



CHAIRMAN’S STATEMENT

TRADING ENVIRONMENT

The trading environment continued to be challenging in the first half of the year, caused by a depressed liquidity environment. Furthermore, reduced spending on road construction projects affected the general level of activity in the infrastructure sector. This impacted adversely on the business activity. During the period under review, the Group therefore focused on balance sheet preservation and cost containment.

Strategically, the Group is resetting to assert its status as the supplier of choice for agriculture, mining, infrastructure and automotive equipment solutions. The Group is also on course to recover from the gap caused by the termination of the caterpillar distribution agreement at end of September 2022 through the launch of two new business units namely Tractive Power Solutions and Valmec as well as the implementation of the Mealie Brand capacitation project.

FINANCIAL PERFORMANCE

The Group recorded a growth in revenue in inflation adjusted terms of 77% from prior year same period. Operating profit remained flat against prior year due to costs pressure on trading and operating margins. During the period under review, management have continued to maintain strong cash flow conversions of business recorded, with an emphasis on reducing over-weights in debtors and inventory. The investment in factory tooling, new branches (at Trentyre) and businesses (TPS and Valmec) remain on course.

OPERATIONAL PERFORMANCE

Commentary is based on volumes and financial performance in real terms to avoid distortions resulting from inflation adjusted reporting under International Accountings Standards (IAS) 29.

AGRICULTURAL EQUIPMENT SOLUTIONS

The Cluster has been focused on creating resilience owing to soft producer pricing and changes in weather patterns. Therefore, the launch of Valmec, targeted at supporting the entry level or emerging commercial farmer either with Valtra tractors or competitive brands with Sparex parts, is set to cover the needs of the entry-level market segment which had not been covered by Zimplot in the past, at the same time allowing Farmec and Mealie Brand to dedicate their focus on their established market segments without diluting their current effort.

Mealie Brand

Local implements sales contributed 88% of total revenue in the period under review. Implements sold in the local market were 69% ahead of prior year whilst exports were depressed by 56% below prior year mainly due to the slow uptake. Operating profit in real terms was down by 4% compared to prior year as a result of depressed trading margins as the business sought to defend the market position from competition.

The encouraging interest and demand on the recently introduced 2-wheel tractors and attaching implements is expected to contribute to increased revenue and product offering to the market. The Business Unit is at an advanced stage with its capacitation programme which is set to increase factory efficiencies and capabilities.

Valmec

The separation of the Valtra brand and establishment of Valmec as a stand-alone Business Unit (BU) is yielding the desired dividend with entry level tractor drawn implements being 30% ahead of projections in the period under review.

Farmec

The tight liquidity environment coupled with soft producer pricing had a knock-on effect on the Division's revenue drivers. Wholegoods volumes were 28% below prior year. However, the initiatives deployed by the Business Unit (BU) to improve customer experience on aftersales, saw the service revenue increasing by 10% in real terms compared to prior year. The BU is focused on recovering lost ground on tractor and implements sales up to year-end.

LOGISTICS AND AUTOMOTIVE SOLUTIONS

Scanlink

Improvement in supply chain as well as a firm order book drove the BU's revenue to be 4% ahead of prior year. The BU's volumes sales on trucks and buses were 30% ahead of prior year. Aftersales business was subdued with parts sales and hours sold dropping by 5% and 2% respectively due to tight macro-economic factors. However, the BU's operating profit which anchored the Group's profitability was 134% ahead of prior year in real terms. The BU contributed 44% to Group profitatbility. The BU has an encouraging order pipeline which will sustain the financial performance up to year-end.

Trentyre

Although the Business Unit was faced with supply chain bottlenecks, its revenue was 9% ahead of prior year performance. However, factory bottlenecks and resultant pressure on margins pushed the BU into a loss. Interventions for business recovery include an improvement in supply chain and the opening of a new branch in the Harare CBD, which was launched in May 2023.

MINING & INFRASTRUCTURE EQUIPMENT SOLUTIONS

Management is following through on achieving the Group's ambition for the Cluster to be a one stop shop for equipment solutions focused on earth moving and alternative power. The Group is nearing conclusion of both the acquisition of Barloworld's shares in Barzem and an original equipment manufacturer for earth moving equipment to complete the desired identity of the cluster.

Tractive Power Solution

The Group has made inroads in the supply of filtration, lubricants and mining Ground Engaging Tools (GET) as well as secured Service Level Agreements (SLA's) with key fleet operators. The BU is expected to springboard the new mining equipment Original Equipment Manufacturer (OEM). Discussions are ongoing with a potential OEM to replace Barzem.

