



Nampak Zimbabwe Limited



ABRIDGED CONSOLIDATED UNREVIEWED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2024

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Unaudited
Revenue	976 152 126	1 063 208 497	427 131 428	39 037 593
Raw materials and consumables used	(551 823 470)	(575 562 019)	(187 562 931)	(19 839 002)
Selling and distribution expenses	(3 306 189)	(7 733 756)	(1 001 646)	(289 849)
Depreciation and amortisation expenses	(12 008 258)	(7 435 434)	(940 475)	(117 576)
Employee expenses	(150 054 095)	(131 646 719)	(71 226 537)	(4 825 885)
Other operating expenses	(151 665 235)	(149 746 810)	(75 424 559)	(5 534 678)
Other operating income	5 363 137	5 285 955	2 665 264	418 553
Trading income	112 658 016	196 369 714	93 640 544	8 849 156
Other material income	263 970 963	58 690 755	162 662 954	2 141 386
Net monetary loss on hyperinflation	(153 185 735)	(85 471 861)	-	-
Operating profit	223 443 244	169 588 608	256 303 498	10 990 542
Finance income	28 731	232 216	12 495	8 392
Finance costs	(147 540)	(339 945)	(64 323)	(12 504)
Profit before tax	223 324 435	169 480 879	256 251 670	10 986 430
Income tax expense	(156 873 740)	(83 309 231)	(42 906 192)	(2 980 701)
Profit for the period	66 450 695	86 171 648	213 345 478	8 005 729
Other comprehensive income	-	-	-	-
Total comprehensive income	66 450 695	86 171 648	213 345 478	8 005 729
Earnings per ordinary share (cents)	8 793.87	11 403.67	28 233.44	1 059.45
Ordinary shares in issue at reporting date	755 648 101	755 648 101	755 648 101	755 648 101

* The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies.

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	INFLATION ADJUSTED		HISTORICAL *	
	As at 31 March 2024 ZWS 000 Unaudited	As at 30 September 2023 ZWS 000 Audited	As at 31 March 2024 ZWS 000 Unaudited	As at 30 September 2023 ZWS 000 Unaudited
ASSETS	1 811 445 466	1 455 774 218	591 112 164	11 307 210
Non-current assets	176 811 687	132 500 104	29 232 960	6 484 415
Property, plant and equipment	2 112 223	2 119 506	19 923	28 475
Right of use assets	673 593	763 209	178 491	200 002
Intangible assets	1 771 682	7 292 733	1 771 682	1 771 682
Biological assets	76 281	64 590	12 436	2 986
Investments	-	3 034 076	27 896 672	2 819 650
Deferred tax asset	-	-	-	-
Current assets	758 429 656	883 709 662	575 779 954	187 482 542
Inventories	203 090 443	236 487 080	119 357 085	39 821 935
Trade and other receivables	520 962 847	602 074 577	422 046 503	136 692 439
Cash and cash equivalents	34 376 366	45 148 005	34 376 366	10 968 168
TOTAL ASSETS	939 875 122	1 029 483 880	634 892 118	198 789 752
EQUITY AND LIABILITIES	646 724 773	599 820 163	313 023 769	108 748 496
Capital and reserves	24 810	24 810	24 810	24 810
Share capital and share premium	752 343	752 343	752 343	752 343
Non-distributable reserves	645 947 620	599 043 010	312 246 616	107 971 343
Retained earnings	-	-	-	-
Non-current liabilities	73 901 177	46 024 921	5 258 955	607 231
Non-current lease liability	6 907	28 433	6 907	6 907
Deferred tax liabilities	73 894 270	45 996 488	5 252 048	600 324
Current liabilities	219 249 172	383 638 796	316 609 394	89 434 025
Trade and other payables	156 963 525	334 633 356	156 963 525	77 683 073
Provisions	28 188 225	1 289 917	125 548 447	159 036
Current lease payable	1 895 454	4 152 760	1 895 454	1 008 864
Shareholders for dividends	138 948	66 793	138 948	16 227
Current tax payable	32 063 020	43 495 970	32 063 020	10 566 825
TOTAL EQUITY AND LIABILITIES	939 875 122	1 029 483 880	634 892 118	198 789 752

