

Audited Abridged Financial Results

For the Year Ended 31 December 2023

Chairman's Statement

Introduction

The trading environment for the year ended 31 December 2023 was characterized by hikes in retail prices for basic commodities triggered by rising inflation resulting in pressure on consumer purchasing power. Excise Duty remained unchanged for the year 2023.

Notwithstanding the challenging economic environment, British American Tobacco Zimbabwe (Holdings) Limited (hereinafter referred to as 'the Group and Company') recorded a remarkable financial performance for the year ended 31 December 2023 delivering 147% and 101% growth in revenue and profit before tax respectively compared to same period last year.

The Group and Company remains committed to ensuring that long-term sustainability for the business and value for its stakeholders is created and maintained.

Board Resignations and Appointments

Mr. Kimesh Naidoo resigned from the position of Managing Director of the Group and Company effective 25 March 2024. The Board of Directors would like to thank Mr. Kimesh Naidoo for his contribution to the success of the Group and Company and wish him all the best in his future endeavours.

Mr. Wilson Chitsonga resigned from his position of Finance Director of the Group and Company effective 25 March 2024. The Board of Directors would like to thank Mr. Wilson Chitsonga for his contribution to the success of the Group and Company and wish him all the best in his future endeavours.

The Board is pleased to announce the appointment of Mr. Ken Gitonga as the new Managing Director with effect from 26 March 2024.

The Board is pleased to announce the appointment of Ms. Lucy Irungu as the new Finance Director with effect from 26 March 2024.

Volumes

The Group and Company's total volume for the period under review declined by 5% from 1 054 million sticks reported similar period last year to 1 003 million sticks. Due to the challenging operating environment the Group and Company has recorded lower volumes and an increased credit defaulting rate from the customers. Export volumes of cut rag tobacco decreased to 282 940 kgs, a

32% decline during the period under review compared to prior year.

The Group and Company also launched Vuse 'New Category' Products into the Zimbabwean market in the month of October 2023 which realized a total sale of 34 thousand devices.

Financial Results

The Group and Company achieved total revenue of ZW\$288 billion for the year ended 31 December 2023, an increase of 147% above last year. The growth was driven by the continuous price reviews in line with the currency devaluation together with revenue generated from cut-rag tobacco and leaf exports.

Selling and marketing costs increased by 109% compared to the same period in prior year and administrative expenses also increased by 46% versus last year and the increase in costs was attributable to the significant devaluation of the currency which led to suppliers revising their prices and charging more for their goods and services.

Nonetheless the Group and Company recorded a significant increase in profit after tax of 131% compared to prior year. The amount recorded for the year ended 31 December 2023 was ZW\$55.4 billion and the earnings per share increased to ZW\$ 2 684.85 from ZW\$ 1 163.51 in the prior year.

Blocked Funds

The Group and Company registered blocked funds pursuant to a Reserve Bank of Zimbabwe ("RBZ") directive amounting to US\$ 16 352 138.92 (Sixteen million three hundred and fifty-two thousand one hundred and thirty-eight United States Dollars and ninety-two cents only) in respect of outstanding dividends and bills for material supplies in line with the blocked funds guidelines stipulated in the Exchange Control Directive RU28 dated 21 February 2019 read together with the Exchange Control Circular No. 8 of 24 July 2019. Following the registration of the blocked funds an amount of ZW\$ 16 352 138.92 (Sixteen million three hundred and fifty-two thousand one hundred and thirty-eight Zimbabwe Dollars and ninety-two cents only) was transferred to the RBZ to allow settlement of the registered blocked funds.

In 2021, the Treasury assumed the liability from RBZ in relation to the blocked funds. The Treasury is currently working on the appropriate instrument(s) to facilitate settlement of the registered blocked funds which were listed as approved blocked funds under Annex 1 of the

Finance Act (no 7) of 2021 (gazetted on 21 December 2021). Management has continued to account for the outstanding blocked funds at a rate of US\$1: ZW\$1.