Powermec

The increased demand for backup power in the first half of the year spurred the growth in volume sales for generators, aftersales and solar. Generator volume sales were 47% ahead of prior year. Parts sales and hours sold were 33% and 16% ahead of prior period respectively. Solar installations revenue were 22% ahead of prior year. The BU contributed 37% to Group profitability.

The focus on aftersales as well as broadening the product lines through cables and batteries is expected to insulate the business to a certain degree from the effects of the stability of the grid.

CT Bolts (& Industrial)

The Division's revenue was 4% ahead of prior year whilst tonnage volume sales were depressed by 3% mainly due to the sales mix. Pressure on margins and operating costs weighed down operating profit by 65% compared to prior year. The Business Unit is working on initiatives to increase product offerings mainly on mining consumables for its sustained growth.

Barzem

The Group is on course to conclude the acquisition of 49% shareholding in Barzem from Barloworld Equipment UK. In the period under review, the business unit was on care and maintenance as the Board focused on the recruitment of a new OEM after the conclusion of the share purchase agreement.

DIVIDEND

The Group will not declare a dividend as it seeks to utilize the available cash flows to consolidate the business initiatives under the Mining and Infrastructure Cluster.

DIRECTORATE

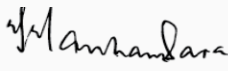
I would like to thank Mr Matthew Davis for his contribution during the two years he served on the Board within the Group until 6 April 2023. Mrs Angeline Vere was appointed as a non-executive director of the Group with effect from 1 June 2023. On behalf of the Board, I wish to extend a warm welcome to her.

OUTLOOK

Whilst the Group is confident of growth driven by the Mining, Infrastructure and Automotive Clusters, the forecast of the El Niño rainfall pattern may reduce the Group's growth prospects as the Agricultural Cluster still constitutes a significant component of Group's business.

ACKNOWLEDGEMENTS

I would like to extend my appreciation to the Zimplot Board, Management and staff for their hard work and commitment despite the challenging trading environment. I would also like to thank our various stakeholders for their continued support to guide Zimplot into the future.


G.T. Manhambara
Chairman
28 September 2023

Auditor’s Statement

These abridged interim consolidated financial results for the six months ended 30 June 2023 have been reviewed by Messrs Grant Thornton Chartered Accountants (Zimbabwe) and a qualified review conclusion was issued thereon. This review conclusion is modified with respect to non- compliance with IFRS 13 – Fair Value measurement on the property, plant and equipment, and investment property, International Accounting Standard (IAS) 21 -The Effects of Changes in Foreign Exchange Rates, International Accounting Standard (IAS) 8 – Accounting Policies, Changes in Accounting Policies, Estimates and Errors and International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies.

The engagement partner on the review engagement resulting in this independent review conclusion is Farai Chibisa (PAAB 0547). The Independent Review Report on the interim consolidated inflation adjusted financial statements is available for inspection at the Group's registered office.

Abridged Interim Group and Company Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2023

