

Operating Environment

The company is pleased to provide a trading update for the first quarter ended 31 March 2023.

The inflationary operating environment was somewhat subdued with annual inflation improving from 101.5% in January and 87.6% in March 2023. The period also saw the foreign currency auction rate move from ZWL671.45 in the beginning of the year to ZWL 928.59 on 31 March 2023.

Business Performance

During the period under review, revenue saw an improvement of 14% to prior year comparable period mainly driven by inflation.

The performance of the group will depend on the economic environment which affects cost of production and operating costs. However, at a group level we continue to realise revenue from our real estate businesses as we let out more space. Working capital continue to improve.

Outlook

As we move closer to elections the operating environment becomes more uncertain and we expect tight liquidity control by authorities thus restricting business activities. We also expect pressure on the exchange rate as witnessed in the last few weeks as the difference between the interbank and parallel rates increase.

Business innovation under the new strategic thrust will continue to ensure the company thrives and improve.

We continue our multifaceted response to the increasingly competitive environment by pursuing new market segments widening our portfolio.

By Order of the Board



J Mwinjilo

Company Secretary (15 May 2023)