



(Formerly MedTech Holdings Limited, Incorporated in Zimbabwe on 10 February 1997, Registration number 897/97)

## CONDENSED REVIEWED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

### BOARD LETTER TO SHAREHOLDERS

#### Introduction

It is our pleasure to present the condensed reviewed interim financial results for BridgeFort Capital Limited for the six months ended 30 June 2023.

#### Operating environment

The challenging macroeconomic environment, combined with frequent policy changes, severely constrained business operations. Publication of the ZWL consumer price index and inflation was discontinued in the February monetary policy announcement whilst the ZWL Total Consumption Poverty Line ("TCPL") continues to be published. The table below summarises the macro-economic environment along with some historical perspective.

	30 June 2023	31 December 2022	30 June 2022	31 December 2021
CPI - pure ZWL	N/A	13,673	8,707	3,977
Year on year CPI inflation	N/A	244%	184%	61%
TCPL	91,172	29,219	18,425	8,009
Year on year TCPL inflation	395%	265%	208%	71%
Official exchange rate	5,740	671	366	109
Year on year official exchange rate inflation	1467%	518%	329%	33%
Approximate parallel exchange rate	7,500	1,000	680	220
Year on year parallel exchange rate inflation	1003%	355%	423%	100%
Parallel market premium	31%	49%	86%	102%
Roller meal 10kg bag	30,255	4,446	3,028	689
Year on year roller meal inflation	899%	546%	No base data	No base data
Bread price per loaf	6,590	875	639	188
Year on year bread inflation	931%	367%	No base data	No base data
RBZ bank policy rate	140%	200%	80%	60%
Compound/effective bank policy rate	276%	536%	117%	80%

Regardless of the indicator used, inflation accelerated rapidly during the period under review, and particularly in the second quarter of 2023. Local currency became very scarce later in June as the authorities mopped up liquidity. This has seen both the official and parallel rates firming. Pleasing to note was the decline in the parallel market premium. Such distortions are not conducive to businesses in the formal sector, as they promote use of the parallel market and attract consumers to the informal sector.

The RBZ monetary policy statement of 2 February 2023 was positive in many respects, including the reduction in surrender requirements for exporters to 25% from 40% and for domestic foreign currency deposits to 15% from 25%. With effect from 15 May 2023, the domestic foreign currency retention was further increased to 100% in a bid to encourage the banking of cash and increased use of formal banking channels.

In terms of taxation, IMTT on foreign currency payments was dropped from 4% to 2% with effect from 1 January and then to 1% on 1 June which was another positive development. These transaction-based taxes increase the cost of doing business in Zimbabwe and reduce our competitiveness as a country, and hence at some point should be removed.

The power supply situation during the period under review was dire with expensive generators being run regularly to maintain operations. This situation has improved dramatically since early June with power generated from Hwange's

Units 7 and then 8 – a big relief for business, although this has worsened somewhat of late. We wish to extend our appreciation to ZESA for this good work whilst urging continued investment to build generation capacity. This is particularly important considering the forecast growth of the energy demanding mining sector. The potential construction of processing plants due to the enactment of SI 5 of 2023 on 6 January, which bans the export of un-beneficiated mineral ores, would also require a significant amount of power.

Whilst there were several positive developments during the period under review, the significant growth in money supply, and inflation as a result, followed in June by a large decrease has left businesses guessing what's next. Such dramatic shocks to the economy are not conducive to growth, investment and the accumulation of savings. The operating environment remained difficult and highly unpredictable during the period.

### **Financial highlights**

Where ZWL figures are mentioned in the commentary below, these relate to historic cost amounts unless otherwise stated. Due to distortions in exchange rates and the inflation index applied, we advise caution in the analysis of the inflation adjusted figures and hence our commentary below disregards inflation adjusted figures.

#### ***BridgeFort***

The total comprehensive loss for the six-months amounted to ZWL57 million, mostly made up of exchange losses due to foreign denominated liabilities and the significant devaluation of the exchange rate.

#### ***Class A Portfolio – Consumer Goods***

The Class A portfolio primarily includes 50.1% of Zvemvura Trading (Private) Limited, trading as MedTech Distribution, and Chicago Cosmetics (Private) Limited, a 51% subsidiary of MedTech Distribution. For the period under review, the business made a loss after tax of ZWL108 million of which ZWL104 million is attributable to the Class A portfolio. The business incurred a significant foreign exchange loss of ZWL2.7 billion largely due to legacy creditors but also from credit extended by foreign suppliers – which is hedged with stock.

