KHAYAH CEMENT LIMITED UNAUDITED PRELIMINARY FINANCIAL RESULTS

For the Six Months Ended 30 June 2023



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Quality through generations

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ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

-46-

Inflation Adjusted Historical Cost Unrevie Unrevie Unrevi Revie June 2023 June 2022 June 2023 June 202 ZWL'000 ZWL'000 ZWL'000 ZWL'00 58,263,011 Revenue 5 99,793,331 32,185,705 4,424,897 Cost of sales (64,521,858) (20,243,496) (37,115,267) (2,248,739) 35,271,473 11,942,209 21,147,744 2,176,158 Gross profit Other losses (33,325,364) (6,736,207) 12 (372,639,921) (277,171,383) Quarry rehabilitation movement (92,263) (89,407) (49,382) 12,123 Distribution expenses (6,658,903) (1,205,624) (4,298,761) (155,006) (34,426,674) (16,045,001) (17,223,632) (2,142,764) Administration expenses Other income 164,927 51,671 138,435 6,715 Operating loss (378,381,361) (38,671,516) (277,456,979) (6,838,981) (7,755,368) (2,292,537) (4,737,728) (335,729) Finance costs (6,481,105) Gain on net monetary position 168,816,524 (7,174,710) Loss before tax (217,320,205) (47,445,158) (282,194,707) Income tax (expense) / credit (47,919,034) (1,337,139) (53,594,259) 1,698,619 (335.788.966) Loss for the period (265,239,239) (48,782,297) (5,476,091) Other comprehensive income for the year, net of tax Total comprehensive loss for the period (5,476,091) (265,239,239) (48,782,297) (335,788,966) 80,000,000 80,000,000 80,000,000 80,000,000 Number of shares (3,315.49) Basic and diluted loss per share (ZWL per share) (4,197.36) (68.45) (609.78) 6 Headline loss per share (ZWL per share) (3.327.06)(610.10) (4.203.98)(68.51)

