

INNSCOR AFRICA LIMITED

Abridged Reviewed Group Financial Results

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020



Salient Features

| | INFLATION-ADJUSTED | | HISTORICAL | |
|--|--------------------|-------------------------------------|------------|--|
| | | 31 December 2020 Reviewed ZWL | | 31 December 2020 Supplementary ZWL |
| Revenue | 45% | ▲ 27 758 774 960 | 774% | ▲ 25 342 397 757 |
| Operating profit | 126% | ▲ 6 850 012 298 | 546% | ▲ 6 164 820 098 |
| Profit for the period | (12%) | ▼ 2 394 050 740 | 457% | ▲ 5 518 735 332 |
| Basic earnings per share (cents) | (18%) | ▼ 272.93 | 414% | ▲ 624.07 |
| Headline earnings per share (cents) | (18%) | ▼ 271.22 | 410% | ▲ 619.76 |
| Cash generated from operating activities | 774% | ▲ 7 212 262 921 | 4171% | ▲ 2 878 295 823 |
| Cash dividend declared per share (cents) | 79% | ▲ 110.00 | 701% | ▲ 110.00 |

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this press release represents an extract. These abridged Group interim financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listing Requirements for interim financial reporting (Preliminary Reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after the 1st of January 2020 on the Group's Abridged inflation-adjusted financial statements.

CAUTIONARY STATEMENT- RELIANCE ON ALL FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FOR 2019/2020

The Directors would like to advise users to exercise caution in their use of these interim inflation-adjusted financial statements due to the material and pervasive impact of the technicalities brought about by the change in functional currency in February 2019, its consequent effect on the usefulness of the financial statements for 2019/2020 financial periods and the adoption of International Accounting Standard (IAS) 29 (Financial Reporting in Hyperinflationary Economies), which the Group adopted effective the 1st of July 2019.

Whilst the Directors have exercised reasonable due care, and applied judgements that they felt were appropriate in the preparation and presentation of these interim financial statements, certain distortions may arise due to various specific economic factors that may affect the relevance and reliability of the information that is presented in economies that are experiencing hyperinflation, as well as technicalities regarding the change in functional and reporting currency.

IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

As previously reported, the Public Accountants and Auditors Board (PAAB), having assessed the impact of hyperinflation in the economy, advised that the conditions for adopting IAS 29, were satisfied with effect from 1 July 2019.

IAS 29 requires that inflation-adjusted financial statements become the entity's primary financial statements and the Group has complied with this requirement for these abridged interim financial statements.

The Public Accountants and Auditor's Board (PAAB) have provided guidance that the Consumer Price Index (CPI) be applied in the preparation of hyperinflation financial statements in accordance with IAS 29. The CPI increased from 1,445.20 in June 2020 to 2,474.51 in December 2020 representing a 71.2% increase during the period under review, and this compared to the Reserve Bank of Zimbabwe (RBZ) auction rate of exchange which increased by 28.3% during the same period. Due to these and other disparities currently prevailing in the economy, significant distortions can occur in the preparation of inflation-adjusted financial statements in accordance with the requirements of IAS29. Of significance in the inflation-adjusted financial statements is the monetary loss of ZWL 2.750bn which arises mainly as a result of having to uplift the opening balances of foreign-denominated assets and biological assets using the CPI and then having to immediately restate the same assets down to closing fair value through the profit and loss account despite no material change in the underlying value of the asset having occurred in the period under review.

The Directors view these distortions as material and pervasive to these interim inflation-adjusted financial statements and advise users to exercise caution in their interpretation. Abridged interim financial statements prepared under the historical cost convention are therefore also presented as supplementary information and financial commentary has been confined to these historical interim financial statements.

EXTERNAL AUDITOR'S REVIEW CONCLUSION

These abridged Group interim financial statements have been reviewed by Messrs Deloitte & Touche Chartered Accountants (Zimbabwe) ("Deloitte"). Deloitte has issued an adverse review conclusion as a result of non-compliance with IAS 21 (The Effects of Changes in Foreign Exchange Rates), date of application of IAS 29 and valuation of blocked funds emanating from the previous periods and the consequential impact on the current inflation-adjusted amounts. The auditor's review conclusion on the Group's interim financial statements, from which these abridged Group interim financial statements are extracted, is available for inspection at the Company's registered office.

OPERATING ENVIRONMENT AND OVERVIEW

The local macro-economic environment remained fragile, but relatively stable, during the period under review, with a marked reduction in inflation and an associated improvement in consumer and business confidence; the easing of COVID-19 lockdown restrictions toward the latter part of the period also enhanced trading conditions. In response to these improved conditions, the Group deployed a trading-oriented strategy and recorded strong volume growth across most product categories.

The prevailing stability is mainly attributable to the successful introduction of the foreign currency auction system and Statutory Instrument 185 of 2020, allowing for improved capital allocation and pricing efficiencies across the Group's value chains. Whilst these policy interventions, coupled with a prudently controlled money supply, have proven conducive for business, local liquidity remained constrained for much of the period, combined with steep lending rates, which required careful management of borrowings, and working capital.

The effects of the 2019/20 drought continued to weigh heavily on local agricultural output during the period under review, and as a result the Group was reliant on expensive imports for much of its commodity requirements. Prospects for a positive outcome to the current agricultural season on the back of improved rainfall patterns will hopefully translate to lower raw material input costs and therefore competitive pricing to the consumer following the harvest period.

The necessary COVID-19 lockdown restrictions continued to constrain the Group's trading channels at times. Management, however, remains proactive in handling the global pandemic's adverse effects, complying with World Health Organisation ("WHO") protocols in order to ensure health risks are mitigated for all stakeholders whilst remaining flexible and resilient in its approach to production and trading.

The operating environment remains challenging and complex, notwithstanding the positive policy interventions introduced during the period. Gross trading margins continued to normalise during the period under review, primarily driven by a stable exchange rate, and a cyclical increase in international commodity prices. Operating expenditure also continued to see corrections occurring; with increases driven primarily by escalations in fuel, electricity, and human capital costs. Management continues to adapt its operating models in response to the very fluid economic and trading conditions in order to ensure ongoing, long-term business sustainability and growth.

FINANCIAL PERFORMANCE

As noted earlier in this report, commentary on the Group's interim financial results is confined to the financial statements prepared under the historical cost convention.

During the period under review, the Group delivered a 774% growth in revenue over the comparative period to ZWL 25,342bn; this was driven by strong volume performance across most units, the removal of subsidised pricing on certain core product categories, and pricing policies that were implemented to secure inventory replacement.

Gross margin percentages continued to approach more normalised levels on the back of reduced inflation-lag, and overall gross margin growth at 590% over the comparative period was therefore lower than revenue growth. Operating expenditure increased by 643% over the comparative period as a result of volume increases and following escalations in certain of the cost buckets as noted earlier in the report; operating expenditure to revenue ratios still, however, remained lower and more efficient than those recorded in the comparative period.

Similar to gross margin, operating profit percentages also showed a return to more normal levels as inflation-induced distortions began to dissipate; overall operating profit growth of ZWL 6.165bn was recorded for the period under review, being 546% above the comparative period.

The Group's financial income continued to be dominated by exchange gains whilst fair value adjustments on biological assets were impacted by the convergence of market and book values.

The net interest charge for the period under review came in at ZWL 0.425bn, and was affected by significantly higher local borrowing rates.

The Group's associate operations continued to contribute positively to the overall Group result and delivered a pleasing increase in earnings against the comparative period.

