



TRADING UPDATE AS AT THIRD QUARTER 2022

Operating Environment

The initiatives by authorities aimed at stabilising the exchange rate and taming inflation took effect leading to stability in the operating environment. However, the shortages of liquidity in local currency and the high-interest rates constrained operations due to high debtor default and inability to access additional local funding. In addition, the quarter witnessed accelerated dollarization of local expenses and increased operational costs

Performance

The quarter was constrained in terms of raw materials supplies due to liquidity shortages with reduced activity recorded in August. Notwithstanding the above, the monetary measures and stakeholder relationships assisted the company to model a sustainable raw materials supply structure for the short term whose benefit would be felt in the fourth quarter of 2022.

Total volumes for the third quarter to September at 690 metric tonnes were 7% up on prior year same period of 644 metric tonnes attributable to the market recovery efforts in the Chemical division whose volumes were 14 % up when compared with the same period prior year. The rubber division volumes dip of 3 % was a result of delayed raw materials supplies in the middle of the quarter. As a result, turnover at USD 3,539 million grew by 9% from the prior year's USD 3,237 million.

Business Outlook

A significant recovery is expected in the fourth quarter underpinned by a strong order book at the rubber division and consistent demand at the Chemicals Division. The company has secured sufficient raw materials to convert the orders with some expected to spill into the next financial year. Overallly the company is expected to post a profit for the year and will remain a going concern.

A handwritten signature in black ink, appearing to read 'Patrick Munyanyi', is positioned above the typed name.

Patrick Munyanyi (Mr.)

**Company Secretary
GB Holdings Ltd
111 Dagenham Road
Willovale
Harare**

22 November 2022