As per the internal management accounts, turnover increased marginally to USD2.4 million for the first half from USD2.33 million for the six months ended June 2022. Margins were tight in the first half with gross profit dropping to USD603 thousand from USD807,000. With the devaluation experienced in the first half, significant value was lost in ZWL debtors, and the management accounts indicate a loss before tax of USD304,000, of which USD179,000 is attributable to Class A. The equity value attributable to Class A decreased by USD100,000 from USD1.019 million on 31 December 2022 to USD919,000 on 30 June 2023. The difference in the loss of attributable balance sheet value compared to the loss before tax is because of the devaluation of ZWL tax liabilities which are not considered in the internal management accounts.

During the six months under review, there were no payments received from the Reserve Bank towards the legacy debts balance of USD681,000 although an amount of USD170,000 was received in July. This legacy debt continues to hamper relationships with suppliers and affects the timeous supply of goods. On 30 June 2023 an amount of USD159,000 of auction funds had not been paid by RBZ – the delay in settlement of these amounts continues to cause a strain on working capital.

Supplementary information - Class A Portfolio

	HISTORIC COST	
	30 June 2023 ZW\$ 000	30 June 2022 ZW\$ 000
<b>Condensed income statement</b>		
Turnover	6,291,284	918,200
Gross Profit	4,213,144	568,920
<b>Earning before interest, tax and depreciation</b>	<b>2,759,675</b>	<b>347,420</b>
Depreciation	(10,522)	(6,807)
<b>Earning before interest and tax</b>	<b>2,749,153</b>	<b>340,613</b>
Net interest payable	(91,028)	(30,546)
Exchange rate losses	(2,744,645)	(347,286)
<b>Profit/(loss) before taxation</b>	<b>(86,520)</b>	<b>(37,219)</b>
Taxation	(21,388)	8,241
<b>Loss for the period</b>	<b>(107,908)</b>	<b>(28,978)</b>
Zvemvura total comprehensive income attributable to:		
BridgeFort Class A shareholders	(104,341)	(35,211)
Other shareholders	(3,567)	6,233
	(107,908)	(28,978)
No of shares - class A	12,000,000	12,000,000
Class A basic and headline earnings per share - ZWL Dollars	(8.70)	(2.93)
	<b>30 June 2023 ZW\$ 000</b>	<b>31 December 2022 ZW\$ 000</b>
<b>Condensed statement of financial position</b>		
<b>Assets</b>		
Non-current assets		
Property plant and equipment	191,841	141,467
Intangible assets	333	1,976
Deferred taxation	54,137	55,054
	246,311	198,497
Current assets		
Inventories	2,516,046	1,035,009
Accounts receivable and related parties	4,115,286	634,529
Cash and cash equivalents	1,114,628	395,251
	7,745,960	2,064,789
<b>Total assets</b>	<b>7,992,271</b>	<b>2,263,286</b>
<b>Equity and liabilities</b>		
Total issued share capital and reserves	517,173	603,693
Deferred tax	-	871
Current liabilities		
Short term loans	2,018,969	81,846
Accounts payable and related parties	5,200,566	1,315,964
Taxation	255,563	260,912
	7,475,098	1,658,722
Total liabilities	7,475,098	1,659,593
<b>Total equity and liabilities</b>	<b>7,992,271</b>	<b>2,263,286</b>

**Class B Portfolio**

The Class B portfolio continues to only reflect a receivable of USD100,200 relating to 50.1% of the land owned by MedTech Distribution and based on the last valuation of this land at USD200,000.

The Arch Properties Trust is in place and changes to the trust deed are being worked on to enable the unitisation of this trust for the envisaged conversion of this trust into a REIT in due course. The Arch Properties Trust owns a plot in the

highly sought after Pomona light industrial park measuring 2297 square meters and the entire Sunway stand will either be sold with funds applied toward the development of the Pomona stand or will be transferred to this trust at an envisaged valuation of USD300,000 in exchange for units in the trust. A memorandum of understanding has been signed in this regard. Once the changes to the trust deed have been completed, the Arch Properties Trust will be in a position to raise funds to expand the property portfolio. The intention of the Arch Properties Trust is to acquire additional land for development and list units in this trust as a REIT.

