

Condensed Financial Results For the Half Year Ended 30 June 2022

Chairman's Statement

Introduction

The country's operating environment during the half year ended 30 June 2022 was characterized by increased social and economic activity as COVID-19 restrictions were progressively relaxed. The economy experienced a resurgent inflation driven by instability in exchange rates, which gave rise to price increases. Demand was constrained by low disposable incomes, as salaries and wages are being eroded by inflation. Despite these challenges, the Company came up with mitigatory measures to ensure consistent product supply at affordable prices and thus satisfying our consumers' needs.

The Group presents its Reviewed Condensed Financial Results for the half year ended 30 June 2022.

Condensed Financial Results

Commentary on financial performance is based on inflation adjusted figures.

In a challenging operating environment, volumes from the sale of cigarettes declined by 6% due to shrinking disposable incomes amidst increasing inflation and currency devaluation in comparison with the same period last year.

Export volumes of cut rag tobacco were up by 74% in the period under review, compared to the prior year due to increased demand of leaf from our export markets.

Revenue increased (71%) to ZW\$6.9 billion from ZW\$4 billion, when compared to same period in 2021. The increase in revenue was driven by price increases effected during the period. These factors resulted in a gross profit increase of ZW\$2.8 billion (160%) compared to the same period in 2021.

Selling and marketing costs increased by ZW\$314.3 million (65%) compared to same period in the prior year, driven by additional marketing investments aimed at driving sales volumes and general increase in costs due to inflation.

Administrative expenses were ZW\$214.6 million (42%) higher than the same period in prior year. This was driven by a general increase in costs due to inflation. Other losses increased by ZW\$580.9 million (548%) due to the rapid devaluation of the Zimbabwean dollar in the period under review.

Operating profit declined by ZW\$1.4 billion (90%) versus the same period in the prior year. Net loss attributable to shareholders for the period under review was ZW\$678.6 million, compared to a net profit of ZW\$1.4 billion in the same period in prior year, representing a 149% decrease. The Group's earnings per share decreased from ZW\$99.3 (149%) to negative ZW\$32.9 generated in the same period in 2021.

Cash generated from operations was a positive ZW\$2 billion which is a 24% increase from prior year due to increased inflows as a result of price reviews effected during the period under review.

Contribution to the Government Treasury

The Group contributes to the Government Treasury through various taxes, including Excise Duty, Corporate Tax, Value Added Tax, Customs Duties, Pay as You Earn and Withholding Tax. The Group's contribution to the Zimbabwe Revenue Authority (ZIMRA) in taxes was ZW\$3.5 billion for the half-year ended 30 June 2022. The key contributors to the increase in the tax payments were Excise Duty and Corporate Tax driven by the increases in selling prices and currency devaluation.

Corporate Governance

The Group continues to ensure strict adherence to prevailing regulations and that Corporate Governance requirements are above reproach. The Board confirms that the condensed financial results have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* and in line with the Securities and Exchange Listings Requirements Rules, 2019, the Zimbabwe National Code on Corporate Governance, King IV Code on Corporate Governance for South Africa and principles of the UK Code on Corporate Governance as read with the British American Tobacco Corporate Governance Booklet.

Sustainability

Sustainability is central to our evolved Group strategy to build **A Better Tomorrow™**. Our sustainability agenda reflects our commitment to reducing the health impact of our business through offering a greater choice of enjoyable, less risky products for our consumers. Our strategy has a clear focus on environmental, social and governance (ESG) priorities, including addressing climate change, supporting sustainable farmer livelihoods for our farmers and building the resilience of rural communities. Our approach is also driven by extensive stakeholder insights as we continuously engage with a wide range of stakeholders to understand what matters to them most.

The Group continues to strive for excellence and look for new ways to preserve the natural environment, reduce waste, improve farmers' livelihoods, biodiversity and afforestation and uphold robust corporate governance.