	Inflation adjusted			
	Group		Company	
	30-Jun-23 ZWL\$	30-Jun-22 ZWL\$	30-Jun-23 ZWL\$	30-Jun-22 ZWL\$
Sales of goods	44,729,373,785	26,875,970,041	34,042,095,810	16,226,409,871
Rendering of services	7,215,121,171	2,518,182,115	2,900,510,517	1,374,779,624
Investment property rental income	132,316,726	67,601,660	126,622,374	116,113,753
Revenue	52,076,811,682	29,461,753,816	37,069,228,701	17,717,303,248
Cost of sales	(27,848,555,920)	(14,829,394,233)	(18,555,495,374)	(8,874,207,059)
Gross profit	24,228,255,762	14,632,359,583	18,513,733,327	8,843,096,189
Other operating income	12,404,614,568	7,382,531,485	4,324,013,011	7,165,270,145
Selling and distribution expenses	(815,043,596)	(467,198,269)	(592,937,993)	(363,040,200)
Administrative expenses	(35,514,389,110)	(12,700,224,407)	(17,822,514,901)	(3,363,201,150)
Other operating expenses	(3,737,550,555)	(4,161,665,535)	(1,725,925,528)	(785,273,288)
Allowance for expected credit losses	(380,933,158)	(448,170,940)	(94,381,672)	(63,431,760)
Monetary gain	12,244,057,672	4,505,243,830	12,224,186,875	1,269,217,867
Operating profit	8,429,011,583	8,742,875,747	14,826,173,119	12,702,637,803
Finance costs	(336,063,151)	(115,505,992)	(284,557,972)	(87,104,042)
Finance income	19,476,358	4,703,176	13,379,002	402,251
Profit before tax	8,112,424,790	8,632,072,931	14,554,994,149	12,615,936,012
Income tax expense	(7,056,597,651)	(4,496,564,148)	(4,824,603,068)	(4,497,935,413)
Profit for the period	1,055,827,139	4,135,508,783	9,730,391,081	8,118,000,599
Other comprehensive income that will not be reclassified to profit or loss				
Revaluation of plant, land and buildings net of tax	-	18,605,806,093	-	3,867,894,574
Total other comprehensive income for the period, net of tax	-	18,605,806,093	-	3,867,894,574
Total comprehensive income for the period	1,055,827,139	22,741,314,876	9,730,391,081	11,985,895,173
(Loss)/profit for the period attributed to:				
Owners of the parent	(1,342,978,903)	4,995,856,126	9,730,391,081	8,118,000,599
Non-controlling interest	2,398,806,042	(860,347,343)	-	-
	1,055,827,139	4,135,508,783	9,730,391,081	8,118,000,599
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the parent	(1,342,978,903)	21,209,414,213	9,730,391,081	11,985,895,173
Non-controlling interest	2,398,806,042	1,531,900,678	-	-
	1,055,827,139	22,741,314,876	9,730,391,081	11,985,895,173
Earnings per share				
Basic earnings per share	(3.90)	20.96	28.24	34.05
Diluted earnings per share	(3.90)	20.96	28.24	34.05
Headline Earnings per Share	(4.34)	21.09	27.81	34.05
Diluted Headline Earnings per Share	(4.34)	21.09	27.81	34.05

Abridged Interim Group and Company Statement of Financial Position as at 30 June 2023

	Inflation adjusted			
	Group		Company	
	30-Jun-23 ZWL\$	31-Dec-22 ZWL\$	30-Jun-23 ZWL\$	31-Dec-22 ZWL\$
ASSETS				
Non-current assets				
Property, plant and equipment	39,913,093,841	39,458,412,672	11,350,958,839	12,223,049,191
Intangible assets	26,908,518	26,743,101	26,908,518	26,743,101
Investment property	584,141,090	2,239,728,136	4,623,148,732	4,623,148,732
Investment in subsidiaries	-	-	15,450,026,361	15,450,026,361
Right of use assets	-	-	3,009,053	4,513,580
Long term receivables	2,910,645,214	1,268,658,785	2,910,645,214	1,268,658,785
Goodwill	7,613,212,148	7,613,212,148	-	-
Total non-current assets	51,048,000,811	50,606,754,842	34,364,696,717	33,596,139,750
Current Assets				
Inventories	32,144,976,127	28,526,191,307	26,030,004,237	17,594,277,204
Inter company receivables	-	-	772,074,891	467,500,534
Trade and other receivables	8,445,038,410	5,674,773,352	5,173,334,103	3,635,685,738
Prepayments	28,235,386,832	10,220,963,105	21,378,909,424	5,319,499,520
Investment in financial assets	79,913	249,628	79,913	249,628
Cash and bank balances	7,016,903,551	5,136,240,841	1,210,328,100	2,655,038,643
Total current assets	75,842,384,833	49,558,418,233	54,564,730,668	29,672,251,277
Total assets	126,890,385,644	100,165,173,075	88,929,427,385	63,268,391,027
EQUITY AND LIABILITIES				
Equity				
Issued share capital	41,996,999	41,996,999	41,996,999	41,996,999
Share premium	23,593,507,002	23,593,507,002	23,593,507,002	23,593,507,002
Revaluation reserve	21,739,243,582	21,739,243,582	7,921,678,059	7,921,678,059
Capital reserve	(84,402,287)	(84,402,287)	(84,402,287)	(84,402,287)
Change in ownership reserve	(392,476,970)	(392,476,970)	-	-
Retained earnings	11,357,363,962	12,700,342,865	24,894,765,816	15,164,374,735
Attributable to holders of the parent	56,255,232,288	57,598,211,191	56,367,545,589	46,637,154,508
Non-controlling interest	7,148,314,678	4,749,508,636	-	-
Total equity	63,403,546,966	62,347,719,827	56,367,545,589	46,637,154,508
Non-current liabilities				
Deferred tax liabilities	14,681,918,598	9,930,284,472	8,411,756,202	6,131,113,409
Total non-current liabilities	14,681,918,598	9,930,284,472	8,411,756,202	6,131,113,409
Current liabilities				
Trade and other payables	26,652,215,746	11,726,254,385	12,940,862,423	3,957,959,553
Provisions	4,814,162,535	2,040,228,360	607,082,441	251,781,312
Short term borrowings	5,011,958,423	2,477,768,885	2,598,425,073	1,361,565,935
Customer deposits	9,443,491,690	7,906,156,977	4,646,589,101	1,162,402,971
Lease liabilities	-	-	1,291,211	4,574,381
Current tax liabilities	2,883,091,686	3,736,760,169	3,355,875,345	3,761,838,958
Total current liabilities	48,804,920,080	27,887,168,776	24,150,125,594	10,500,123,110
Total Equity and Liabilities	126,890,385,644	100,165,173,075	88,929,427,385	63,268,391,027