Consolidated profit before tax for the period at ZWL 7,000bn was 476% ahead of the comparative period, and overall headline earnings per share recorded a similar growth trajectory, coming in at 619.76 ZWL cents. The Group's Statement of Financial Position remained

solid, whilst net gearing was negative at the end of the period under review. The Group's free cash generation was also pleasing following strong operational cash flows towards the latter part of the period under review.

OPERATIONS REVIEW MILL-BAKE

This reporting segment contains the results of the Group's Bakery division, National Foods, and the Group's non-controlling interest in Profeeds.

The **Bakery Division** recorded a 26% increase in loaf volumes against the comparative period. The division has continued to display good volume recovery, which has resulted from both a reliable and consistent flour supply, and general price stability in its bill of raw materials. Notwithstanding the improvements recorded, volumes are still considerably lower than historical normal levels. Focus in the business continues to be directed at achieving ongoing volume growth and managing key raw material supply and cost, whilst investment in further plant enhancements are also underway.

At **National Foods** overall volume performance was generally strong, closing 25% ahead of the comparative period.

Volumes for the Flour division increased by 56% over the comparative period, with solid growth in both the baker's and prepack flour segments. The increased consumer demand was driven by pricing stability on the back of support from the foreign currency auction and competitively priced local wheat. The division has initiated its long-term manufacturing facilities upgrade programme commencing with the purchase of a new state of the art flour mill, which will be installed as a replacement for the existing mill at the Bulawayo Basch Street site. This significant project has been carefully planned to ensure continuity of flour supply to the southern region during the installation phase, and is expected to be completed by the end of 2022.

Maize meal volumes were disappointing and declined by 23% relative to last year, in spite of the fact that last season was a drought year which ordinarily results in firm demand. The decline was due to the market adjustments that took place following the conclusion of the subsidy program, as well as intense competition from imported maize meal, notably from South Africa. Notwithstanding the challenging period of adjustment that took place during the period within this category, the return to a more normal market-based system is welcomed.

"Pearlenta Nutri-Active" instant maize porridge continued to make steady progress in the market and together with "Better Buy Soya Delights", a soya based meat substitute, has been well received by the market; further expansion initiatives continue in the breakfast cereal portfolio.

In the Stock Feed division, volumes improved by 34% over the comparative period. This encouraging result was driven by the poultry category, where volumes increased by 56%; beef feed volumes were however muted, declining by 5% on the back of good early rains and a general reduction in cattle feeding.

Volume growth in the Grocery division was significant at 98% over the comparative period. The solid growth was achieved across the category portfolio on the back of competitive pricing.

As with Groceries, volumes in the Snacks and Treats division were also strong, registering a 57% growth against the comparative period. This growth occurred across the product portfolio and was particularly pleasing in view of the impact the COVID-19 pandemic has had on "on the go" consumption.

Pure Oil delivered another strong performance, with volumes increasing by 64% over the comparative period with strong volume growth in cooking oil, soap and margarine.

Profeeds registered a favourable performance against the comparative period, with an 18% increase in stock feed volumes being recorded as pricing stabilised and the poultry value-chain recovered.

The business continues to upgrade its retail network to an all-encompassing diversified agricultural chain under the "Profarmer" brand; additionally the operation continues its diversification efforts having recently installed additional production capacity within its fish feed category and successfully commissioning a fertiliser blending plant operating under the "Nutrimaster" brand.

As previously reported, the Competitions and Tariff Commission directed that the Group's non-controlling investment in Profeeds be disallowed and that the Group divest from the business. The matter remains under appeal through the judicial system.

PROTEIN

This reporting segment comprises the results of Colcom, Irvine's, Associated Meat Packers (AMP), and the "Texas Meats" and "Texas Chicken" branded store networks.

The **Colcom Division**, comprising Triple C Pigs and Colcom Foods, delivered a pleasing 31% growth in volumes against the comparative period, with processed product volumes increasing by 51% and fresh product increasing by 19%.

Over 52,000 pigs were processed during the period under review and this represented a 7% increase over the comparative period, although total mass increased by 13% on account of heavier animals delivered; a result of production changes necessitated during the course of the last year due to lockdown restrictions. The Triple C pig division continues with efforts to improve production

efficiencies through ongoing enhancements to genetics and grower facilities, and production levels are expected to continue to increase during the remaining part of the financial year.

Irvine's recorded pleasing volume growth across its three core categories. Table egg volumes increased 10% over the comparative period as additional production birds and facilities were brought on-line; frozen chicken volumes increased by 6% over the same period, whilst day-old chick volumes improved by 14%. Expansion initiatives continue across all three categories.

The **AMP Group** achieved a 9% volume growth against the comparative period. Following the successful launch of the "Texas Meat Market" concept in the previous year, a second store was added in Masvingo during the latter part of the period under review and initial volume results have been very positive. Roll-outs for additional stores continue to be planned for the coming period.

OTHER LIGHT MANUFACTURING AND SERVICES

This reporting segment comprises Natpak, Pro Dairy, Probotlers and the Group's non-controlling interests in Probrands.

Natpak delivered a 26% growth in aggregate volumes against the comparative period, underpinned by previous investments into capacity enhancements. Volumes in the Flexibles, Rigids and Corrugated divisions all showed strong growth, whilst in the Sacks division volumes were similar to the comparative period mainly as a result of reduced maize meal output.

Global shipping delays arising from COVID-19 related restrictions have in turn delayed the commissioning of the planned expansion of the Rigid's capacity scheduled initially for the latter part of the period under review. This installation is currently underway with commissioning now expected in the third quarter.

Pro Dairy volumes increased by 47% against the comparative period. The dairy blend category continues to record excellent volume growth, driven by ongoing flavour and packaging format enhancements. Focus will continue in the coming period on growing raw milk supply, increasing production capacity, and further enhancing product range in both the "Revive" and "Life" ranges.

Probotlers delivered a 57% increase in volumes on the comparative period, driven mostly by previously reported capacity expansion investments. Further investments to unlock production efficiencies, product variations, and an upgrade to key parts of the bottling lines will continue in the period ahead.

At **Probrands**, volumes were 43% above those of the comparative period, driven by a significant improvement in the rice category and specialised and down-packed products. The new "Ideal" condiments range also continued to gain market share and registered a 45% volume increase against the comparative period.

IMPACT OF COVID-19 ON BUSINESS CONTINUITY AND STATEMENT OF SOLVENCY

All Group businesses continue to implement and observe WHO-approved COVID-19 guidelines throughout their operations to safeguard the health and welfare of staff, customers, suppliers and all stakeholders.

The Group continues to review its financing, capital investment and working capital models as part of its business continuity plans.

Given the ongoing uncertainty around the impact and conclusion of COVID-19, it is not possible to assess, with absolute certainty, the full impact the pandemic will have on the Group's financial performance for the year ending 30 June 2021. At present, the financial status of the Group remains healthy, and the impact of the COVID-19 pandemic has not created any issues from a solvency or liquidity perspective.

The Group was not spared during the second wave of the pandemic and regrets to advise that the following staff members sadly passed away during this period:

- Mr Tafadzwa Karimupfumbi (Probotlers)
- Mr George Mukarati (Pro Dairy)

The Group extends its deepest condolences to the bereaved families.

The Group welcomes the initiatives led by Government to allow the private sector to play its part in the importation of vaccinations for staff members in the fight to eradicate the pandemic. In line with approved protocols and regulations, the Group will shortly embark on an initiative to offer a vaccination free of charge to each member of staff.

PROSPECTS

The reduced level of inflation experienced in the period under review has enabled a relatively robust trading environment, bringing about stability in pricing and encouraging consumer spending and general economic activity, all of which has been achieved despite the presence of the combined debilitating effects of the COVID-19 global pandemic and recent droughts.