ABRIDGED STATEMENT OF FINANCIAL POSITION

Inflation June 2023 ZWL'000 143,900,502 20,313,623 64,214,125 28,620,867 11,764,929 25,741,007 - 2,244,168 4,385,108	Reviewed June 2022 ZWL'000 148,236,046 7,298,053 155,534,099 20,194,810 5,297,321 3,678,339 299,276	Historic Unreviewed June 2023 ZWL'000 44,398,731 20,313,623 64,712,354 20,599,047 5,449,635 25,741,007 - 2,244,168	al Cost Unreviewed June 202: ZWL'000 45,039,60 2,336,31 47,375,91 4,234,53 1,145,86 1,152,180 95,80
20,313,623 20,313,623 20,313,623 64,214,125 28,620,867 11,764,929 25,741,007 - 2,244,168	June 2022 ZWL'000 148,236,046 7,298,053 155,534,099 20,194,810 5,297,321 3,678,339 299,276	June 2023 ZWL'000 44,398,731 20,313,623 64,712,354 20,599,047 5,449,635 25,741,007	June 202: ZWL'000 45,039,60 2,336,31 47,375,91 4,234,53 1,145,86 1,152,180
20,313,623 64,214,125 28,620,867 11,764,929 25,741,007 - 2,244,168	7,298,053 155,534,099 20,194,810 5,297,321 3,678,339 299,276	20,313,623 64,712,354 20,599,047 5,449,635 25,741,007	2,336,313 47,375,914 4,234,533 1,145,863 1,152,186
20,313,623 64,214,125 28,620,867 11,764,929 25,741,007 - 2,244,168	7,298,053 155,534,099 20,194,810 5,297,321 3,678,339 299,276	20,313,623 64,712,354 20,599,047 5,449,635 25,741,007	2,336,313 47,375,914 4,234,533 1,145,863 1,152,186
20,313,623 64,214,125 28,620,867 11,764,929 25,741,007 - 2,244,168	7,298,053 155,534,099 20,194,810 5,297,321 3,678,339 299,276	20,313,623 64,712,354 20,599,047 5,449,635 25,741,007	2,336,313 47,375,914 4,234,533 1,145,863 1,152,186
64,214,125 28,620,867 11,764,929 25,741,007 2,244,168	155,534,099 20,194,810 5,297,321 3,678,339 299,276	64,712,354 20,599,047 5,449,635 25,741,007	47,375,91 4,234,53 1,145,86 1,152,18
28,620,867 11,764,929 25,741,007 2,244,168	20,194,810 5,297,321 3,678,339 299,276	20,599,047 5,449,635 25,741,007	4,234,53 1,145,86 1,152,18
11,764,929 25,741,007 - 2,244,168	5,297,321 3,678,339 299,276	5,449,635 25,741,007 -	1,145,86 1,152,18
11,764,929 25,741,007 - 2,244,168	5,297,321 3,678,339 299,276	5,449,635 25,741,007 -	1,145,86 1,152,18
25,741,007	3,678,339 299,276	25,741,007	1,152,18
- 2,244,168	299,276	-	
	-	- 2,244,168	95,80
	-	2,244,168	
4,385,108			
	5,779,262	4,385,108	1,850,10
72,756,079	35,249,008	58,418,965	8,478,49
36,970,204	190,783,107	123,131,319	55,854,40
244,938	244,938	800	80
79,989,617	79,989,617	26,985,692	26,985,69
97,255,627)	(30,883,695)	(357,846,449)	(21,044,372
7,021,072)	49,350,860	(330,859,957)	5,942,12
60,169,324	27,112,034	60,169,324	2,905,24
268,266,425	62,633,539	268,266,425	30,018,89
6,941,326	2,443,589	6,941,326	782,26
35,377,075	92,189,162	335,377,075	33,706,39
74,127,527	31,369,619	74,127,527	9,218,82
42,534,357	8,985,108	42,534,357	4,057,79
1,952,317	3 996 765	1 952 317	1,279,47
	244,938 79,989,617 97,255,627) 7,021,072) 60,169,324 268,266,425 6,941,326 35,377,075 74,127,527 42,534,357	244,938 244,938 79,989,617 79,989,617 97,255,627) (30,883,695) 7,021,072) 49,350,860 60,169,324 27,112,034 268,266,425 62,633,539 6,941,326 2,443,589 35,377,075 92,189,162 74,127,527 31,369,619 42,534,357 8,985,108	244,938 244,938 800 79,989,617 79,989,617 26,985,692 97,255,627) (30,883,695) (357,846,449) 7,021,072) 49,350,860 (330,859,957) 60,169,324 27,112,034 60,169,324 268,266,425 62,633,539 268,266,425 6,941,326 2,443,589 6,941,326 35,377,075 92,189,162 335,377,075 74,127,527 31,369,619 74,127,527 42,534,357 8,985,108 42,534,357

CHAIRMAN'S STATEMENT

INTRODUCTION

I hereby present the business performance report for Khayah Cement Limited [formerly Lafarge Cement Zimbabwe Limited] (the Company) for the six months period covering 1 January to 30 June 2023.

NAME CHANGE

The company changed its name from Lafarge Cement Zimbabwe Limited to Khayah Cement Limited with effect from 9 May 2023 following the passing of a Special Resolution by the company's shareholders.

TRADING ENVIRONMENT

The first quarter of 2023 witnessed a continuation of the positive effect of the tight monetary fiscal stance adopted by Government in the third quarter of 2022 which was aimed at stabilising both the foreign currency exchange rate and the prices of basic commodities. The interventions implemented by Government resulted in the following positive effects on economic performance;

nnual inflation declining from 101.5% in December 2022 to 75.2% in April 2023.

Month-on-month inflation at 2.4% in April 2023, remained at the same level recorded in December 2022.

The country, though, experienced a significant depreciation of the foreign currency exchange rate between April 2023 and June 2023 primarily driven by both demand and supply factors which resulted in considerable inflationary pressures. Consequently, month-on-month inflation increased from 2.4% at the start of the second quarter to 74.5% in June 2023 with annual inflation increasing from 75.2% at the start of the guarter to 175.8% in June 2023 mainly driven by a weak foreign currency exchange rate as well as the spillover effect of the global supply chains disruptions and rising commodity prices emanating from the Russia-Ukraine conflict.