Abridged Interim Group and Company Statement of Cash Flows
for the six months ended 30 June 2023

	Inflation adjusted			
	Group		Company	
	30-Jun-23 ZWL\$	30-Jun-22 ZWL\$	30-Jun-23 ZWL\$	30-Jun-22 ZWL\$
Cash flows from operating activities				
Operating profit before tax	8,112,424,790	8,632,072,931	14,554,994,149	12,615,936,012
Adjusted to reconcile profit before tax to net cash flows:				
Depreciation of property plant and equipment and amortisation of intangible assets	1,792,066,768	610,847,834	1,388,331,227	550,730,553
Net fair value adjustments	-	(1,081,138,325)	-	(3,660,882,887)
Net unrealised foreign exchange differences	(2,528,837,462)	(4,352,584,075)	(2,504,511,435)	(3,034,613,587)
Interest income	(19,476,358)	(4,703,176)	(13,379,002)	(402,251)
Interest payable	336,063,151	115,505,992	284,557,972	87,104,042
Movement in provisions	2,773,934,175	220,709,204	449,682,801	(4,021,534)
(Profit)/loss on disposal of property, plant & equipment	(203,081,399)	41,747,637	(198,320,802)	(1,692,046)
Non cash adjustment IAS 29	(12,244,057,672)	(4,505,243,830)	(12,224,186,875)	(1,269,217,867)
	(1,980,964,007)	(322,785,808)	1,737,168,035	5,282,940,435
Working capital changes				
(Increase) in inventories	(3,618,784,820)	(10,111,462,058)	(8,435,727,033)	(9,021,978,469)
(Increase)/decrease in trade and other receivables	(2,770,265,058)	1,838,154,335	(1,537,648,355)	(420,015,595)
(Increase)/decrease in prepayments	(18,014,423,727)	2,462,376,811	(16,059,409,904)	1,970,975,524
Increase/(decrease) in customer deposits	1,537,334,713	(580,212,487)	3,484,186,130	(1,493,440,825)
(Increase)/decrease in intergroup receivables	-	-	(304,574,357)	195,653,164
Increase/(decrease) in trade and other payables	14,925,961,361	(4,535,340,902)	8,982,902,870	1,723,793,309
	(9,921,141,538)	(11,249,270,109)	(12,133,102,614)	(1,762,072,457)
Interest received	19,476,358	4,703,176	13,379,002	402,251
Interest paid	(336,063,151)	(115,505,992)	(284,557,972)	(87,104,042)
Income tax paid	(61,811,507)	(91,041,379)	(61,811,507)	51,875,393
Net cash flow (used) in operating activities	(10,299,539,838)	(11,451,114,304)	(12,466,093,091)	(1,796,898,855)
Investing activities				
Proceeds from sale of property, plant and equipment	202,298,333	171,078,352	202,298,333	4,586,302
Purchase of property, plant and equipment	(643,742,555)	(2,440,945,842)	(565,567,417)	(354,851,532)
Net cash flows from investing activities	(441,444,222)	(2,269,867,490)	(363,269,084)	(350,265,230)
Financing activities				
Lease liability principal repaid	-	-	(413,775)	(10,073,618)
Repayments of borrowings	(1,259,755,299)	(94,021,112)	(1,259,755,299)	(133,809,701)
Proceeds from borrowings	3,072,551,698	1,027,735,841	3,072,551,698	468,322,605
Net cash flows (used) in financing activities	1,812,796,399	933,714,729	1,812,382,624	324,439,286
Net (decrease) in cash and cash equivalents	(8,928,187,661)	(12,787,267,065)	(11,016,979,551)	(1,822,724,799)
Effects of exchange rate changes on cash and cash equivalents	5,215,606,665	920,184,374	3,026,078,159	901,031,061
Effects of IAS29	5,593,243,706	5,383,600,629	6,546,190,849	3,262,161,839
Cash and cash equivalents at 1 January	5,136,240,841	15,184,332,008	2,655,038,643	1,800,560,170
Cash and cash equivalents at 30 June	7,016,903,551	8,700,849,946	1,210,328,100	4,141,028,271
Comprising of:				
Cash and bank balances	7,016,903,551	5,136,240,841	1,210,328,100	2,655,038,643