Dividends

The Group and Company continues to hold in the highest regards the interest of its shareholders to achieve maximum returns on their investment. In view of the profit for the period under review the Board proposes the declaration of a final dividend of ZW\$ 1 186.70 per share. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

Contributions to the Government Treasury

The Group and Company continues to contribute to the Government Treasury through various tax heads which include Excise Duty, Corporate Tax, Value Added Tax, Custom Duties, Pay As You Earn and Withholding Tax. The Group and Company's contribution to the Zimbabwe Revenue Authority (ZIMRA) in the year under review increased from ZW\$ 12.5 billion (historical cost) in 2022 to ZW\$ 1 152 billion (historical cost) for the year ending 31 December 2023.

Sustainability

Our Sustainability agenda is integral to our evolved Group strategy. It reflects our commitment to reducing the health impact of our business as our principal focus area. This is underpinned by excellence across our Environmental, Social and Governance (ESG) priorities.

Our Sustainability agenda has been refreshed to reflect the changing external environment. Specifically, we are clear that reducing the health impact of our business is our principal focus area as well as placing a greater emphasis on the importance of addressing climate change and environmental management. At the same time, we remain committed to delivering a positive social impact and ensuring robust corporate governance across the Group.

A key strength of our approach to sustainability is a robust process to identify and understand the most material ESG topics that drive our long-term business sustainability and value creation. Each year we engage with a wide range of stakeholders to understand what matters to them most and complement this with ongoing risk monitoring research and benchmarking.

Outlook

Although trading conditions are expected to remain challenging in 2024, the Board is confident that the Group and Company are on a sound footing to navigate

through the oscillating economic environment through the implementation of effective Business Strategies, the equity of our brands and the quality of our people. The Group and Company will continue to deliver growth and value for its stakeholders.

Conclusion

I would like to express my appreciation to my fellow Directors on the Board, the Management team, staff, shareholders and all other stakeholders for their support throughout the year.

Lovemore T. Manatsa
Chairman
28 March 2024

DIVIDEND NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Board of Directors of British American Tobacco Zimbabwe (Holdings) Limited ("the Group and Company") has declared a final dividend of ZW\$ 1 186.70 per share amounting to ZW\$ 24 486 367 800 in respect of the financial year ended 31 December 2023, payable in respect of all ordinary shares of the and Company.

ACTION	DATE
Announcement Date	28 March 2024
Last Date to Trade-cum dividend	15 April 2024
Share Trade Ex Dividend	16 April 2024
Last Record Date	19 April 2024
Payment Date	31 May 2024
Dividend per share	ZW\$ 1 186.70

Non-resident shareholders' tax and resident shareholders' tax will be deducted from the gross dividends where applicable.

By Order of the Board

Phyllis Chenjera
Company Secretary
28 March 2024

DANGER: SMOKING IS HARMFUL TO HEALTH
15mg Tar 1.2mg Nicotine. As Per Government Agreement Method

A FUTURE FIT PORTFOLIO



NOT FOR SALE TO PERSONS UNDER THE AGE OF 18

Directors: L. T. Manatsa (Chairman), F. C. Chikosi (Non-Executive Director), R. P. Kupara (Non-Executive Director), E. I. Manikai (Non-Executive Director), P. Kipkemoi (Non-Executive Director), K. Gitonga (Managing Director), L. Irungu (Finance Director).

VUSE
CHARGE BEYOND

18+

NEW VUSE GO DISPOSABLES FULLY CHARGED FLAVOURS

GLOBAL VAPING BRAND

*Based on laboratory testing of newly manufactured product and may vary depending on individuals usage behaviour. **Based on Vype/Vuse estimated value share from RRP in measured retail for vapour (i.e. total vapour category value in retail sales) in key vapour markets: USA, Canada, France, UK, Germany as of May 2022.

This product contains nicotine which is a highly addictive substance.

Audited Abridged Financial Results

For the Year Ended 31 December 2023

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn
Revenue	288 338	116 670	180 955	17 448
Cost of sales	(44 364)	(28 921)	(26 300)	(2 966)
Gross profit	243 974	87 749	154 655	14 482
Selling and marketing costs	(22 361)	(10 725)	(12 203)	(1 569)
Administrative expenses	(21 522)	(14 779)	(13 387)	(2 286)
Impairment (loss)/ reversal on trade receivables	(619)	163	(280)	33
Re-measurement of share-based payment liability	(1)	74	(1)	1
Other income	1 080	500	785	100
Other losses	(27 910)	(10 974)	(27 976)	(3 067)
Monetary loss on hyperinflation adjustment	(94 897)	(12 659)	-	-
Operating profit	77 744	39 349	101 593	7 694
Net Finance Income	8 993	3 894	5 223	610
Profit before income tax	86 737	43 243	106 816	8 304
Income tax expense	(31 338)	(19 235)	(25 866)	(2 228)
Total comprehensive income for the year	55 399	24 008	80 950	6 076
Attributable to:				
Owners of the parent	55 399	24 008	80 950	6 076
Basic earnings per share (ZW\$)	2 684.85	1 163.51	3 923.15	294.46
Diluted earnings per share (ZW\$)	2 684.85	1 163.51	3 923.15	294.46
Headline earnings per share (ZW\$)	2 684.85	1 163.51	3 923.15	294.46