Notwithstanding the negative effect of the foreign currency exchange rate instability and high inflation levels experienced during the second quarter of 2023, the company benefitted from the following measures implemented by the monetary authorities during the first half of the year;

- Increase in the foreign currency retention rate from 75% to 85% which effectively resulted in an increase in cash generation; and
- Decrease in the bank lending rate to individuals from 100% per annum to 75% per annum which resulted in increased purchasing power for individual home builders.

It is also worth noting that the demand for both low and high strength cement remained strong during the period under review.

On behalf of the Board of Directors, I hereby present the unreviewed financial results for the half year ended 30 June 2023. The publication of the reviewed financial results for the period under review has been impacted by the delay in finalising the year ended 31 December 2022 external audit. The reviewed results for the half year ended 30 June 2023 will be published by 31 March 2024

INFLATION ADJUSTED FINANCIAL PERFORMANCE

The company's main focus during the period under review was on stabilising the business which was successfully achieved.

Inflation adjusted revenues increased by 210% to close at ZWL 99.8 billion (2022; ZWL32.2 billion) over the comparative period Cement volumes increased by 117% as production ramped up following the restoration of the collapsed cement mill roof and commissioning of the new Vertical Cement Mill (VCM) whilst aggregates and Dry Motor (DMO) volumes increased by 213% and 211% respectively versus the same period last year. The company earned 89% of its revenue in foreign currency, an increase of 100% from the previous year's comparative period. The Gross Profit margin decreased slightly from 37.1% recorded in the prior year comparative period to 35.3% recorded in the period under review. The proportion of sales, general and administration expenses to revenue improved from 54% recorded in the prior year's comparative period to 41% during the period under review as management focused on cost containment as well as operational efficiencies.

The Company incurred an inflation adjusted Operating Loss of ZWL378.4 billion up from the ZWL38.7 billion registered in the prior period. The increase in the Operating Loss position was primarily driven by the foreign currency exchange losses arising from the revaluation of the foreign currency denominated long term borrowing. This was, in turn, a result of the depreciation of the local currency against the US\$ which moved from US\$1: 671.45 at the end of December 2022 to USD\$1: 5,739.80 at the end of June 2023. The Company recorded an overall loss position of ZWL265.2 billion, up from ZWL48.8 billion recorded in the prior year's comparative period.

BORROWINGS

The Company had net long term borrowings of ZWL 268.3 billion as at 30 June 2023 (30 June 2022: ZWL 62.6 billion).

HEALTH, SAFETY AND ENVIRONMENT

Health, safety and environmental issues continue to be at the core of the Company's values, supported by policies and programmes tailored to achieve zero harm in its operations. The Company has a zero-tolerance attitude towards negligence in the workplace. Health, safety, environment and quality systems are continually upgraded and improved, in line with world class standards to enhance performance in accordance with the Company's Zero Harm policy

The Board and Management are committed to providing a safe and healthy working environment for employees, contractors and all our stakeholders. During the period under review, it is pleasing to report that no fatalities or serious injuries were recorded at any of the Company's operations or projects. During the same period, the Company did not incur any environmental penalties.

HYPERINFLATION AND REGULATORY ENVIRONMENT

As previously reported, the Public Accountants and Auditors Board (PAAB), declared that Zimbabwe met the conditions for financial reporting of an economy in hyperinflation with effect from 1 July 2019. Consequently, all entities reporting under International Financial Reporting Standards (IFRSs) are required to comply with International Accounting Standard (IAS) 29 'Financial Reporting in Hyperinflationary Economies. The business therefore continues to present hyperinflation adjusted financial stater which the commentary is based. Historical information has been presented as unaudited supplementary information.

DIVIDEND

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Due to the prevailing uncertainties in the economic environment and the critical need to ensure that adequate working capital is maintained in the business, the Directors have not declared a dividend.

APPRECIATION

would like to extend a very special word of gratitude to our customers, suppliers and various stakeholders who have supported the business through thick and thin, to all the employees for facing up to the challenges as well as trusting and co-operating with the leadership's direction to manage the relentless headwinds which were encountered during the period under review.

