,597	138,019,807	222,122,597
Total revenue from contracts with customers	5,992,526,085	4,827,760,040	3,588,318,745	2,710,105,319
Investment property rental income	13,781,813	11,709,970	23,671,875	-
Total revenue	6,006,307,898	4,839,470,010	3,611,990,620	2,710,105,319
Company				
Sale of goods: Domestic	3,170,025,409	2,455,042,573	2,115,429,004	773,412,306
Sale of goods: Export	138,019,807	222,122,597	113,877,106	48,696,487
Sale of services: Domestic Investment property rental income	280,273,529 23,671,875	32,940,149	192,406,776	48,696,487
Total revenue from contracts with customers	3,611,990,620	2,710,105,319	2,421,712,886	870,805,280





Ernst & Young Chartered Accountants (Zimbabwe) Registered Public Auditors Angwa City Cnr Julius Nyerere Way / Kwame Nkrumah Avenue P O Box 62 or 702 Harare Zimbabwe Tel: +263 24 2750905-14 or 2750979-83 Fax: +263 24 2750707 or 2773842 Email: admin@zw.ey.com www.ey.com

To the Shareholders of Zimplow Holdings Limited

# Report on the Review of the Interim condensed Inflation adjusted Consolidated and Separate Financial Statements

## Introductions

We have reviewed the accompanying interim condensed inflation adjusted consolidated and separate financial statements of Zimplow Holdings Limited and its subsidiaries ("the Group"), as set out on pages 12 to 32, which comprise the interim condensed inflation adjusted consolidated and separate statements of financial position as at 30 June 2022 and the related interim condensed inflation adjusted consolidated and separate statements of profit or loss and other comprehensive income, the interim condensed inflation adjusted statements of changes in equity and the interim condensed inflation adjusted consolidated and separate statements of cash flows for the six-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed inflation adjusted consolidated and separate financial information in accordance with the Internal Financial Reporting Standards. Our responsibility is to express a review conclusion on this interim condensed inflation adjusted consolidated and separate financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Basis for Qualified Review Conclusion

Matter 1: 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 in prior year

## Impact of prior year modification on current period

As explained in note **2.1** to the Interim condensed Inflation adjusted Consolidated and Separate financial statements, the Group and Company changed their 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.

## Independent Auditor's Review Conclusion - Continued

## Zimplow Holdings Limited

Our most recent audit opinion and review conclusion were modified due to non-Compliance with IAS 21 due to use of inappropriate exchange rates which did not meet IAS 21 requirements for a spot rate for the period 22 February 2019 to 22 June 2020. Further, the matter emanating from 2019 wherein the Group and Company changed the functional currency from USD to ZWL on an incorrect date had a continuing impact in 2021 due to misstated opening balances. Our prior year audit report was modified due to impact of these matters on Cost of Sales and Income Tax in the Interim condensed Inflation adjusted Consolidated and Separate Statements of Profit or Loss in prior year, as well as Retained Earnings and Non-Controlling Interests (*Group only*) in the Interim condensed Inflation adjusted and Separate Statements of Financial Position in prior year.

Management has not made retrospective adjustments in terms of IAS 8 to correct these matters.

Our review conclusion on the current period's Interim condensed Inflation adjusted Consolidated and Separate financial statements adjusted financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

## Matter 2: Valuation of Investment Property, Freehold Land and Buildings and Manufacturing Plant and Equipment (Group and Company) (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The Group's Investment Property, Freehold Land and Buildings and Manufacturing Plant and Equipment are carried at Group ZWL499,770,000 (2021: ZWL279,360,526) Company ZWL1,102,800,000(2021: 356,463,243), Group ZWL7,414,738,884 (2021: ZWL2,687,154,668) Company ZWL950,451,911 (2021: ZWL311,460,880 ) and Group ZWL1,175,871,614, (2021: ZWL791,653,147) Company ZWL1,076,080,760 (2021: ZWL724,875,421) respectively as at 30 June 2022 as described in Note 9 and 11. The implicit investment method was applied for Industrial and commercial properties and key inputs into the calculations include rentals per square metre and capitalisation rates. Residential properties and vacant stands were valued in terms of the market comparable approach. In both cases, the valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using a rental yield as determined by management as described on Note 11.

We have concerns over the appropriateness of using a foreign currency for the valuation inputs and then applying a conversion rate to a US\$ valuation to calculate ZWL Investment Property, Freehold Land and Buildings and Manufacturing Plant and Equipment values as in our opinion this may not be an accurate reflection of the current dynamics. 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. With respect to the implicit investment approach, the US\$ estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled. While historical US\$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

Consequently, Investment Property, Freehold Land and Buildings and Manufacturing Plant and Equipment may be materially misstated, and we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit report was also modified due to this matter, no restatements have been made in terms of IAS 8.

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## Zimplow Holdings Limited

## Matter 3: Consequential impact on IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, it is noted that IAS 29 application was based on prior and current periods' financial information which was not in compliance with *IAS 21 / IAS 8* /IFRS 13 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the monetary gains or losses on the interim condensed consolidated and separate inflation adjusted financial statements stated at Group ZWL 918,474,907 (2021: ZWL127,684,613); Company ZWL258,752,868 (2021: ZWL53,104,971) are impacted. Our prior year audit report was also modified due to this matter.

## Matter 4: Non-compliance with IAS 29 on inflation adjustment of costs of sales

Management has used the monthly average approach in calculating the Cost of sales. 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. Had the Group and Company applied the indirect approach, the cost of sales and Monetary gain/loss for the year presented on the interim condensed consolidated and separate inflation adjusted statements of profit or loss would have been different, however the misstatement could not be determined as the information required to re-perform the inflation adjustments using the correct approach were not available.

This matter is also relevant to the comparative periods. Relevant adjustments to cost of sales and monetary gain/loss on the corresponding interim condensed consolidated and separate inflation adjusted statements of profit or loss which were required were not recorded by Management as required in terms of IAS 8. Our review conclusion is therefore also modified as it relates to the corresponding amounts.

The effects of the above departures from IFRS are material but not pervasive to the interim condensed consolidated and separate inflation adjusted financial statements.

## Qualified review conclusion

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed inflation adjusted consolidated and separate financial statements do not present fairly, in all material respects, the financial position of Zimplow Holdings Limited as at 30 June 2022, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

The engagement partner on the review audit resulting in this review conclusion report on the interim condensed inflation adjusted consolidated and separate financial information is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

Ernet & Young.

Ernst & Young Chartered Accountants (Zimbabwe) Registered Public Auditors Harare

18 October 2022

