



TRADING UPDATE FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

Operating Environment

The operating environment remained challenging during the period under review with continued inflationary pressures being experienced. The foreign exchange auction system remained narrow during the period under review, moving from USD1: ZWL 85.42 and reaching at USD1: ZWL 87.66 at the end of the period; and on a year to September basis, the auction rate increased by 7.2% whilst inflation was 35.1%, a huge incongruence not matched by huge price increases in almost all sectors including raw materials, fuel, utility rates and other market rates. Wages also increased during the period putting more pressure to the bottom-line as Covid -19 restrictions were still in place.

Business Performance

The company experienced slight increase in business volumes of 30% during the period compared to the same quarter last year. This was mainly because there was a significant number of construction projects in and around Harare. In addition, stalled projects were now being resumed due to the ease of Covid 19 restrictions during the 3rd quarter 2021. We anticipate that business activity will remain like that throughout the year and the beginning of 2022.

Impact of Covid 19

Covid 19 pandemic continue to impact the company's performance and we expect the last quarter to be much better as the restrictions have been relaxed to level 2 and with increased economic activity and minimal business disruptions.

Outlook

Improved economic activity in the country and expected normal rainfalls will most likely spur increased business for the company. An increased infrastructure investment by the public sector on roads and related buildings is also expected to yield positive results for the company.

By Order of The Board

A handwritten signature in black ink, appearing to be 'J Mwinjilo', written over a circular stamp or seal.

J Mwinjilo

Company Secretary (24 November 2021)

Directors: Dr. Eng. B Rafemoyo (Chair), G G Mpofu, B Sibanda, P Chiyangwa, M Jonga, E Chiyangwa*, H Madziwo* (Managing), J Mwinjilo (Company Secretary). * Executive.

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