SHORT-FORM INTERIM
> FINANCIAL ANNOUNCEMENT
SIX MONTHS ENDED 31 DECEMBER 2022

Simbisa Brands
LIMITED

Salient Features

+23%	+18%	+33%	+32%	+45%	+16%
US$146,2m	US$27,7m	US$22,1m	US$17,4m	US$30,9m	2,73 US cents
Revenue	Operating Profit	Profit Before Tax	Attributable Profit	Cash Generated	Headline Earnings

Issued in terms of Victoria Falls Stock Exchange requirements

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

A copy of the full announcement has been shared with Shareholders using the latest email addresses supplied by the Shareholder, and is available upon request, and for inspection at the Company's registered office or via email to **corpserve@escrowgroup.org.** The full announcement is also available on the Victoria Falls Stock Exchange website: **www.vfex.exchange** and the Company website **www.simbisabrands.com.**

	Six months ended 31 December 2022 Reviewed USD	Six months ended 31 December 2021 Restated USD	% Change 1H FY23 vs 1H FY22
Revenue	146 162 975	119 072 027	▲ 23%
Operating profit before depreciation, amortisation and impairment	27 730 085	23 421 463	▲ 18%
Profit before tax, interest and associate income	22 056 538	16 547 257	▲ 33%
Profit for the year attributable to equity holders of the parent	17 404 035	13 199 075	▲ 32%
Cash generated from operating activities	30 865 407	21 226 403	▲ 45%
Basic earnings per share	3.1 US cents	2.35 US cents	▲ 32%
Headline earnings per share	2.73 US cents	2.35 US cents	▲ 16%
Interim dividend per share	0.88 US cents	0.67 US cents	▲ 31%

	As At 31 December 2022 Reviewed USD	As At 30 June 2022 Restated USD	% Change vs 30 June 2022
Total assets	179 667 909	148 723 364	▲ 21%
Total equity	94 736 227	78 174 671	▲ 21%
Total liabilities	84 931 682	70 548 693	▲ 20%

Dividend Announcement

The Board declared an interim dividend of 0.88 US cents per share. Furthermore, the Board approved a dividend of US$248,569 to the Simbisa Employee Share Trust. The dividend was paid in United States dollars on 20 April 2023 to shareholders registered in the books of the Company at the close of business on 14 April 2023. The last day to trade cum-dividend was 11 April 2023, and the ex-dividend date was 12 April 2023.

Description	Date
Last Date to trade Cum-Dividend	11 April 2023
Date to trade Ex-Dividend	12 April 2023
Record Date	14 April 2023
Payment Date	20 April 2023
Dividend Declared	0.88 US cents

Auditor's Statement

These Group's abridged interim financial statements have been reviewed by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe), who have issued an adverse review conclusion in respect of non-compliance with the requirements of International Financial Reporting Standards, International Accounting Standards 21 ("IAS 21"), 'The Effects of Foreign Exchange Rates' and non-compliance with International Accounting Standard 8 ("IAS 8"), 'Accounting Policies, Changes in Accounting Estimates and Errors.' The auditor's review conclusion on the Group's abridged interim financial statements is available for inspection at the Company's registered office. The Engagement Partner on the review resulting in the independent auditor's review conclusion is Mr Walter Mupanguri, PAAB Practice Certificate Number 367.

A B C Chinake
Independent Non-Executive Chairman
Harare
29 April 2023

This short-form announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement which has been prepared under the supervision of the Group Financial Director, Baldwin Guchu CA (Z).

A copy of the full announcement has been shared with Shareholders using the latest email addresses supplied by the Shareholder, and is available upon request and for inspection at the Company's registered office or via email to **enquiries@corpserve.co.zw.** The full announcement is also available on the Victoria Falls Stock Exchange website: **www.vfex.exchange** and the Company website **www.simbisabrands.com.**

Reviewed Interim
> Financial Results

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Simbisa Brands LIMITED

Salient Features

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Six months ended 31-Dec-22 USD Reviewed	Six months ended 31-Dec-21 USD Restated		Change
Revenue	146,162,975	119,072,027	▲	23%
Operating profit before impairment, depreciation and amortisation	27,730,085	23,421,463	▲	18%
Profit before tax	22,056,538	16,547,257	▲	33%
Profit for the period attributable to equity holders of the parent	17,404,035	13,199,075	▲	32%
Cash generated from operating activities	30,865,407	21,226,403	▲	45%
Headline earnings per share (US cents)	2.73	2.35	▲	16%
Interim dividend declared per share (US cents)	0.88	0.67	▲	31%

Chairman's Statement

OVERVIEW

I am proud to present Simbisa's maiden set of results following the listing of the Company on the Victoria Falls Stock Exchange ("VFEX").

On 18 November 2022, shareholders approved the delisting of the ordinary shares of the Company from the Zimbabwe Stock Exchange ("ZSE") and the listing of the ordinary shares on the VFEX. On 2 December 2022, Simbisa Brands Limited was admitted to the VFEX and the Company's shares commenced trading on 5 December 2022. The delisting from the ZSE and subsequent listing on the VFEX is expected to enhance long-term shareholder value.

The Group's incredible accomplishments for the past six months are against challenging macroeconomic conditions in the various markets. The following matters dominated operating landscapes in the markets in which Simbisa operates:

- The Kenya business was affected by global commodity price shocks, the ongoing regional drought, and uncertainty in the run up to the 2022 general elections. The impact this has had on consumer disposable income and business costs of inputs is evident.
- Zimbabwe's monthly inflation was dampened following policy intervention by the authorities at the beginning of the financial year. However, the country continues to experience a depreciating local currency, severe energy shortages, and significant macroeconomic and policy uncertainty.
- Rapid currency depreciation in Ghana impacted consumer spending and increased the cost of imports.

Despite these challenges, The Group made significant progress in its strategic areas of focus:

Environment and community responsibility

Simbisa invested in its communities through initiatives to support disadvantaged communities. The construction of the USAP Community School for underprivileged students in Marondera, Zimbabwe which Simbisa is supporting, commenced during the period..

Investing in our employees

Staff welfare, staff engagement, and training received the Board's critical attention over the period. Consistent with previous periods, the Board declared a discretionary dividend equivalent to 5% of the dividend amount payable to ordinary shareholders of the Company. Employee wellness was top of the agenda over the period and the business launched a free counselling application for its employees, "Simbisanai", which means "strengthen each other". The application provides employees with access to qualified counsellors to help them with any emotional and mental health matters.

Continuous improvement in our quality and service

The Group continued to enhance internal training programs and allocated additional resources to training across its business units.