Business models are now showing signs of normalising margins, but also increased overhead costs. Our management teams will continue to adapt their operating models according to the current environment, this includes balancing volume objectives with appropriate return levels, carefully managing the overhead cost profile whilst also ensuring balance sheet value remains protected. We will continue to work with our financial institution partners to optimise the quantum and cost of debt deployed across the Group to facilitate the necessary pipelines of inventory that are required to be in place, especially given current disruptions to the global supply chain. We are cognisant

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FOR THE 6 MONTHS ENDED 31 DECEMBER 2020



PROSPECTS (continued)

of the ever-changing needs of our customers and will continue striving to deliver affordable, quality FMCG products through the most convenient and efficient market channels.

Government is to be applauded in the various policy changes it has initiated to enable a stable and more market-oriented trading environment, although caution must be added that it is imperative that any remaining market distortions be removed in order for the Country to achieve meaningful long-term, sustainable success in its economic recovery. It is because of these encouraging signs, that the Group has approved an investment pipeline of cUSD 70m covering ongoing business optimisation initiatives, as well as the further expansion within existing business units; these exciting projects, which will occur over the next 18 months, are in various stages of implementation and will enhance product quality, improve efficiency and significantly increase production capacity; these projects span the milling, baking, protein, packaging and beverage categories whilst investment opportunities into new, adjacent categories and products will also continue to be assessed.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend of 110 ZWL cents per share payable in respect of all ordinary shares of the Company. This interim dividend is in respect

of the financial year ending 30th of June 2021 and will be payable to all the shareholders of the Company registered at the close of business on the 9th of April 2021.

The payment of this interim dividend will take place on or around the 23rd of April 2021. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of the 6th of April 2021 and ex-dividend from the 7th of April 2021.

The Board has also declared an interim dividend totalling ZWL31m to Inncor Africa Employee Share Trust (Private) Limited. Inncor Africa Employee Share Trust supports all qualifying beneficiaries with both dividend flow and access to various loan schemes.

APPRECIATION

I wish to record my appreciation to the Executive Directors, Management and Staff for their effort during the period under review. I also wish to thank the Non-Executive Directors for their wise counsel and the Group's customers, suppliers and other stakeholders for their continued support and loyalty.

A.B.C. CHINAKE
Independent, Non-Executive Chairman
12 March 2021

Abridged Reviewed Group Statement Of Profit Or Loss and Other Comprehensive Income

| Note | INFLATION-ADJUSTED | | HISTORICAL | |
|---|---|---|--|--|
| | 6 months ended 31 Dec 2020 Reviewed ZWL | 6 months ended 31 Dec 2019 Reviewed ZWL | 6 months ended 31 Dec 2020 Supplementary ZWL | 6 months ended 31 Dec 2019 Supplementary ZWL |
| REVENUE | 27 758 774 960 | 19 144 034 008 | 25 342 397 757 | 2 898 806 338 |
| Operating profit before depreciation, amortisation and fair value adjustments | 6 850 012 298 | 3 030 750 097 | 6 164 820 098 | 953 669 125 |
| financial income | 469 457 066 | 10 595 573 | 504 441 684 | 3 779 273 |
| depreciation and amortisation | (536 165 247) | (688 745 671) | (66 665 897) | (30 792 483) |
| Operating profit before interest, equity accounted earnings and fair value adjustments | 6 783 304 117 | 2 352 599 999 | 6 602 595 885 | 926 655 915 |
| fair value adjustments on livestock and listed equities | (642 371 795) | (489 579 376) | (50 369 981) | 199 980 852 |
| Profit before interest and tax | 6 140 932 322 | 1 863 020 623 | 6 552 225 904 | 1 126 636 767 |
| interest expense | (457 287 557) | (282 586 156) | (424 554 038) | (43 333 965) |
| equity accounted earnings | 982 161 518 | 842 273 250 | 872 586 318 | 132 764 680 |
| monetary (loss)/gain | (2 750 533 070) | 639 973 754 | - | - |
| Profit before tax | 3 915 273 213 | 3 062 681 471 | 7 000 258 184 | 1 216 067 482 |
| tax expense | (1 521 222 473) | (354 382 508) | (1 481 522 852) | (225 386 642) |
| Profit for the period | 2 394 050 740 | 2 708 298 963 | 5 518 735 332 | 990 680 840 |
| Other comprehensive income - to be recycled to profit or loss | | | | |
| exchange differences arising on the translation of foreign operations attributable to: | | | | |
| equity holders of the parent | 389 179 117 | 1 596 482 284 | 397 751 937 | 355 895 633 |
| non-controlling interests | 69 715 268 | 113 777 364 | 69 715 268 | 25 363 806 |
| Other comprehensive income for the period recycled to profit or loss, net of tax | 458 894 385 | 1 710 259 648 | 467 467 205 | 381 259 439 |
| Total comprehensive income for the period | 2 852 945 125 | 4 418 558 611 | 5 986 202 537 | 1 371 940 279 |
| Profit for the period attributable to: | | | | |
| equity holders of the parent | 1 543 021 905 | 1 855 818 412 | 3 528 241 021 | 678 848 151 |
| non-controlling interests | 851 028 835 | 852 480 551 | 1 990 494 311 | 311 832 689 |
| | 2 394 050 740 | 2 708 298 963 | 5 518 735 332 | 990 680 840 |
| Total comprehensive income for the period attributable to: | | | | |
| equity holders of the parent | 1 932 201 022 | 3 452 300 696 | 3 925 992 958 | 1 034 743 784 |
| non-controlling interests | 920 744 103 | 966 257 915 | 2 060 209 579 | 337 196 495 |
| | 2 852 945 125 | 4 418 558 611 | 5 986 202 537 | 1 371 940 279 |
| EARNINGS PER SHARE (CENTS) | | | | |
| Basic earnings per share | 18 | 272.93 | 332.23 | 624.07 |
| Headline earnings per share | 18 | 271.22 | 332.13 | 619.76 |
| Diluted basic earnings per share | 18 | 264.94 | 319.68 | 605.81 |
| Diluted headline earnings per share | 18 | 263.28 | 319.58 | 601.62 |