OUTLOOK

We welcome and support efforts by Government and regulatory agencies to stabilise the macro-economic environment and maintain the viability of the cement industry. Dominant factors in the second half of the year will likely be centered around maintaining stability in the country, especially after the harmonised elections which were held in August 2023 and also focus on effective solutions to sustain economic growth into the future. We maintain a positive view of the outlook in the medium to long-term, with sustainable growth expected to be anchored on growth in agriculture, the individual household sector and Government-funded infrastructure projects. The medium to long-term outlook remains positive. By Order of the Board

Kingge. Kates.

K. C. Katsande Chairman of the Board of Directors

2 February 2024

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Short term borrowings	-	465,308	-	148,958
Current tax payable	-	4,426,285	-	1,500,840
Total current liabilities	118,614,201	49,243,085	118,614,201	16,205,890
Total liabilities	453,991,276	141,432,247	453,991,276	49,912,287
Total equity and liabilities	236,970,204	190,783,107	123,131,319	55,854,407

Kingge. Kates.

K. C. Katsande Chairman 2 February 2024

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Innocent Chikwata CEO 2 February 2024

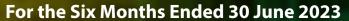
Khaya Cement Limited

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Directors: K. C. Katsande (Chairman); M. A. Masunda; S. M. Mutangadura; S. N. Chitehwe; T. N. H. Kapumha; I. Chikwata (Chief Executive Officer) W. Dzuda (Chief Financial Officer)

KHAYAH CEMENT LIMITED UNAUDITED PRELIMINARY FINANCIAL RESULTS





Quality through generations



ABRIDGED STATEMENT OF CHANGES IN EQUITY

INFLATION ADJUSTED	lssued capital ZWL'000	Revaluation reserve ZWL'000	(Accumulated loss)/Retained earnings ZWL'000	Tota ZWL'000
Balance at 1 January 2022	78,412	7,610,487	2,491,095	10,179,994
Loss for the period	-	-	(3,863,412)	(3,863,412)
Balance at 30 June 2022	78,412	7,610,487	1,372,317	6,316,582
Balance at 1 January 2023	244,938	79,989,617	(30,883,695)	49,350,860
Prior year adjustment	-	-	(1,132,693)	(1,132,693)
Loss for the period	-	-	(265,239,239)	(265,239,239)
Balance at 30 June 2023	244,938	79,989,617	(297,255,627)	(217,021,072)

*HISTORICAL COST	lssued capital ZWL'000	Revaluation reserve ZWL'000	(Accumulated loss)/Retained earnings ZWL'000	Total
Balance at 1 January 2022	800	3,820,410	86,924	3,908,134
Loss for the period	-	-	(5,476,091)	(5,476,091)
Balance at 30 June 2022	-	3,820,810	(5,389,167)	(1,567,957)
Balance at 1 January 2023	800	26,985,692	(21,044,372)	5,942,120
Prior year adjustment	-	-	(1,013,111)	(1,013,111)
Loss for the period	-	-	(335,788,966)	(335,788,966)
Balance at 30 June 2023	800	26,985,692	(357,846,449)	(330,859,957)