Financial performance

The business achieved a 18% overall growth in operating profit.

Growth

The Group opened 46 new counters between 31 December 2021 and 31 December 2022 to close with a total of 631 counters. We are on track to close this financial year with 680 counters.

FINANCIAL REPORTING MATTERS

i. Change in the Group's Presentation currency to the US dollar.

Following the listing on the VFEX, which is a USD-denominated stock exchange, the Group, in terms of IAS 21 made an accounting policy choice to adopt the USD as the Group's reporting currency. Reporting in a stable currency will enhance the usefulness of the financial statements to the Group's stakeholders.

ii. Change in Functional Currency for Zimbabwe subsidiaries to the US dollars

The functional currency is the currency of the primary economic environment in which the entity operates. The Group reassessed its functional currency determination in compliance with the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates, and concluded that effective from 1 July 2022, the functional currency of Simbisa Brands Limited changed from the Zimbabwe dollar to the US dollar.

The reassessment was triggered by operational and regulatory changes in the monetary landscape in Zimbabwe. On the 27th of June 2022, the Reserve Bank of Zimbabwe ("RBZ") announced an increase in minimum lending rates for corporates from 80% to 200% effective 1 July 2022, for all local currency borrowings. Additionally, RBZ directed that 25% of the unutilized export proceeds would now be liquidated at the willing-buyer willing-seller exchange rate after 120 days from the date of receipt. This was followed by an introduction of gold coins by the Central Bank on 25 July 2022. The gold coins were going to be sold in both local currency and United States dollars. A significant proportion (more than 90%) of the coins were sold in ZWL, which mopped up the excess local currency liquidity in the market. The resultant lack of ZWL liquidity resulted in most transactions within the economy being done in USD. In his 2023 Monetary Policy Statement presentation on 2 February 2023, the RBZ Governor reported that 70% of the economy's transactions were being completed in USD, whilst 65% of customer deposits for the banking sector are in USD. This is also evident in Simbisa's revenue and expenditure within the period under review.

FINANCIAL PERFORMANCE HIGHLIGHTS

Key highlights are as follows:

- Revenue increased by 23% (+31% in Zimbabwe and +12% in the Region). Growth in Zimbabwe is largely from an increase in customer counts of 38.4%. In the Region, Average Spend increased by 3.8% whilst customer counts also grew by 8.3%.
- The Group recorded an increase in interest income largely from short-term financial assets.
- Profit attributable to shareholders and headline earnings increased by 32% and 16%, respectively.
- Adjusted Profit Measure - This measure is after adjusting attributable profit for the impact of IFRS 16, Leases. IFRS 16 treats leases previously classified as operating leases under the previous standard, IAS 17, as financing arrangements. The Directors believe that considering the nature of the Group's lease arrangements, an adjusted profit measure excluding the impact of IFRS 16 is valuable to users of the financial statements. The adjusted measures are as follows:

OPERATING PROFIT	1H 2023 USD	1H 2022 USD	Growth %
Operating profit as reported	**27,730,085**	**23,421,463**	**18%**
Less Actual Rent paid (allocated to lease liability for IFRS 16)	(3,305,578)	(3,058,626)	
Adjusted Operating profit	**24,424,507**	**20,362,837**	**20%**

PROFIT ATTRIBUTABLE TO SHAREHOLDERS	1H 2023 USD	1H 2022 USD	Growth %
Profit attributable to shareholders as reported	**17,404,035**	**13,199,075**	**32%**
Less Actually Rent paid	(3,305,578)	(3,058,626)	
Add back IFRS 16 depreciation	2,325,977	2,071,420	
Add back IFRS 16 interest charge	1,745,608	1,673,286	
Adjusted profit attributable to shareholders	**18,170,042**	**13,885,155**	**31%**
Adjusted Basic Earnings per share (cents)	**3.23**	**2.47**	**31%**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Reported (including IFRS 16) USD	Eliminate IFRS 16 impact USD	Adjusted (excluding impact of IFRS 16) USD
Total assets	179,667,909	(21,332,782)	158,335,127
Total liabilities	84,931,682	(25,160,745)	59,770,937
Net debt/(cash)	28,422,707	(25,160,745)	3,261,962
Total equity	94,736,227	(3,827,963)	90,908,264

- Cash generated from operations remained strong at 113% of Operating profit.
- The Group spent US$9,7 million on capital expansion and maintenance.
- The Group's debt position increased from US$ 7,6 million to US$ 16,5 million to fund strategic investments in financial assets.

INTERIM DIVIDEND

The Board declared an interim dividend of 0.88 US cents per share. Furthermore, the Board approved a dividend of US$248,569 to the Simbisa Employee Share Trust. The dividend was paid in United States dollars on 20 April 2023 to shareholders registered in the books of the Company at the close of business on 14 April 2023. The last day to trade cum-divided was 11 April 2023, and the ex-dividend date was 12 April 2023.

OUTLOOK

There are exciting prospects for the Group for the remaining six months of the current financial year ending 30 June 2023. The Group expects to open a further 49 stores to close the financial year with 680 stores. The Board will continue to invest any additional free cash generated in strategic assets to achieve the Group's overall target growth trajectory.

Zimbabwe's economy is projected to grow in FY23 premised primarily on improved performance from mining and construction and supported by international remittances. The Board hopes that the authorities will continue to implement prudent monetary and fiscal policy measures. The Board also calls on the Government to address the confusing and largely unfair Income Tax regime for corporates, and engender fiscal and monetary policy consistency to aid in business planning.

In the Region, the Group expects tough economic conditions to persist in Kenya and Ghana with customers' disposable income remaining under pressure. Various strategic initiatives are in place to mitigate the impact on customer counts and maintain operating margins.

Expanding our delivery business across the Group remains a priority. The Group is rolling out brand-specific delivery applications for its flagship brands to supplement the Group's Dial-A-Delivery application. Through these brand-specific applications, customers will have access to exclusive offerings from their favorite restaurants.

APPRECIATION

On behalf of the Board, I would like to say a big thank you to our customers for their continued loyalty, and to our shareholders and other stakeholders for their support. I would also like to express my appreciation to all the Simbisa employees and management for their hard work and dedication to the success of the Group.

ABC CHINAKE
Independent Non-executive Chairman
Harare

29 April 2023

Dividend Announcement

The Board declared an interim dividend of 0.88 US cents per share. Furthermore, the Board approved a dividend of US$248,569 to the Simbisa Employee Share Trust. The dividend was paid in United States dollars on 20 April 2023 to shareholders registered in the books of the Company at the close of business on 14 April 2023. The last day to trade cum-divided was 11 April 2023, and the ex-dividend date was 12 April 2023.