Abridged Reviewed Group Statement Of Financial Position

| Note | INFLATION-ADJUSTED | | HISTORICAL | |
|--|--------------------------|---------------------------|-------------------------------|--------------------------------|
| | 31 Dec 2020 Reviewed ZWL | 30 JUNE 2020 Reviewed ZWL | 31 Dec 2020 Supplementary ZWL | 30 JUNE 2020 Supplementary ZWL |
| ASSETS | | | | |
| Non-current assets | | | | |
| property, plant and equipment | 8 560 440 299 | 8 532 119 113 | 1 349 327 257 | 943 669 709 |
| right-of-use asset | 545 760 042 | 405 255 609 | 203 214 166 | 43 273 852 |
| intangible assets | 1 649 205 448 | 1 633 521 462 | 55 958 179 | 41 369 714 |
| investments in associates | 6 742 619 655 | 4 772 434 835 | 3 057 357 419 | 2 120 352 013 |
| financial assets | 1 340 820 844 | 2 084 376 385 | 1 275 521 802 | 1 180 363 230 |
| biological assets | 163 774 242 | 178 717 534 | 155 959 255 | 104 377 959 |
| | 19 002 620 530 | 17 606 424 938 | 6 097 338 078 | 4 433 406 477 |
| Current assets | | | | |
| biological assets | 1 295 244 098 | 1 786 175 676 | 1 078 525 577 | 561 640 630 |
| inventories | 10 7 048 717 031 | 7 114 996 694 | 6 523 351 880 | 3 328 048 365 |
| trade and other receivables | 11 8 422 611 239 | 4 670 930 359 | 7 836 274 738 | 2 555 253 117 |
| cash and cash equivalents | 3 918 412 160 | 2 912 457 684 | 3 918 412 160 | 2 125 956 196 |
| | 20 684 984 528 | 16 484 560 413 | 19 356 564 355 | 8 570 898 308 |
| assets of disposal group classified as held for sale | 12 - | 54 473 839 | - | 7 647 840 |
| | 20 684 984 528 | 16 539 034 252 | 19 356 564 355 | 8 578 546 148 |
| Total assets | 39 687 605 058 | 34 145 459 190 | 25 453 902 433 | 13 011 952 625 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | | | | |
| ordinary share capital | 221 537 583 | 221 480 356 | 5 698 764 | 5 647 764 |
| class "A" ordinary share capital | 396 | 396 | 10 | 10 |
| share premium | 721 702 819 | 715 492 517 | 25 892 262 | 20 357 742 |
| other reserves | 3 117 804 654 | 3 212 599 054 | 2 073 893 295 | 2 056 538 025 |
| distributable reserves | 12 992 228 701 | 12 070 616 495 | 6 507 784 814 | 3 575 772 684 |
| attributable to equity holders of the parent | 17 053 274 153 | 16 220 188 818 | 8 613 269 145 | 5 658 316 225 |
| non-controlling interests | 7 109 802 885 | 6 566 569 898 | 3 373 505 060 | 1 664 099 361 |
| Total shareholders' equity | 24 163 077 038 | 22 786 758 716 | 11 986 774 205 | 7 322 415 586 |
| Non-current liabilities | | | | |
| deferred tax liabilities | 2 250 855 969 | 2 209 301 335 | 193 456 177 | 215 963 985 |
| lease liability | 13 197 760 630 | 83 966 831 | 197 760 630 | 49 039 880 |
| interest-bearing borrowings | 14 47 396 448 | 74 728 175 | 47 396 448 | 43 644 147 |
| | 2 496 013 047 | 2 367 996 341 | 438 613 255 | 308 648 012 |
| Current liabilities | | | | |
| lease liability | 13 32 080 681 | 27 418 818 | 32 080 681 | 16 013 651 |
| interest-bearing borrowings | 14 3 078 302 020 | 2 079 459 763 | 3 078 302 020 | 1 214 485 007 |
| trade and other payables | 15 8 481 750 483 | 5 729 334 428 | 8 481 750 483 | 3 477 471 268 |
| provisions and other liabilities | 136 987 428 | 110 454 399 | 136 987 428 | 64 509 645 |
| current tax liabilities | 1 299 394 361 | 1 044 036 725 | 1 299 394 361 | 608 409 456 |
| | 13 028 514 973 | 8 990 704 133 | 13 028 514 973 | 5 380 889 027 |
| Total liabilities | 15 524 528 020 | 11 358 700 474 | 13 467 128 228 | 5 689 537 039 |
| Total equity and liabilities | 39 687 605 058 | 34 145 459 190 | 25 453 902 433 | 13 011 952 625 |

Abridged Reviewed Group Statement of Cash Flows

| | INFLATION-ADJUSTED | | HISTORICAL | |
|--|---|---|--|--|
| | 6 months ended 31 Dec 2020 Reviewed ZWL | 6 months ended 31 Dec 2019 Reviewed ZWL | 6 months ended 31 Dec 2020 Supplementary ZWL | 6 months ended 31 Dec 2019 Supplementary ZWL |
| Cash generated/(utilised) from operating activities | 7 212 262 921 | 824 923 411 | 2 878 295 823 | (70 695 399) |
| interest expense | (457 287 557) | (282 586 156) | (424 554 038) | (43 333 965) |
| tax paid | (910 951 990) | (248 304 546) | (814 391 482) | (36 355 463) |
| Total cash available/(utilised) from operations | 5 844 023 374 | 294 032 709 | 1 639 350 303 | (150 384 827) |
| Investing activities | (359 079 082) | (1 160 961 050) | (722 221 627) | (180 739 237) |
| Net cashflows before financing activities | 5 484 944 292 | (866 928 341) | 917 128 676 | (331 124 064) |
| Financing activities | 652 260 090 | 123 508 856 | 541 741 498 | 486 004 473 |
| Net increase/(decrease) in cash and cash equivalents | 6 137 204 382 | (743 419 485) | 1 458 870 174 | 154 880 409 |
| Effects of currency translation on cash and cash equivalents - foreign operations | (5 131 249 906) | 49 832 739 | 333 585 790 | 201 555 871 |
| Net increase/(decrease) in cash and cash equivalents | 1 005 954 476 | (693 586 746) | 1 792 455 964 | 356 436 280 |
| Cash and cash equivalents at the beginning of the period | 2 912 457 684 | 2 094 677 252 | 2 125 956 196 | 146 106 180 |
| Cash and cash equivalents at the end of the period | 3 918 412 160 | 1 401 090 506 | 3 918 412 160 | 502 542 460 |



Abridged Reviewed Group Statement of Changes in Equity

| | attributable to equity holders of the parent | | | | | | | | | | | |
|--|--|--------------------------------------|---------------------------|-------------------------|--|---------------------|---------------------------------|--------------------------|----------------------------|--|-------------------------------|--------------------------------|
| | INFLATION-ADJUSTED | | | | | | | | | | | |
| | Reviewed | | | | | | | | | | | |
| | Ordinary Share Capital ZWL | Class "A" Ordinary Share Capital ZWL | Share Premium Reserve ZWL | Other Reserves | | | | | Distributable Reserves ZWL | Total Attributable to Equity Holders of the Parent ZWL | Non-Controlling Interests ZWL | Total Shareholders' Equity ZWL |
| | | | | Restructure Reserve ZWL | Foreign Currency Translation Reserve ZWL | Treasury Shares ZWL | Share Based Payment Reserve ZWL | Total Other Reserves ZWL | | | | |
| Balances at 30 June 2019 | 221 253 821 | 396 | 704 070 687 | (519 197 391) | 1 402 961 113 | (27 187 598) | 68 891 202 | 925 467 326 | 9 831 816 881 | 11 682 609 111 | 4 726 822 604 | 16 409 431 715 |
| Issue of shares | 226 535 | - | 11 421 830 | - | - | - | (37 256 998) | (37 256 998) | - | (25 608 633) | - | (25 608 633) |
| Profit for the period | - | - | - | - | - | - | - | - | 1 855 818 412 | 1 855 818 412 | 852 480 551 | 2 708 298 963 |
| Other comprehensive income | - | - | - | - | 1 596 482 284 | - | - | 1 596 482 284 | - | 1 596 482 284 | 113 777 364 | 1 710 259 648 |
| Dividend paid | - | - | - | - | - | - | - | - | (241 046 002) | (241 046 002) | (102 283 830) | (343 329 832) |
| Transactions with owners in their capacity as owners | - | - | - | - | - | - | - | - | - | - | 49 187 | 49 187 |
| Share-based payment charge | - | - | - | - | - | - | 6 383 953 | 6 383 953 | - | 6 383 953 | - | 6 383 953 |
| Balances at 31 December 2019 | 221 480 356 | 396 | 715 492 517 | (519 197 391) | 2 999 443 397 | (27 187 598) | 38 018 157 | 2 491 076 565 | 11 446 589 291 | 14 874 639 125 | 5 590 845 876 | 20 465 485 001 |
| Profit for the period | - | - | - | - | - | - | - | - | 824 172 828 | 824 172 828 | 1 053 521 365 | 1 877 694 193 |
| Other comprehensive income | - | - | - | - | 720 562 989 | - | - | 720 562 989 | - | 720 562 989 | 114 065 783 | 834 628 772 |
| Dividend paid | - | - | - | - | - | - | - | - | (200 145 624) | (200 145 624) | (191 648 664) | (391 794 288) |
| Transactions with owners in their capacity as owners | - | - | - | - | - | - | - | - | - | - | (214 462) | (214 462) |
| Share-based payment charge | - | - | - | - | - | - | 959 500 | 959 500 | - | 959 500 | - | 959 500 |
| Balances at 30 June 2020 | 221 480 356 | 396 | 715 492 517 | (519 197 391) | 3 720 006 386 | (27 187 598) | 38 977 657 | 3 212 599 054 | 12 070 616 495 | 16 220 188 818 | 6 566 569 898 | 22 786 758 716 |
| Issue of shares | 57 227 | - | 6 210 302 | - | - | - | (18 683 836) | (18 683 836) | - | (12 416 307) | - | (12 416 307) |
| Profit for the period | - | - | - | - | - | - | - | - | 1 543 021 905 | 1 543 021 905 | 851 028 835 | 2 394 050 740 |
| Other comprehensive income | - | - | - | - | 389 179 117 | - | - | 389 179 117 | - | 389 179 117 | 69 715 268 | 458 894 385 |
| Dividend paid | - | - | - | - | - | - | - | - | (621 409 699) | (621 409 699) | (352 740 314) | (974 150 013) |
| Transactions with owners in their capacity as owners | - | - | - | (411 602 521) | - | (54 420 906) | - | (466 023 427) | - | (466 023 427) | (24 770 802) | (490 794 229) |
| Share-based payment charge | - | - | - | - | - | - | 733 746 | 733 746 | - | 733 746 | - | 733 746 |
| Balances at 31 December 2020 | 221 537 583 | 396 | 721 702 819 | (930 799 912) | 4 109 185 503 | (81 608 504) | 21 027 567 | 3 117 804 654 | 12 992 228 701 | 17 053 274 153 | 7 109 802 885 | 24 163 077 038 |