Abridged Interim Group Statement of Changes in Equity
for the six months ended 30 June 2023

Inflation Adjusted	Share Capital ZWL\$	Capital Reserve ZWL\$	Share Premium ZWL\$	Revaluation Reserve ZWL\$	Change in Ownership reserve ZWL\$	Retained earnings ZWL\$	Attributable to Owners of the parent ZWL\$	Non-Controlling Interest ZWL\$	Total ZWL\$
Balance at 1 January 2022	41,996,999	(84,402,287)	23,593,507,002	4,763,340,129	(392,476,970)	13,727,953,681	41,649,918,554	6,535,709,220	48,185,627,774
Dividend Paid	-	-	-	-	-	(472,790,135)	(472,790,135)	-	(472,790,135)
Profit for the period	-	-	-	-	-	(554,820,681)	(554,820,681)	(3,366,228,271)	(3,921,048,952)
Other comprehensive income net of tax	-	-	-	16,975,903,453	-	-	16,975,903,453	1,580,027,687	18,555,931,140
Balance at 31 December 2022	41,996,999	(84,402,287)	23,593,507,002	21,739,243,582	(392,476,970)	12,700,342,865	57,598,211,191	4,749,508,636	62,347,719,827
(Loss)/profit for the period	-	-	-	-	-	(1,342,978,903)	(1,342,978,903)	2,398,806,042	1,055,827,139
Balance at 30 June 2023	41,996,999	(84,402,287)	23,593,507,002	21,739,243,582	(392,476,970)	11,357,363,962	56,255,232,288	7,148,314,678	63,403,546,966

Abridged Interim Company Statement of Changes in Equity
for the six months ended 30 June 2023

Inflation Adjusted	Share Capital ZWL\$	Capital Reserve ZWL\$	Share Premium ZWL\$	Revaluation Reserve ZWL\$	Retained earnings ZWL\$	Attributable to Owners of the parent ZWL\$
Balance at 1 January 2022	41,996,999	(84,402,287)	23,593,507,002	2,537,675,324	9,707,141,916	35,795,918,954
Dividend paid	-	-	-	-	(472,790,139)	(472,790,139)
Profit for the period	-	-	-	-	5,930,022,958	5,930,022,958
Other comprehensive income net of tax	-	-	-	5,384,002,735	-	5,384,002,735
Balance at 31 December 2022	41,996,999	(84,402,287)	23,593,507,002	7,921,678,059	15,164,374,735	46,637,154,508
Profit for the period	-	-	-	-	9,730,391,081	9,730,391,081
Balance at 30 June 2023	41,996,999	(84,402,287)	23,593,507,002	7,921,678,059	24,894,765,816	56,367,545,589

Supplementary Information

	Inflation Adjusted			
	Group		Company	
	30-Jun-23 No. of shares	30-Jun-22 No. of shares	30-Jun-23 No. of shares	30-Jun-22 No. of shares
Shares in issue	344,580,486	344,580,486	344,580,486	344,580,486
For the purpose of Basic EPS	344,580,486	344,580,486	344,580,486	344,580,486
For the purpose of Diluted EPS	344,580,486	344,580,486	344,580,486	344,580,486
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Headline earnings	(1,495,858,580)	5,027,336,578	9,583,137,886	8,116,744,255
(Loss)/profit for the period	(1,342,978,903)	4,995,856,126	9,730,391,081	8,118,000,599
Headline earnings per share	(4.34)	21.09	27.81	34.05
Basic (loss)/profit per share	(3.90)	20.96	28.24	34.05
Diluted (loss)/profit per share	(3.90)	20.96	28.24	34.05
Depreciation	1,792,066,768	610,847,834	1,388,331,227	550,730,553
Taxation:				
Current tax expense	923,675,719	3,118,799,530	946,907,676	2,042,932,724
Deferred tax movement	166,324,729	2,526,703,005	548,430,401	337,898,843