Last Date to trade Cum-Dividend	11 April 2023
Date to trade Ex-Dividend	12 April 2023
Record Date	14 April 2023
Payment Date	20 April 2023
Dividend Declared	0.88 US cents

Group Secretary
29 April 2023

Chief Executive Officer's **Report**

TRADING ENVIRONMENT

The trading environment remained challenging in 2022 due to weak economic conditions, currency devaluation and high global inflation, which has seen a general erosion in disposable income levels as the cost-of-living increases, particularly impacting the lower to middle income consumer. A robust and proactive strategy allowed Simbisa to remain resilient, despite these challenges. The business benefited from normalised trading conditions in the second half of 2022 versus the prior year comparable period as the operating markets reopened following prior Covid-19 lockdowns and trading restrictions.

The trading environment in Zimbabwe in the second half of 2022 was characterised by continued inflationary pressures, exchange rate disparities and significant power outages due to very low national power generation capacity. Despite these challenges, Simbisa's Zimbabwe operations achieved a stellar set of results with double-digit top-line growth and more than doubled profitability compared to the prior year.

Challenges also prevailed in Simbisa's regional operating markets emanating from high global inflation, supply chain disruptions and exchange rate volatility. The regional business remained resilient and continued to grow even in the face of the aforementioned adverse conditions.

GROUP PERFORMANCE OVERVIEW

Despite depressed consumer spend in Simbisa's operating markets, the Group continued to grow its footprint opening 46 new counters between 31 December 2021 and 31 December 2022, resulting in organic growth in customer counts, which increased 28.9% year-on-year.

Simbisa implemented a pricing strategy during the period under review that resulted in menu price increments, executed in a minimal and phased approach to minimise the impact on the price-sensitive consumer. This enabled the Group to keep pace with inflation and exchange rate devaluation to grow real Average Spend in all markets, with the exception of Ghana. Group US dollar Average Spend grew 4.0% year-on-year in the half-year period to December 2022.

Resultantly, the Group achieved US dollar top-line growth of 24% in 1H FY2022 versus prior year. Although the inflationary escalation in operating costs outpaced revenue growth, resulting in slightly softer operating margins compared to the prior year period, the Group still achieved 38% growth in profitability and increased shareholder returns.

ZIMBABWE

Despite challenges in the operating environment, the Group continued to expand its footprint in Zimbabwe by opening 30 new counters between 31 December 2021 and 31 December 2022. This expansion drive, together with a relaxation in trading restrictions in 1H FY2023 versus the prior year period, during which Zimbabwe's counter trading hours were still 37% below capacity, resulted in a 38.4% increase in customer counts in 1H FY2023 versus the prior year.

The drive to increase delivery capacity through the scaling of operations has been successful, with the total number of deliveries and revenue per delivery increasing 54% and 34%, respectively, in 1H FY2023 versus prior year, despite generally depressed consumer income levels in the market.

Real-term average spend increased 6.8% year-on-year due to the implementation of the aforementioned Group pricing strategy and the increased contribution from deliveries with inherently higher average spend. Resultantly, Simbisa Zimbabwe registered top-line growth of 31% year-on-year.

Significant power shortage experienced during the period under review resulted in interruption of trade, increased running costs and higher maintenance costs. This, together with general inflationary pressures, negatively impacted operating margins during the period under review. However, higher turnovers, firm GP Margins and lower interest costs following a debt restructuring undertaken in the market enabled Simbisa Zimbabwe to more than double the bottom line between 1H FY2022 and 1H FY2023.

REGIONAL OPERATIONS

Currency devaluation affected all Regional operations except for Zambia, where the Kwacha has strengthened against the US Dollar. Most severely impacted was Ghana, where the Cedi depreciated 64% against the US Dollar between 31 December 2021 and 31 December 2022.

Customer counts in the regional business increased 8.3% in 1H FY2023 versus prior year, on the back of new store openings and the resumption of trading at full capacity in Kenya, versus the prior year period in which the market's trading hours were 13% below capacity.

Despite local currency devaluation against the US Dollar, the Group's pricing strategy resulted in firmer real average spend across all Regional markets, except for Ghana, where real average spend fell year-on-year due to the sharp depreciation in the local currency. Regional US Dollar Average Spend increased by 3.8% in 1H FY2023 versus prior year.

Regional deliveries continued to be impacted by reduced consumer disposable income due to economic hardship. Total deliveries in the region dropped 14% year-on-year, and the contribution of Net Merchandise Value from deliveries to Regional Turnover fell from 18% in 1H FY2022 to 15% in 1H FY2023.

Growing the Simbisa brand footprint was a key focus area in the period under review, and between 31 December 2021 and 31 December 2022, a net of 35 new counters were opened in the region.

KENYA

2022 marked a significant election year in Kenya; it was a transitional one and marked the third time a sitting president handed over power to an independent successor after serving a two-term limit. The leading contenders had dominated Kenya's political landscape for over twenty years. This development came as a huge electoral surprise, and the populace and the economy slowed tremendously during August, hoping that the result would be accepted and peace would prevail. This did occur, and the countries' confidence picked up. This election showed how far the country's independent institutions have come by enabling a free, fair, and credible election contest.

On the downside, consumers have been hard hit by rising costs exacerbated by a long regional drought that has resulted in local commodity shortages. The Kenyan shilling devalued by 9% against the Dollar between December 2021 and December 2022. On the upside, trading resumed at full capacity in 1H FY2023, whilst trading hours were 13% below capacity in the prior comparable period.

Simbisa Kenya continued its expansion drive, opening 34 new counters in the market in the twelve months between 31 December 2021 and 31 December 2022. On the back of new store openings, customer counts increased 9.5% year-on-year. Real average spend increased 5.4% with menu price increments implemented to keep pace with inflation, resulting in a 15.4% increase in revenue in 1H FY2023 versus prior year.

Effective 1 October 2022, a strategic decision was made to transition Pizza Inn to deliver exclusively on the in-house Dial-A-Delivery platform in Kenya. The objective is to take control of the end-to-end customer experience and increase Pizza Inn delivery volumes. The initiative has been successful, with 90% of orders previously done through third-party aggregators now directed through Simbisa's in-house platforms. We expect a full recovery and growth from this base to be achieved from 2H FY2023. In the period under review, there was a significant improvement in internal fleet productivity and delivery times. The number of deliveries of Simbisa's products increased 20% year-on-year whilst total deliveries increased 11% in 1H FY2023 versus prior year; revenue per delivery increased 14% in US Dollar terms.