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	31 Dec 23 ZW\$Mn	31 Dec 22 ZW\$Mn	31 Dec 23 ZW\$Mn	31 Dec 22 ZW\$Mn
ASSETS				
Non-current assets				
Property, plant and equipment	21 534	19 436	3 288	2 188
Investment property	148	148	-	-
Financial assets at fair value through profit or loss	218	32	218	7
Deferred tax asset	1 625	-	8 459	678
	23 525	19 616	11 965	2 873
Current assets				
Inventories	26 439	20 396	19 945	2 761
Trade and other receivables	50 650	47 690	47 365	6 796
Cash and cash equivalents	49 596	20 274	49 596	4 219
Current income tax asset	3 471	-	3 471	-
	130 156	88 360	120 377	13 776
Total assets	153 681	107 976	132 342	16 649
EQUITY AND LIABILITIES				
Equity attributable to the owners of the parent				
Share capital	5 348	5 348	5	5
Non-distributable reserve	345	345	-	-
Retained earnings	102 650	47 251	86 999	6 049
Total equity	108 343	52 944	87 004	6 054
Non-Current liabilities				
Deferred tax liability	-	4 125	-	-
Current Liabilities				
Trade and other payables	39 278	45 435	39 278	9 457
Staff benefits liability	6 055	4 519	6 055	940
Share-based payment liability	5	24	5	5
Current tax liability	-	929	-	193
	45 338	50 907	45 338	10 595
Total equity and liabilities	153 681	107 976	132 342	16 649

The notes are an integral part of these consolidated financial statements. These financial statements were authorized for use by the board of directors on 28 March 2024 and signed on its behalf by:


Kenneth Gitonga
Managing Director


Lucy Irungu
Finance Director

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	INFLATION ADJUSTED			
	ATTRIBUTABLE TO OWNERS OF THE PARENT			
	Share capital ZW\$ Mn	⁽¹⁾ Non-distributable reserves ZW\$ Mn	Retained earnings ZW\$ Mn	Total ZW\$ Mn
Balance at January 2022	5 348	345	32 003	37 696
Total comprehensive income for the year	-	-	24 008	24 008
Dividends	-	-	(8 760)	(8 760)
Balance at 31 December 2022	5 348	345	47 251	52 944
Balance at January 2023	5 348	345	47 251	52 944
Total comprehensive income for the year	-	-	55 399	55 399
Dividends	-	-	-	-
Balance at 31 December 2023	5 348	345	102 650	108 343

Non-distributable reserves

These reserves arose as a result of the change in the Company's functional currency from the Zimbabwe dollar to the United States dollar in 2009. It represents the residual equity that existed as at 1 February 2009 the date of the changeover.

	UNAUDITED HISTORICAL COST			
	ATTRIBUTABLE TO OWNERS OF THE PARENT			
	Share capital ZW\$ Mn	⁽¹⁾ Non-distributable reserves ZW\$ Mn	Retained earnings ZW\$ Mn	Total ZW\$ Mn
Balance at January 2022	5	-	1 796	1 801
Total comprehensive income for the year	-	-	6 076	6 076
Dividends	-	-	(1 823)	(1 823)
Balance at 31 December 2022	5	-	6 049	6 054
Balance at January 2023	5	-	6 049	6 054
Total comprehensive income for the year	-	-	80 950	80 950
Dividends	-	-	-	-
Balance at 31 December 2023	5	-	86 999	87 004

Non-distributable reserves

These reserves arose as a result of the change in the Company's functional currency from the Zimbabwe dollar to the United States dollar in 2009. It represents the residual equity that existed as at 1 February 2009, the date of the changeover.

