



TRADING UPDATE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

BUSINESS ENVIRONMENT

The trading environment for the nine months ended 30 September 2021 showed an improvement driven by the relaxation of the COVID-19 lockdown restrictions. The economy benefited from the decline in the monthly inflation rate and the steady foreign currency exchange rate which resulted in stable pricing in the period under review.

The Company continues to evaluate its business model to ensure long-term sustainability of the business and value creation for its shareholders.

BUSINESS PERFORMANCE

For the nine months ended 30 September 2021, the Company delivered an overall volume growth of 32% versus the same period last year mainly attributable to increased consumer demand, increased export of cutrag tobacco and the easing of the COVID-19 lockdown restrictions.

The Company recorded a volume growth of 25% from the sale of cigarettes compared to the same period last year, on the back of increased demand from our consumers, increased investment in our brands, improved access to the market and product availability

Export volumes of Leaf and Cutrag Tobacco were up by 44% in the nine months period under review compared to the prior year, due to increased demand from our export markets.

Volume growth coupled with the pricing reviews done during the period, resulted in the Company recording a growth in net turnover of 38% in hyperinflationary terms, compared to the same period prior year.

OUTLOOK

Zimbabwe's economy is forecast to recover in the context of a good agricultural season, adaptation to COVID-19 induced limitations, and continuation of fiscal and monetary policy reforms. The Company remains committed and confident that our business strategies will deliver value growth for our shareholders.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Lovemore T. Manatsa'. The signature is fluid and cursive, with a large loop at the end.

Lovemore T. Manatsa

Chairman

27 October 2021