ZAMBIA

The Zambian Kwacha depreciated 8% against the Dollar between December 2021 and December 2022. The market has not been spared the rampant price increases experienced in Simbisa's other operating markets. The CPI inflation rate was 9.9% in December 2022, and consumer disposable income levels are under pressure.

Aggressive marketing and brand-specific promotions to improve customer counts have been successful, and Simbisa Zambia achieved a 14.5% year-on-year increase in customer counts. Real average spend increased 13.4%, resulting in a 29.8% increase in US Dollar revenue versus prior year.

Zambia's short-to-medium-term strategy is hinged on improving the overall customer experience and maximising returns on the existing infrastructure. Thus, no new stores were opened in the period under review, and there is no further capital expenditure pipeline for 2H FY2023. Focus on the bread and confectionaries factory continues to bear fruit, with revenue from the factory increasing 172% year-on-year. The Pizza Inn delivery application was launched in January 2023 and has been met with enthusiasm from the market.

MAURITIUS

Although Mauritius recorded high inflation rates and currency depreciation in the six months under review, with the Rupee devaluing 13% against the Dollar between December 2021 and December 2022, the market has benefited from a recovery in tourist arrivals which rose by 170% year-on-year in December 2022. However, tourist levels remain below the pre-pandemic levels.

Following the restructuring exercise undertaken in this market, Simbisa Mauritius traded off three fewer outlets in 1H FY2023 versus 1H FY2022. Despite this, customer counts grew 10.5% year-on-year, reflecting the success of the new, streamlined structure. Real average spend increased 11.0% in 1H FY2023 versus prior year, resulting in US Dollar top-line growth of 22.8%.

Despite inflationary pressures, significant cost savings were achieved in the period under review through enhanced efficiencies under the new operating model and strict cost management policies implemented. This resulted in significantly improved operating margins in 1H FY2023 versus the prior year period and a healthy 223% year-on-year increase in operating profit.

GHANA

Ghana faced an economic crisis in 2022 with record-high inflation rates; CPI recorded 54.1% year-on-year in December 2022, the highest level recorded in 22 years driven by fuel, utilities and food. The Ghanian Cedi has been in free fall, devaluing by 73% against the Dollar between December 2021 and December 2022.

1H FY2022 was a challenging period for Simbisa Ghana. The business has felt the impact of dropping consumers' disposable income and spending and the pressure on input and operating costs. Customer counts fell 18.8%, and average spend, in US Dollar terms, dropped 23.0% in 1H FY2023 versus prior year. Resultantly, US Dollar revenue decreased 37.5% year-on-year.

A sharp increase in the cost of key raw materials has put Gross Profit and Operating Margins under pressure. The business registered a small operating loss in the period under review.

Simbisa Ghana's focus is on delivering value meal offerings and promotional activity to increase revenue in existing stores. Despite challenging economic circumstances, the expansion of Simbisa's footprint in Ghana will continue, with four new counters opened between 31 December 2021 and 31 December 2022, including a Rocomamas and Ocean Basket to service the casual dining segment. There are three additional counters in the pipeline to open in 2H FY2023. Non-performing sites will be closely monitored and, where necessary, shut down or relocated to ensure shareholder returns are maximised. The business has implemented a stringent cost re-alignment strategy aimed at improving margins, with the benefits expected to reflect in 2H FY2023.

FRANCHISED MARKETS

The DRC returned to full trading capacity in 1H FY2023 whilst it traded at 9% below capacity in 1H FY2022. The market achieved top-line growth of 40.5% year-on-year in 1H FY2023, buoyed by a 19.8% increase in customer counts and a 17.3% increase in US Dollar Average Spend in 1H FY2023 versus prior year.

Seven new counters opened in the market between December 2021 and December 2022, 4 in Lubumbashi and 3 in Kinshasa, to close with 29 counters operating as at 31 December 2022. There are a further three new store openings in the pipeline for 2H FY2023.

STRATEGIC FOCUS

The Group remains focused on diversifying revenue streams by growing our market share in the casual dining sector and increasing the revenue contribution from deliveries. The former is steadily being implemented through the opening of 8 casual dining restaurants in 1H FY2023, with a further 10 set to be opened in 2H FY2023 and an additional 27 casual dining stores in the pipeline for FY2024. The top-line benefit of increasing the casual dining segment of Simbisa's brand portfolio is twofold: firstly, through broadening our reach of customers in the upper LSM segment and secondly, through attracting a higher Average Spend.

Simbisa continues to grow revenue streams from the delivery segment by scaling operating capacity, enhancing fleet productivity and efficiencies, and improving the overall customer experience. As previously mentioned, all Pizza Inn deliveries are now channelled through the Pizza Inn and Dial-A-Delivery platforms in Kenya, Zambia and Mauritius, effectively increasing Simbisa's share of the pizza delivery market in these markets.

To hedge against high inflation and exchange rate weakness, the Group will continue to carefully assess and execute the pricing strategy adopted in the current financial period whilst remaining sensitive to customer affordability. Debt restructuring and careful cost management policies will continue to be implemented to counter the negative impact on margins. During the period under review, the Group executed a new human resources operations structure that aims to increase staff productivity, ensure continuous adherence to brand standards and improve the experience for customers visiting our shops. Simbisa Brands was listed on the Victoria Falls Stock Exchange by introduction on 2 December 2022, with share trading commencing on the 5th December 2022. In line with this, the Group has decided to change its reporting currency for the current financial year from ZWL to USD. This is expected to make Simbisa shares more attractive to investors and elevate the Group's international profile and commercial standing. It also enables existing shareholders to realise the USD value of their holdings compared to the ZSE, where local currency returns were subject to hyperinflation.

OUTLOOK

Despite economic headwinds with significant currency devaluations and record-high inflation levels in our operating markets, the Group has managed to grow the business to record levels. We expect sustained improvement in customer counts in the financial year ahead through implementing the strategies mentioned earlier to drive revenue growth through new store openings and diversification of revenue streams.

A substantial investment pipeline, with 48 net new counters set to open in 2H FY2023 and a further 103 sites identified for FY2024, will drive growth and unlock shareholder value. The primary growth markets in the short to medium term will be Kenya and Zimbabwe. However, the Group remains vigilant of new growth opportunities in existing and potential new markets and continues exploring business development options.

The business's success over the period under review could not have been achieved without our staff members' hard work and dedication, and I would like to extend my sincere appreciation for their efforts. I would also like to thank the Simbisa Board of Directors, our loyal customers, suppliers and other stakeholders for their continued support during these challenging times.