ABRIDGED STATEMENT OF CASH FLOWS for the period ended 30 June 2023

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N	lotes	Inflation Adjusted Unreviewed 30 June 23 ZWL'000	Inflation Adjusted Reviewed 30 June 22 ZWL'000	Historical Unreviewed 30 June 23 ZWL'000	Historical Unreviewed 30 June 22 ZWL'000
Cash flows from operating activities					
Loss for the period		(265,239,239)	(48,782,297)	(335,788,966)	(5,476,091)
Adjustments for:					
Tax expense / (credit) recognised in profit or loss	8	47,919,034	1,337,139	53,594,259	(1,698,619)
Finance costs recognised in profit or loss		7,755,368	2,292,537	4,737,728	335,729
Depreciation, amortisation expense	10	6,815,644	1,952,899	1,622,713	660,528
Quarry rehabilitation expense		92,263	(89,407)	49,382	(12,123
Employee benefits provision		(229,746)	-	618,579	
Litigation provision		(1,814,702)	-	54,260	
Unrealised exchange losses		376,028,240	32,247,355	282,176,745	6,574,205
Monetary loss / (gain)		(168,816,523)	6,481,104	-	
Effects of inflation on cashflow		27,465,243	8,620,628	-	
Net cash from operations before					
working capital changes	_	29,975,582	4,059,958	7,064,700	383,629
Movements in working capital:					
Increase in inventories		(8,426,058)	(4,614,210)	(16,364,514)	(954,377
(Increase)/decrease in trade,					
other and related party receivables		(21,763,391)	1,548,085	(24,493,015)	(712,248
Decrease/(increase) in prepayments and deposits		(6,467,609)	673,804	(4,303,769)	(140,530)
Increase/(decrease) in trade, related party and					
other payables, net of unrealised exchange gains					
and dividends paid		76,307,157	8,761,781	102,712,431	1,650,826
Increase/(decrease) in provisions		(2,044,447)	557,256	672,840	378,435
Cash generated from operations	_	67,581,234	10,986,674	65,288,673	605,735
Finance costs paid		(1,489,910)	(840,838)	(769,632)	(122,632)
Income taxes paid		(75,188)	(185,360)	(75,188)	(23,900
Interest paid		(74,044)	-	(23,958)	
Net cash generated from operating activities	_	65,942,092	9,960,476	64,419,895	459,203
Cash flows from investing activities					
Capital expenditure	10	(2,467,274)	(3,860,169)	(994,516)	(529,543)
Net cash used in investing activities	-	(2,467,274)	(3,860,169)	(994,516)	(529,543

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Khayah Cement Limited ("the Company") is incorporated in Zimbabwe and is engaged in the manufacture and distribution of cement and allied products. Its ultimate holding Company is Montanavalley (Private) Limited, a Company which is also incorporated in Zimbabwe. The address of its registered office and principal business is Manesa Works, Arcturus Road, Greendale, Harare, Zimbabwe. Montanavalley (Private) Limited acquired a 76.4% shareholding in Lafarge Cement Zimbabwe from Holcim Limited on 1 December 2022.

The Company's financial statements are presented in Zimbabwe dollars (ZWL) and are rounded to the nearest thousand dollars (ZWL '000').

2. APPROVAL OF INTERIM ABRIDGED FINANCIAL STATEMENTS

The underlying financial statements of the abridged financial results were approved by the Board on 31 January 2024. Subsequent to the reporting period date there were no material adjusting or non-adjusting events warranting

3. Basis of preparation

The abridged financial statements for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The financial statements have been prepared from the statutory records that are maintained under the historical cost basis except for certain property, plant and equipment items that are measured at revalued amounts, and certain financial instruments measured at amortised cost. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The interim report does not include all the notes of the type normally included in an annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. Accordingly, this report is to be read in conjunction with the published financial results for the year ended 31 December 2022 and any public announcements made by Khayah Cement Limited during the interim reporting period.

IAS 29 Financial reporting in Hyperinflationary Economies requires that financial statements be prepared in the currency of a hyperinflationary economy and be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous period be restated in the same terms. The restatement was calculated by means of conversion factors derived from the Zimbabwe Consumer Price Index (CPI) issued by the Zimbabwe Central Statistical Office and the Institute of Chartered Accountants of Zimbabwe. The indices and conversion factors used to restate the accompanying financial statements at 30 June 2023, are as follows:

Dates CPI as at 30 June 2023	Indices 42.710.72	Conversion Factor
CPI as at 31 December 2022	13,672.91	3.12
CPI as at 30 June 2022 CPI as at 01 January 2022	8,707.35 4,189.97	4.91 10.91

NEW STANDARDS, INTERPRETATIONS AND AMMENDMENT ADOPTED BY THE COMPANY

The accounting policies adopted in the preparation of the interim abridged financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. GOING CONCERN

As at the reporting date, the Company's current liabilities exceeded current assets by ZWL 45,858,122 (December 2022: ZWL 14,094,077) and the Company reported a net comprehensive loss for the period of ZWL 265,239,239 (June 2022: net comprehensive income of ZWL 48,782,297) and accumulated loss of ZWL 297,255,627 (December 2022: ZWL 30,883,695).