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn
Cash flows from operating activities				
Cash generated from operations	160 157	34 916	79 600	7 094
Income tax paid	(40 753)	(16 996)	(37 311)	(2 737)
Net cash generated from operating activities	119 404	17 920	42 289	4 357
Cash flows from investing activities				
Purchase of property, plant and equipment	(2 800)	(13 747)	(1 382)	(2 181)
Proceeds from sale of scrap	643	5	536	1
Interest received	277	1 109	180	227
Dividends received from investments	2	-	1	-
Net cash used in investing activities	(1 878)	(12 633)	(665)	(1 953)
Cashflows from financing activities				
Dividends paid to owners of the parent	(1 363)	-	(1 363)	-
Net cash used in financing activities	(1 363)	-	(1 363)	-
Effect of movement in exchange rates on cash held	8 789	2 433	5 116	310
Effect of inflation on cash and cash equivalents	(95 630)	(12 309)	-	-
Net increase/ (decrease) in cash and cash equivalents	29 322	(4 589)	45 377	2 714
Cash and cash equivalents at the beginning of the year	20 274	24 863	4 219	1 505
Cash and cash equivalents at end of the year	49 596	20 274	49 596	4 219

Audited Abridged Financial Results

For the Year Ended 31 December 2023

NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General Information

British American Tobacco Zimbabwe (Holdings) Limited ("the Company") and its subsidiaries (together "the Group") manufactures, distributes and sells cigarettes through a network of independent retailers and distributors. The Group and Company has a cigarette manufacturing plant in Zimbabwe and sells cigarettes entirely in the Zimbabwean market and exports cut rag outside Zimbabwe.

These financial statements are presented in Zimbabwean dollars (ZW\$) rounded to the nearest million dollars ("Mn").

The Company is a limited liability company incorporated and domiciled in Zimbabwe. The address of its registered office is Number 1 Manchester Road Southerton Harare Zimbabwe. The Company has its primary listing on the Zimbabwe Stock Exchange.

2. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards as issued by the International Accounting Standards Board") and IFRS Interpretations Committee ("IFRIC") pronouncements and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). The financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities at fair value through profit and loss which are measured at fair value. Financial liabilities measured at fair value are the Share-Based Payments liabilities as explained in Note 2.24 and Note 15.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 31.

Appropriate adjustments for changes in the general purchasing power of the Zimbabwe dollar for the purposes of fair presentation in accordance with IAS 29 - *Financial Reporting in Hyperinflationary Economies* have been made in these financial statements to the historical cost financial information of the Group and Company.

The Directors adopted the following accounting treatments and exchange rates:

- October 2018 to February 2019: exchange rate of US\$: ZW\$1 (as prescribed by SI 33)
- 1 January to 23 June 2020: interbank exchange provided by the Reserve Bank of Zimbabwe (RBZ)
- 24 June 2020 to 11 December 2023: auction exchange rates provided by RBZ
- 12 December to 31 December 2023: interbank exchange provided by RBZ

The amounts in the 2022 financial statements are the basis for the comparative financial information presented in 2023.

In October 2019 the Public Accountants and Auditors Board confirmed the general market consensus that Zimbabwe had become a hyperinflationary economy with effect from 1 July 2019.

IAS 29 requires that the financial statements be prepared in the currency of a hyperinflationary economy and be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. In the absence of a reliable index an entity may determine or estimate an index that it deems reasonable in determining the upliftment factors to enable comparability.

The Group and Company, therefore carried out the restatement by means of conversion factors derived from the Zimbabwe Consumer Price Index (CPI) issued by the Zimbabwe Central Statistical Agency (ZIMSTAT), as below;

- Periods up to January 2023: conversion factors were derived from ZW\$ CPI issued by ZIMSTAT
- February 2023 to December 2023: adjusted the January 2023 published ZW\$ CPI by the monthly movement of the Total Consumption Poverty Line (TCPL)¹²

¹The TCPL is published by ZIMSTAT monthly and measures the amount required to purchase both non-food and food items

²In March 2023 the Minister of Finance and Economic Development through SI27 of 2023 gave a notice re-defining the "rate of inflation" and introduced a new weighted average inflation rate based on the ZW\$ and US\$. Subsequently, only blended CPI figures were officially published and ZW\$ inflation rates were no longer available.