Notes to the financial statements

1. Presentation and statement of compliance

Basis of preparation

The Group's abridged interim condensed consolidated financial statements for the six months ended 30 June 2023 have not been prepared under policies consistent with the requirements of International Financial Reporting Standards (IFRS). This is due to non-compliance with International Financial Reporting Standards (IAS 21) - The Effects of Changes in Foreign Exchange Rates and IAS 8-Accounting Policies, Changes in Accounting Estimates and Errors in Prior Year. The financial statements have been prepared under the current cost convention in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies and IAS 34 - Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

During the reporting period, the economy continued to face significant inflationary pressures as evidenced by a rising Total Consumption Poverty Line (TCPL). These results have been prepared in accordance with IAS 29 which requires that the interim condensed financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Group prior to February 2023 adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. However, ZIMSTAT commenced mandatory publication of a weighted average rate of inflation, also known as the blended rate instead of the ZWL exclusive CPI. The blended is therefore not suitable for complying with IAS 29. Zimplot has, in line with IAS29 provisions which allow preparers to estimate the inflation rate, used the monthly statistics on the Total Consumption Poverty Line (TCPL) in ZWL. TCPL in the past showed strong correlation to the published CPI. Zimplot derived inflation factors by adjusting the last published CPI based on the monthly movement of the TCPL. The indices and conversion factors derived and used to restate these financials are given below.

Dates	Indices	Conversion Factors
30 June 2023	42 710.73	1.0000
31 December 2022	13 672.91	3.1237
30 June 2022	8 707.35	4.9051

The procedures applied in the above restatement of transactions and balances are as follows:

Comparative information

- All comparative figures as of and of the half-year ended 30 June 2022 were restated by applying the change in the index to 30 June 2023 using the relevant factor of 3.9067, for the statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity. The statement of Financial position, comparatives were restated by applying a factor of 3.1237.

Current period information

- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the balance sheet date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet and components of shareholders' equity were restated by applying the change in the index from the more recent of the date of the transaction and the date of their most recent revaluation to 30 June 2023.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred by applying the monthly index for the half year ended 30 June 2023. Depreciation and amortisation amounts are based on the restated cost of relevant assets.
- Gains and losses arising from the net monetary position are included in the income statement.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Hyper Inflation

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL\$). Professional judgement was used and appropriate adjustments in preparing financial statements according to IAS 29. The indices used were obtained from the Zimbabwe National Statistics Agency for the period.

Statement of compliance

These consolidated financial statements have been prepared with the aim of complying with International Financial Reporting Standards and presented in ZWL\$ (Zimbabwe Dollars, rounded to the dollar), which is the Group's functional and presentation currency. While full compliance with IFRS has been possible in the previous periods, compliance has not been achieved from 2019.

2. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3. Borrowings

The Group acquired a short term loan facility of ZWL\$3,072,551,698 secured against properties during the period under review. The average cost of borrowing was 11% per annum.

4. Revenue

An analysis of Group revenue and results for the period:

	Inflation adjusted			
	Group		Company	
	30-Jun-23 ZWL\$	30-Jun-22 ZWL\$	30-Jun-23 ZWL\$	30-Jun-22 ZWL\$
Sale of goods: Domestic	43,576,229,278	24,568,160,185	32,888,951,303	16,063,319,334
Sale of goods: Export	1,153,144,507	2,307,809,856	1,153,144,507	163,090,537
Sale of services: Domestic	7,215,121,171	2,518,182,115	2,900,510,517	1,374,779,624
Investment property rental income	132,316,726	67,601,660	126,622,374	116,113,753
Total revenue from contracts with customers	52,076,811,682	29,461,753,816	37,069,228,701	17,717,303,248



The Directors report the following reviewed abridged interim results in respect of the Group and Company's operations for the six months ended 30 June 2023.