At the AGM held on 27 June 2023, shareholders unanimously approved the renewal of the authority granted at the EGM held in November 2021 to issue up to an additional 20,000,000 Class B Preferred Shares through a placement agent at not less than the ZWL equivalent of 10 US cents. The fair value per Class B is in the range of USD0.08 to USD0.12 based on the last valuation and envisaged valuation for transfer to Arch Properties Trust, respectively. Should the placement agent be successful in placing shares, the funds raised will be directed to the Arch Properties Trust where it will be invested in expanding the property portfolio.

Summary information regarding the Class B Preferred Shares is included below. Please note that this information uses the last valuation rather than the higher value at which it is envisaged that the property will be transferred to Arch Properties Trust or be sold.

<b>Summary information on Class B Preferred Shares</b>			
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
Underlying property value at last valuation - USD	200,000	200,000	200,000
Auction exchange rate at year end	5,740	671	366
Underlying property value at last valuation - ZWL	1,148,000,000	134,200,000	73,200,000
Percentage owned by BridgeFort	51.00%	51.00%	51.00%
BridgeFort share of underlying property value - USD	102,000	102,000	102,000
BridgeFort share of underlying property value - ZWL	585,480,000	68,442,000	37,332,000
Number of Class B Preferred Shares in issue	1,342,000	1,342,000	1,342,000
Underlying property value per Class B Preferred Share - USD	0.08	0.08	0.08
Underlying property value per Class B Preferred Share - ZWL	436.27	51.00	27.82
ZSE share price at end of period - ZWL	29.30	26.00	26.00

### Dividend

No dividends were received from portfolio investments and hence the Directors resolved not to declare an interim dividend.

### Outlook

Demand in consumer-facing sectors is depressed with significant price distortions evident in the supermarkets. ZWL liquidity remains very tight although it appears to have eased marginally of late. With the significant swings in ZWL exchange rates and liquidity most businesses seem to have experienced a higher percentage of their sales in USD as customers simply don't have ZWL. The outlook for inflation and the exchange rate is unpredictable as this will depend on treasury balancing their income and expenditure and money supply, which we are unable to forecast.

With the unstable and unpredictable economic environment, we are finding it difficult to conclude any equity transactions but will focus, for now, on the property development related to Class B as outlined above.

### Appreciation

We wish to extend our appreciation to all stakeholders for their continued support.

### COMPANY SECRETARY

Our company secretary, Sithulisiwe Ncube, recently left the business and we wish to thank her for her valued input and wish her all the best for the future. Michael Nicholson has since been appointed as the company secretary.

### AUDITORS STATEMENT

The Company's external auditors, PKF Chartered Accountants (Zimbabwe), have reviewed the Company's condensed inflation adjusted interim financial statements for the six months ended 30 June 2023 set out on pages 6 to 11 and have issued a qualified conclusion thereon, the basis of the qualified conclusion is as a result of:

- modifications of the audit opinion on the December 2021 financial statements whose effect is adjustments might be necessary to the opening retained earnings and reserves in the current period interim financial results. The audit modification related to non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates in prior period and inappropriate application of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The effects of this modification have not been determined by the directors. The conclusion on the review of the results of the current period are not modified in respect of International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates.

The financial statements were reviewed by Lewis Hussein, CA(Z), a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ"), and a registered Public Auditor with the Public Accountants and Auditors Board, Public Auditor Registration Number 0347.

The full review report is included on page 12.