The indices and conversion factors used to restate the accompanying financial statements at 31 December 2023 are as follows:

Dates	Indices	Conversion Factor
CPI as at 31 December 2023	65 703.43	1.00
CPI as at 31 December 2022	13 672.91	4.81
Average CPI 2023	35 114.22	
Average CPI 2022	9 189.69	

The main procedures applied for the above-mentioned restatement are as follows:

- Monetary assets and liabilities that are carried at amounts at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance

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NOTES TO THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont'd)

sheet date and components of shareholders' equity are restated by applying the relevant conversion factors.

- Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Zimbabwe dollars at the foreign exchange rate ruling at that date.
- Deferred tax items are re-measured in accordance with IAS 12 after restating the nominal carrying amounts of non-monetary items at the date of the opening statement of financial position of the reporting period by applying the measuring unit at that date. The deferred tax items are restated for the change in the measuring unit from the date of the opening statement of financial position of the reporting period to the end of that reporting period.
- An impairment loss is recognized in profit or loss if the remeasured amount of a non-monetary item exceeds its recoverable amount.
- Comparative financial statements are restated by applying the relevant year end conversion factors.
- All items in the statement of profit or loss and other comprehensive income with the exception of unrealized gains and losses are restated by applying the relevant monthly conversion factors.
- All items in the statement of cash flows are stated in terms of the measuring unit current at the balance sheet date.
- The effect of inflation on the net monetary position of the Group and Company is included in profit or loss as a gain or loss on net monetary position.

The Group and Company financial statements have been prepared on the going concern basis which the Directors believe to be appropriate (refer to note 33).

3. Blocked funds registration

The Group and Company registered blocked funds pursuant to RBZ directive amounting to US\$ 16 352 138.92 (Sixteen million three hundred and fifty-two thousand one hundred and thirty-eight United States Dollars and ninety-two cents only) in respect of outstanding dividends and bills for material supplies in line with the blocked funds guidelines stipulated in the Exchange Control Directive RU28 dated 21 February 2019 read together with the Exchange Control Circular No. 8 of 24 July 2019. Following the registration of the blocked funds an amount of ZW\$ 16 352 138.92 (Sixteen million three hundred and fifty-two thousand one hundred and thirty-eight Zimbabwe Dollars and ninety-two cents only) was transferred to the RBZ to allow settlement of the registered blocked funds.

In 2021, the Treasury assumed the liability from RBZ in relation to the blocked funds. The Treasury is currently working on the appropriate instrument(s) to facilitate settlement of the registered blocked funds which were listed as approved blocked funds under Annex 1 of the Finance Act (no 7) of 2021 (gazetted on 21 December 2021). Management has continued to account for the outstanding blocked funds at a rate of US\$: ZW\$1.

Supplementary information

4. Depreciation	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn
Depreciation charge	(701)	(440)	(282)	(79)
5. Other (losses)/gains - net				
Gains on sale of property, plant and equipment	643	5	536	1
Fair value gains/(losses)	186	(104)	211	(2)
Exchange losses	(28 096)	(10 870)	(28 187)	(3 066)
	(27 267)	(10 969)	(27 440)	(3 067)
6. Capital expenditure	(2,800)	(13,747)	(1,382)	(2,181)

7. Trade and other receivables	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn
Trade receivables	36 614	12 906	36 614	2 686
Amounts due from related parties	197	666	197	139
Other receivables	274	1 374	274	286
Prepayments	13 871	32 871	10 586	3 712
Provision for impairment	(306)	(127)	(306)	(26)
	50 650	47 690	47 365	6 797

Included in other receivables is an amount of ZW\$ 16 352 138.92 which is a prepayment made to the RBZ towards settlement of blocked funds in line with the relevant exchange control directives.

Audited Abridged Financial Results

For the Year Ended 31 December 2023

Supplementary information (cont'd)

8. Trade and other payables	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn	31 Dec 23 ZW\$ Mn	31 Dec 22 ZW\$ Mn
Trade payables	610	1 509	610	314
Amounts due to related parties	14 240	31 498	14 240	6 555
Social security and other taxes	4 290	5 587	4 290	1 163
Accrued expenses	7 195	1 808	7 195	376
Dividends payable	337	5 008	360	1 042
Other	12 606	25	12 606	7
	39 278	45 435	39 278	9 457

Included in trade payables and amounts due to related parties is an amount of US\$ 16 352 138.92 which is legacy debt and was registered by the RBZ as blocked funds. The legacy debt has been translated at a rate of 1:1 between ZW\$ and US\$.