* The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Share Capital and Premium ZWS 000	Non Distributable Reserve ZWS 000	Retained earnings ZWS 000	Total ZWS 000
Balance as at 30 September 2022 (Restated)	24 810	752 343	410 685 141	411 462 294
Profit for the period	-	-	86 171 648	86 171 648
Interim dividend declared and paid	-	-	(18 008 520)	(18 008 520)
Balance as at 31 March 2023	24 810	752 343	478 848 269	479 625 422
Profit for the period	-	-	126 039 837	126 039 837
Dividend declared and paid	-	-	(5 845 096)	(5 845 096)
Balance as at 30 September 2023	24 810	752 343	599 043 010	599 820 163
Profit for the period	-	-	66 450 695	66 450 695
Dividend declared and paid	-	-	(19 546 085)	(19 546 085)
Balance as at 31 March 2024	24 810	752 343	645 947 620	646 724 773

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Share Capital and Premium ZWS 000	Non Distributable Reserve ZWS 000	Retained earnings ZWS 000	Total ZWS 000
Balance as at 30 September 2022	24 810	752 343	10 116 893	10 894 046
Profit for the period	-	-	8 005 729	8 005 729
Interim Dividend Declared	-	-	(758 897)	(758 897)
Balance as at 31 March 2023	24 810	752 343	17 363 725	18 140 878
Profit for the period	-	-	91 816 655	91 816 655
Dividend declared and paid	-	-	(1 209 037)	(1 209 037)
Balance as at 30 September 2023	24 810	752 343	107 971 343	108 748 496
Profit for the period	-	-	213 345 478	213 345 478
Dividend declared and paid	-	-	(9 070 205)	(9 070 205)
Balance as at 31 March 2024	24 810	752 343	312 246 616	313 023 769

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ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2024

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Unaudited
Cash generated from operating activities	217 048 219	155 344 550	240 257 402	10 836 979
Working capital changes	(171 035 028)	(103 556 048)	(201 102 698)	(8 597 097)
Net finance costs	(38 448 307)	(50 837 852)	(159 210 039)	(6 375 926)
Tax paid	(118 809)	(107 722)	(51 828)	(4 112)
Net cash generated from operating activities	46 013 191	51 788 502	39 154 704	2 239 882
Investing activities	(53 005 521)	(21 755 362)	(23 458 929)	(783 340)
Purchase of plant and equipment and intangible assets	(53 925 902)	(22 496 536)	(23 809 847)	(810 049)
Proceeds on disposal of property, plant and equipment	920 381	741 166	350 918	26 709
Net cash (utilised)/generated before financing activities	(6 992 330)	30 033 136	15 695 775	1 456 542
Financing activities	(21 477 289)	(16 674 747)	(9 985 557)	(427 848)
Lease liability payment	(2 251 069)	(2 826 069)	(1 063 786)	155 749
Dividend declared and paid	(19 226 220)	(13 848 678)	(8 921 771)	(583 597)
(Decrease)/increase in cash and cash equivalents after financing activities	(28 469 619)	13 358 389	5 710 218	1 028 694
Effects of Exchange rate on cash and cash equivalent	17 697 980	-	17 697 980	-
(Decrease)/increase in cash and cash equivalents after financing activities	(10 771 639)	13 358 389	23 408 198	1 028 694
Cash and cash equivalents at the beginning of the period	45 148 005	47 155 550	10 968 168	1 521 425
Cash and cash equivalents at the end of the period	34 376 366	60 513 939	34 376 366	2 550 119
REPRESENTED BY:	34 376 366	60 513 939	34 376 366	2 550 119
Bank balances, cash and short term deposits	34 376 366	60 513 939	34 376 366	2 550 119

* The historical amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies.

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

Nampak Zimbabwe Limited is a public limited Company incorporated and domiciled in Zimbabwe. The main activities of the Group are manufacturing of paper, plastic and metal packaging products and leasing of biological assets and property. The abridged consolidated financial statements for Nampak Zimbabwe Limited and its subsidiaries (the Group) for the six months ended 31 March 2024 were approved by the board of directors on 13 June 2024.

2. BASIS OF PREPARATION

These abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the disclosure requirements of the Zimbabwe Stock Exchange Listing Rules.

The interim financial report is in accordance with IAS 34, "Interim Financial Reporting".

The consolidated financial statements of the Group have been prepared based on the current cost basis and adjusted for the effects of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Comparative financial statements are restated using the general inflation indices in terms of the measuring unit current at the statement of financial position date. The primary financial statements of the Group are the inflation adjusted numbers.

From February 2023, the government of Zimbabwe through Statutory instrument 27 of 2023, legislated the publication of blended CPI rates which took into account general price changes in both the US\$ currency and the ZWS\$ currency.