Covid-19 response

The Board oversaw the Company's response to the COVID-19 pandemic, which focused on protecting the health and well-being of our human capital as well as ensuring that the Company remained financially and operationally viable and secure.

Outlook

After facing an economic crisis exacerbated by the COVID-19 pandemic, Zimbabwe's economy remains complex and challenging. The focus will be on business continuity in the face of frequent policy changes, rising global and local inflation. We remain committed and confident that our business strategies will deliver value growth for our shareholders.



Lovemore T. Manatsa
Chairman

31 August 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2022

Notes	Inflation Adjusted Half Year ended 30 Jun. 2022 ZW\$ 000	Inflation Adjusted Half Year ended 30 Jun. 2021 ZW\$ 000	Un-reviewed Historical Cost Half Year ended 30 Jun. 2022 ZW\$ 000	Un-reviewed Historical Cost Half Year ended 30 Jun. 2021 ZW\$ 000
	6 893 665	4 042 911	4 791 332	1 299 550
5	(2 325 919)	(2 286 398)	(1 045 933)	(425 438)
	4 567 746	1 756 513	3 745 399	874 112
	(801 404)	(487 032)	(680 959)	(161 211)
	(724 833)	(508 230)	(620 883)	(150 288)
	772	(1 442)	772	(495)
	4 927	5 264	3 823	1 699
7	(686 930)	(106 012)	(723 281)	(25 639)
	(2 206 564)	915 624	-	-
	153 714	1 574 685	1 724 871	538 178
	(832 318)	(203 399)	(465 840)	(39 678)
	(678 603)	1 371 286	1 259 031	498 500
	(678 603)	1 371 286	1 259 031	498 500
	(32.89)	66.64	61.02	24.16
	(32.89)	66.64	61.02	24.16
	(32.89)	66.64	61.02	24.16

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Notes	Inflation Adjusted 30 Jun. 2022 ZW\$ 000	Inflation Adjusted 31 Dec. 2021 ZW\$ 000	Un-reviewed Historical Cost 30 Jun. 2022 ZW\$ 000	Un-audited Historical Cost 31 Dec. 2021 ZW\$ 000
	904 197	850 014	561 256	230 310
	874 873	812 278	148 982	85 351
	55	58	-	-
	18 579	19 653	145	149
10	10 690	18 025	10 690	8 234
	-	-	401 439	136 576
	1 293 842	2 546 784	590 160	848 027
11	2 118 792	1 057 413	1 898 477	467 868
	3 249 335	3 295 005	3 249 335	1 505 135
	6 661 969	6 899 202	5 737 972	2 821 030
	7 566 166	7 749 216	6 299 228	3 051 340
	708 796	708 796	5 214	5 214
	45 745	45 745	337	337
	3 562 568	4 241 170	3 054 708	1 795 677
	4 317 109	4 995 711	3 060 259	1 801 228
	10 088	16 795	-	-
	2 588 465	1 828 371	2 588 465	835 188
12	385 332	538 703	385 332	246 073
	5 270	13 220	5 270	6 043
	259 902	356 416	259 902	162 808
	3 238 969	2 736 710	3 238 969	1 250 112
	7 566 166	7 749 216	6 299 228	3 051 340

The notes are an integral part of these condensed consolidated financial results. This financial information was authorised for use by the Board of Directors on 31 August 2022 and signed on its behalf by:



Sivenasen Moodley
Managing Director



Vincent Kaloki
Finance Director

Condensed Financial Results For the Half Year Ended 30 June 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2022

	INFLATION ADJUSTED			
	ATTRIBUTABLE TO OWNERS OF THE PARENT			
	Share capital ZWS 000	¹ Non-distributable reserves ZWS 000	Retained earnings ZWS 000	Total ZWS 000
Balance at 1 January 2021	708 796	45 745	1 173 769	1 928 310
Total comprehensive income for the year	-	-	3 067 401	3 067 401
Dividends	-	-	-	-
Balance at 31 December 2021	708 796	45 745	4 241 170	4 995 711
Balance at 1 January 2022	708 796	45 745	4 241 170	4 995 711
Total comprehensive loss for the half year	-	-	(678 603)	(678 603)
Dividends	-	-	-	-
Balance at 30 June 2022	708 796	45 745	3 562 567	4 317 108