### On behalf of the Board



**M. Nicholson**  
Company Secretary  
28 September 2023

**Reviewed Statement of Profit or Loss and Other Comprehensive Income**

	Notes	INFLATION ADJUSTED		HISTORIC COST	
		30 June 2023 Zw\$ 000	30 June 2022 Zw\$ 000	30 June 2023 Zw\$ 000	30 June 2022 Zw\$ 000
<b>Income</b>					
Fair value changes through profit and loss	2	(148,393)	(3,723,580)	113,653	(201,411)
Dividends received		-	-	-	-
<b>Total income</b>		<b>(148,393)</b>	<b>(3,723,580)</b>	<b>113,653</b>	<b>(201,411)</b>
<b>Expenses</b>					
Audit fees		(35,797)	-	(16,555)	-
Bank charges		-	(206)	-	(26)
Depreciation		(425)	(211)	(25)	(12)
Directors emoluments		(56,179)	(12,292)	(25,981)	(2,035)
Printing and publications		-	(417)	-	(85)
<b>Total expenses</b>		<b>(92,401)</b>	<b>(13,126)</b>	<b>(42,561)</b>	<b>(2,158)</b>
<b>Operating (loss)</b>		<b>(240,794)</b>	<b>(3,736,706)</b>	<b>71,092</b>	<b>(203,569)</b>
Interest payable		-	(10)	-	(1)
Exchange rate (losses)		(127,709)	(4,390)	(127,709)	(895)
<b>Total financing costs</b>		<b>(127,709)</b>	<b>(4,400)</b>	<b>(127,709)</b>	<b>(896)</b>
Monetary (loss)/gain		65,765	(40,330)	-	-
<b>Loss before taxation</b>		<b>(302,738)</b>	<b>(3,781,436)</b>	<b>(56,617)</b>	<b>(204,465)</b>
Taxation - derecognition of deferred tax		-	251,820	-	23,451
<b>Loss for the period</b>		<b>(302,738)</b>	<b>(3,529,616)</b>	<b>(56,617)</b>	<b>(181,014)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(302,738)</b>	<b>(3,529,616)</b>	<b>(56,617)</b>	<b>(181,014)</b>
Split of total comprehensive loss for the period					
Class A		(94,680)	(3,304,647)	109,199	(179,985)
Class B		(69,673)	(209,998)	4,429	2,013
Ordinary		(138,385)	(14,971)	(170,245)	(3,042)
		(302,738)	(3,529,616)	(56,617)	(181,014)
No of shares - class A		12,000,000	12,000,000	12,000,000	12,000,000
No of shares - class B		1,342,000	1,342,000	1,342,000	1,342,000
No of shares - ordinary		100,000	100,000	100,000	100,000
Basic and headline earnings per share - ZWL Dollars					
Class A		(7.89)	(275.39)	9.10	(15.00)
Class B		(51.92)	(156.48)	3.30	1.50
Ordinary		(1,383.85)	(149.71)	(1,702.45)	(30.42)

### Reviewed Statement of Financial Position

	INFLATION ADJUSTED		HISTORIC COST	
	30 June 2023 Zw\$ 000	31 December 2022 Zw\$ 000	30 June 2023 Zw\$ 000	31 December 2022 Zw\$ 000
<b>Assets</b>				
Non-current assets				
Investments held at fair value	2	215,411	363,804	235,943
Property plant and equipment		21,794	22,219	1,262
		<b>237,205</b>	<b>386,023</b>	<b>237,205</b>
Current assets				
Amounts due by related parties		8,032	25,090	8,032
Cash and cash equivalents		-	-	-
		<b>8,032</b>	<b>25,090</b>	<b>8,032</b>
<b>Total assets</b>		<b>245,237</b>	<b>411,113</b>	<b>245,237</b>
<b>Equity and liabilities</b>				
Share capital and reserves		59,273	362,011	59,273
Current liabilities				
Accounts payable		185,223	46,787	185,223
Amounts due to related parties		741	2,287	741
Bank overdraft		-	28	9
		<b>185,964</b>	<b>49,102</b>	<b>185,964</b>
Total liabilities		185,964	49,102	185,964
<b>Total equity and liabilities</b>		<b>245,237</b>	<b>411,113</b>	<b>245,237</b>