In terms of the requirements of IAS29 para 17 "A general price index may not be available for the periods for which the restatement of property, plant and equipment is required by this Standard. In these circumstances, it may be necessary to use an estimate based, for example, on the movements in the exchange rate between the functional currency and a relatively stable foreign currency". The group considered the movement in the RBZ auction market foreign exchange rate for the alternative computation of CPI indices from February 2023 onwards, in line with the provisions of IAS 29.

The indices and conversion factors used were as follows:

	Indices	Conversion factor
CPI as at 31 March 2024	392 711	1.00
CPI as at 30 September 2023	95 405	4.12
CPI as at 31 March 2023	16 549	23.73
CPI as at 30 September 2022	12 713	30.89

3. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Zimbabwe dollars (ZWS\$), which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand except where otherwise stated.

4. STATEMENT OF ACCOUNTING POLICY

The principal accounting policies applied in the preparation of these financial statements are consistent with those used in the prior year.

NAMPAK ZIMBABWE LIMITED

ABRIDGED CONSOLIDATED UNREVIEWED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

5. DIRECTORS' RESPONSIBILITY

The Company's Directors, under the Companies and Other Business Entities Act (Chapter 24:31), are responsible for the preparation and fair presentation of the Group's consolidated financial statements and related information.

These abridged Group financial statements are presented in accordance with the International Financial Reporting Standards and the disclosure requirements of the Zimbabwe Stock Exchange (ZSE).

The Directors have reviewed the performance and financial position of the Group and are satisfied that the Group has sufficient financial resources to continue as a going concern.

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the period attributable to ordinary equity holders by the number of ordinary shares in issue

Headline earnings is based on net profit for the period attributable to members after adjusting for other income net of tax

Basic and headline earnings per share are based on 755 648 101 (2023 : 755 648 101) ordinary shares in issue during the period.

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Unaudited
Earnings per share				
Earnings attributable to ordinary members	66 450 695	86 171 648	213 345 478	8 005 729
Ordinary shares in issue at period end	755 648 101	755 648 101	755 648 101	755 648 101
Earnings per ordinary share (cents)	8 793.87	11 403.67	28 233.44	1 059.45
Determination of headline earnings or loss				
Profit for the period	66 450 695	86 171 648	213 345 478	8 005 729
Adjust for:				
Retrenchment and restructuring costs - net of tax	120 095	10,687	32 193	450
Net exchange gain on foreign currency - net of tax	(196 118 535)	(44 193 087)	(120 809 436)	(1 612 411)
Headline (loss)/earnings	(129 547 746)	41 989 247	92 568 234	6 393 768
Headline earnings per share				
Headline earnings attributable to ordinary members	-	41 989 247	92 568 234	6 393 768
Ordinary shares in issue at period end	755 648 101	755 648 101	755 648 101	755 648 101
(Loss)/earnings per ordinary share (cents)	(17 143.93)	5 556.72	12 250.18	846.13

7. CONTINGENCIES

7.1 Uncertain tax positions

There have been significant currency changes in Zimbabwe since 2018. These changes created some uncertainties in the tax treatment of transactions due to the absence of immediate and clear guidelines and transitional measures.

The Zimbabwe Revenue Authority (ZIMRA) issued income tax assessments and levied penalties and interest relating to the provisions and reversals of the legacy debt related transactions raised at one of the Group's entities for the period 2019 to 2020. The ZWS equivalent of the disputed assessments, including interest and penalties, amount to ZWS\$26.7 billion as at 31 March 2024.

These assessments have been objected to and based on legal advice received, the Board is of the view that there is no liability and that ZIMRA will reverse the assessments once the ongoing engagements and clarifications are concluded.

8. SUBSEQUENT EVENTS

On the 5th of April 2024, Statutory Instrument 60 of 2024, Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024 (The S.I.) was gazetted, giving effect to a new currency, Zimbabwe Gold (ZiG). The S.I. introduced the new base currency named ZiG and renamed what was previously known as ZiG to the Gold Backed Digital Tokens ("GBDT"). This is a non adjusting event.

9. GROUP OPERATING SEGMENT REPORT

The basis of segmentation and basis of measurement of segment profit or loss for the current reporting period is consistent with the last reported annual financial statements.