The operations of the Company have been affected and may continue to be affected for the foreseeable future by the related party hard currency loan payable balance and the resulting exchange losses.

The loan payable balance as at 30 June 2023 amounts to ZWL268,266,425 (USD49 million) (2022: ZWL12,576,345) (USD33.3 million) while the exchange losses amount to ZWL372,639,921 (2022:ZW33,325,364). In addition, the entity has not been generating sufficient cashflows to meet the repayment of these loans when they fall due and to sustain operations. Furthermore, the cashflow pressures are expected to continue in the foreseeable future.

These factors indicate the existence of a material uncertainty on the Company's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, management have taken all the mitigation plans as described in detail below, to restore positive results in terms of earnings before interest and tax (EBIT) and cash generation.

The Directors and management have since formulated the following measures to ensure the Company continues to operate as a going concern:

- The commissioning of the new Vertical Cement Mill which will double production capacity with the capability to increase production of high strength cement.
- The terms of the Shareholder loan were restructured to give the Company a moratorium of twelve months on principal
 repayments ending in December 2023. The entity thus has the capacity to settle third-party liabilities as and when they
 become due.
- Subsequent to the change in Shareholding structure, the major Shareholder availed a facility of USD 5 million to be used to meet immediate working capital and capex requirements.
- Pursuing strategies aimed at containing costs as well as maximising operational efficiencies

The Directors therefore believe that the preparation of the financial statements on a going concern basis is still appropriate. This basis assumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Inflation Ac	ljusted	Histori	cal
	Unreviewed six months ended 30.06.2023	six months six months ended ended		Unreviewed six months ended 30.06.2022
	ZWL`000	ZWL`000	ZWL`000	ZWL`000
Cement	86,790,646	34,537,156	50,671,566	4,683,363
Clinker	5,729,778	-	165,769	-
Aggregates	283,931	-	3,838,279	-
Dry Motors	6,574,233	(2,424,187)	3,345,255	(267,610)
Other Solutions and products	304,726	-	177,910	-
Transportation Services	110,017	72,736	64,232	9,144
Total	99,793,331	32,185,705	58,263,011	4,424,897

Cash flows from financing activities	-	-	-	-
(Repayments of)/Proceeds from short term borrowings	(465,308)	390,469	(148,958)	125,000
Net cash (used in)/ generated from				
financing activities	(465,308)	390,469	(148,958)	125,000
Inflation effects on cash	(8,789,628)	(916,161)	-	-
Net increase in cash and cash equivalents	54,219,882	5,574,615	63,276,421	54,660
Cash and cash equivalents at the beginning of the period	5,779,262	1,089,465	1,850,105	101,457
Effect of movement in exchange rates on cash held	(55,614,036)	(884,818)	(60,741,418)	(145,344)
Cash and cash equivalents at the end of the period	4,385,108	5,779,262	4,385,108	10,773

Directors: K. C. Katsande (Chairman); M. A. Masunda; S. M. Mutangadura; S. N. Chitehwe; T. N. H. Kapumha; I. Chikwata (Chief Executive Officer) W. Dzuda (Chief Financial Officer)

Khaya Cement Limited

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KHAYAH CEMENT LIMITED UNAUDITED PRELIMINARY **FINANCIAL RESULTS**

For the Six Months Ended 30 June 2023

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

LOSS PER SHARE				
	Inflation adjusted Unreviewed June 2023 ZWL 000	Inflation adjusted Reviewed June 2022 ZWL 000	Historical Unreviewed June 2023	Historical cost Unreviewed June 2022 ZWL 000
Basic loss per share	(3,315.49)	(609.78)	(4,197.36)	(68.45)
Headline loss per share	(3,327.06)	(610.10)	(4,203.98)	(68.51)
The calculation of basic and diluted earnings per share is based on the following data:				
Loss used in the calculation of basic loss per share	(265,239,239)	(48,782,297)	(335,788,966)	(5,476,091)
Loss used in the calculation of headline loss per share	(265,165,149)	(48,807,886)	(336,318,100)	(5,480,641)
Number of shares (thousands):	No. 000 000	No. 000 000	No. 000 000	No. 000 000
Weighted average number of shares for the purpose of basic earnings per share	80,000,000	80,000,000	80,000,000	80,000,000
Weighted average number of shares for the purpose of diluted earnings per share	80,000,000	80,000,000	80,000,000	80,000,000