**Reviewed Statement of Cash Flows**

	INFLATION ADJUSTED		HISTORIC COST	
	30 June 2023 ZW\$ 000	30 June 2022 ZW\$ 000	30 June 2023 ZW\$ 000	30 June 2022 ZW\$ 000
<b>Cash flows from operating activities</b>				
Operating (loss)/profit	(240,794)	(3,736,706)	71,092	(203,569)
Adjustments for:				
Depreciation	425	211	25	12
Fair value losses/(gains)	148,393	3,723,580	(113,653)	201,411
Monetary gain or loss	65,765	(40,330)	-	-
Assets written off	-	-	-	-
	<b>(26,211)</b>	<b>(53,245)</b>	<b>(42,536)</b>	<b>(2,146)</b>
Decrease in inventories	-	-	-	-
Decrease/(increase) in accounts receivable	-	-	-	-
(Decrease)/increase in accounts payable	138,436	14,794	170,245	3,016
Net movement in related party balances	15,512	42,748	9	15
Net cash generated from/(utilised in) operations	<b>127,737</b>	<b>4,297</b>	<b>127,718</b>	<b>885</b>
Finance costs	(127,709)	(4,400)	(127,709)	(896)
Income tax paid	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28</b>	<b>(103)</b>	<b>9</b>	<b>(11)</b>
<b>Cash flows from financing activities</b>				
Allotment of shares	-	-	-	-
Movement in related party loan	-	-	-	-
	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28</b>	<b>(103)</b>	<b>9</b>	<b>(11)</b>
Cash and cash equivalents at the beginning of year	(28)	93	(9)	9
<b>Cash and cash equivalents at the end of period</b>	<b>-</b>	<b>(10)</b>	<b>-</b>	<b>(2)</b>

**Reviewed Condensed Statement of Changes in Equity**

	INFLATION ADJUSTED		HISTORIC COST	
	30 June 2023 ZW\$ 000	31 December 2022 ZW\$ 000	30 June 2023 ZW\$ 000	31 December 2022 ZW\$ 000
<b>Shareholders' equity at beginning of period</b>	<b>362,011</b>	<b>4,863,192</b>	<b>115,890</b>	<b>452,888</b>
Total comprehensive (loss)/profit for the period	(302,738)	(4,501,181)	(56,617)	(336,998)
Allotment of ordinary shares	-	-	-	-
<b>Shareholders' equity at end of period</b>	<b>59,273</b>	<b>362,011</b>	<b>59,273</b>	<b>115,890</b>



**Notes to the Condensed Interim Financial Statements**

**1 Basis of preparation and accounting policies**

The Company's condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 "Interim financial reporting". The accounting policies used in the current period are consistent with those applied in the previous period. These condensed interim financial statements have been prepared on the assumption that the Company will continue to operate on a going concern basis.

**1.1 Statement of compliance**

These condensed interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRSIC") interpretations applicable and in a manner required by The Companies and Other Business Entities Act (Chapter 24:31).

**1.2 Functional and presentation currency**

These financial statements are presented in Zimbabwe Dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Company operates.

**1.3 Hyperinflation**

For the purposes of fair presentation in accordance with International Accounting Standard ("IAS 29") "Financial Reporting In Hyperinflationary Economies", the historical cost information has been restated for changes in general purchasing power of the Zimbabwean dollar ("ZWL") and appropriate adjustments and reclassifications have been made. The restatement has been calculated by means of adjusting factors derived from the consumer price index and total consumption poverty line prepared by the Zimbabwe National Statistics Agency ("ZimStat"). Accordingly, the inflation adjusted financial statements represent the primary condensed interim financial statements of the Company. The historical cost financial statements have been provided by way of supplementary information.

The adjustment factors used to restate these interim financial statements are as follows:

Dates	Indices	Conversion factors
30 June 2023	42,710.72	1.00
31 December 2022	13,672.91	3.12
30 June 2022	8 707.35	4.91
31 December 2021	3 977.50	10.74
Six Months 2023 Average CPI	5 719.29	2.16

