

TRUWORTHS

TRADING UPDATE FOR THE QUARTER ENDED 9 OCTOBER 2022

TRADING ENVIRONMENT

The trading environment has remained complex and uncertain. The increase of the Bank Policy Rate to 200% with effect from 1 July 2022 resulted in the business suspending all ZWL Credit Sales with a consequent reduction in units sold. ZWL Cash sales were negatively affected by the severe shortage of ZWL as a result of the tight monetary policy.

Borrowings in ZWL at 9 October 2022 amounted to ZWL56,35 million at a cost of 205% per annum. There were no USD borrowings as at 9 October 2022 and there were no USD debtors.

The quarter unit sales out-turn was as follows:-

	<u>Quarter 1</u> <u>11 July to</u> <u>9 October 2022</u>
Unit sales	-55.1%

SALES PARTICIPATION BY ENABLER

	<u>Quarter 1</u> <u>11 July to</u> <u>9 October 2022</u>	<u>Prior year Quarter 1</u> <u>12 July to</u> <u>10 October 2021</u>
Cash sale	100%	58%
Credit sales	NIL	42%

Sales and profitability continue to be adversely affected by the restrictive pricing laws, which negatively affect competitiveness against the unregulated sectors.

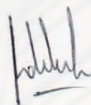
In addition to US dollar cash sales, the business is selling in US dollars on a lay bye basis. US Dollar credit is considered on a selective basis where there is assurance that the US dollar earnings are GUARANTEED and not an ALLOWANCE.

OUTLOOK

The environment remains uncertain in particular the sustainability of the Bank Policy rate of 200% and tight ZWL liquidity.

DELAY IN PUBLICATION OF ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE YEAR TO 10 JULY 2022

We also advise our stakeholders that the audit for the year ended 10 July 2022, which was targeted for completion in November 2022, is still in progress. The company applied for and was granted a further extension by the Zimbabwe Stock Exchange to publish the annual audited results by no later than 15 January 2023. This period will provide sufficient time to complete all audit review processes and conclusions thereof. The Company regrets any inconvenience this may cause to its valued stakeholders.



B. Ndebele
Chief Executive Officer
8 December 2022