9. Segment Information

2023	INFLATION ADJUSTED		
	Cigarettes ZW\$ Mn	Leaf and Cut-rag To- bacco ZW\$ Mn	Total ZW\$ Mn
External revenue	415 779	6 327	422 106
Tobacco duties	(133 768)	-	(133 768)
Net revenue	282 011	6 327	288 338
Profit before interest, taxation, depreciation and amortization	77	575	78 445
Depreciation	(701)	-	(701)
Interest	8 993	-	8 993
Profit before income tax	86 162	575	86 737
Total assets	153 484	197	153 681
Total liabilities	45 338	-	45 338

2022	INFLATION ADJUSTED		
	Cigarettes ZW\$ Mn	Leaf and Cut-rag To- bacco ZW\$ Mn	Total ZW\$ Mn
External revenue	177 182	4 442	181 624
Tobacco duties	(64 954)	-	(64 954)
Net revenue	112 228	4 442	116 670
Profit before interest, taxation, depreciation and amortization	39 385	404	39 789
Depreciation	(440)	-	(440)
Interest	3 894	-	3 894
Profit before income tax	42 839	404	43 243
Total assets	107 310	666	107 976
Total liabilities	55 032	-	55 032

2023	HISTORICAL		
	Cigarettes ZW\$ Mn	Leaf and Cut-rag To- bacco ZW\$ Mn	Total ZW\$ Mn
External revenue	257 051	1 831	258 882
Tobacco duties	(77 927)	-	(77 927)
Net revenue	179 124	1 831	180 955
Profit before interest, taxation, depreciation and amortization	101 709	166	101 875
Depreciation	(282)	-	(282)
Interest	5 223	-	5 223
Profit before income tax	106 650	166	106 816
Total assets	132 145	197	132 342
Total liabilities	45 338	-	45 338

Segment Information (cont'd)

2022	HISTORICAL		
	Cigarettes ZW\$ Mn	Leaf and Cut-rag To- bacco ZW\$ Mn	Total ZW\$ Mn
External revenue	26 702	480	27 182
Tobacco duties	(9 734)	-	(9 734)
Net revenue	16 968	480	17 448
Profit before interest, taxation, depreciation and amortization	7 729	44	7 773
Depreciation	(79)	-	(79)
Interest	610	-	610
Profit before income tax	8 260	44	8 304
Total assets	16 510	139	16 649
Total liabilities	10 595	-	10 595

10. Going concern

The Directors are confident that the Group and Company has adequate resources to continue in operational existence for the foreseeable future and is expected to continue to generate profits.

The consolidated financial statements have been prepared on a going concern basis which assumes that the Group and Company will be able to settle all its outstanding obligations.

11. Subsequent events

Before the end of the year, the Group and Company entered into a sales agreement to dispose off three properties. As at 31 December 2023, the sale for the three properties was still not yet concluded. This transaction was concluded in the subsequent period in February 2024, and the proceeds from the disposal of the three properties amounted to ZW\$ 5,054,324,700 (Historical cost).

12. Auditor's statement

The financial statements should be read in conjunction with the complete set of financial statements for the year ended 31 December 2023 which have been audited by Messrs KPMG Chartered Accountants (Zimbabwe) who expressed a qualified audit opinion because of non-compliance with International accounting Standard 21, The Effects of Changes in Foreign Exchange Rates in the current and prior years, IAS 8, Accounting policies, Changes in Accounting Estimates and Errors, and the consequential impact on the inflation adjusted amounts determined in terms of IAS 29, Financial Reporting in Hyperinflationary Economies, in respect of the accounting for foreign creditors registered as blocked funds as described in note 3. A copy of the Auditor's opinion is available for inspection at the Company's registered office. The engagement partner for this audit is Vinay Ramabhai (PAAB Practising Certificate Number 0569).

DANGER: SMOKING IS HARMFUL TO HEALTH
15mg Tar 1.2mg Nicotine. As Per Government Agreement Method



NOT FOR SALE TO PERSONS UNDER THE AGE OF 18