RELATED PARTY TRANSACTIONS AND BALANCES 7.

	Inflation Adjusted		Historical	
	Unreviewed June 2023	Unreviewed Dec 2022	Unreviewed June 2023	Unreviewed Dec 2022
	ZWL′ 000	ZWL′ 000	ZWL′ 000	ZWL'000
Balances at the end of the period				
Balances owed to related parties for goods and services	42,534,357	8,985,108	42,534,357	4,057,794
Balances receivable from related parties for goods and services	-	299,276	-	95,807

	Inflation Adjusted		Historical		
	Unreviewed June 2023				
	ZWL′ 000	ZWL' 000	ZWL′ 000	ZWL'000	
Transactions during the period					
Purchases of goods & services from related parties	-	315,503	-	210,950	

8. INCOME TAX EXPENSE

Inflation Adjusted		Historical			
Unreviewed June 2023 ZWL 000	Reviewed June 2022 ZWL 000	Unreviewed June 2023 ZWL 000	Unreviewed June 2022 ZWL 000		
(9,345,045)	517,668	(3,669,820)	53,250		
57,264,079	819,471	57,264,079	(1,751,869)		
47,919,034	1,337,139	53,594,259	(1,698,619)		
	June 2023 ZWL 000 (9,345,045) 57,264,079	June 2023 ZWL 000 June 2022 ZWL 000 (9,345,045) 517,668 57,264,079 819,471	June 2023 ZWL 000 June 2022 ZWL 000 June 2023 ZWL 000 (9,345,045) 517,668 (3,669,820) 57,264,079 819,471 57,264,079	June 2023 ZWL 000 June 2022 ZWL 000 June 2022 ZWL 000 June 2022 ZWL 000 June 2022 ZWL 000 (9,345,045) 517,668 (3,669,820) 53,250 57,264,079 819,471 57,264,079 (1,751,869)	

PROFIT AND LOSS INFORMATION 9.

LG109

Profit for the year has been arrived
after charging the following

Short term employment benefits

Termination benefits

	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Auditor's remuneration	971,053	194,883	642,172	30,600
Amortization of quarry stripping costs	451,538	917	140,714	86
Depreciation of property, plant and equipment:	6,364,106	1,951,982	1,626,710	660,442
-Cost of sales	6,103,753	1,651,837	1,416,931	634,024
-Administration	260,353	300,145	65,068	26,418
Directors' fees	282,921	26,753	151,264	4,341
Employee benefits expense:	17,722,783	33,440,360	277,749,899	6,752,880
Post employment benefits	964,780	33,325,264	277,171,383	6,736,207

15.832.093

925,910

89,407

25,589

49.382

529,134

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SupaSet

-46-

Quality through generations

Masonry

DURAN

Portland



NOTES TO THE CONDENSED FINANCIAL STATEMENTS

10.	PROPERTY PLANT AND EQUIPMENT	
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Cost	Inflation Adjusted	Historical
	ZW\$'000	ZW\$′000
Balance at 1 January 2022	75,085,062	5,873,181
Additions	25,961,965	10,475,922
Revaluation increase	53,022,594	29,655,925
Disposals	(178)	(15)
Reclassifications	574,422	203,855
Accumulated depreciation on revaluation	(1,952,457)	(1,010,740)
Balance at 31 December 2022	152,691,408	45,198,128
Additions	2,467,274	994,516
Reclassifications	12,826	(12,672)
Balance at 30 June 2023	155,171,508	46,035,259
Accumulated Depreciation		
Balance at 1 January 2022	4,454,917	9,567
Depreciation and Amortization expense	1,952,899	1,159,700
Eliminated at Revaluation	(1,952,454)	(1,010,740)
Balance at 31 December 2022	4,455,362	158,527
Depreciation and Amortization expense	6,815,644	1,622,713
Balance at 30 June 2023	11,271,006	1,636,528
Carrying Amounts		
Balance at 1 January 2022	70,630,145	5,863,613
As at 31 December 2022	148,236,046	45,039,601
As at 30 June 2023	143,900,502	44,398,731