5. Segment information

Inflation Adjusted	Agriculture ZWL\$	Mining and Infrastructure ZWL\$	Logistics and Automotive ZWL\$	Property ZWL\$	Other Segments ZWL\$	Total Segments ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$
30 June 2023								
Revenue	27,107,989,420	11,300,742,191	14,541,091,167	132,316,726	126,622,374	53,208,761,878	(1,131,950,196)	52,076,811,682
Segment operating profit	7,391,252,549	10,056,743,425	(7,803,446,891)	83,654,735	(117,042,052)	9,611,161,766	(1,182,150,183)	8,429,011,583
Other items								
Finance income	324,014,672	6,097,356	-	-	2,451,810	332,563,838	(313,087,480)	19,476,358
Finance costs	(275,730,662)	-	(21,752,225)	(613,136)	-	(298,096,023)	(37,967,128)	(336,063,151)
Income taxes	(3,796,654,144)	(1,106,731,523)	5,322,162,807	675,067,220	(1,340,882,841)	(247,038,481)	(6,809,559,170)	(7,056,597,651)
GROUP PROFIT AFTER TAX	3,642,882,415	8,956,109,258	(2,503,036,309)	758,108,819	(1,455,473,083)	9,398,591,100	(8,342,763,961)	1,055,827,139
Segment assets	61,948,433,649	23,972,010,591	20,884,127,195	18,558,193,660	24,371,801,239	149,734,566,334	(22,844,180,690)	126,890,385,644
Segment liabilities	(30,672,367,168)	(4,105,713,262)	(18,078,100,595)	(390,619,716)	(2,159,171,986)	(55,405,972,727)	(8,080,865,951)	(63,486,838,678)
Other segment information								
Depreciation and amortisation	1,302,138,271	172,013,422	47,242,062	173,836,601	41,018,082	1,736,248,438	55,818,330	1,792,066,768
Additions to non-current assets	182,211,969	272,082,689	26,413,235	-	163,034,662	643,742,555	-	643,742,555
Inventory provision	1,101,954,583	20,013,649,063	11,942,406	-	-	21,127,546,052	-	21,127,546,052
Impairment loss recognised on receivables	66,928,619	281,703,165	32,301,374	-	-	380,933,158	-	380,933,158

The inter company assets and liabilities are eliminated on consolidation.

6. Share capital

Subject to Section 183 of the Companies and Other Business Entities Act (Chapter 24:31), and to the limitations of the Zimbabwe Stock Exchange, the unissued shares are under the control of the Directors. As at 30 June 2023, the Company had an authorised share capital of 400,000,000 ordinary shares valued at ZWL\$0.0004 each, of these 344,580,486 were issued and the balance of 55,419,514 were under unissued and under the control of Directors.

7. Contingent liabilities

The Group and the Company do not have significant contingent liabilities that require disclosure as at 30 June 2023.

8. Going concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the interim consolidated financial statements.

Inflation Adjusted	Agriculture ZWL\$	Mining and Infrastructure ZWL\$	Logistics and Automotive ZWL\$	Property ZWL\$	Other Segments ZWL\$	Total Segments ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$
30 June 2022								
Revenue	13,488,888,944	7,945,444,908	8,107,952,698	62,696,524	115,581,134	29,720,564,208	(258,810,392)	29,461,753,816
Segment operating profit	6,389,669,950	(421,692,763)	1,531,816,544	6,265,187,133	948,310,274	14,713,291,138	(5,970,415,391)	8,742,875,747
Other items								
Finance income	4,004,906	698,270	-	-	-	4,703,176	-	4,703,176
Finance costs	(74,678,088)	-	(37,571,797)	(940,113)	-	(113,189,998)	(2,315,994)	(115,505,992)
Income taxes	(2,749,901,705)	(616,456,494)	(545,639,513)	996,168,469	(894,569,556)	(3,810,398,799)	(686,165,349)	(4,496,564,148)
GROUP PROFIT AFTER TAX	3,569,095,063	(1,037,450,987)	948,605,234	7,260,415,489	53,740,718	10,794,405,517	(6,658,896,734)	4,135,508,783
Segment assets	38,430,941,541	17,978,422,823	18,958,173,746	18,558,193,659	24,755,928,176	118,681,659,945	(18,516,486,870)	100,165,173,075
Segment liabilities	(10,431,562,286)	(4,375,846,085)	(15,629,377,824)	(762,047,387)	(2,530,416,059)	(33,729,249,641)	(4,088,203,607)	(37,817,453,248)
Other segment information								
Depreciation	414,479,085	80,366,446	9,644,404	41,969,192	64,388,708	610,847,835	(1)	610,847,834
Additions to non-current assets	323,939,305	376,007,337	6,827,787	-	(14,329,077)	692,445,352	-	692,445,352
Impairment loss recognised on receivables	436,541,678	1,329,292,557	58,579,119	-	-	1,824,413,354	-	1,824,413,354

9. Events after the reporting period

At an Extra-ordinary General Meeting (EGM) held on 06 July 2023, the Shareholders of Zimplot approved the delisting of Zimplot Shares from the Main Board of the Zimbabwe Stock Exchange (ZSE) through voluntary termination and the subsequent relisting on the Victoria Falls Stock Exchange (VFEX). This resulted in the change in the Group's functional and presentation currency effective July 2023 to be in United States Dollars (USD). The Groups' financial statements for the year ended 31 December 2023 shall be presented in USD.