B Dionisio
Chief Executive Officer
29 April 2023

Reviewed Interim
> Financial Results
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Simbisa Brands
LIMITED

Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this press release represents an extract. These abridged Group financial statements are presented in accordance with the disclosure requirements of the Victoria Falls Stock Exchange (VFEX) Listing Requirements for provisional financial statements (Preliminary Reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) (COBE).

External Auditors' Review Conclusion

These Group's abridged interim financial statements have been reviewed by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe), who have issued an adverse review conclusion in respect of non-compliance with the requirements of International Financial Reporting Standards, International Accounting Standards 21 ("IAS 21"), 'The Effects of Foreign Exchange Rates' and non-compliance with International Accounting Standard 8 ("IAS 8"), 'Accounting Policies, Changes in Accounting Estimates and Errors.' The auditor's review conclusion on the Group's abridged interim financial statements is available for inspection at the Company's registered office. The Engagement Partner on the review resulting in the independent auditor's review conclusion is Mr Walter Mupanguri, PAAB Practice Certificate Number 367.

ABRIDGED GROUP STATEMENT OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Six months ended 31-Dec-22 Reviewed USD	Six months ended 31-Dec-21 Restated USD
Revenue	**146,162,975**	**119,072,027**
Operating profit before depreciation, amortisation and impairment	**27,730,085**	**23,421,463**
Foreign exchange and other gains	2,394,610	2,143,950
Depreciation and amortisation	(7,647,912)	(5,932,174)
Profit before interest and tax	**22,476,783**	**19,633,239**
Interest income	3,133,750	457,272
Interest expense	(3,632,775)	(3,543,254)
Profit after interest	**21,977,758**	**16,547,257**
Profit from associate companies	78,780	-
Profit before tax	**22,056,538**	**16,547,257**
Income tax expense	(4,016,018)	(3,440,665)
Profit for the period	**18,040,520**	**13,106,592**
Other comprehensive income		
To be recycled to profit or loss:		
Exchange differences arising on the translation of foreign operations, net of tax	**(712,064)**	**(540,110)**
Not to be recycled to profit or loss:		
Revaluation surplus on property, plant and equipment, net of tax	2,790,157	-
Other comprehensive income for the period, net of tax	**2,078,093**	**(540,110)**
Total comprehensive income for the period	**20,118,613**	**12,566,482**
Profit for the period attributable to:		
Equity holders of the parent	17,404,035	13,199,075
Non-controlling interests	636,485	(92,483)
	18,040,520	**13,106,592**
Total comprehensive income for the period attributable to:		
Equity holders of the parent	19,507,157	12,662,762
Non-controlling interests	611,456	(96,280)
	20,118,613	**12,566,482**
Earnings per share (US cents):		
Basic earnings per share	3.10	2.35
Headline earnings per share	2.73	2.35
Diluted earnings per share	3.10	2.35
Diluted headline earnings per share	2.73	2.35

Note: The prior period Statement of profit or loss and other comprehensive income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD.

ABRIDGED GROUP STATEMENT OF **FINANCIAL POSITION**
AS AT 31 DECEMBER 2022

	31-Dec-22 Reviewed USD	30-Jun-22 Restated USD	30-Jun-21 Restated USD
ASSETS			
Non-current assets			
Property, plant and equipment	92,658,986	84,285,039	71,912,555
Investment properties	2,064,636	1,732,121	-
Investments in associates	1,839,051	-	-
Right-of-use assets	21,332,782	21,952,098	23,845,203
Intangible assets	320,519	336,838	373,417
Deferred tax assets	1,555,715	2,510,641	6,253,817
	119,771,689	**110,816,737**	**102,384,992**
Current assets			
Financial assets	24,803,486	10,804,384	10,134,196
Inventories	14,632,734	10,007,868	7,085,793
Trade and other receivables	7,266,346	7,725,708	5,650,201
Cash and cash equivalents	13,193,654	9,368,667	12,732,274
	59,896,220	**37,906,627**	**35,602,464**
Total assets	**179,667,909**	**148,723,364**	**137,987,456**
EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	18,178,323	18,178,323	18,178,323
Distributable reserves	79,830,526	65,807,079	52,538,685
Other reserves	(3,533,458)	(5,636,580)	(4,679,368)
	94,475,391	**78,348,822**	**66,037,640**
Non-controlling interests	260,836	(174,151)	8,431
Total equity	**94,736,227**	**78,174,671**	**66,046,071**
Non-current liabilities			
Deferred tax liabilities	157,316	-	-
Borrowings - non-current	2,101,361	1,900,507	5,133,524
Lease liability - non-current	21,564,948	20,550,972	20,986,708
	23,823,625	**22,451,479**	**26,120,232**
Current liabilities			
Borrowings - current	14,354,255	5,664,728	10,598,004
Lease liability - current	3,595,797	4,757,435	4,453,258
Trade and other payables	37,517,328	32,219,510	28,740,116
Current tax liabilities	5,640,677	5,455,541	2,029,775
	61,108,057	**48,097,214**	**45,821,153**
Total liabilities	**84,931,682**	**70,548,693**	**71,941,385**
Total equity and liabilities	**179,667,909**	**148,723,364**	**137,987,456**

Note: The comparative Statements of Finanacial Position (30 June 2021 and 30 June 2022) were previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD.

ABRIDGED GROUP STATEMENT OF **CHANGES IN EQUITY**
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Attributable To Equity Holders Of The Parent					
	Share capital and share premium USD	Distributable Reserves USD	Other Reserves USD	Total USD	Non-Controlling Interests USD	Total USD
Balance at 1 July 2021	**18,178,323**	**52,538,685**	**(4,679,368)**	**66,037,640**	**8,431**	**66,046,071**
Profit for the period	-	13,199,075	-	13,199,075	(92,483)	13,106,592
Other comprehensive income for the period	-	-	(536,313)	(536,313)	(3,797)	(540,110)
Total comprehensive income for the period	-	13,199,075	(536,313)	12,662,762	(96,280)	12,566,482
Establishment of subsidiary	-	-	-	-	68,026	68,026
Dividends	-	(2,701,885)	-	(2,701,885)	(33,500)	(2,735,385)
Balance at 31 December 2021	**18,178,323**	**63,035,875**	**(5,215,681)**	**75,998,517**	**(53,323)**	**75,945,194**
Profit for the period	-	12,455,127	-	12,455,127	180,062	12,635,189
Other comprehensive income for the period	-	-	(1,002,271)	(1,002,271)	(1,686)	(1,003,897)
Total comprehensive income for the period	-	12,455,127	(1,002,271)	11,452,916	178,376	11,631,292
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	-	-	20,471	20,471	-	20,471
Transactions with owners	-	-	558,060	558,060	(221,204)	336,856
Change in presentation currency	-	(6,800,932)	-	(6,800,932)	-	(6,800,932)
Dividends	-	(2,882,991)	-	(2,882,991)	(78,000)	(2,960,991)
Balance at 30 June 2022	**18,178,323**	**65,807,079**	**(5,636,580)**	**78,348,822**	**(174,151)**	**78,174,671**
Profit for the period	-	17,404,035	-	17,404,035	636,485	18,040,520
Other comprehensive income for the period	-	-	2,103,122	2,103,122	(25,029)	2,078,093
Total comprehensive income for the period	-	17,404,035	2,103,122	19,507,157	611,456	20,118,613
Dividends	-	(3,380,588)	-	(3,380,588)	(176,469)	(3,557,057)
Balance at 31 December 2022	**18,178,323**	**79,830,526**	**(3,533,458)**	**94,475,391**	**260,836**	**94,736,227**

ABRIDGED GROUP STATEMENT OF **CASH FLOWS**
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Six months ended 31-Dec-22 Reviewed USD	Six months ended 31-Dec-21 Restated USD
Cash generated from operations	**30,865,407**	**21,226,403**
Net interest paid	(499,024)	(3,085,999)
Tax paid	(3,836,157)	(1,900,177)
Net cash flow from operating activities	**26,530,226**	**16,240,227**
Investing activities	**(19,185,086)**	**(6,814,453)**
Net cash inflow before financing activities	**7,345,140**	**9,425,774**
Financing activities	**(3,731,432)**	**(8,795,856)**
Net increase in cash and cash equivalents	**3,613,708**	**629,918**
Effects of currency translation on cash and cash equivalents	**211,279**	**632,165**
Cash and cash equivalents at the beginning of the period	**9,368,667**	**11,619,131**
Cash and cash equivalents at the end of the period	**13,193,654**	**12,881,214**

Note: The prior period Statement of cash flows was previously reported in ZWL. This was recalculated based on the restated statements of financial position as at 30 June 2021 and 31 December 2021, as well as the restated statement of profit or loss and other comprehensive income for the six months ended 31 December 2021, which were converted to the Group's new presentation currency, USD.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

1 General information

Simbisa Brands Limited (Simbisa or the Group) is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange ("VFEX"). Simbisa Brands Limited, and its subsidiaries own and operate quick service restaurants (QSR) across Africa.

2 Accounting policies

The Group reports in terms of International Financial Reporting Standards (IFRS). The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year, except for International Accounting Standard 28, 'Investments in Associates and Joint Ventures', which was applied for the first time during the period under review. The Group reassessed its functional currency determination in compliance with the requirements of IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and concluded that, effective from 1 July 2022, the functional currency of Simbisa Brands Limited changed from the ZWL to the US dollar.

The abridged consolidated financial results do not include all of the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's interim condensed consolidated financial statements for the half year ended 31 December 2022 which are available for inspection at the Company's registered office.

3 Basis of preparation

3.1 Change in funcional and presentation currency

Change in functional currency for Zimbabwean Operations

On the 27th of June 2022, the Reserve Bank of Zimbabwe ("RBZ") announced an increase in minimum lending rates for corporates from 80% to 200% effective 1 July 2022, for all local currency borrowings. Additionally, RBZ directed that 25% of the unutilised export proceeds would now be liquidated at the willing-buyer willing-seller exchange rate after 120 days from the date of receipt. This was followed by an introduction of gold coins by the central bank on 25 July 2022. The gold coins were going to be sold in both local currency and United States dollars. According to media reports, a significant proportion (more than 90%) of the coins were sold in ZWL, which mopped up the excess local currency liquidity in the market. The resultant lack of ZWL liquidity resulted in most transactions within the economy being done in USD. During the 2023 Monetary Policy Statement presentation, the RBZ governor reported that 70% of the economy's transactions were being completed in USD, whilst 65% of customer deposits for the banking sector are in USD. This was also evident in Simbisa's revenue and expenditure within the period under review.

As a result of these events the Group reassessed its functional currency determination in compliance with the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates and concluded that, effective from 1 July 2022, the functional currency of Simbisa Brands Limited changed from the ZWL to the US dollar.

Change in presentation currency for the Group

Simbisa Brands Limited listed on the Victoria Falls Exchange (VFEX) during December 2022. Pursuant to this, the Group adopted the US dollar as the appropriate presentation currency as this would lead to more relevant financial statements given that VFEX is a USD Stock Exchange.

For the comparative six month period ended 31 December 2021 (income statement, statements of financial position, changes in equity and cash flows), Simbisa has restated financial statements to cater for this voluntary presentational change in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The same restatement was performed on the opening statement of financial position as at 30 June 2022 and the prior period opening statement of financial position as at 1 July 2021.

3.2 Basis of preparation

The Group`s interim condensed consolidated financial statements for the half year ended 31 December 2022 have been prepared in accordance with the requirements of the Victoria Falls Stock Exchange Listing Requirements and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The Listing Requirements require interim financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by IAS 34, 'Interim Financial Reporting'. The interim condensed consolidated financial statements have been prepared based on the statutory records that are maintained under the historical cost basis. The interim condensed consolidated financial statements are presented in United States of America dollar (USD) and all values are rounded to the nearest dollar, except where otherwise indicated. The principal accounting policies applied in the preparation of the interim condensed consolidated financial statements are in terms of IFRS except for the non-compliance with IAS 21, 'The Effects of Change in Foreign Exchange Rates' and IAS 8, 'Accounting Polices, Changes in Accounting Estimates and Errors', and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022 - *(continued)*

4 Summarised segment information

Six months ended 31 December 2022 - Reviewed	Zimbabwe USD	Region USD	Net eliminations USD	Total USD
Revenue	98,174,692	47,988,283	-	146,162,975
Operating profit before depreciation and amortisation	18,919,397	8,810,688	-	27,730,085
Depreciation and amortisation	(3,209,407)	(4,438,505)	-	(7,647,912)
Profit before tax	19,636,321	2,420,217	-	22,056,538
Capital expenditure	5,886,135	3,835,506	-	9,721,641
Segment assets	115,682,717	68,279,329	(4,294,137)	179,667,909
Segment liabilities	40,514,356	47,723,104	(3,277,312)	84,960,148

Six months ended 31 December 2021 - Restated	Zimbabwe USD	Region USD	Net eliminations USD	Total USD
Revenue	76,165,737	42,906,290	-	119,072,027
Operating profit before depreciation and amortisation	13,668,176	9,753,287	-	23,421,463
Depreciation and amortisation	(2,146,989)	(3,785,185)	-	(5,932,174)
Profit before tax	10,308,732	6,238,525	-	16,547,257
Capital expenditure	4,121,164	6,295,930	-	10,417,094
As at 30 June 2022 - Restated				
Segment assets	87,445,270	65,044,504	(3,794,913)	148,694,861
Segment liabilities	25,201,882	45,441,940	(95,129)	70,548,693

5 Property, plant and equipment

Change in accounting policy
With effect from 01 July 2022, the Group changed its accounting policy for Property, Plant and Equipment from Cost Method to Revaluation Method. The revaluation was performed as at the beginning of the financial year.