| | attributable to equity holders of the parent | | | | | | | | | | | | |
|--|--|--------------------------------------|---------------------------|-------------------------|--|---|---------------------|---------------------------------|----------------------------|--|-------------------------------|--------------------------------|--------------------------|
| | HISTORICAL | | | | | | | | | | | | |
| | Supplementary | | | | | | | | | | | | |
| | Ordinary Share Capital ZWL | Class "A" Ordinary Share Capital ZWL | Share Premium Reserve ZWL | Other Reserves | | | | | Distributable Reserves ZWL | Total Attributable to Equity Holders of the Parent ZWL | Non-Controlling Interests ZWL | Total Shareholders' Equity ZWL | |
| | | | | Restructure Reserve ZWL | Foreign Currency Translation Reserve ZWL | Change in Functional Currency Reserve ZWL | Treasury Shares ZWL | Share Based Payment Reserve ZWL | | | | | Total Other Reserves ZWL |
| Balances at 30 June 2019 | 5 597 264 | 10 | 17 811 532 | (13 134 620) | 111 601 399 | 274 694 629 | (687 790) | 2 262 952 | 374 736 570 | 364 769 792 | 762 915 168 | 276 161 650 | 1 039 076 818 |
| Issue of shares | 50 500 | - | 2 546 210 | - | - | - | - | (1 084 740) | (1 084 740) | - | 1 511 970 | - | 1 511 970 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 678 848 151 | 678 848 151 | 311 832 689 | 990 680 840 |
| Other comprehensive income | - | - | - | - | 355 895 633 | - | - | - | 355 895 633 | - | 355 895 633 | 25 363 806 | 381 259 439 |
| Dividends paid | - | - | - | - | - | - | - | - | - | (46 105 069) | (46 105 069) | (15 983 620) | (62 088 689) |
| Unwinding of change in functional currency reserve | - | - | - | - | - | (14 906 535) | - | (14 906 535) | (14 906 535) | 16 191 251 | 1 284 716 | - | 1 284 716 |
| Transactions with owners in their capacity as owners | - | - | - | - | - | - | - | - | - | - | - | 10 965 | 10 965 |
| Share-based payment charge | - | - | - | - | - | - | 934 705 | 934 705 | - | - | 934 705 | - | 934 705 |
| Balances at 31 December 2019 | 5 647 764 | 10 | 20 357 742 | (13 134 620) | 467 497 032 | 259 788 094 | (687 790) | 2 112 917 | 715 575 633 | 1 013 704 125 | 1 755 285 274 | 597 385 490 | 2 352 670 764 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 2 385 738 164 | 2 385 738 164 | 1 040 164 422 | 3 425 902 586 |
| Other comprehensive income | - | - | - | - | 1 599 784 787 | - | - | - | 1 599 784 787 | - | 1 599 784 787 | 107 705 413 | 1 707 490 200 |
| Dividends paid | - | - | - | - | - | - | - | - | - | (81 167 330) | (81 167 330) | (81 048 472) | (162 215 802) |
| Unwinding of change in functional currency reserve | - | - | - | - | - | (259 788 094) | - | (259 788 094) | (259 788 094) | 257 497 725 | (2 290 369) | - | (2 290 369) |
| Transactions with owners in their capacity as owners | - | - | - | - | - | - | - | - | - | - | - | (107 492) | (107 492) |
| Share-based payment charge | - | - | - | - | - | - | 965 699 | 965 699 | - | 965 699 | - | - | 965 699 |
| Balances at 30 June 2020 | 5 647 764 | 10 | 20 357 742 | (13 134 620) | 2 067 281 819 | - | (687 790) | 3 078 616 | 2 056 538 025 | 3 575 772 684 | 5 658 316 225 | 1 664 099 361 | 7 322 415 586 |
| Issue of shares | 51 000 | - | 5 534 520 | - | - | - | - | (1 891 590) | (1 891 590) | - | 3 693 930 | - | 3 693 930 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 3 528 241 021 | 3 528 241 021 | 1 990 494 311 | 5 518 735 332 |
| Other comprehensive income | - | - | - | - | 397 751 937 | - | - | - | 397 751 937 | - | 397 751 937 | 69 715 268 | 467 467 205 |
| Dividends paid | - | - | - | - | - | - | - | - | - | (596 228 891) | (596 228 891) | (329 941 702) | (926 170 593) |
| Transactions with owners in their capacity as owners | - | - | - | (325 806 900) | - | - | (53 350 475) | (379 157 375) | (379 157 375) | - | (379 157 375) | (20 862 178) | (400 019 553) |
| Share-based payment charge | - | - | - | - | - | - | 652 298 | 652 298 | - | 652 298 | - | - | 652 298 |
| Balances at 31 December 2020 | 5 698 764 | 10 | 25 892 262 | (338 941 520) | 2 465 033 756 | - | (54 038 265) | 1 839 324 | 2 073 893 295 | 6 507 784 814 | 8 613 269 145 | 3 373 505 060 | 11 986 774 205 |

Notes to the Abridged Reviewed Group Financial Results

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Basis of Preparation

The Group's abridged interim inflation-adjusted financial statements for the 6 months ended 31 December 2020 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). The Listing Requirements require interim financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by International Accounting Standards ("IAS") 34 (Interim Financial Reporting). The Group's abridged interim inflation-adjusted financial statements have been prepared based on the statutory records that are maintained under the historical cost basis, except for equity investments and some biological assets that have been measured at fair value. The financial statements are presented in Zimbabwe Dollars (ZWL); all values are rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group consolidated interim inflation-adjusted financial statements are in terms of IFRS except for the non-compliance with IAS 21 (The Effects of Change in Foreign Exchange Rates) and valuation of blocked funds in the previous periods, and their consequential impact on the consolidated inflation-adjusted amounts determined in terms of IAS 29 (Financial Reporting in Hyperinflationary Economies) and have been applied consistently in all material respects with those of the previous consolidated annual inflation-adjusted financial statements.