¹Non-distributable reserve

This reserve arose as a result of the change in the Group's functional currency from the Zimbabwe dollar to the United States dollar. It represents the residual equity that existed as at 1 February 2009, the date of the change-over.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2022

	UNREVIEWED HISTORICAL COST			
	ATTRIBUTABLE TO OWNERS OF THE PARENT			
	Share capital ZWS 000	¹ Non-distributable reserves ZWS 000	Retained earnings ZWS 000	Total ZWS 000
Balance at 1 January 2021	5 214	337	307 146	312 697
Total comprehensive income for the year	-	-	1 488 531	1 488 531
Dividends	-	-	-	-
Balance at 31 December 2021	5 214	337	1 795 677	1 801 228
Balance at 1 January 2022	5 214	337	1 795 677	1 801 228
Total comprehensive income for the half year	-	-	1 259 031	1 259 031
Dividends	-	-	-	-
Balance at 30 June 2022	5 214	337	3 054 708	3 060 259

¹Non-distributable reserve

This reserve arose because of the change in the Group's functional currency from the Zimbabwe dollar to the United States dollar. It represents the residual equity that existed as on 1 February 2009, the date of the changeover.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2022

		Inflation Adjusted Half Year ended 30 Jun. 2022 ZWS 000	Inflation Adjusted Half Year ended 30 Jun. 2021 ZWS 000	Unreviewed Historical Cost Half Year ended 30 Jun. 2022 ZWS 000	Unreviewed Historical Cost Half Year ended 30 Jun. 2021 ZWS 000
Cash flows from operating activities					
Cash generated from operations	15	1 936 537	1 623 627	2 380 360	877 075
Income tax paid		(731 267)	(564 983)	(633 657)	(186 735)
Net cash generated from operating activities		1 205 270	1 058 644	1 746 703	690 340
Cash flows from investing activities					
Purchase of property, plant and equipment	8	(106 984)	(19 971)	(71 900)	(6 716)
Net cash used in investing activities		(106 984)	(19 971)	(71 900)	(6 716)
Cashflows from financing activities					
Dividends paid		-	-	-	-
Net cash used in financing activities					
Inflation effect on cash and cash equivalents		576 518	880 046	-	-
Net increase / (decrease) in cash and cash equivalents		1 674 804	1 918 719	1 674 804	683 624
Cash and cash equivalents at the beginning of the period		1 505 135	434 449	1 505 135	123 465
Effect of movement in exchange rates on cash held		69 396	(1 099)	69 396	(377)
Cash and cash equivalents at end of the period		3 249 335	2 352 069	3 249 335	806 712

NOTES TO THE CONDENSED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

1. General Information

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

2. Basis of preparation

The Group's condensed financial results were prepared in accordance with IAS 34, *Interim Financial Reporting* and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019. The Group's condensed financial results are based on statutory records that are maintained under the historical cost convention, except for financial assets at fair value through profit and loss, which are carried at fair value. 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.

IAS 29 *Financial Reporting in Hyperinflationary Economies* 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. The restatement was calculated by means of conversion factors derived from the Zimbabwe Consumer Price Index (CPI) issued by the Zimbabwe Central Statistical Office. The indices and conversion factors used to restate the accompanying financial statements at 30 June 2022, are as follows:

Dates	Indices	Conversion Factor
CPI as at 30 June 2022	8 707.35	1.00
CPI as at 31 December 2021	3 997.46	2.19
CPI as at 30 June 2021	2 986.44	2.92
Average CPI 2022 for the half year	5 719.29	
Average CPI 2021 for the half year	3 135.23	

The CPI index has significantly increased by 191.6% from June 2021 and by 117.8% from December 2021.