Segment reporting for the six months ended 31 March 2024

	INFLATION ADJUSTED - UNAUDITED			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	405 044 725	488 226 567	-	893 271 292
Sales to export customers	55 645 993	27 234 841	-	82 880 834
Intersegmental sales	7 521 384	6 270 815	(13 792 199)	-
Total Sales	468 212 102	521 732 223	(13 792 199)	976 152 126
Results from operations				
Trading income	22 558 644	87 762 535	2 336 837	112 658 016
Operating profit	188 817 847	29 045 523	5 579 874	223 443 244
Net finance income/(costs)	203 892	(20 671)	(302 030)	(118 809)
Taxation charge	(80 452 203)	(74 352 528)	(2 069 009)	(156 873 740)
Profit for the period	108 569 536	(45 327 676)	3 208 835	66 450 695
Other information				
Segment assets	506 275 695	563 649 899	(130 050 472)	939 875 122
Segment liabilities	323 838 632	259 187 638	(289 875 921)	293 150 349
Capital expenditure	25 067 216	28 858 687	-	53 925 903
Depreciation and amortisation	5 008 603	6 396 654	603 001	12 008 258
Other material income	(123 775 877)	(134 119 068)	(6 076 018)	(263 970 963)
Monetary (gain)/loss on hyperinflation	(42 483 326)	192 836 080	2 832 981	153 185 735

Segment reporting for the six months ended 31 March 2023

	INFLATION ADJUSTED - UNAUDITED			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	419 858 426	520 975 940	-	940 834 366
Sales to export customers	81 514 244	40 859 887	-	122 374 131
Intersegmental sales	12 632 529	336 384	(12 968 913)	-
Total Sales	514 005 199	562 172 211	(12 968 913)	1 063 208 497
Results from continuing operations				
Trading income	111 434 479	107 590 887	(22 655 652)	196 369 714
Operating profit	88 228 627	102 752 666	(21 392 685)	169 588 608
Finance (expense) / income	(576 697)	82 286	386 682	(107 729)
Taxation charge	(34 445 943)	(47 172 233)	(1 691 055)	(83 309 231)
Profit for the period	53 205 987	55 662 719	(22 697 058)	86 171 648
Other information				
Segment assets	452 422 026	456 424 157	(3 152 524)	905 693 659
Segment liabilities	245 566 728	173 143 558	(10 359 544)	408 350 742
Capital expenditure	6 562 274	15 934 258	-	22 496 532
Depreciation and amortisation	5 119 164	4 366 151	(2 049 881)	7 435 434
Other material income	(12 789 531)	(40 888 856)	(5 012 368)	(58 690 755)
Monetary loss on hyperinflation	35 995 383	45 727 077	3 749 401	85 471 861

Segment reporting for the six months ended 31 March 2024

	HISTORICAL * - UNAUDITED			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	158 536 881	224 370 366	-	382 907 247
Sales to export customers	31 286 409	12 937 772	-	44 224 181
Intersegmental sales	3 257 730	2 061 001	(5 318 731)	-
Total Sales	193 081 020	239 369 139	(5 318 731)	427 131 428
Results from continuing operations				
Trading income	38 504 634	54 201 286	934 624	93 640 544
Operating income	117 295 384	134 960 750	4 047 364	256 303 498
Net finance income / (costs)	105 738	(18 403)	(139 163)	(51 828)
Taxation charge	(4 375 096)	(37 253 501)	(1 277 595)	(42 906 192)
Profit for the period	113 026 026	97 688 846	2 630 606	213 345 478
Other information				
Segment assets	340 452 459	337 779 024	(43 339 365)	634 892 118
Segment liabilities	288 388 614	188 416 754	(154 937 019)	321 868 349
Capital expenditure	11 654 325	12 104 803	50 719	23 809 847
Depreciation and amortisation	166 833	685 459	88 183	940 475
Other material income	(78 790 750)	(80 759 464)	(3 112 740)	(162 662 954)

Segment reporting for the six months ended 31 March 2023

	HISTORICAL * - UNAUDITED			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	15 379 870	19 038 498	-	34 418 368
Sales to export customers	3 142 487	1 476 738	-	4 619 225
Intersegmental sales	476 887	-	(476 887)	-
Total Sales	18 999 244	20 515 236	(476 887)	39 037 593
Results from continuing operations				
Trading income	4 219 898	4 511 939	117 319	8 849 156
Operating profit	4 650 415	6 042 429	297 698	10 990 542
Net finance (costs) / income	(21 319)	3 227	13 980	(4 112)
Taxation charge	(1 283 933)	(1 649 577)	(47 191)	(2 980 701)
Profit for the period	3 345 163	4 396 079	264 487	8 005 729
Other information				
Segment assets	17 696 200	16 106 844	(76 573)	33 726 471
Segment liabilities	10 025 497	6 346 119	(786 022)	15 585 594
Capital expenditure	142 892	566 374	100 783	810 049
Depreciation and amortisation	61 241	71 474	(15 139)	117 576
Other material income	(430 518)	(1 530 489)	(180 379)	(2 141 386)

10. OTHER MATERIAL INCOME

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2024 ZWS 000 Unaudited	6 Months 31 March 2023 ZWS 000 Unaudited
Retrenchment, termination and restructuring costs	161 744	14 196	43 357	498
Net exchange gain on foreign currency	(264 132 707)	(58 704 951)	(162 706 311)	(2 141 884)
Total	(263 970 963)	(58 690 755)	(162 662 954)	(2 141 386)

COMMENTARY

ECONOMY

The economic environment remains uncertain with power outages continuing to affect some of the operations during the period. The El-Nino induced drought has adversely affected the agricultural season and is expected to dampen the volumes in the paper business as the tobacco crop will be lower in this season, compared to last. Policy changes on route to market saw volumes slowing down at the start of the second quarter.

There has been firm demand in some of our business units, despite the power cuts, which were overcome by the use of the generators. The multi-currency trading environment has seen more United States dollar (USD) transactions processed compared to the Zimbabwe dollar (ZWS).

HYPERINFLATIONARY PERFORMANCE

Group volumes for the six months to March 2024 were behind the prior year by 5% mainly due to reduced volumes at Hunyani resulting from the smaller tobacco crop as well as lower tobacco cases orders from the region. Volumes in the other operations were ahead of prior year due to improved volumes from our customers who benefited from the buoyant consumer spending. Tight liquidity due to policy shifts and the lack of availability of the foreign currency from the auction floor in the second quarter has adversely affected our stock replenishment.

Revenue for the half year at ZWS\$976.2 billion, in hyper-inflationary terms was 8% behind the prior year. The decline was due to the lower sales volumes as mentioned above when compared to the prior year in which a record tobacco crop was recorded. Trading margins declined from prior year as more transactions occurred in USD where pricing is more stable, however operating margins improved, largely due to exchange gains recorded from foreign currency denominated balances. The operating profit of ZWS\$223.4 billion was 32% ahead of prior year.

All business units continued to trade profitably with sustained focus on generating positive cash flows and funding capital projects with shorter paybacks in order to increase plant capacity. Net working capital for the half year increased mainly due to increases in foreign currency denominated trade receivables and inventory due to an increased number of US Dollar transactions during the period under review.

PRINTING AND CONVERTING SEGMENT

Hunyani Paper and Packaging: Sales volumes for the period were 14% below prior year. The major decrease is attributable to the reduced tobacco crop size. Regional demand is also lower and has been influenced by the drought and loss of volume to competitors. Commercial volumes were 3% up on prior year due to improved raw material supply.

PLASTICS AND METALS SEGMENT

MegaPak: Sales volumes were 10% above prior year despite the increased power cuts in Ruwa which were mitigated by the use of generators. The order book remains firm although power related breakdowns continue to hamper our ability to meet demand.

CarnaudMetalbox: Sales volumes for the half year were marginally higher compared to prior year. In plastics, HDPE was 20% ahead of prior year due to increased demand. Metals volumes were down by 27% due to raw material shortages particularly in the first quarter. Closures were significantly down on prior year due to reduced demand.

CAPITAL EXPENDITURE

Capital expenditure of ZWL\$23.8 billion in historical terms relates mainly to expansion projects and improved generator capacity at Megapak as well as an 8 Colour SO bag machine for Hunyani. The Group continues to evaluate other projects in order to maintain or improve capacity.

DIVIDEND

The directors have decided against declaring an interim dividend in view of the need to conserve available cash for capital expenditure.

DIRECTORATE

During the period under review, Mr Quinton Swart resigned from the board. The Board wishes to thank Mr Swart for his contribution to the Board and the Company.

OUTLOOK

The overall situation facing the economy remains challenging. The Government introduced a new structured currency, the Zimbabwe Gold (ZiG) with effect from 5 April 2024 and the fiscal authorities are still to announce measures to support the monetary policy changes. It remains to be seen how the de-dollarisation strategy will be implemented going forward in light of the significant transactions occurring in US Dollars.

The economy will be impacted by the lower mineral prices and the reduced agricultural output following the El-Nino induced drought in 2024. We anticipate that the Group will remain profitable through to year end, although the slow turnaround in the supply chain arising from the Russia/Ukraine conflict as well as the unrest in the Middle East may affect raw material supplies.

By Order of the Board



J P Van Gend
Group Managing Director

13 June 2024