3 IAS 21 (The Effects of Changes in Foreign Exchange Rates)

As noted in the Group's 2019 financial statements, the Government of Zimbabwe promulgated Statutory Instrument ("SI") 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be Zimbabwe Dollars at the rate which was at par with the United States Dollar (USD). Guidance issued by the Public Accountants and Auditors Board (PAAB) noted that the requirements of SI 33 were contrary to the provisions of IAS 21. The Directors have always ensured compliance with IFRS but were unable to do so in respect of the comparative financial information due to the conflict between IAS 21 and local statutory requirements. Due to the material and pervasive impact of these technicalities in the previous periods and the carry-over effects of these misstatements on the current period consolidated inflation-adjusted financial statements, the Directors would like to advise users to exercise caution in their use of these abridged inflation-adjusted financial statements.

4 IAS 29 (Financial Reporting in Hyperinflationary Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Interpretations Committee ("IFRIC") 7 (Applying the Restatement Approach under IAS 29), as if the economy had been hyperinflationary from 1 July 2018. The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date).

A net monetary adjustment was recognised in the statement of profit or loss for the 6 months ended 31 December 2020. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 1 July 2018 to the end of the reporting period. All items in the statement of cash flows are expressed based on the restated financial information for the period.

The CPIs and conversion factors used to adjust the Group's historical cost figures for inflation, for the period under review, are as follows:

| MONTH | CPI | Conversion Factor |
|-----------------------|----------|-------------------|
| Dec-20 | 2 474.51 | 1.00 |
| Jun-20 | 1 445.21 | 1.71 |
| Dec-19 | 551.63 | 4.49 |
| Jun-19 | 208.90 | 11.85 |
| Average December 2020 | 2 239.72 | 1.11 |
| Average December 2019 | 362.31 | 7.71 |

5 Legacy Debts

As reported in the prior period financial statements, the Group has foreign legacy debts amounting to USD5 133 811, being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZWL currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ") and the Group transferred to the RBZ the ZWL equivalent of the foreign liabilities based on an exchange rate of ZWL 1 = USD 1 in line with Exchange Control Directives RU102/2019 and RU28/2019 and as directed by the RBZ. The legacy debts have been accounted for at the closing exchange rate as at 31 December 2020 in line with IAS 21 and the deposits with the RBZ have also been accounted for as financial assets at the same closing exchange rate. In compliance with IFRS, the deposit at the RBZ represents a commitment to pay equivalent value in USD and has therefore been treated as a financial derivative in accordance with IFRS 9.

The Board is confident that the RBZ will settle the legacy debts as per the Exchange Control Directives and although risk remains that policies regarding the foreign liabilities may be changed, the RBZ is expected to settle the blocked funds, thereby reducing significantly any potential impact on both the statement of financial position and the statement of profit or loss and other comprehensive income.

6 Transactions with Non-Controlling Interests

On 1 July 2020, the Group acquired an additional effective 25.27% of the issued shares of Alpha Packaging (Private) Limited, ("Alpha"/"the Company") for ZWL428 804 541 (Historical ZWL339 423 281). Immediately prior to the purchase, the Group had an effective controlling interest of 20.42% in the Company. The Group recognised an increase in effective controlling interest from 20.42% to 45.69% and the effect on the equity attributable to the Group during the period is summarised as follows:

| | INFLATION-ADJUSTED | | HISTORICAL | |
|--|---|---|--|--|
| | 6 months ended 31 Dec 2020 Reviewed ZWL | 6 months ended 31 Dec 2019 Reviewed ZWL | 6 months ended 31 Dec 2020 Supplementary ZWL | 6 months ended 31 Dec 2019 Supplementary ZWL |
| Carrying amount of non-controlling interests acquired | 17 202 020 | - | 13 616 381 | - |
| Consideration paid to non-controlling interests | (428 804 541) | - | (339 423 281) | - |
| Excess of consideration paid recognised in the Restructure Reserve within equity | (411 602 521) | - | (325 806 900) | - |

Notes to the Abridged Reviewed Group Financial Results (continued)

7 Disposal of Pangolin Investments (Private) Limited Net assets
On 1 July 2020 Pangolin Investments (Private) Limited ("the Company"), a subsidiary of the Group disposed its net assets to Probrands (Private) Limited an associate of the Group. The Group recognised a loss of ZWL2 433 399 (Historical Profit of ZWL12 691 140) on the disposal.

8 Operating Segments
The Group's operations comprise of the Mill-Bake, Protein, Other Light Manufacturing and Services businesses and Head Office Services Segments explained as follows:

Mill-Bake Segment - reports the results of the Group's interests in National Foods Holdings Limited, the Bakery division and non-controlling interest in Profeeds (Private) Limited.

Protein Segment - reports the results of the Group's interests in the Colcom division and Irvine's Zimbabwe (Private) Limited, Associated Meat Packers (Private) Limited (AMP) and Intercane Investments (Private) Limited

Other Light Manufacturing and Services - reports the results of the Group's controlling interests in Natpak (Private) Limited, Pro Dairy (Private) Limited, Pangolin Investments (Private) Limited, Probotlers (Private) Limited, and associated interests in Probrands (Private) Limited, Innscor Appliance Manufacturing (Private) Limited t/a Capri, Paperhole Investments (Private) Limited and Afrigrain Trading Limited.

Head Office Services - reports the Group's shared services functions of treasury, legal, tax, audit, payroll and information technology.