3. Accounting policies and reporting currency

The same accounting policies and methods of computation are followed in these condensed financial results as compared with the most recent annual financial statements. These financial results are presented in Zimbabwe dollars (ZWS), being the currency of the primary economic environment in which the Group operates.

4. Blocked funds registration

As at 30 June 2022, the Reserve Bank of Zimbabwe ("RBZ") registered blocked funds amounting to US\$15.7 million in respect of outstanding dividends and foreign suppliers, consistent with the blocked funds guidelines provided in the Exchange Control Directive RU28 dated 21 February 2019 and Exchange Control Circular No. 8 of 24 July 2019. Following the registration of the blocked funds, an amount of ZWS15.7 million was transferred to the RBZ to allow settlement of the registered blocked funds. In line with the provisions of the February 2019 Monetary Policy Statement on the settlement arrangements for these blocked funds, RBZ is still working on an appropriate Instrument(s) to facilitate settlement of the registered blocked funds. As a result of the registration of the 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: ZWS1 and a receivable of ZWS15.7 million was recognised for the amount transferred to RBZ for the registered blocked funds. 21 December 2021, management has continued to account for the outstanding blocked funds at a rate of US\$1: ZWS1 and a receivable of ZWS15.7 million was recognised for the amount transferred to RBZ for the registered blocked funds.

Supplementary information

	INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	30 Jun. 2022 ZWS 000	30 Jun. 2021 ZWS 000	30 Jun. 2022 ZWS 000	30 Jun. 2021 ZWS 000
5. Revenue				
Revenue from sale of goods in domestic market	6 478 845	3 800 539	4 606 774	1 221 278
Revenue from cut rag exports to foreign market	414 820	242 372	184 558	78 272
	6 893 665	4 042 911	4 791 332	1 299 550
6. Depreciation				
Depreciation charge	45 463	51 857	8 271	616
Amortization charge	3	55	0	3
	45 466	51 912	8 271	619
7. Other (losses)/gains – net				
Fair value gains/(losses) – net	(7 335)	25 273	2 456	9 017
Exchange losses	(679 595)	(131 285)	(725 737)	(34 656)
	(686 930)	(106 012)	(723 281)	(25 639)
8. Capital expenditure	106 984	19 971	71 900	6 716

In the period under review, the Group invested in additional electronic equipment and replacement of aged fleet.

Condensed Financial Results For the Half Year Ended 30 June 2022

9. Financial instruments by Category

30 June 2022

Assets as per statement of financial position

	INFLATION ADJUSTED			UNREVIEWED HISTORICAL COST		
	Assets at amortised cost ZW\$ 000	Assets at fair value through profit or loss ZW\$ 000	Total ZW\$ 000	Assets at amortised cost ZW\$ 000	Assets at fair value through profit or loss ZW\$ 000	Total ZW\$ 000
Trade and other receivables excluding prepayments	1 439 860	-	1 439 860	1 439 860	-	1 439 860
Financial assets at fair value through profit and loss	-	10 690	10 690	-	10 690	10 690
Cash and cash equivalents	3 249 335	-	3 249 335	3 249 335	-	3 249 335
Total	4 689 195	10 690	4 699 885	4 689 195	10 690	4 699 885

Liabilities as per statement of financial position

	Other financial liabilities at amortised cost ZW\$ 000		Total ZW\$ 000	
	Assets at amortised cost ZW\$ 000	Assets at fair value through profit or loss ZW\$ 000	Total ZW\$ 000	Total ZW\$ 000
Trade and other payables excluding statutory liabilities	-	1 800 086	1 800 086	1 800 086
Total	-	1 800 086	1 800 086	1 800 086