	INFLATION ADJUSTED		HISTORIC COST	
	30 June 2023 ZW\$ 000	31 December 2022 ZW\$ 000	30 June 2023 ZW\$ 000	31 December 2022 ZW\$ 000
<b>2 Fair value gains through profit and loss and Investments held at fair value</b>				
All subsidiaries and associates have a principal place of business in Zimbabwe. Whilst these companies are not directly listed on the Zimbabwe Stock Exchange, the Company has classes of shares listed which link the economic benefits of the underlying portfolio investments directly to each class of shares. As a result, the valuation of the portfolios is determinable from a listed share price and such valuation is used as the basis for the fair values of the portfolios.				
Fair value at beginning of year	363,804	5,013,725	122,290	467,703
Fair value (losses)/gains through profit and loss	(148,393)	(4,649,921)	113,653	(345,413)
<b>Fair value at end of period</b>	<b>215,411</b>	<b>363,804</b>	<b>235,943</b>	<b>122,290</b>
Fair value broken down as follows:				
Class A portfolio	184,122	279,900	204,654	95,430
Class B portfolio	31,289	83,904	31,289	26,860
<b>Total fair value</b>	<b>215,411</b>	<b>363,804</b>	<b>235,943</b>	<b>122,290</b>
<b>Class A Portfolio – Consumer Goods</b>				
The Class A Portfolio comprises all of the MedTech companies, made up primarily of Zvemvura Trading P/L (trading as MedTech Distribution) and Chicago Cosmetics P/L. The net asset value attributable to the Class A portfolio is made up as follows;				
Investment carried at fair value	184,122	279,900	204,654	95,430
Property plant and equipment	21,794	22,219	1,262	1,287
Amounts due to related parties	(717)	(2,240)	(717)	(717)
<b>Total</b>	<b>205,199</b>	<b>299,879</b>	<b>205,199</b>	<b>96,000</b>
<b>Class B Portfolio</b>				
The Class B Portfolio comprises a receivable from MedTech Distribution which effectively represents a 50.1% share of the Stand 1178 Ventersburg Township measuring 8 072 m <sup>2</sup> (Sunway City - undeveloped land). The net asset value attributable to the Class B portfolio is made up as follows;				
Investments held at fair value	31,289	83,904	31,289	26,860
Amounts due by related parties	8,032	25,090	8,032	8,032
<b>Total</b>	<b>39,321</b>	<b>108,994</b>	<b>39,321</b>	<b>34,892</b>

### 3 Contingent liabilities

The Company had no material contingent liabilities as at 30 June 2023.

**4 Going concern**

The Directors assessed the ability of the Company to continue operating as a going concern and concluded that the use of the going concern assumption is appropriate in the preparation of the condensed interim financial statements. The Directors have considered the impact of the macro-economic conditions on the Company's business and are satisfied that adequate measures have been taken to ensure the viability of the Company beyond the next year.

**5 Subsequent events**

Subsequent to the reporting period date, there were no material adjusting or non-adjusting events.



chartered accountants  
& business advisers

## **Independent Auditors Report on Review of Interim Financial Information to the Members of BridgeFort Capital Limited for the six months period ended 30 June 2023**

### **Introduction**

We have reviewed the accompanying condensed inflation adjusted interim statement of financial position of BridgeFort Capital Limited (the company) as at 30 June 2023, the condensed inflation adjusted interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended, and notes to the condensed inflation adjusted interim financial results including a summary of significant accounting policies and other explanatory information as set out on pages 6 to 11.

### ***Directors' responsibility for the condensed inflation adjusted interim financial results***

The directors are responsible for the preparation and fair presentation of these condensed inflation adjusted interim financial results in accordance with IAS 34, Interim Financial Reporting and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

### ***Auditor's responsibility for the condensed inflation adjusted interim financial results***

Our responsibility is to express a conclusion on these condensed inflation adjusted interim financial results based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial results 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 Conclusion**

As a result of a modification of the audit opinion on the December 2021 financial statements, adjustments might be necessary to the opening retained earnings and reserves in the current period interim financial results. The audit modification related to non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates in prior period and inappropriate application of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The effects of this modification have not been determined by the directors. Our conclusion on the review of the results of the current period are not modified in respect of International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates.

### **Qualified Conclusion**

Except for the adjustments, if any, to the interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

### **Other Information**

The Directors are responsible for the other information. The other information comprises the Board letter to Shareholders and the financial information contained therein, but does not include the interim financial results and the review report thereon.

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Our conclusion on the condensed inflation adjusted interim results does not cover the other information and we do not express a conclusion or any form of assurance conclusion thereon.

In connection with our review of the condensed inflation adjusted interim financial results, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the condensed inflation adjusted interim financial results or our knowledge obtained in the review, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact.

PKF

**PKF Chartered Accountants (Zimbabwe)**

Registered Public Auditor (Zimbabwe)

Harare

**Per: Lewis Hussein**

Registered Public Auditor (Zimbabwe)

PAAB Practicing number of Engagement Partner: 0347

28 September 2023