| | INFLATION-ADJUSTED Reviewed | | | | | Total ZWL |
|---|-----------------------------|---------------|-------------------------------|--------------------------|-------------------------------|-----------------|
| | Mill-Bake ZWL | Protein ZWL | Other Light Manufacturing ZWL | Head Office Services ZWL | Inter-segment Adjustments ZWL | |
| Revenue | | | | | | |
| 31 December 2020 | 17 252 711 053 | 8 596 762 019 | 4 246 620 078 | 207 212 271 | (2 544 530 461) | 27 758 774 960 |
| 31 December 2019 | 11 889 203 892 | 5 931 880 778 | 3 229 972 078 | 103 087 732 | (2 010 110 472) | 19 144 034 008 |
| Operating profit/(loss) before depreciation, amortisation and fair value adjustments | | | | | | |
| 31 December 2020 | 3 458 332 127 | 2 541 135 998 | 817 868 266 | 32 675 907 | - | 6 850 012 298 |
| 31 December 2019 | 1 934 697 675 | 863 175 307 | 330 206 236 | (98 150 446) | 821 325 | 3 030 750 097 |
| Depreciation and amortisation | | | | | | |
| 31 December 2020 | 156 097 290 | 152 680 982 | 201 488 204 | 25 008 304 | 890 467 | 536 165 247 |
| 31 December 2019 | 267 021 214 | 215 104 637 | 191 927 055 | 12 182 888 | 2 509 877 | 688 745 671 |
| Equity accounted earnings | | | | | | |
| 31 December 2020 | 439 008 087 | 31 450 948 | 78 044 852 | 433 657 631 | - | 982 161 518 |
| 31 December 2019 | 324 862 975 | - | 517 410 275 | - | - | 842 273 250 |
| Profit before tax | | | | | | |
| 31 December 2020 | 2 071 629 514 | 1 164 375 774 | 411 112 201 | 272 505 061 | (4 349 337) | 3 915 273 213 |
| 31 December 2019 | 1 612 226 601 | 704 835 010 | 255 690 362 | 490 210 493 | (280 995) | 3 062 681 471 |
| Segment assets | | | | | | |
| 31 December 2020 | 18 976 180 637 | 8 260 958 589 | 5 270 016 192 | 8 748 304 741 | (1 567 855 101) | 39 687 605 058 |
| 30 June 2020 | 13 942 797 271 | 5 913 238 174 | 4 188 630 090 | 9 820 036 386 | 280 757 269 | 34 145 459 190 |
| Segment liabilities | | | | | | |
| 31 December 2020 | 8 265 093 947 | 3 521 801 385 | 2 741 606 094 | 1 866 484 905 | (870 458 311) | 15 524 528 020 |
| 30 June 2020 | 5 086 519 432 | 2 317 567 475 | 1 847 585 586 | 1 628 367 285 | 478 660 696 | 11 358 700 474 |
| Capital expenditure | | | | | | |
| 31 December 2020 | 67 773 332 | 236 406 121 | 171 905 797 | 5 718 991 | - | 481 804 241 |
| 31 December 2019 | 229 249 756 | 133 296 391 | 126 534 073 | 533 729 575 | - | 1 022 809 795 |
| Cash flow from operating activities | | | | | | |
| 31 December 2020 | 3 614 053 478 | 2 049 881 880 | 1 214 459 930 | 367 416 402 | (33 548 769) | 7 212 262 921 |
| 31 December 2019 | 1 249 935 615 | 324 245 074 | 380 316 121 | (1 198 838 551) | 69 265 152 | 824 923 411 |
| Investing activities | | | | | | |
| 31 December 2020 | (37 846 408) | (130 569 627) | (249 974 523) | 26 781 400 | 32 530 076 | (359 079 082) |
| 31 December 2019 | (916 168 064) | (760 025 324) | (1 339 415 056) | 1 621 725 151 | 232 922 243 | (1 160 961 050) |
| Financing activities | | | | | | |
| 31 December 2020 | 783 469 334 | 572 575 883 | 425 632 380 | 401 155 990 | (1 530 573 497) | 652 260 090 |
| 31 December 2019 | 1 422 991 210 | 1 602 839 567 | 1 249 228 447 | 1 445 978 401 | (5 597 528 769) | 123 508 856 |
| | HISTORICAL Supplementary | | | | | |
| Revenue | | | | | | |
| 31 December 2020 | 15 750 877 570 | 7 848 421 367 | 3 876 955 496 | 189 174 623 | (2 323 031 299) | 25 342 397 757 |
| 31 December 2019 | 1 800 273 630 | 898 210 565 | 489 085 191 | 15 609 634 | (304 372 682) | 2 898 806 338 |
| Operating profit/(loss) before depreciation, amortisation and fair value adjustments | | | | | | |
| 31 December 2020 | 3 112 402 500 | 2 286 951 554 | 736 058 638 | 29 407 406 | - | 6 164 820 098 |
| 31 December 2019 | 608 983 776 | 271 701 240 | 103 938 844 | (30 894 765) | (59 970) | 953 669 125 |
| Depreciation and amortisation | | | | | | |
| 31 December 2020 | 19 408 878 | 18 984 100 | 25 052 709 | 3 109 491 | 110 719 | 66 665 897 |
| 31 December 2019 | 11 779 308 | 9 489 073 | 8 875 950 | 537 433 | 110 719 | 30 792 483 |
| Equity accounted earnings | | | | | | |
| 31 December 2020 | 390 029 993 | 27 942 112 | 69 337 750 | 385 276 463 | - | 872 586 318 |
| 31 December 2019 | 49 553 974 | - | 83 210 706 | - | - | 132 764 680 |
| Profit before tax | | | | | | |
| 31 December 2020 | 3 703 941 122 | 2 081 829 440 | 735 042 332 | 487 221 626 | (7 776 336) | 7 000 258 184 |
| 31 December 2019 | 634 554 121 | 277 415 074 | 100 636 829 | 203 572 177 | (110 719) | 1 216 067 482 |
| Segment assets | | | | | | |
| 31 December 2020 | 12 170 496 299 | 5 298 219 271 | 3 379 959 002 | 5 610 781 880 | (1 005 554 019) | 25 453 902 433 |
| 30 June 2020 | 5 038 358 378 | 2 136 803 148 | 1 513 600 112 | 4 221 736 760 | 101 454 227 | 13 011 952 625 |
| Segment liabilities | | | | | | |
| 31 December 2020 | 7 169 756 134 | 3 055 071 999 | 2 378 272 677 | 1 619 127 584 | (755 100 166) | 13 467 128 228 |
| 30 June 2020 | 2 498 864 464 | 1 138 555 958 | 907 667 026 | 909 297 005 | 235 152 586 | 5 689 537 039 |
| Capital expenditure | | | | | | |
| 31 December 2020 | 63 787 171 | 222 501 641 | 161 794 973 | 5 382 622 | - | 453 466 407 |
| 31 December 2019 | 34 490 732 | 20 054 504 | 19 037 110 | 28 645 548 | - | 102 227 894 |
| Cash flow from operating activities | | | | | | |
| 31 December 2020 | 1 442 309 458 | 818 074 232 | 484 671 036 | 146 629 859 | (13 388 762) | 2 878 295 823 |
| 31 December 2019 | 34 306 065 | (55 703 417) | (2 437 476) | (47 115 322) | 254 751 | (70 695 399) |
| Investing activities | | | | | | |
| 31 December 2020 | (76 121 099) | (262 616 825) | (502 777 844) | 53 865 868 | 65 428 273 | (722 221 627) |
| 31 December 2019 | (34 947 579) | (21 082 121) | (19 675 441) | (47 526 169) | (57 507 927) | (180 739 237) |
| Financing activities | | | | | | |
| 31 December 2020 | 650 718 719 | 475 558 939 | 353 513 463 | 333 184 339 | (1 271 233 962) | 541 741 498 |
| 31 December 2019 | 168 196 935 | 138 413 368 | 78 866 852 | 302 340 034 | (201 812 716) | 486 004 473 |

| | INFLATION-ADJUSTED | | HISTORICAL | |
|---|---|---|--|--|
| | 6 months ended 31 Dec 2020 Reviewed ZWL | 6 months ended 31 Dec 2019 Reviewed ZWL | 6 months ended 31 Dec 2020 Supplementary ZWL | 6 months ended 31 Dec 2019 Supplementary ZWL |
| 9 Financial income | | | | |
| Exchange gains/(losses) - realised | 586 303 144 | (9 508 759) | 530 673 503 | 2 048 483 |
| Exchange losses - unrealised (Loss)/profit on disposal of plant and equipment | (233 355 495) | (25 257 189) | (233 355 495) | (5 242 642) |
| Profit on disposal of non-current asset held for sale | (2 441 224) | 1 607 030 | 14 059 120 | 567 127 |
| Other | 65 427 345 | - | 144 619 660 | - |
| | 53 523 296 | 43 754 491 | 48 444 896 | 6 406 305 |
| | 469 457 066 | 10 595 573 | 504 441 684 | 3 779 273 |
| | | | | |
| | 31 Dec 2020 Reviewed ZWL | 30 June 2020 Reviewed ZWL | 31 Dec 2020 Supplementary ZWL | 30 June 2020 Supplementary ZWL |
| 10 Inventories | | | | |
| Consumable stores | 561 938 419 | 460 873 705 | 504 921 438 | 207 727 400 |
| Finished products, net of allowance for obsolescence | 1 039 140 080 | 1 362 559 212 | 1 021 067 530 | 711 124 220 |
| Raw materials and packaging | 5 447 638 532 | 5 206 404 144 | 4 997 362 912 | 2 362 773 513 |
| Work in progress | - | 85 159 633 | - | 46 423 232 |
| | 7 048 717 031 | 7 114 996 694 | 6 523 351 880 | 3 328 048 365 |
| | | | | |
| 11 Trade and other receivables | | | | |
| Trade receivables | 3 497 201 907 | 2 022 387 192 | 3 497 201 907 | 1 262 430 366 |
| Prepayments | 3 410 291 917 | 1 943 839 398 | 2 823 955 416 | 881 248 467 |
| Rental deposits | - | 229 341 | - | 133 944 |
| VAT Receivable | 272 220 343 | 113 202 734 | 272 220 343 | 66 114 779 |
| Other receivables | 1 290 512 969 | 659 926 752 | 1 290 512 969 | 385 422 732 |
| | 8 470 227 136 | 4 739 585 417 | 7 883 890 635 | 2 595 350 328 |
| Allowance for credit losses | (47 615 897) | (68 655 058) | (47 615 897) | (40 097 211) |
| | 8 422 611 239 | 4 670 930 359 | 7 836 274 738 | 2 555 253 117 |