31 December 2021

Assets as per statement of financial position

	INFLATION ADJUSTED			UNREVIEWED HISTORICAL COST		
	Assets at amortised cost ZW\$ 000	Assets at fair value through profit or loss ZW\$ 000	Total ZW\$ 000	Assets at amortised cost ZW\$ 000	Assets at fair value through profit or loss ZW\$ 000	Total ZW\$ 000
Trade and other receivables excluding prepayments	645 302	-	645 302	294 770	-	294 770
Financial assets at fair value through profit and loss	-	18 025	18 025	-	8 234	8 234
Cash and cash equivalents	3 295 005	-	3 295 005	1 505 136	-	1 505 136
Total	3 940 307	18 025	3 958 332	1 799 906	8 234	1 808 140

Liabilities as per statement of financial position

	Other financial liabilities at amortised cost ZW\$ 000		Total ZW\$ 000	
	Assets at amortised cost ZW\$ 000	Assets at fair value through profit or loss ZW\$ 000	Total ZW\$ 000	Total ZW\$ 000
Trade and other payables excluding statutory liabilities	-	2 245 444	2 245 444	1 025 704
Total	-	2 245 444	2 245 444	1 025 704

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	30 Jun. 2022 ZW\$ 000	31 Dec. 2021 ZW\$ 000	30 Jun. 2022 ZW\$ 000	31 Dec. 2021 ZW\$ 000
Listed securities held for trading	-	-	-	-
Equity securities - Nampak Holdings Limited	10 690	18 025	10 690	8 234

The fair value of all equity securities is based on their current bid price in an active market. These instruments would be classified as Level 1 under the fair value hierarchy. The following table presents the Group's assets that are measured at fair value as at 30 June 2022.

Financial assets	INFLATION ADJUSTED				UNREVIEWED HISTORICAL COST			
	Level 1 ZW\$ 000	Level 2 ZW\$ 000	Level 3 ZW\$ 000	Total ZW\$ 000	Level 1 ZW\$ 000	Level 2 ZW\$ 000	Level 3 ZW\$ 000	Total ZW\$ 000
30 June 2022								
Quoted securities at market value	10 690	-	-	10 690	10 690	-	-	10 690
31 December 2021								
Quoted securities at market value	18 025	-	-	18 025	8 234	-	-	8 234

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on the quoted market price set on the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise, primarily, Zimbabwe Stock Exchange investments classified as trading securities or available for sale.

All other financial assets and liabilities, their carrying amounts approximate fair values.

11. Trade and other receivables

	INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	30 Jun. 2022 ZW\$ 000	31 Dec. 2021 ZW\$ 000	30 Jun. 2022 ZW\$ 000	31 Dec. 2021 ZW\$ 000
Trade receivables	621 149	191 078	621 149	87 283
Amounts due from related parties	721 101	333 025	721 101	152 124
Other receivables	97 610	121 198	97 610	55 363
Prepayments	678 932	412 112	458 617	173 098
Total	2 118 792	1 057 413	1 898 477	467 868

Included in other receivables is an amount of ZW\$15 748 856 which is a prepayment made to the Reserve Bank of Zimbabwe towards settlement of blocked funds in line with the relevant exchange control directives.

12. Trade and other payables

	INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	30 Jun. 2022 ZW\$ 000	31 Dec. 2021 ZW\$ 000	30 Jun. 2022 ZW\$ 000	31 Dec. 2021 ZW\$ 000
Trade payables	209 922	144 687	209 922	66 092
Amounts due to related parties	1 782 504	1 134 729	1 782 504	518 337
Accrued expenses	593 334	543 034	593 334	248 054
Dividends payable	2 705	5 921	2 705	2 705
Total	2 588 465	1 828 371	2 588 465	835 188

13. Related Party Transactions

The Group is controlled by British American Tobacco International Holdings Limited, incorporated in the United Kingdom, which owns 43% of the Group's shares. The remaining 57% shares are widely held. The ultimate holding company of the Group is British American Tobacco Plc, incorporated in the United Kingdom.

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	30 Jun. 2022	30 Jun. 2021	30 Jun. 2022	30 Jun. 2021
The following transactions were carried out with related parties:				
Sales	337 021	242 373	184 558	78 272
Purchase of goods and services	457 658	244 942	341 633	79 681

14. Segment Information

	INFLATION ADJUSTED		
	Cigarettes ZW\$ 000	Cut rag ZW\$ 000	Total ZW\$ 000
30 June 2022			
Net revenue	6 478 845	414 820	6 893 665
Profit before tax	116 003	37 711	153 714
Total assets	7 303 685	262 482	7 566 167
Total liabilities	3 249 059	-	3 249 059
30 June 2021			
Net revenue	3 800 539	242 372	4 042 911
Profit before tax	1 556 344	22 033	1 578 377
31 Dec. 2021			
Total assets	7 636 046	113 170	7 749 216
Total liabilities	2 753 509	-	2 753 509

	UNREVIEWED HISTORICAL COST		
	Cigarettes ZW\$ 000	Cut rag ZW\$ 000	Total ZW\$ 000
30 June 2022			
Net revenue	4 557 482	233 850	4 791 332
Profit before tax	1 703 612	21 259	1 724 871
Total assets	6 036 745	262 483	6 299 228
Total liabilities	3 238 969	-	3 238 969
30 June 2021			
Net revenue	1 221 278	78 272	1 299 550
Profit before tax	531 062	7 116	538 178
31 Dec 2021			
Total assets	2 999 645	51 695	3 051 340
Total liabilities	1 250 112	-	1 250 112

15.

	INFLATION ADJUSTED		UNREVIEWED HISTORICAL COST	
	Half Year ended 30 Jun. 2022 ZW\$ 000	Half Year ended 30 Jun. 2021 ZW\$ 000	Half Year ended 30 Jun. 2022 ZW\$ 000	Half Year ended 30 Jun. 2021 ZW\$ 000
CASH GENERATED FROM OPERATIONS				
Profit before income tax	153 714	1 574 685	1 724 871	538 178
Adjustment for:				
Depreciation	45 466	51 857	8 271	616
Amortisation	-	55	(0)	3
Fair value loss/(gain) on financial asset at fair value through profit or loss	7 335	(25 273)	(2 467)	(9 017)
Other non-cash items	61	(9 412)	61	(2 879)
Effect of movement in exchange rates on cash held	(69 396)	1 099	(69 396)	377
Net monetary loss/(gain) - IAS 29 Adjustment	2 206 564	(915 624)	-	-
Changes in working capital:				
Decrease in inventories	1 252 942	442 199	257 866	44 362
(Increase)/decrease in trade and other receivables	(1 061 379)	396 740	(1 430 609)	68 758
(Decrease)/increase in trade and other payables	(760 093)	217 359	1 753 277	261 426
Increase/(decrease) in provisions for other liabilities and charges	153 365	(110 720)	139 259	(25 242)
Increase/(decrease) in share-based payment provision	7 958	662	(773)	493
Cash generated from operations	1 936 537	1 623 627	2 380 360	877 075

Decrease in inventories is due to the purchasing and consumption cycle variation of the Group. The key material (leaf) is purchased towards the end of the year, whereas consumption occurs continuously. No replenishments of leaf have occurred during the half year under review.

16. Going concern

A significant monetary loss was recorded during the half year due to the mix of monetary assets and liabilities during the period. Notwithstanding this, the Directors are confident that the Group has adequate resources, including support from Group related entities, to continue in operational existence for the foreseeable future and is expected to generate profits. The condensed consolidated financial results have been prepared on a going concern basis, which assumes that the Group will be able to settle all its outstanding obligations.

17. Subsequent events

The Group has evaluated events from 30 June 2022 and there were no subsequent events that need disclosure.

18. Statement on review report

These condensed consolidated financial results for the half year ended 30 June 2022 have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe) who expressed a qualified review conclusion 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 legacy debt described in note 4. A copy of the auditor's review conclusion is available for inspection at the company's registered office. The engagement partner for this review is Vinay Ramabhai (PAAB Practising Certificate Number 0569).