

Salient Features

	INFLATION-ADJUSTED		HISTORICAL	
		31 December 2021 Reviewed ZW\$'000		31 December 2021 Supplementary ZW\$'000
Revenue	36%	60 685 077	112%	53 681 300
Operating profit	(12%)	9 669 902	79%	11 063 831
Profit for the period	101%	7 613 702	77%	9 781 104
Basic earnings per share (cents)	124%	961.79	100%	1 248.73
Headline earnings per share (cents)	117%	926.19	89%	1 172.25
Cash generated from operating activities	(57%)	4 945 026	86%	5 358 961
Cash dividend declared per share (cents)	92%	300	173%	300

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated interim inflation-adjusted financial statements, of which this press release represents an extract. These abridged inflation-adjusted 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 period's financial statements. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after 1 January 2021 on the Group's interim financial statements.

CAUTIONARY STATEMENT - RELIANCE ON ALL FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FROM 2019 - 2022

The Directors would like to advise users to exercise caution in their use of these abridged 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 and its consequent effect on the usefulness of financial statements prepared in periods thereafter, and which resulted in carry-over effects into the 2021 financial year reporting period (the comparative period for these interim financial statements).

Whilst the Directors have always exercised reasonable care, and applied judgements that they felt were appropriate in the preparation and presentation of the Group's 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 the functional and reporting currency which occurred in 2019.

IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

International Accounting Standard ("IAS") 29 provides that inflation-adjusted financial statements are the entity's primary financial statements, and the Group has complied with this requirement for these abridged interim financial statements. The Consumer Price Index ("CPI") was applied in the preparation of the hyperinflation financial statements in accordance with IAS 29, and under the direction of the Public Accountants and Auditors Board ("PAAB").

Due to the prevailing distortions in the economy, and the material and pervasive effects that these can have in the application of the methodologies inherent in IAS 29, the Directors advise users to exercise caution in the interpretation and use of these interim inflation-adjusted financial statements. Due to the foregoing, interim financial statements prepared under the historical cost convention have been presented as supplementary information, and financial commentary has been confined to these particular financial statements.

EXTERNAL AUDITOR'S REVIEW STATEMENT

These abridged interim inflation-adjusted financial statements have been reviewed by Messrs Deloitte & Touche Chartered Accountants (Zimbabwe) ("Deloitte"). Deloitte has issued a modified review conclusion due to the carry-over effects arising from the recognition of statutory receivables ("blocked funds") during the year ended 30 June 2020 and the consequential impact contained in the comparative period's information. The auditor's review conclusion on the Group's interim inflation-adjusted financial statements, from which these

abridged Group interim inflation-adjusted financial statements are extracted, is available for inspection at the Company's registered office.

OPERATING ENVIRONMENT AND OVERVIEW

A mostly positive trading environment characterised the period under review as consumer demand remained firm, supported by the productive 2021 agricultural season, a cyclical rebound of international commodity markets, and the convenience brought to the consumer through the multi-currency system. The Group's strong trading-oriented focus, combined with improved capacity utilisation and a diversified product portfolio, delivered strong volume growth across all business units over the comparative period.

Notwithstanding the positive trading performance, the general macro-economic environment saw a resurgence in inflation levels and renewed exchange rate volatility, exacerbated by a complex and conflicting policy landscape. The Group remains hopeful that progressive and consistent policies will be employed to eliminate the current market disparities impacting business.

COVID-19 related trading restrictions continued to impact the Group's formal retail trading channels during the first quarter, albeit to a lesser extent than previously. The pandemic's impact on global supply chains and the resultant bottlenecks across major supply hubs continue to be a challenge, resulting in elevated transportation costs and delays in shipment of raw materials, spares and other capital items.

The dynamics of the local operating environment remain relatively complex and challenging despite the buoyant trading activity experienced during the period. In addition to local inflation and exchange rate volatility, global markets are undergoing an inflationary cycle, and combined with current events in Eastern Europe, this could potentially translate to cost-push inflation within certain imported raw material components.

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.

The Group posted revenue of ZW\$53.681bn during the period under review, representing a 112% increase on the comparative period. Revenue growth was delivered on the back of strong volume performance, enabled by competitive pricing and supported by ongoing investments into increased capacity and improved production efficiency.

As anticipated, gross margin growth converged with revenue growth, a consequence of the lower inflation levels experienced during the period under review. Operating expenditure as a percentage of revenue remained reasonably consistent with the comparative period, notwithstanding the cost corrections experienced across much of the overhead profile of the business.

Fair value adjustments on both listed equities and biological assets remained significant, while the bulk of the financial income emanated from the profit on disposal of the Group's remaining share in the Capri operation.

The Group's associate companies continued to contribute positively to the overall Group result, with equity accounted earnings 46% up on the comparative period. Net interest for the period under review came in at ZW\$1.238bn, on account of higher ZW\$-denominated loan levels supporting expansion capital expenditure, combined with higher interest rates.

Consolidated profit before tax for the period under review at ZW\$12.396bn was 77% ahead of the comparative period, whilst headline earnings per share came in at 1,172.25 ZW\$ cents representing a growth of 89%.

The Group's Statement of Financial Position remained robust, with a strong asset base supported by fixed assets and inventory positions and minimal gearing. The strong trading performance translated into pleasing free cash generation, allowing for increased levels of expansion capital expenditure to occur.

OPERATIONS REVIEW

MILL-BAKE

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

In the **Bakery Division**, loaf volumes closed 23% ahead of the comparative period, underpinned by firm market demand, which was encouraging. Bread pricing remains a critical aspect of the business to manage, and we continue to work with the authorities to ensure a balance is maintained between manufacturing viability and relevant pricing for the consumer.

As previously reported, the Group has undertaken to develop a new state of the art bakery in Bulawayo with a build-out over the next twelve months, coupled with further plant automation initiatives within the Harare operations. In addition, the operation's logistics arm has commenced with a re-fleeting programme which will result in improved distribution efficiencies and effectiveness.

At **National Foods**, volume performance improved as new categories were introduced into the portfolio, coupled with more efficient operating structures and increased capacity utilisation. Despite inflationary pressures contributing to slower consumer demand in the latter part of the period, overall volumes closed 15% ahead of the comparative period.

The Flour Milling division recorded a 3% volume improvement over the comparative period. The new mill installation in Bulawayo will commence in April, and remains on track for commissioning towards the end of 2022.

The Maize Milling division's volumes were 7% behind the comparative period as maize meal demand remained subdued. The division continues to unlock growth potential through product enhancements, launching the "Pearlenta Smart Carbs" range of cereal meals during the period.

The Stockfeeds division recorded a 16% volume increase against the comparative period, mainly attributable to growth recovery within the poultry category, as increased production in the small-scale sector continues.

Volume performance within the newly established Down-Packed division was encouraging, with rice and salt sale volumes 53% and 31% ahead of the comparative period, respectively.

The Traded goods division recorded volume growth of 71% over the comparative period, largely due to growth in the pasta category.

Volumes in the Snacks division increased by 49% against the comparative period driven by the commissioning of additional production capacity.

In the Biscuits division, the "Iris" brand continued its pleasing momentum in the loose biscuit segment, with volumes increasing by 19% over the comparative period. Additional capacity investments in this category are currently being assessed.

Volume growth of 42% was recorded in the Cereals division, with further capacity and capability enhancements due for commissioning towards the end of the current financial year.

At **Profeeds**, the stockfeed category recorded volume growth of 15% ahead of the comparative period, with an encouraging increase of 62% within the relatively new "Aquafeeds" fish feed category. Recovery of the small-scale poultry market continues to positively impact both poultry stockfeed and day-old chick demand.

The "Nutrimaster" fertiliser category experienced its first summer cropping trading cycle during the latter part of the period under review, operating at full capacity.

The "Profarmer" retail operation continues to expand its offering countrywide, with a total of 47 stores offering an all-encompassing retail experience, combined with agricultural support services and workshops, for the farming sector.

As previously reported, in May 2020, the Competitions and Tariff Commission ("CTC") directed that the Group's non-controlling investment in Profeeds be disallowed, and that the Group disinvest from the business; additionally, it levied a fine against the Group in the amount of ZW\$40.594m for late notification of the investment. The Group appealed to the Administrative Court against the CTC directives. In January 2022, the Administrative Court overturned the CTC's directive for the Group to disinvest from Profeeds, and it further directed that the fine be withdrawn and replaced with a caution. The CTC has since appealed the judgement to the Supreme Court.

PROTEIN

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

The **Colcom Division**, comprising Triple C Pigs and Colcom Foods, delivered 11% growth in volumes against the comparative period, with performance in the processed pork category being especially strong, with volumes 27% up, whilst volumes of fresh pork remained in line with the comparative period. The pie category showed an encouraging recovery with a volume growth of 37%.

Pig production of 61,000 animals for the period reached record levels, driven by continuing investment into new capacity, combined with ongoing genetic improvement in the herd. Further investment will continue in this part of the operation in order to support increased raw material demand in the factory operations.

Irvine's continued to deliver encouraging volume growth across its value-chain, underpinned by a recovery in small-scale poultry production and sustained consumer demand across the protein market. The day-old chick market remains firm, and this translated into volume growth of 37% over the comparative period, while the frozen chicken category delivered 10% volume growth over the same period; volumes in the table egg category were similar.

As previously reported, various investment initiatives to unlock additional capacity and production enhancements are underway for all three categories; these investments are at varying stages of development.

The **AMP Group's** protein range delivered volume growth of 11% ahead of the comparative period, with growth recorded across all categories. Notwithstanding the "Texas" retail business's exposure to COVID-19 related trading restrictions, expansion of the trading platform continued, with the opening a flagship "Texas Meat Market" store in Harare in December, following previous successful launches of the concept in Bulawayo and Masvingo, whilst a further two "Texas Chicken" outlets opened in Marondera and Chinhoyi during the period under review.

OTHER LIGHT MANUFACTURING AND SERVICES

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

At **Natpak**, overall packaging volumes improved by 14% over the comparative period. The rigids category delivered 68% volume growth over the comparative period, as capacity expansion initiatives undertaken in this category became fully operational. The corrugated and flexibles categories also delivered volumes ahead of the comparative period, while volumes in the sacks category remained similar, mainly as a result of subdued maize meal demand. The business continues to investigate further investment opportunities in both new product expansions and existing category extensions.

Pro Dairy recorded a 32% increase in volumes against the comparative period, as the milk and dairy blend categories delivered exceptional volume growth of 22% and 49%, respectively. Investment continues to be directed toward growing the local milking herd coupled with production enhancements and new packaging formats which will be available to the market in the coming months.

Probottlers delivered a very pleasing result, with total volumes closing 25% ahead of the comparative period, with both the Cordial and CSD categories delivering record output. The business remains focused on capacity expansion and product development, and in this regard, the installation of a new 500ml filling line to complement the successful adjacent two-litre offering is underway and expected to be commissioned in March 2022.

OTHER LIGHT MANUFACTURING AND SERVICES (continued)

At **Probrands**, volume growth of 20% was realised against the comparative period, on the back of sustained demand within the rice category, specialised condiments range and down-packed product categories. The business continues to explore innovative product offerings for the local market.

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 2022. At present, the financial status of the Group remains healthy, and the impact of the COVID-19 has not created any issues from a solvency or liquidity perspective.

PROSPECTS

The results of the Group have been extremely pleasing during the period under review. That said, the environment remains complex and needs to be carefully managed in order to ensure a balance between value preservation and growth. We continue to focus on optimising our business models, maintaining the excellent momentum achieved with regards to volume growth, enabling further margin efficiency, and managing the operating cost profile of the business.

The recent erratic rainfall patterns felt across much of the country gave rise to challenging planting conditions for the current agricultural season which is likely to impact on local production levels of commodities. This together with current pricing uncertainties in international commodity markets will require ongoing focus by the Group in managing product input costs in the period ahead.

Despite continued distortions, we remain extremely positive about the potential growth trajectory of the local economy and remain hopeful that progressive and consistent policy will be employed to underpin this growth and ensure that a full and sustainable recovery can be achieved.

It is against this backdrop that the Group continues to execute on its USD 70m expansion programme, with exciting new investments spanning the beverage, milling, baking, protein, and packaging segments, all scheduled for completion within the next financial year. These investments will result in capacity increases on existing categories, improvement in manufacturing operating efficiencies through the utilisation of new technologies, and, most importantly, will enable growth into new and adjacent products and categories.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend of 300 ZW\$ cents per share payable in respect of all ordinary shares of the Company. This interim dividend is in respect of the financial year ending 30 June 2022 and will be payable to all the shareholders of the Company registered at the close of business on 8 April 2022.

The payment of this interim dividend will take place on or around 12 April 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange

up to the market day of 5 April 2022 and ex-dividend from 6 April 2022.

The Board has also declared an interim dividend totaling ZW\$85.6m 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
11 March 2022

Reviewed Abridged Group Statement of Financial Position

Note	INFLATION-ADJUSTED		HISTORICAL	
	As At 31 Dec 2021 Reviewed ZW\$'000	As At 30 Jun 2021 Audited ZW\$'000	As At 31 Dec 2021 Supplementary ZW\$'000	As At 30 Jun 2021 Supplementary ZW\$'000
ASSETS				
Non-current assets				
property, plant and equipment	22 599 165	16 885 872	10 124 941	4 412 453
right-of-use assets	912 431	953 628	326 154	300 764
intangible assets	2 581 158	2 581 277	52 705	51 233
investments in associates	10 853 365	10 004 690	5 978 442	4 459 909
other assets	2 274 992	1 794 704	2 168 362	1 268 162
biological assets	379 454	323 137	339 918	225 411
deferred tax assets	—	—	119 487	92 320
	39 600 565	32 543 308	19 110 009	10 810 252
Current assets				
biological assets	3 254 403	2 693 099	2 550 568	1 672 688
inventories	7 15 575 809	11 290 499	14 675 060	8 331 456
trade and other receivables	8 18 365 799	11 537 697	18 012 036	8 650 159
cash and cash equivalents	5 504 861	5 347 425	5 504 861	4 389 036
	42 700 872	30 868 720	40 742 525	23 043 339
	82 301 437	63 412 028	59 852 534	33 853 591
EQUITY AND LIABILITIES				
Capital and reserves				
ordinary share capital	347 844	347 772	5 759	5 699
share premium	1 216 570	1 163 740	36 352	25 892
other reserves	3 748 656	1 543 398	4 819 020	2 683 984
distributable reserves	27 632 311	23 308 982	15 486 670	9 470 981
attributable to equity holders of the parent	32 945 381	26 363 892	20 347 801	12 186 556
non-controlling interests	13 354 707	11 359 738	6 777 640	4 230 431
Total shareholders' equity	46 300 088	37 723 630	27 125 441	16 416 987
Non-current liabilities				
deferred tax liabilities	3 505 850	2 870 470	231 594	146 326
lease liability	9 302 167	330 573	302 167	248 208
interest-bearing borrowings	10 1 071 235	779 897	1 071 235	585 579
	4 879 252	3 980 940	1 604 996	980 113
Current liabilities				
lease liability	9 111 357	118 214	111 357	88 760
interest-bearing borrowings	10 9 499 580	7 956 108	9 499 580	5 973 779
trade and other payables	11 18 902 000	11 704 584	18 902 000	8 946 349
provisions and other liabilities	416 030	293 416	416 030	220 309
current tax liabilities	2 193 130	1 635 136	2 193 130	1 227 294
	31 122 097	21 707 458	31 122 097	16 456 491
Total liabilities	36 001 349	25 688 398	32 727 093	17 436 604
Total equity and liabilities	82 301 437	63 412 028	59 852 534	33 853 591

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

Note	INFLATION-ADJUSTED		HISTORICAL	
	6 months ended 31 Dec 2021 Reviewed ZW\$'000	6 months ended 31 Dec 2020 Reviewed ZW\$'000	6 months ended 31 Dec 2021 Supplementary ZW\$'000	6 months ended 31 Dec 2020 Supplementary ZW\$'000
REVENUE	60 685 077	44 618 673	53 681 300	25 342 398
Operating profit before depreciation, amortisation and fair value adjustments	9 669 902	11 003 269	11 063 831	6 164 820
financial income	6 376 289	754 592	695 041	504 442
depreciation on property, plant and equipment and right-of-use assets and amortisation on intangible assets	(970 711)	(852 457)	(340 357)	(66 666)
Operating profit before interest, equity accounted earnings and fair value adjustments	9 075 480	10 905 404	11 418 515	6 602 596
fair value adjustments on livestock and listed equities	189 321	(1 032 530)	940 850	(50 370)
Profit before interest and tax	9 264 801	9 872 874	12 359 365	6 552 226
net interest expense	(1 418 427)	(742 066)	(1 238 289)	(424 554)
equity accounted earnings	1 386 677	1 520 647	1 274 981	872 586
monetary gain/(loss)	1 312 514	(4 421 129)	—	—
Profit before tax	10 545 565	6 230 326	12 396 057	7 000 258
tax expense	(2 931 863)	(2 445 232)	(2 614 953)	(1 481 523)
Profit for the period	7 613 702	3 785 094	9 781 104	5 518 735
Profit for the period attributable to:				
equity holders of the parent	5 464 464	2 431 439	7 094 684	3 528 241
non-controlling interests	2 149 238	1 353 655	2 686 420	1 990 494
	7 613 702	3 785 094	9 781 104	5 518 735
Other comprehensive income - to be recycled to profit or loss net of tax exchange differences arising on the translation of foreign operations attributable to:				
equity holders of the parent	1 523 773	397 752	1 523 773	397 752
non-controlling interest	72 382	69 715	72 382	69 715
Other comprehensive income for the period recycled to profit or loss, net of tax	1 596 155	467 467	1 596 155	467 467
Total comprehensive income for the period	9 209 857	4 252 561	11 377 259	5 986 202
Total comprehensive income for the period attributable to:				
equity holders of the parent	6 988 237	2 829 191	8 618 457	3 925 993
non-controlling interests	2 221 620	1 423 370	2 758 802	2 060 209
	9 209 857	4 252 561	11 377 259	5 986 202

EARNINGS PER SHARE (CENTS)

Basic earnings per share	13	961.79	430.07	1 248.73	624.07
Headline earnings per share	13	926.19	427.32	1 172.25	619.76
Diluted basic earnings per share	13	957.09	417.48	1 242.62	605.81
Diluted headline earnings per share	13	921.66	414.81	1 166.51	601.62

Reviewed Abridged Group Statement of Cash Flows

Note	INFLATION-ADJUSTED		HISTORICAL	
	6 months ended 31 Dec 2021 Reviewed ZW\$'000	6 months ended 31 Dec 2020 Reviewed ZW\$'000	6 months ended 31 Dec 2021 Supplementary ZW\$'000	6 months ended 31 Dec 2020 Supplementary ZW\$'000
Cash generated from operating activities	4 945 026	11 585 540	5 358 961	2 878 296
interest expense	(1 418 427)	(742 066)	(1 238 289)	(424 554)
tax paid	(1 815 445)	(1 882 430)	(1 576 079)	(814 391)
Total cash available from operations	1 711 154	8 961 044	2 544 593	1 639 351
Investing activities	(4 943 553)	(585 561)	(4 879 975)	(722 222)
Net cashflows before financing activities	(3 232 399)	8 375 483	(2 335 382)	917 129
Financing activities	2 483 492	1 048 424	2 010 428	541 741
Net (decrease)/increase in cash and cash equivalents	(748 907)	9 423 907	(324 954)	1 458 870
Effects of currency translation on cash and cash equivalents - foreign operations	906 343	(7 925 916)	1 440 779	333 586
Net increase in cash and cash equivalents	157 436	1 497 991	1 115 825	1 792 456
Cash and cash equivalents at the beginning of the period	5 347 425	4 060 879	4 389 036	2 125 956
Cash and cash equivalents at the end of the period	5 504 861	5 558 870	5 504 861	3 918 412

Reviewed Abridged Group Statement of Changes in Equity

	attributable to equity holders of the parent										
	Ordinary Share Capital ZWS'000	Share Premium Reserve ZWS'000	Other Reserves				Total Other Reserves ZWS'000	Distributable Reserves ZWS'000	Total Attributable to Equity Holders of the Parent ZWS'000	Non-Controlling Interests ZWS'000	Total Shareholders' Equity ZWS'000
Restructure Reserve ZWS'000			Currency Translation Reserve ZWS'000	Foreign Treasury Shares Reserve ZWS'000	Share-based Payment Reserve ZWS'000						
INFLATION-ADJUSTED - REVIEWED											
Balances at 30 June 2020	347 680	1 123 580	(815 014)	2 067 282	(42 678)	69 882	1 279 472	21 722 126	24 472 858	10 367 356	34 840 214
Issue of shares	92	40 160	—	—	—	(33 498)	(33 498)	—	6 754	—	6 754
Profit for the period	—	—	—	—	—	—	—	2 431 439	2 431 655	1 353 655	3 785 094
Other comprehensive income	—	—	—	397 752	—	—	397 752	—	397 752	69 715	467 467
Dividend paid	—	—	—	—	—	—	—	(998 836)	(998 836)	(566 985)	(1 565 821)
Transactions with owners in their capacity as owners	—	—	(661 598)	—	(87 475)	—	(749 073)	—	(749 073)	(39 816)	(788 889)
Share-based payment charge	—	—	—	—	—	1 179	1 179	—	1 179	—	1 179
Balances at 31 December 2020	347 772	1 163 740	(1 476 612)	2 465 034	(130 153)	37 563	895 832	23 154 729	25 562 073	11 183 925	36 745 998
Profit for the period	—	—	—	—	—	—	—	1 080 286	1 080 286	837 651	1 917 937
Other comprehensive income	—	—	—	606 810	—	—	606 810	—	606 810	(57 966)	548 844
Dividend paid	—	—	—	—	—	—	—	(926 033)	(926 033)	(668 789)	(1 594 822)
Transactions with owners in their capacity as owners	—	—	124 136	—	(84 136)	—	40 000	—	40 000	64 917	104 917
Share-based payment charge	—	—	—	—	—	756	756	—	756	—	756
Balances at 30 June 2021	347 772	1 163 740	(1 352 476)	3 071 844	(214 289)	38 319	1 543 398	23 308 982	26 363 892	11 359 738	37 723 630
Issue of shares	72	52 830	—	—	—	(38 588)	(38 588)	—	14 314	—	14 314
Profit for the period	—	—	—	—	—	—	—	5 464 464	5 464 464	2 149 238	7 613 702
Other comprehensive income	—	—	—	1 523 772	—	—	1 523 772	—	1 523 772	72 382	1 596 154
Dividend paid	—	—	—	—	—	—	—	(1 141 135)	(1 141 135)	(362 937)	(1 504 072)
Transactions with owners in their capacity as owners	—	—	719 805	—	—	—	719 805	—	719 805	136 286	856 091
Share-based payment charge	—	—	—	—	—	269	269	—	269	—	269
Balances at 31 December 2021	347 844	1 216 570	(632 671)	4 595 616	(214 289)	—	3 748 656	27 632 311	32 945 381	13 354 707	46 300 088
HISTORICAL - SUPPLEMENTARY											
Balances at 30 June 2020	5 648	20 358	(13 135)	2 067 282	(688)	3 079	2 056 538	3 575 773	5 658 317	1 664 099	7 322 416
Issue of shares	51	5 534	—	—	—	(1 892)	(1 892)	—	3 693	—	3 693
Profit for the period	—	—	—	—	—	—	—	3 528 241	3 528 241	1 990 494	5 518 735
Other comprehensive income	—	—	—	397 752	—	—	397 752	—	397 752	69 715	467 467
Dividends paid	—	—	—	—	—	—	—	(596 229)	(596 229)	(329 942)	(926 171)
Transactions with owners in their capacity as owners	—	—	(325 807)	—	(53 350)	—	(379 157)	—	(379 157)	(20 862)	(400 019)
Share-based payment charge	—	—	—	—	—	652	652	—	652	—	652
Balances at 31 December 2020	5 699	25 892	(338 942)	2 465 034	(54 038)	1 839	2 073 893	6 507 785	8 613 269	3 373 504	11 986 773
Profit for the period	—	—	—	—	—	—	—	3 615 924	3 615 924	1 355 834	4 971 758
Other comprehensive income	—	—	—	606 810	—	—	606 810	—	606 810	(57 966)	548 844
Dividends paid	—	—	—	—	—	—	—	(652 728)	(652 728)	(479 307)	(1 132 035)
Transactions with owners in their capacity as owners	—	—	61 131	—	(58 380)	—	2 751	—	2 751	38 366	41 117
Share-based payment charge	—	—	—	—	—	530	530	—	530	—	530
Balances at 30 June 2021	5 699	25 892	(277 811)	3 071 844	(112 418)	2 369	2 683 984	9 470 981	12 186 556	4 230 431	16 416 987
Issue of shares	60	10 460	—	—	—	(2 584)	(2 584)	—	7 936	—	7 936
Profit for the period	—	—	—	—	—	—	—	7 094 684	7 094 684	2 686 420	9 781 104
Other comprehensive income	—	—	—	1 523 773	—	—	1 523 773	—	1 523 773	72 382	1 596 155
Dividends paid	—	—	—	—	—	—	—	(1 078 995)	(1 078 995)	(332 438)	(1 411 433)
Transactions with owners in their capacity as owners	—	—	613 632	—	—	—	613 632	—	613 632	120 845	734 477
Share-based payment charge	—	—	—	—	—	215	215	—	215	—	215
Balances at 31 December 2021	5 759	36 352	335 821	4 595 617	(112 418)	—	4 819 020	15 486 670	20 347 801	6 777 640	27 125 441

Supplementary Information

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 six months ended 31 December 2021 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 (ZWS); all values are rounded to the nearest ZWS'000 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 and have been applied consistently in all material respects with those of the previous consolidated annual inflation-adjusted financial statements.

3 IAS 29 (Financial Reporting in Hyperinflationary Economies)

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) from 1 October 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 six months ended 31 December 2021 and the comparative period. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from the beginning of the comparative period. All items in the statement of cash flows are expressed based on the restated financial information for the period.

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

MONTH	CPI	Conversion Factor
Dec-21	3 977.46	1.0000
Jun-21	2 986.44	1.3318
Dec-20	2 474.51	1.6074
Jun-20	1 445.21	2.7522

4 Legacy Debt

As reported in prior years' financial statements, the Group has foreign legacy debts amounting to US\$3 783 811 (2021: US\$5 133 811), being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated S133/2019 which introduced the ZWS currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ") and the Group transferred to the RBZ the ZWS equivalent of the foreign liabilities based on an exchange rate of ZWS 1 = US\$ 1 in line with Exchange Control Directives RU102/2019 and RU28/2019 and as directed by the RBZ. The foreign liabilities have been accounted for at the closing rate of exchange as at 31 December 2021 in line with IAS 21 and the deposits with the RBZ have been accounted for as statutory receivables at the same closing exchange rate, in compliance with IFRS 9.

The statutory receivables were initially recognised in the financial year ended 30 June 2020, and the Group recognised matching exchange rate gains based on a rate of ZWS 1 = US\$ 1 in the same year. Due to the technicalities surrounding the legacy debts in that financial year, the Group could not obtain a confirmation of the legacy debt and the exchange rate in that year but did so in the financial year ended 30 June 2021. The external auditors believed that the statutory receivable and exchange rate gains should not have been recognised at a rate of ZWS 1 = US\$ 1 in June 2020 but should have been recognised in the financial year ended 30 June 2021 and this resulted in a modification of the audit opinion for the year ended 30 June 2020. The carry-over effects of the exchange rate gains in the 30 June 2020 distributable reserve has resulted in the current period modification of the review conclusion.

The Board remains confident that the RBZ will settle the legacy debts in accordance the Exchange Control Directives and although risk remains that policies regarding the foreign liabilities may be changed, the RBZ has provided an undertaking that the amounts outstanding will be settled to the respective creditors.

5 Operating Segments

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

Mill-Bake Segment - reports the results of the Group's interests in National Foods Holdings Limited, the Bakery Division, Bakers Inn Logistics (Private) Limited and non-controlling interest in Profecds (Private) Limited.

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

Supplementary Information (continued)

5 Operating Segments (continued)

Other Light Manufacturing and Services - reports the results of the Group's controlling interests in Natpak (Private) Limited, Pro Dairy (Private) Limited, Probottlers (Private) Limited, and associated interests in Probrands (Private) Limited, 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.

	Mill-Bake ZWS'000	Protein ZWS'000	Other Light Manufacturing and Services ZWS'000	Head Office Services ZWS'000	Inter- Segment Adjustments ZWS'000	Total ZWS'000
INFLATION-ADJUSTED: REVIEWED						
Revenue						
31 December 2021	35 296 160	18 316 135	14 490 423	890 725	(8 308 366)	60 685 077
31 December 2020	27 731 522	13 818 193	6 825 898	333 067	(4 090 007)	44 618 673
Operating profit before depreciation, amortisation and fair value adjustments						
31 December 2021	5 153 988	2 770 298	1 728 488	17 128	—	9 669 902
31 December 2020	5 555 166	4 081 862	1 313 753	52 488	—	11 003 269
Depreciation and amortisation						
31 December 2021	480 814	249 446	198 135	42 001	315	970 711
31 December 2020	248 181	242 750	320 349	39 761	1 416	852 457
Equity accounted earnings						
31 December 2021	467 886	—	63 851	854 940	—	1 386 677
31 December 2020	679 701	48 694	120 834	671 418	—	1 520 647
Profit before tax						
31 December 2021	4 757 102	2 412 964	1 452 820	1 947 549	(24 870)	10 545 565
31 December 2020	3 296 559	1 852 857	654 198	433 634	(6 922)	6 230 326
Segment assets						
31 December 2021	36 682 844	16 784 864	13 256 169	20 387 893	(4 810 333)	82 301 437
30 June 2021	25 796 023	15 558 153	9 065 471	13 771 822	(779 441)	63 412 028
Segment liabilities						
31 December 2021	17 397 527	7 702 617	7 274 898	5 879 808	(2 253 501)	36 001 349
30 June 2021	11 183 293	6 921 225	4 884 823	2 869 838	(170 781)	25 688 398
Capital expenditure						
31 December 2021	2 544 253	1 083 494	888 262	1 247 109	—	5 763 118
31 December 2020	108 936	379 992	276 316	9 192	—	774 436
Cash flow from operating activities						
31 December 2021	1 264 563	2 342 356	1 284 134	659 679	(605 706)	4 945 026
31 December 2020	5 805 496	3 292 862	1 950 868	590 206	(53 892)	11 585 540
Investing activities						
31 December 2021	(2 283 583)	(1 177 134)	(480 922)	(1 220 768)	218 854	(4 943 553)
31 December 2020	(61 717)	(212 924)	(407 641)	43 673	53 048	(585 561)
Financing activities						
31 December 2021	2 049 152	(377 426)	327 252	1 720 325	(1 235 811)	2 483 492
31 December 2020	1 259 326	920 342	684 149	644 807	(2 460 200)	1 048 424

HISTORICAL: SUPPLEMENTARY

Revenue						
31 December 2021	31 222 565	16 202 236	12 818 057	787 925	(7 349 483)	53 681 300
31 December 2020	15 750 878	7 848 421	3 876 955	189 175	(2 323 031)	25 342 398
Operating profit before depreciation, amortisation and fair value adjustments						
31 December 2021	5 896 942	3 169 640	1 977 652	19 597	—	11 063 831
31 December 2020	3 112 403	2 286 952	736 059	29 406	—	6 164 820
Depreciation and amortisation						
31 December 2021	168 586	87 462	69 471	14 727	111	340 357
31 December 2020	19 409	18 984	25 053	3 109	111	66 666
Equity accounted earnings						
31 December 2021	430 198	—	58 708	786 075	—	1 274 981
31 December 2020	390 030	27 942	69 338	385 276	—	872 586
Profit before tax						
31 December 2021	5 591 859	2 836 381	1 707 755	2 289 295	(29 233)	12 396 057
31 December 2020	3 703 941	2 081 829	735 042	487 222	(7 776)	7 000 258
Segment assets						
31 December 2021	26 677 070	12 206 550	9 640 358	14 826 802	(3 498 246)	59 852 534
30 June 2021	13 771 646	8 305 985	4 839 756	7 352 322	(416 118)	33 853 591
Segment liabilities						
31 December 2021	15 815 254	7 002 078	6 613 259	5 345 050	(2 048 548)	32 727 093
30 June 2021	7 590 923	4 697 944	3 315 689	1 947 970	(115 922)	17 436 604
Capital expenditure						
31 December 2021	2 384 298	1 015 376	832 418	1 168 705	—	5 400 797
31 December 2020	63 787	222 502	161 795	5 383	—	453 467
Cash flow from operating activities						
31 December 2021	1 370 417	2 538 429	1 391 625	714 900	(656 410)	5 358 961
31 December 2020	1 442 309	818 074	484 671	146 630	(13 388)	2 878 296
Investing activities						
31 December 2021	(2 254 214)	(1 161 995)	(474 737)	(1 205 068)	216 039	(4 879 975)
31 December 2020	(76 121)	(262 617)	(502 778)	53 866	65 428	(722 222)
Financing activities						
31 December 2021	1 658 823	(305 533)	264 916	1 392 632	(1 000 410)	2 010 428
31 December 2020	650 719	475 559	353 513	333 184	(1 271 234)	541 741

	INFLATION-ADJUSTED		HISTORICAL	
	6 months ended 31 Dec 2021 Reviewed ZWS'000	6 months ended 30 June 2021 Reviewed ZWS'000	6 months ended 31 Dec 2021 Supplementary ZWS'000	6 months ended 30 June 2021 Supplementary ZWS'000
6 Financial income				
Exchange (losses)/gains - realised	(43 451)	(942 407)	(29 775)	530 674
Exchange gains/(losses) - unrealised	81 767	(375 089)	81 767	(233 355)
Profit on restructure of associates	266 488	—	568 070	—
Profit/(loss) on disposal of plant and equipment	4 782	(3 924)	19 786	14 059
Profit on disposal of non-current asset held for sale	—	105 166	—	144 620
Other	66 703	1 970 846	55 193	48 444
	376 289	754 592	695 041	504 442

	INFLATION-ADJUSTED		HISTORICAL	
	31 Dec 2021 Reviewed ZWS'000	30 Jun 2021 Audited ZWS'000	31 Dec 2021 Supplementary ZWS'000	30 Jun 2021 Supplementary ZWS'000
7 Inventories				
Consumable stores	2 219 059	1 094 757	2 059 413	797 125
Finished products, net of allowance for obsolescence	2 677 336	2 472 994	2 554 620	1 831 408
Raw materials and packaging	10 571 774	7 578 473	9 953 387	5 594 596
Goods in transit	—	8 024	—	6 025
Work in progress	107 640	136 251	107 640	102 302
	15 575 809	11 290 499	14 675 060	8 331 456

8 Trade and other receivables				
Trade receivables	6 964 432	5 921 802	6 964 432	4 446 337
Prepayments	7 203 466	3 749 956	6 849 703	2 727 457
VAT receivable	352 866	413 706	352 866	310 628
Other receivables	4 003 270	1 542 433	4 003 270	1 233 463
	18 524 034	11 627 897	18 170 271	8 717 885
Allowance for credit losses	(158 235)	(90 200)	(158 235)	(67 726)
	18 365 799	11 537 697	18 012 036	8 650 159

9 Lease liability				
Analysis				
Non-current	302 167	330 573	302 167	248 208
Current	111 357	118 214	111 357	88 760
	413 524	448 787	413 524	336 968

Undiscounted future lease payments				
Payable within one year	603 803	462 936	603 803	347 592
Payable two to five years	3 425 322	2 051 249	3 425 322	1 540 163
Payable after five years	4 225 991	2 511 736	4 225 991	1 885 917
	8 255 116	5 025 921	8 255 116	3 773 672

10 Interest-Bearing Borrowings
Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 31% per annum.

These facilities expire at different dates and will be reviewed and renewed when they mature.

	INFLATION-ADJUSTED		HISTORICAL	
	31 Dec 2021 Reviewed ZWS'000	30 Jun 2021 Audited ZWS'000	31 Dec 2021 Supplementary ZWS'000	30 Jun 2021 Supplementary ZWS'000
11 Trade and other payables				
Trade payables	13 274 765	3 588 510	13 274 765	2 694 404
Accruals	1 473 782	1 512 226	1 473 782	1 135 442
Other payables	4 153 453	6 603 848	4 153 453	5 116 503
	18 902 000	11 704 584	18 902 000	8 946 349
12 Commitments for capital expenditure				
Contracts and orders placed Authorised by Directors but not contracted	3 021 129	3 519 409	3 021 129	2 642 520
	679 642	1 264 366	679 642	949 339
	3 700 771	4 783 775	3 700 771	3 591 859

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.



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Supplementary Information (continued)

13 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 had a dilutive effect during the current period.

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.

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

	INFLATION-ADJUSTED		HISTORICAL	
	6 months ended 31 Dec 2021 Reviewed ZW\$'000	6 months ended 31 Dec 2020 Reviewed ZW\$'000	6 months ended 31 Dec 2021 Supplementary ZW\$'000	6 months ended 31 Dec 2020 Supplementary ZW\$'000
a Net profit attributable to equity holders of the parent	5 464 464	2 431 439	7 094 684	3 528 241
b Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	5 464 464	2 431 439	7 094 684	3 528 241
Adjustment for non-headline items (gross of tax):				
(Profit)/loss on disposal of property, plant and equipment	(4 782)	3 924	(19 786)	(14 059)
Profit on disposal of assets held for sale	—	(105 166)	—	(144 620)
Profit on restructure of associates	(266 488)	—	(568 070)	—
Tax effect on adjustments	67 058	25 027	145 318	39 225
Non-controlling interests' share of adjustments	1 935	60 675	8 007	95 098
Headline earnings attributable to ordinary shareholders	5 262 187	2 415 899	6 660 153	3 503 885
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	569 876 450	564 776 450	569 876 450	564 776 450
Add: Weighted Average number of shares issued during the period	2 917 120	2 716 304	2 917 120	2 716 304
Less: Weighted Average number of Treasury Shares	(4 639 901)	(2 132 032)	(4 639 901)	(2 132 032)
Weighted Average Number of Shares	568 153 669	565 360 722	568 153 669	565 360 722
Weighted average number of ordinary shares before effect of dilution	568 153 669	565 360 722	568 153 669	565 360 722
Effect of dilution from share options:	2 794 154	17 043 436	2 794 154	17 043 436
Weighted average number of ordinary shares adjusted for the effect of dilution	570 947 823	582 404 158	570 947 823	582 404 158
Basic earnings per share (cents)	961.79	430.07	1 248.73	624.07
Headline earnings per share (cents)	926.19	427.32	1 172.25	619.76
Diluted basic earnings per share (cents)	957.09	417.48	1 242.62	605.81
Diluted headline earnings per share (cents)	921.66	414.81	1 166.51	601.62

	INFLATION-ADJUSTED		HISTORICAL	
	31 Dec 2021 Reviewed ZW\$'000	30 Jun 2021 Reviewed ZW\$'000	31 Dec 2021 Supplementary ZW\$'000	30 Jun 2021 Supplementary ZW\$'000
14 Contingent liabilities				
Guarantees				
The contingent liabilities relate to bank guarantees provided in respect of associate companies' borrowings as at 31 December 2021.	5 053 250	3 953 324	5 053 250	2 968 322

15 Uncertain tax positions

The significant currency changes in Zimbabwe since 2018 have created some uncertainties in the treatment of taxes due to the absence of clear guidance and transitional measures from the tax authorities. Complications arose from the wording of the tax legislation in relation to the currency of settlement for certain taxes which gives rise to varying interpretations within the economy, resulting in uncertainties in the Group's tax position.