12 Assets of disposal group classified as held for sale
The Group continues to dispose of non-core or aging assets in order to apply the value of the statement of financial position more appropriately. Following the disposal of the National Foods Holdings Limited depot operations in October 2016, the Board has identified the properties from which some of these depots operate to be non-core. The properties that had been previously categorised as assets for disposal Group classified as held for sale were disposed of during the period (refer to Note 9).

| | INFLATION-ADJUSTED | | HISTORICAL | |
|---|--------------------------|---------------------------|-------------------------------|--------------------------------|
| | 31 Dec 2020 Reviewed ZWL | 30 June 2020 Reviewed ZWL | 31 Dec 2020 Supplementary ZWL | 30 June 2020 Supplementary ZWL |
| 13 Lease liability | | | | |
| Analysis | | | | |
| Non-current | 197 760 630 | 83 966 831 | 197 760 630 | 49 039 880 |
| Current | 32 080 681 | 27 418 818 | 32 080 681 | 16 013 651 |
| | 229 841 311 | 111 385 649 | 229 841 311 | 65 053 531 |
| Undiscounted future lease payments | | | | |
| Payable within one year | 306 003 755 | 57 746 446 | 306 003 755 | 33 726 160 |
| Payable two to five years | 1 336 985 530 | 133 908 381 | 1 336 985 530 | 78 207 679 |
| Payable after five years | 1 402 520 665 | 46 883 724 | 1 402 520 665 | 27 381 910 |
| | 3 045 509 950 | 238 538 551 | 3 045 509 950 | 139 315 749 |
| | | | | |
| 14 Interest-Bearing Borrowings | | | | |
| Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 49% at the end of the period. | | | | |
| These facilities expire at different dates and will be reviewed and renewed as they mature. | | | | |
| 15 Trade and other payables | | | | |
| Trade payables | 3 424 694 597 | 3 095 837 779 | 3 424 694 597 | 1 808 089 117 |
| Accruals | 1 076 633 784 | 922 977 588 | 1 076 633 784 | 539 054 644 |
| Other payables | 3 980 422 102 | 1 710 519 061 | 3 980 422 102 | 1 130 327 507 |
| | 8 481 750 483 | 5 729 334 428 | 8 481 750 483 | 3 477 471 268 |
| | | | | |
| 16 Commitments for capital expenditure | | | | |
| Contracts and orders placed Authorised by Directors but not contracted | 483 894 279 | 1 794 352 776 | 483 894 279 | 1 047 971 489 |
| | 1 274 446 316 | 548 142 495 | 1 274 446 316 | 320 136 438 |
| | 1 758 340 595 | 2 342 495 271 | 1 758 340 595 | 1 368 107 927 |
| The future capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities. | | | | |
| 17 Contingent liabilities | | | | |
| Guarantees | | | | |
| The contingent liabilities relate to bank guarantees provided in respect of associate companies borrowings as at 31 December 2020 | 1 900 000 000 | 1 558 929 189 | 1 900 000 000 | 910 475 000 |

18 Earnings per share
Basic earnings basis
The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the period.

Diluted earnings basis
The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential conversion of share options. The potential conversion is possible when the average market price of ordinary shares during the period exceeds the exercise price of such options.

The share options arising from the Group's Employee Share Trust Scheme were not dilutive as at the end of the current period.

The share options arising from the Group's indigenisation transaction and the 2016 Innscor Africa Limited Share Option Scheme had a dilutive effect at the end of the period as shown note 18c below.

Headline earnings basis
Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

INNSCOR AFRICA LIMITED

Abridged Reviewed Group Financial Results

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020



Our passion for value creation

18 Earnings per share (continued)

Headline earnings basis (continued)

The following reflects the income data used in the basic, headline and diluted earnings per share computations:

| | INFLATION-ADJUSTED | | HISTORICAL | |
|---|--------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| | 31 Dec 2020 Reviewed ZWL | 31 Dec 2019 Reviewed ZWL | 31 Dec 2020 Supplementary ZWL | 31 Dec 2019 Supplementary ZWL |
| a Net profit attributable to equity holders of the parent | 1 543 021 905 | 1 855 818 412 | 3 528 241 021 | 678 848 151 |
| b Reconciliation of basic earnings to headline earnings: | | | | |
| Profit for the period attributable to equity holders of the parent | 1 543 021 905 | 1 855 818 412 | 3 528 241 021 | 678 848 151 |
| Adjustment for non-headline items (gross of tax): | | | | |
| Loss/(profit) on disposal of property, plant and equipment (Note 9) | 2 441 224 | (1 607 030) | (14 059 120) | (567 127) |
| Profit on disposal of assets held for sale (Note 9) | (65 427 345) | - | (144 619 660) | - |
| Tax effect on adjustments | 15 570 169 | 655 086 | 39 225 394 | 146 035 |
| Non-controlling interests' share of adjustments | 37 748 216 | 406 523 | 95 097 789 | 90 624 |
| Headline earnings attributable to ordinary shareholders | 1 533 354 169 | 1 855 272 991 | 3 503 885 424 | 678 517 683 |
| c Reconciliation of weighted average number of ordinary shares | | | | |
| | No. of shares issued | No. of shares issued | No. of shares issued | No. of shares issued |
| Number of shares in issue at the beginning of the period | 564 776 450 | 559 726 470 | 564 776 450 | 559 726 470 |
| Add: Weighted Average number of shares issued during the period | 2 716 304 | 686 141 | 2 716 304 | 686 141 |
| Less: Weighted Average number of Treasury Shares | (2 132 032) | (1 818 912) | (2 132 032) | (1 818 912) |
| Weighted Average Number of Shares | 565 360 722 | 558 593 699 | 565 360 722 | 558 593 699 |
| Weighted average number of ordinary shares before effect of dilution | 565 360 722 | 558 593 699 | 565 360 722 | 558 593 699 |
| Effect of dilution from Indigenisation transaction share options and 2016 Inncor Africa Limited Share Option Scheme | 17 043 436 | 21 936 934 | 17 043 436 | 21 936 934 |
| Weighted average number of ordinary shares adjusted for the effect of dilution | 582 404 158 | 580 530 633 | 582 404 158 | 580 530 633 |
| Basic earnings per share (cents) | 272.93 | 332.23 | 624.07 | 121.53 |
| Headline earnings per share (cents) | 271.22 | 332.13 | 619.76 | 121.47 |
| Diluted basic earnings per share (cents) | 264.94 | 319.68 | 605.81 | 116.94 |
| Diluted headline earnings per share (cents) | 263.28 | 319.58 | 601.62 | 116.88 |