11. LONG TERM BORROWINGS

	Inflation Ac	ijustea	Histori	cal
	Jun 2023 ZWL 000	Dec 2022 ZWL 000	Jun 2023 ZWL 000	Dec 2022 ZWL 000
ng term borrowings	268,266,425	62,633,539	268,266,425	30,018,891
Borrowings	268,266,425	62,633,539	268,266,425	30,018,891

The Company did not obtain any new borrowings during the period under review. The Company, however, inherited from the Holcim Group an unsecured related party loan amounting to US\$49 million (ZWL268 billion) with an interest rate of 5% per annum plus six months Secured Overnight Financing Rate (SOFR).

12. OTHER LOSSES AND (GAINS)

	Inflation Adjusted		Historical cost	
	Unreviewed Reviewed June 2023 June 2022		Unreviewed June 2023	Unreviewed June 2022
	ZWL`000	ZWL`000	ZWL`000	ZWL`000
Net foreign exchange losses	372,639,921	33,325,364	277,171,383	6,736,207
Foreign exchange (gains)	(11,543,131)	(27,305,298)	(11,543,131)	(5,624,447)
Foreign exchange losses	384,183,052	60,630,662	288,714,514	12,360,654
Total Unrealised	376,028,240	32,247,355	282,176,745	24,158
Total Realised	(3,388,319)	1,078,009	(5,005,363)	6,712,049

13. FINANCIAL INSTRUMENTS

12,123

4,550

Set out below is an overview of financial assets held by the Company as at 30 June 2023 and 31 December 2022.

	Inflation Adj	usted	Historical	Cost
Financial assets	Unreviewed as at 30.06.2023	Unreviewed as at 31.12.2022	Unreviewed as at 30.06.2023	Unreviewed as at 31.12.2022
Amortised cost	ZWL`000	ZWL`000	ZWL`000	ZWL`000
Cash and cash equivalents	4,385,108	5,779,262	4,385,108	1,850,105
Trade receivables	22,501,694	618,972	22,501,694	172,796
Staff loans and advances	71,715	97,124	71,715	31,092
Other receivables	3,167,598	2,962,244	3,167,598	948,298
Related party receivables	-	299,276	-	95,807
Financial asset @ amortised cost	20,313,623	7,298,053	20,313,623	2,336,313
 Total	50,439,738	17,054,931	50,439,738	5,434,411

	Inflation Adjusted			al Cost
Financial liabilities	Unreviewed as at 30.06.2023	Unreviewed as at 31.12.2022	Unreviewed as at 30.06.2023	Unreviewed as at 31.12.2022
Amortised cost	ZWL`000	ZWL`000	ZWL`000	ZWL`000
Borrowings long term	268,266,425	62,633,539	268,266,425	30,018,891
Borrowings short term	-	465,308	-	148,958
Trade payables	31,484,919	12,818,138	31,484,919	4,103,448
Other payables	5,949,629	7,125,688	5,949,629	1,520,453
Accrued expenses	12,066,011	7,089,487	12,066,011	2,269,545
Related party payables	42,534,357	8,985,108	42,534,357	4,057,794
Total	360,301,341	99,117,268	360,301,340	42,119,089

The Ultimate Tiling Solution.



Directors: K. C. Katsande (Chairman); M. A. Masunda; S. M. Mutangadura; S. N. Chitehwe; T. N. H. Kapumha; I. Chikwata (Chief Executive Officer) W. Dzuda (Chief Financial Officer)

14. SUBSEQUENT EVENTS

There are no reportable events after the reporting date.

Khaya Cement Limited

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