The revalued amounts were based on a valuation exercise performed by Integrated Properties, an independent accredited valuer. Integrated properties has experience in valuing assets of the Group's nature. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The revaluation surplus, net of deferred tax, has been included under Other Reserves, with the movement for the current year shown under Other Comprehensive Income.

Acquisitions and disposals
During the six months ended 31 December 2022, the Group acquired assets with a cost of USD 10,377,366 (31 December 2021: USD 10,417,094).

The Group transferred property, plant and equipment with a net book value of USD 62,497 as consideration for an investment in associate, Ndoro Microfinance Bank Private Limited.

Assets with a net book value of USD 92,342 were disposed by the Group during the six months ended 31 December 2022 (31 December 2021: USD 38,858), resulting in a net loss on disposal of USD 92,186 (31 December 2021: USD1,197). See Note 10 for capital commitments.

6 Leases
The Group has applied IFRS 16 using the modified retrospective approach with effect from 1 July 2019. As at that date, comparative information was not restated.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises a right of use asset and lease liabilities for its leases.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 July 2019. Right of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The lease liability and right of use asset were remeasured as at 30 June 2022 to take account of changes in the lease payments. During the 6 months ended 31 December 2022, all changes to the Group's leases were properly accounted for as modifications.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Reviewed USD
Right of Use Asset	
As at 1 July 2021	**23,845,203**
Non-cash additions	5,788,026
Depreciation expense	(4,519,477)
Remeasurement	(1,913,990)
Exchange differences on translation of foreign subsidiaries	(1,247,664)
As at 30 June 2022	**21,952,098**
Non-cash additions	2,422,697
Depreciation expense	(2,325,977)
Remeasurement	125,241
Exchange differences on translation of foreign subsidiaries	(841,277)
As at 31 December 2022	**21,332,782**
Set out below are the carrying amounts of lease liabilities and the movements during the period:	
Lease liability	
As at 1 July 2021	**25,439,966**
Non-cash additions	5,788,026
Accretion of interest	3,414,592
Payments	(6,319,469)
Remeasurement	(1,913,990)
Exchange differences on translation of foreign subsidiaries	(1,100,718)
As at 30 June 2022	**25,308,407**
Non-cash additions	2,422,697
Accretion of interest	1,745,608
Payments	(3,291,254)
Remeasurement	125,241
Exchange differences on translation of foreign subsidiaries	(1,149,954)
As at 31 December 2022	**25,160,745**
As at 30 June 2022	
Non-current	20,550,972
Current	4,757,435
As at 31 December 2022	
Non-current	21,564,948
Current	3,595,797

7 Financial assets

	Denomination	Rate of interest Per annum	Year Repayable	31-Dec-22 Reviewed USD	30-Jun-22 Restated USD
Financial assets held at amortised cost					
Short term receivable (secured) - current	USD / ZWL	5%-12%; 5%-45%	2023	24,803,486	10,804,384
				24,803,486	**10,804,384**

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022 - *(continued)*

8 Impact of change in functional and reporting currency

Conversion of Zimbabwe comparative financial statements from ZWL to USD
The Statement of Profit or loss and other comprehensive income for the six-month period ended 31 December 2021 was converted from ZWL to USD as follows:

- Transactions were initially split by currency of origin between USD and ZWL.
- ZWL transactions were converted to USD using transactions-based rate.
- In place of the USD exchange movements, ZWL exchange movements were calculated.
- Gain on monetary position and exchange gains/losses on USD transactions and balances were eliminated.
- Exchange gains/losses on ZWL transactions and balances were calculated.
- The income tax charge was determined as follows:
  - o The current tax charge was calculated from the current tax liability movement analysis. Opening and closing balances were converted to USD using the transaction-based rate as at the respective dates Income tax payments were converted to USD at the spot transactionsbased rate on date of payment.
  - o The deferred tax charge was determined from the USD deferred tax movement analysis. The opening and closing USD deferred tax balances were recalculated from the USD net carrying amounts and tax bases.

30 June 2022 and 30 June 2021 Statements of financial position have been translated from ZWL to US Dollar using the following procedures:

Financial statements line item	Conversion from ZWL to USD
Financial assets, Trade and other receivables, Intercompany receivables and Cash and Cash Equivalents	ZWL components converted at the transactions-based rate. USD components taken as is
Trade and other payables, Lease liabilities, Intercompany payables, Provisions and Borrowings "	ZWL components converted at the transactions-based rate. USD components taken as is.
Deferred tax assets/ liabilities	Recalculated from the USD net carrying amounts and tax bases of the non-monetary assets and liabilities.
Property, plant and equipment	A USD valuation exercise was performed as at 1 July 2022. The same carrying amounts were used as at 30 June 2022. Balances as at 30 June 2021 were derived from the Group's running USD fixed assets register, wherein all PPE acquired in USD was carried as is and items purchased in ZWL were converted to USD at the applicable transactions-based exchange rate
Right of use assets	Converted at the transactions-based rate.
Current tax liability	Converted at the transactions-based rate.
Share capital and premium	Converted at the transactions-based rate on the date capital and premium was contributed.
Treasury shares	Converted at the transactions-based rate on the date shares were bought.

9 Borrowings
Non-current borrowings
The Group's non-current borrowings are repayable from January 2023 to January 2024. The facilities are secured with a Corporate guarantee and bear interest at an average rate of 8.5% in the Region segment.

Current borrowings
Short-term borrowings form part of the Group's core borrowings and are renewed on maturity in terms of on-going facilities negotiated with the relevant financial institutions. The average interest rate for short-term borrowings is 8.5% and 7% per annum for the Region and Zimbabwe respectively.

10 Commitments for capital expenditure

	31-Dec-22 Reviewed USD	30-Jun-22 Restated USD
Authorised by Directors and contracted	13,717,547	14,721,639
Authorised by Directors but not contracted	6,068,023	6,235,377
	19,785,570	**20,957,016**

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

11 Changes in interests in subsidiaries and associates

Current period
Purchase of investment in associate - Ndoro Microfinance Bank (Private) Limited
Effective 1 July 2022, and subject to the completion of all regulatory approvals, the Group acquired 35% interest in Ndoro Microfinance Bank (Private) Limited, through its subsidiary, Inn Bucks (Private) Limited. The transaction resulted in a gain on bargain purchase of USD 2,081,022.

The interest qualifies as significant influence in accordance with IAS 28, 'Investments in Associates'. The Group will account for the associate using the equity method.

Prior period
Disposal of Simbisa Brands (Namibia) Limited
Effective 1 July 2021, the Group disposed of its 100% shareholding in Simbisa Brands (Namibia) Limited. This market will now be run as a franchised operation.

The transaction resulted in a profit on disposal of subsidiary of USD3,292 which was recognised in the income statement.

Inn Bucks (Private) Limited
The Group established a new business, Inn Bucks, in partnership with a local fintech investor. Inn Bucks is a mobile application which allows customers to send, receive money and buy food at Simbisa outlets. The Group owned 50% of the business on inception.

Effective 1 June 2022, the Group acquired an additional 50% in Inn Bucks (Private) Limited for USD 556,944, increasing the Group's shareholding in the subsidiary to 100%.

The transaction did not result in a change in control and has been treated as a transaction among owners, with a difference of USD 558,070 recognised in equity.

Acquisition of Avondale Property Company (Private) Limited
The Group acquired a property holding company, Avondale Property Company (Private) Limited with effect from 1 October 2021, at a cost of USD 1,035,000. The cost is included under investing activities on the statement of cash flows, while the property has been included under investment properties.

As at the date of acquisition, the company had net assets of USD 1,035,000.

12 Earnings per share

	31-Dec-22 Reviewed USD	31-Dec-21 Restated USD
Basic and Diluted earnings		
Profit attributable to equity holders of the parent (basic and diluted earnings)	17,404,035	13,199,075
Number of shares in issue for Basic and Diluted earnings per share		
Number of ordinary shares in issue	562,184,788	562,184,788
Weighted average number of ordinary shares in issue	562,184,788	562,184,788
Basic earnings per share (US cents)	3.10	2.35
Diluted basic earnings per share (US cents)	3.10	2.35
Reconciliation of basic earnings to headline earnings		
Profit for the period attributable to equity holders of the parent	17,404,035	13,199,075
Adjustment for capital items (gross of tax):		
Loss/(Profit) on disposal of property, plant and equipment	4,157	1,197
Gain on bargain purchase of associate	(2,081,022)	-
Tax effect on adjustments	(1,028)	(296)
Headline earnings attributable to ordinary shareholders	**15,326,142**	**13,199,976**
Headline earnings per share (US cents)	2.73	2.35
Diluted headline earnings per share (US cents)	2.73	2.35

13 Subsequent events

There were no significant events after the reporting period.

Building a better working world

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Report on Review of Consolidated Interim financial information

To the Shareholders of Simbisa Brands Limited

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Simbisa Brands Limited and its subsidiaries ("the Group"), as set out on pages 11 to 23, which comprise the interim condensed consolidated statement of financial position as at 31 December 2022 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed statement of changes in equity and interim condensed statement of cash flows for the six-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the International Financial Reporting Standards (IFRS). Our responsibility is to express a review conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for adverse conclusion

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors.

***Matter 1:* Exchange rates used in current year (Zimbabwean operations) (non-compliance with IAS 21)**

1. The group changed its functional currency for Simbisa Brands Limited and all Zimbabwean operations from ZWL to the USD effective 1 July 2022. Management has translated all foreign denominated transactions and balances at a transaction- based rate from ZWL to USD functional currency. We disagree with the use of the transaction-based rate for translating transactions

balances from ZWL to USD at half year as we believe that the transaction-based exchange rate does not meet the definition of a spot exchange rate as per International Financial Reporting Standards - IAS 21 - *The Effects of Changes in Foreign Exchange Rates.*

Had the correct exchange rate been used, the following elements of the interim condensed consolidated statement of financial position and statement of profit or loss and other comprehensive income relating to Zimbabwean operations would be materially different:

Statement of Financial Position

Financial Statement Line Item	**Amount in ZWL**	**USD Equivalent as per Client**	**USD Equivalent (EY recomputed using the auction rate**	**USD Difference**
Statement of Financial Position				
Trade and other receivables	1 380 163 436,45	867 398,35	2 024 635,48	1 157 237,48
Current tax	(4 550 486 413)	(5 688 108)	(6 675 352)	(987 244)
Trade and other payables	(5 395 222 047,27)	(6744 027,56)	(7 914 539,47)	(1 170 511,91)

Elements for which misstatements could not be quantified in the current year due to the volume of transactions:

- Distributable Reserves of amount USD 60 743 169

Statement of Profit or Loss and Other Comprehensive Income

Virtually all consolidated inflation adjusted statement of profit or loss and other comprehensive income items for Zimbabwe operations are materially misstated except for other income and interest expense.

Matter 2– Inappropriate accounting for change in presentation currency (non-compliance with IAS 21) (Zimbabwe operations)

The group changed the functional currency for Simbisa Brands Limited and all Zimbabwean operations from ZWL to the USD effective 1 July 2022. This change resulted in a change in presentation currency for financial information for the year ended 31 December 2022 from the ZWL to the USD. The change in presentation currency required that the comparative financial information be translated to USD in accordance with IAS 21, which requires that the previously stated comparatives, that is, the 31 December 2021 for the interim condensed statement of profit or loss and the 30 June 2022 for the interim condensed statement of financial position, be translated to USD from their previously stated ZWL amounts. In this case, due to operating in a hyperinflationary economy, the previously stated hyperinflation numbers, per IAS 29 should have been translated to USD using appropriate exchange rates.

Management has not complied with IAS 21 as they have separated the USD and ZWL elements of the financial information for the comparatives and maintained the USD element as if the USD has always been the functional currency, then translated the ZWL elements to USD using the transaction-based exchange rates. We disagree with both the method of change in presentation currency and the use of the transaction-based exchange rate, for reasons stated above. Consequently, the statements of cashflows and changes in equity are materially misstated as incorrect bases were used to reperform these statements. Virtually all lines of the statement of financial position and statement of profit or loss and other comprehensive income are misstated.

The effects of the above departures from IFRS are material and pervasive to the interim condensed financial information.

Adverse review conclusion

In view of the matters described in the preceding paragraphs, the interim condensed consolidated financial information as at 31 December 2022 is not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS).

The engagement partner on the review engagement resulting in this review conclusion report on the interim condensed consolidated financial information is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

Ernst & Young.

ERNST & YOUNG
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare

Date: 29 April 2023