



BORDER TIMBERS LIMITED TRADING UPDATE

FIRST QUARTER SEPTEMBER 2021

Economic Environment

The trading environment remains relatively stable, with the central bank introducing tighter measures on money supply as well as further controls on the foreign currency auction. Pricing volatility has also improved as the interbank exchange rate continue to increase though compared to the parallel exchange rate the gap is still wide. We remain hopeful that the central bank will continue with their initiatives to achieve stability in the prevailing exchange rate and eliminate arbitrage caused by the disparity between the official rate and the parallel rate, which largely underpins the country's economic stability and provides the required impetus for economic growth.

Volume Performance and Profitability

	INFLATION ADJUSTED		HISTORICAL*	
	Unaudited 3 Months to 30 Sept 2021,	Unaudited 3 Months to 30 Sept 2020,	Unaudited 3 Months to 30 Sept 2021,	Unaudited 3 Months to 30 Sept 2020,
Production Volume (m3)				
Poles-Transmission	4,145	2,130	4,145	2,130
Lumber	11,578	11,539	11,578	11,539
Total	15,723	13,668	15,723	13,668
Sales Volume (m3)				
Poles-Transmission	5,198	2,775	5,198	2,775
Lumber	12,213	13,933	12,213	13,933
Total	17,411	16,707	17,411	16,707
Financial Performance (ZWL 000')				
Revenue	462,011	313,144	441,275	294,690
Net profit/(loss) before tax	101,206	70,495	97,512	68,578

Year to Date Performance

Lumber production is broadly in line with prior year and demand for Lumber remains very high both in the local market and the export market.

Treated poles reflect an increase in production and sales volume compared to prior year, this is owing to new marketing initiatives by the company which have seen market development within the region as well as the fading away of the adverse impacts of COVID-19 which has a significant effect on the pole business.



Update on ICSID claim and Judicial Management.

An EGM is to be arranged shortly to approve the split of the ICSID award and to appoint the new Board of Directors to allow the judicial manager to step down.

Outlook

The company continue to focus on strengthening its balance sheet and profitability by improving its biological asset and the related value chains. Key focus is also on recapitalization of the company's sawmills so that they are equipped with modern machinery which results in high efficiency and profitability.

Commendation

Management continues to do an excellent job in difficult circumstances.

PETER LEWIS BAILEY
JUDICIAL MANAGER
25 NOVEMBER 2021