We anticipate that the listing on the VFEX will unlock value for our stakeholders as well as provide opportunities for our investors. Furthermore, as financial statements are going to be presented in USD going forward, this will simplify reporting and make financials more understandable to stakeholders

The Company is on course with the process of exercising its call option as provided for in the Barzem Shareholders Agreement to acquire 49% shareholding in Barzem Enterprises (Private) Limited (Barzem) from Barloworld Equipment UK (BWE UK). The consummation of the transaction is expected to be completed by end of October 2023. Barzem will subsequently be a 100% subsidiary of Zimplot.

The Company is in discussions with an Original Equipment Manufacturer (OEM) of mining and infrastructural equipment which are at an advanced stage which will potential see the distributorship agreement being finalised by end of the year.



ENGINEERING PERFORMANCE



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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the members of Zimplow Holdings Limited

We have reviewed the accompanying interim abridged consolidated inflation adjusted statement of financial position of Zimplow Holdings Limited (the "Group") as at 30 June 2023 and the related consolidated inflation adjusted statement of profit or loss and other comprehensive income, consolidated inflation adjusted statement of changes in equity and consolidated inflation adjusted statement of cash flows for the six-months then ended, and a summary of significant Group accounting policies.

Responsibilities of Management and Those Charged with Governance for the interim abridged consolidated inflation adjusted financial statements.

Management is responsible for the preparation and fair presentation of these interim abridged consolidated inflation adjusted financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and the Group's accounting policies, this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of interim abridged consolidated financial statements that are free of material misstatements whether due to fraud or error.

Our responsibility is to express a conclusion on this interim abridged consolidated inflation adjusted financial statements 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 Qualified Conclusion

Non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates in the prior periods and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimated and Errors

During the prior financial periods, the foreign currency denominated transactions and balances of the Group were translated into Zimbabwe Dollars (ZWL) using the interbank exchange rates which were not considered appropriate spot rates for translations as required by IAS 21. The review conclusion on the interim consolidated financial information for the half year ended 30 June 2022, and the opinion on the consolidated financial statements for the year ended 31 December 2022 were modified in respect of this matter, and the misstatements have not been corrected in the consolidated financial information for the half year ended 30 June 2023.

As the non-compliance with IAS 21 is from prior financial periods and there have been no restatements to the prior period financial statements in accordance with IAS 8, some comparative numbers in the financial information may be misstated. Our review conclusion on the financial information for the half year ended 30 June 2023 is modified because of the residual effects of prior years' material misstatements.

Non-compliance with International Financial Reporting Standard (IFRS) 13 - Fair Value Measurement and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimated and Errors

As at 31 December 2022, the Group's investment properties, land and buildings, plant and machinery, and equipment were revalued by independent professional valuers in USD and

converted to ZWL using the interbank foreign exchange rate. Although the determined USD values reflected the fair value of the investment properties, land and buildings, plant and machinery, and equipment in USD, the converted ZWL values were not in compliance with IFRS 13 as they may not reflect the assumptions that market participants would apply in valuing similar items of investment properties, land and buildings, plant and machinery and equipment in ZWL.

The audit opinion for the year ended 31 December 2022 was modified in respect to this matter. No subsequent revaluations were done in the interim consolidated financial information, and there were no restatements made in respect of this matter in accordance with IAS 8.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies on inflation adjustment of cost of sales

During the current and prior period management applied the monthly average approach to calculate inflation adjusted cost of sales instead of separately calculating each component of cost of sales in accordance with IAS 29. Cost of sales calculation should be based on opening and closing inventory balances as well as purchases during the period in order to present the appropriate inflation adjusted cost of sales. Had the Group separately calculated each component of cost of sales in accordance with IAS 29, the cost of sales and monetary gain or loss for the periods would have been materially different.

The review conclusion for the six months ended 30 June 2022 was modified in respect of this matter and there were no restatements in terms of IAS 8.

The effects of the above non-compliance with the requirements of IAS 21, IAS 8, IFRS 13 and IAS 29 have been considered to be material but not pervasive to the interim consolidated financial information as a whole.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of Zimplot Holdings Limited as at 30 June 2023, and its financial performance and cash flows for the six months then ended in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting.

The engagement partner on the review engagement resulting in this independent review conclusion is Farai Chibisa.

Grant Thornton

Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

28 September 2023

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE