ZIMPLOW
ENGINEERING PERFORMANCE

Abridged Audited Group Financial Results for the Year Ended 31 December 2023

The Directors report the following abridged audited financial results in respect of the Group and Company's operations for the year ended 31 December 2023

CHAIRMAN'S STATEMENT

Trading Environment

The trading environment was characterised by acute liquidity challenges, unavailability of foreign currency, power supply challenges and the continued depreciation of the country's local currency. The period under review saw the implementation of a plethora of measures by Government as well as the Central Bank with a view to address the abovementioned challenges. The Central Government introduced the use of a blended inflation rate in September 2023, owing to the increased use of the United States dollar currency for purposes of transacting. Resultantly, inflation stood at 26.6% at the close of 2023.

Migration to the Victoria Falls Stock Exchange

On 14 July 2023, the Group migrated from the Zimbabwe Stock Exchange to the Victoria Falls Stock Exchange (VFEX) thus culminating into the adoption of the use of the United States Dollar (US$) as the Group's functional and reporting currency. We anticipate that the listing on the VFEX will unlock value for our stakeholders as well as provide opportunities for our investors. We expect the presentation of the financial statements in US$ to simplify reporting and make the financials more comprehensible to our stakeholders.

The Group exercised careful judgement in the conversion of the comparative financial statements that were originally denominated in ZWL. This process entailed the identification and differentiation between US$ and ZWL transactions and balances. Previous years' transactions and balances in US$ were retained in foreign currency, with only the ZWL transactions and balances being converted into US$ at the transaction-based rate. The directors were of the view that applying IAS 21 would have led to significant distortions in the financial statements. The applicable accounting standard directs that entities operating in hyperinflationary economies should translate their last reported inflation-adjusted financial statements using the closing rate of exchange as at the reporting date, in order to derive and present comparative financial statements under a new functional currency. Adherence to IAS 21 would have resulted in a different value for a transaction or balance that originated in US$.

The Group strongly believes that the chosen methodology used provides a fair and accurate depiction of the financial performance of the business. These deviations from IAS 21 have led to the independent auditors issuing a qualified opinion on the financial statements.

Financial Performance Review

The Group recorded a 28% reduction in revenue from prior year. Operating profit decreased by 74%. This decline is mainly attributable to the challenging operating environment. In the period under review, the Group continued to lay emphasis on cost containment measures as evidenced by a 23% positive variance in operating expenses when compared to the prior year.

Strategy and Outlook

Despite the challenging economic environment as well as the depressed financial performance, the Group implemented the following initiatives which provided the anchor for the current year's strategy:

- Launch of the Valmec Division which entailed a separation of two leading tractor brands under Zimplow namely the Massey Ferguson and the Valtra brands, to operate as two separate product offerings. Valmec was strategically established with the primary objective of propelling the growth trajectory of the Valtra brand as well as offering alternative farm equipment and cost-effective aftersales solutions to the Group's customers.
- Successful establishment of the Trentyre Harare Branch, thereby decentralising processes and enhancing motoring customers' experience through greater convenience.
- Introduction of small scale farmer implements through Mealie Brand thereby expanding the product range.

The benefits and rewards of the above-mentioned initiatives will lead to sustainable growth for the Group. This is particularly pertinent as the Group forges ahead with its strategy to stabilise the Logistics and Automotive Cluster, build resilience in the Agriculture Cluster and transform the Mining and Infrastructure Cluster. Management has further followed through on the following initiatives to position the Group as a one stop shop for equipment solutions:

- The Group successfully concluded the acquisition of the 49% shareholding previously held by Barloworld Equipment UK Limited in Barzem, resulting in Barzem becoming a wholly owned subsidiary. This has further been buttressed with securing a mining and infrastructural equipment distributorship agreement with Develon. It is against this background, that the Mining & Infrastructure Cluster is poised for notable growth and consolidation of a strong footprint in the mining sector.
- Capital expenditure initiatives at the Mealie Brand factory as well as the revival of the CT Bolts manufacturing capabilities will provide resilience and sustainability within the two Business Units.
- Review of the organisational structure to ensure that it is fit for purpose and an effective enabler of the delivery of sound Group financial performance.

Sustainability

The Group continues to enhance its reporting framework pertaining to Environmental, Social and Governance (ESG) matters as guided by regulatory authority and international best practices. The Group will adopt minimum reporting standards as outlined in Practice Note 2 that was issued by the Victoria Falls Stock Exchange. The said reporting standards pertain to the areas of governance, human capital management, water, paper and energy consumption levels, the Group's chosen Sustainable Development Goals (SDGs) and corporate social responsibility initiatives embarked on in 2023.

Dividend

The Board will not declare a dividend in an endeavour to utilise all available cash resources to develop the new business initiatives it has embarked upon across all three Clusters.

Directorate

Mr Matthew Davis resigned from the Board on 6 April 2023. The Board and Management wish to express their heartfelt gratitude to Mr Davis for his services.

The Board would also like to advise that Mrs. Angeline Vere was appointed as an independent Non-Executive Director of Zimplow Holdings Limited with effect from 1 June 2023. Mrs. Vere is a registered legal practitioner with a wealth of experience in corporate governance, compliance, legal, risk management and general business management. She is currently the Chief Executive Officer of Telecel Zimbabwe (Private) Limited. The Board of Directors, Management, and Staff warmly welcome Mrs. Vere to the team and wish her success in this new role

Acknowledgements

I would like to extend my appreciation to my fellow Directors, Management and all Group staff members for their hard work and commitment whilst operating in a challenging trading environment. I would like to also thank our valued stakeholders for their continued support of the Zimplow brand.

GManhambara

G.T. Manhambara
Chairman
29 April 2024

CEO'S REPORT

GROUP PERFORMANCE OVERVIEW

Pursuant to migration from the Zimbabwe Stock Exchange (ZSE) to the Victoria Falls Stock Exchange (VFEX), the Group changed its functional and presentation currency to the United States Dollar (US$) from the Zimbabwe Dollar (ZWL$) with effect from 1 July 2023. The Group's financial statements for the year ended 31 December 2023 were thus presented in US$.

The Group recorded a revenue of US$32 million being 28% below prior year. Barzem did not trade during the year under review due to the termination of the CAT distributorship agreement in September 2022. The late onset of summer rainfall in the 2023/4 cropping season dampened demand in the Agricultural Cluster and the impact of the economic headwinds resulted in a contraction in customer spending across the Group. The resultant Profit before Tax was $0.68 million being 74% below prior year.

AGRICULTURE CLUSTER

Mealie Brand

The launch of the two-wheel tractor and related implements during the period under review resulted in local sales revenue being at par with prior year. Implements sold in the local market were 23% ahead of prior year whilst exports were subdued by 24%. The Business Unit's (BU) revenue was 9% below prior year owing to lower export sales volumes due to the proliferation of a cheaper product from Asia.

The BU has been following through on refining and reviewing the supply chain as well as production efficiencies to reduce the cost of production of the plough. In addition, the Business Unit has progressed well with the capacitation project with the new equipment expected to be commissioned in Q3 of FY2024. The capacitation project is expected to result in improved factory efficiencies and increased capabilities as the BU seeks to expand its product offering for both agricultural implements and mining consumables. This initiative is expected to anchor the business' sustainability and profitability in the near future.

Farmec

The tight liquidity crunch and the late rains during the 2023/24 cropping season significantly impacted the Business Unit's performance, with tractor units and service hours sold being 37% below the comparable period. Pressure on margins for the BU due to import cost push as well as pricing reviews had a negative impact on profitability. Farmec is at an advanced stage towards the introduction of a comprehensive financing solution with a local financial institution for the benefit of its existing and prospective customers. Furthermore, the BU is following through on demand management through refining its supply chain.

Valmec

The Business Unit was officially launched on 29 September 2023. Six tractors and ninety-two implements were sold in the period under review. Management is confident that the Business Unit will be able to reach the alternate target market which was previously unattended to by existing Group BU's through brand visibility and awareness initiatives. The drive on Tier 2 implements and aftermarket parts sales growth is expected to strengthen the BU's portfolio further.

MINING AND INFRASTRUCTURE CLUSTER

Powermec

Generator unit sales in the period under review were 6% ahead of prior year underpinned by the erratic power supply experienced in Q1 and Q3 of 2023. However, service hours and parts revenue were subdued by 20% in comparison to the same period in the prior year due to reduced call-outs during the period when power was stable.

To ensure business growth and sustainability, the Business Unit is following through on an aggressive aftersales promotion. Powermec is set to capitalize on the effects of the El Nino induced drought which is expected to witness severe power cuts through stock availability and buttressed by a healthy order pipeline.

CT Bolts

CT Bolts' revenue was at the same level as prior year, whilst tonnage volume sales were depressed by 6% mainly due to the sales mix. Pressure on margins and operating costs weighed down the operating profit by 83% compared to prior year. The Division is implementing various business development and growth initiatives targeted at the mining sector through collaboration with Mealie Brand's capabilities through its capacitation project. The Division has also invested in the local production of nails and other related products to support the infrastructure and construction sector.

TPS/Barzem

The recently established BU, Tractive Power Solutions (TPS), made a loss of $353,360. TPS has created a footprint in the supply of filtration, lubricants and mining Ground Engaging Tools (GET) as well as secured Service Level Agreements (SLA's) with key operators. Management is encouraged by the growth in the order pipeline and demand management in which the BU is expected to attain profitability in FY2024.

TPS successfully signed a new distributorship agreement with Develon in later months of 2023, to replace the Caterpillar Distributorship previously housed in Barzem. Hyundai purchased Doosan creating HDI from which the Develon Brand was established. HDI is a global mining and construction equipment OEM that was established since 1970. Develon is expected to be launched in Q3 of 2024. TPS further secured FAW distributorship to pivot the Group's strength in the mining and logistics sector. The FAW brand is an option that is more affordable for the BU's customers.

The Company successfully concluded the acquisition of a 49% shareholding in Barzem effective March 2024. Barzem is set to be relaunched under a new name and refreshed brand which will give more visibility and increase its foothold in the mining and infrastructure sector. Management plans to develop the acquired infrastructure in Msasa into a world class facility that will provide a one stop solution for the Group's customers and stakeholders.

LOGISTICS AND AUTOMOTIVE CLUSTER

Trentyre

The Business Unit digressed from profitability in the prior year to a loss of $387,002 due to the withdrawal of OEM (Original Equipment Manufacturer) related commissions in 2022 as well as 18% drop in volume sales. Management is seized with a robust business turnaround strategy anchored on cost containment initiatives, reclaiming market share through investment in stock supply, business development and the introduction of Tier 2 tyre and rubber brands as well as embarking on a branch re-organization exercise. Additionally, with the recent relocation of its retreading machinery to the Scanlink property and its improved process flow, the tyre retreading business is expected to show a marked improvement in its capacity and revenue generation.

Scanlink

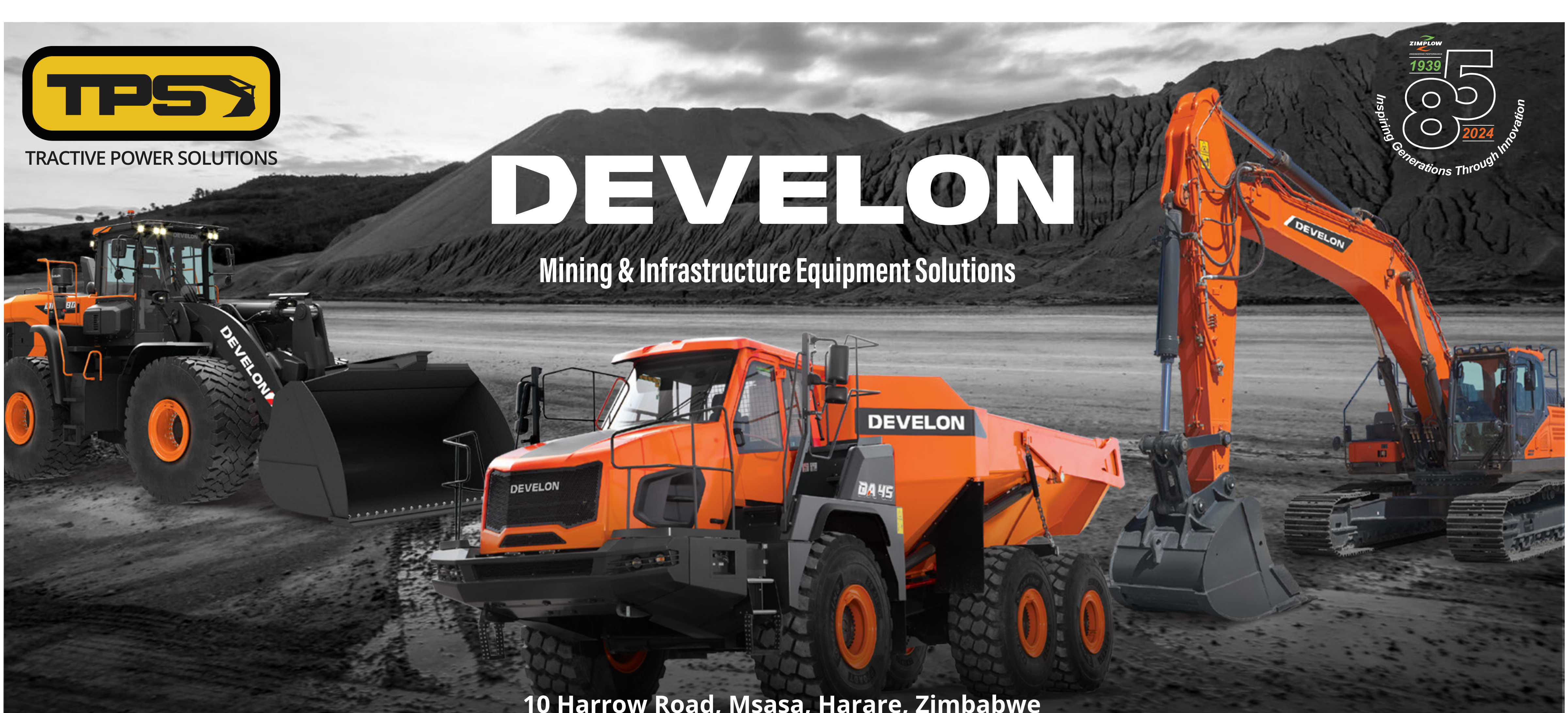
Scanlink reported a profit of $775,670 thereby anchoring Group profitability on the back of improved supply chain (post Covid disruptions) of trucks and buses and a firm order book. The BU reported a 20% growth in a combined truck and bus volumes growth. Service hours sold grew by 19% compared to prior year.

The growth in the Logistics Cluster is expected to be strengthed by the FAW dealership which has access to a wide distribution truck range. This will augment Scania's existing range and provide a more affordable option.

OUTLOOK AND STRATEGIC FOCUS

The Group is expected to face headwinds in FY2024 as a result of the El Nino induced drought and the corresponding downstream effect thereof, the harsh economic operating environment which is likely to persist into 2025 and the impact of the soft mineral prices resulting in mines retreating or delaying expansion and capital expenditure spending. However, the Group is insulating itself from the effects of these macro-economic factors. Management is confident that through executing its factory capacitation, the successful launch of the newly acquired OEM's, the strategic business turnaround of the loss making entities as well as embarking on a Group-wide cost containment program, it will show commendable growth in revenue generation and profitability in 2024.

W. Swan
Acting Chief Executive Officer
29 April 2024



ZIMPLOW
ENGINEERING PERFORMANCE

Abridged Audited Group Financial Results for the Year Ended 31 December 2023

The Directors report the following abridged audited financial results in respect of the Group and Company's operations for the year ended 31 December 2023

FARMEC MEALIEBRAND VALMEC C.T.BOLTS TPS POWERMEC SCANLINK IronTyres

Auditor's Statement

These abridged financial statements derived from the audited financial statements of Zimplow Holdings Limited and its subsidiaries "Group" for the financial year ended 31 December 2023, should be read together with the complete set of audited financial statements of the Group, for the year ended 31 December 2023, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

An adverse audit opinion has been issued on the audited financial statements of the Group, for the year then ended. The *adverse audit opinion was made regarding non- compliance with (IAS) 21 - The Effects of Changes in Foreign Exchange Rates.*

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the financial statements. The key audit matters were with respect to Goodwill impairment and revenue recognition.

The auditor's report on the financial statements and the full set of the audited consolidated financial statements, is available for inspection at the Group's registered office and the auditor's report has been lodged with the Victoria falls Stock Exchange.

GROUP CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
Sales of goods		29,784,336	42,102,103	18,967,734	24,239,789
Rendering of services		2,190,217	2,073,449	1,055,169	1,189,434
Investment property rental income		98,160	69,446	98,144	85,448
Revenue	4	**32,072,713**	**44,244,998**	**20,121,047**	**25,514,671**
Cost of sales		(23,142,729)	(32,258,676)	(14,407,891)	(18,249,527)
Gross profit		8,929,984	11,986,322	5,713,156	7,265,144
Other operating income		1,040,000	2,616,640	723,962	478,821
Selling and distribution expenses		(456,961)	(475,755)	(378,745)	(356,629)
Administrative expenses		(8,146,906)	(9,973,446)	(4,842,698)	(3,507,295)
Other operating expenses		(762,335)	(794,254)	(500,185)	(477,551)
Allowance for expected credit losses		276,865	(601,090)	42,295	(140,892)
Operating profit		**880,647**	**2,758,417**	**757,785**	**3,261,598**
Finance costs		(204,220)	(138,487)	(163,487)	(87,302)
Finance income		3,719	894	3,719	538
Profit before tax		**680,146**	**2,620,824**	**598,017**	**3,174,834**
Income tax expense		(120,275)	(1,701,987)	(220,529)	(1,366,649)
Profit for the year		**559,871**	**918,837**	**377,488**	**1,808,185**
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment net of tax		304,126	321,154	(23,074)	-
Total other comprehensive income for the year, net of tax		**304,126**	**321,154**	**(23,074)**	**-**
Total comprehensive income for the year		**863,997**	**1,239,991**	**354,414**	**1,808,185**
Profit/(Loss) for the year attributed to:					
Owners of the parent		594,344	869,329	377,488	1,808,185
Non controlling interests		(34,473)	49,508	-	-
		559,871	918,837	377,488	1,808,185
Total comprehensive profit for the year attributable to:					
Owners of the parent		819,170	1,040,873	354,414	1,808,185
Non controlling interests		44,827	199,118	-	-
		863,997	1,239,991	354,414	1,808,185
Earnings per share					
Basic earnings per share		0.002	1.93	1.09	1.09
Diluted earnings per share		0.002	1.93	1.09	1.09
Headline earnings per share		0.002	1.94	1.11	1.11
Diluted headline earnings per share		0.002	1.94	-	-

GROUP CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
ASSETS					
Non-current assets					
Property, plant and equipment		17,617,000	16,941,571	5,670,607	5,975,734
Intangible assets		48,641	61,612	48,641	61,612
Investment property		248,000	907,000	2,140,000	2,000,000
Investment in subsidiaries		-	-	20,507,891	20,507,891
Right of use assets		-	-	307,110	2,603
Long term receivables		787,204	768,896	787,204	768,896
Goodwill		5,995,285	5,995,285	-	-
Total non-current assets		**24,696,130**	**24,674,364**	**29,461,453**	**29,316,736**
Current assets					
Inventories		11,571,978	12,270,012	9,346,441	8,988,158
Inter company receivables		-	-	412,023	-
Trade and other receivables		3,090,513	4,899,506	1,383,725	3,423,178
Prepayments		5,597,527	3,708,685	3,663,663	1,437,281
Investment in financial assets		14	2,417	14	2,417
Cash and bank balances		1,263,835	2,220,003	460,140	1,242,322
Total current assets		21,523,867	23,100,623	15,266,006	15,093,356
Total assets		**46,219,997**	**47,774,987**	**44,727,459**	**44,410,092**
EQUITY AND LIABILITIES					
Equity					
Share capital		137,832	137,832	137,832	137,832
Share premium		19,741,179	19,741,179	19,741,179	19,741,179
Revaluation reserve		4,338,935	4,114,109	3,702,924	3,725,998
Capital reserve		(194,451)	(194,451)	(194,451)	(194,451)
Change in ownership reserve		(904,212)	(904,212)	-	-
Functional currency change reserve		(3,128,494)	(893,953)	6,820,191	6,997,204
Retained earnings		6,649,535	6,055,191	7,607,464	7,229,976
Attributable to holders of the parent		**26,640,324**	**28,055,695**	**37,815,139**	**37,637,738**
Non-controlling interests		6,123,869	5,976,379	-	-
Total equity		**32,764,193**	**34,032,074**	**37,815,139**	**37,637,738**
Non-current liabilities					
Inter company payables		-	-	-	439,391
Deferred tax liabilities		2,015,315	1,725,319	1,143,557	1,351,044
Total non-current liabilities		2,015,315	1,725,319	1,143,557	1,790,435
Current Liabilities					
Trade and other payables		6,208,717	8,173,042	2,515,894	2,612,417
Provisions		862,121	1,062,569	137,946	167,676
Short term borrowings		1,221,711	1,061,741	1,221,711	636,869
Customer deposits		2,460,040	149,792	1,267,122	82,729
Lease liabilities		-	-	316,087	3,344
Current tax liabilities		687,900	1,570,450	310,003	1,478,884
Total current liabilities		**11,440,489**	**12,017,594**	**5,768,763**	**4,981,919**
Total equity and liabilities		**46,219,997**	**47,774,987**	**44,727,459**	**44,410,092**

GROUP CONSOLIDATED AND COMPANY STATEMENT OF CASHFLOWS

For the year ended 31 December 2023

	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
Cash flows from operating activities				
Operating profit before tax	680,146	2,620,824	598,017	3,174,834
Adjusted to reconcile profit before tax to net cash flows:				
Depreciation of property plant and equipment and amortisation of intangible assets	864,845	796,209	674,557	583,404
Net fair value adjustments	(41,000)	48,700	(140,000)	-
Net unrealised foreign exchange differences	(77,994)	-	(19,428)	-
Interest income	(3,719)	(894)	(3,719)	(538)
Interest payable	204,220	138,487	163,487	87,302
Movement in provisions	(200,448)	693,610	(29,730)	197,878
Loss/(profit) on disposal of property, plant & equipment	8,909	(28,979)	8,908	(8,978)
	1,434,959	**4,267,957**	**1,252,093**	**4,033,901**
Working capital changes				
Decrease/(increase) in inventories	698,034	(1,017,112)	(358,283)	(1,856,824)
Decrease/(increase) in trade and other receivables	1,790,685	909,607	2,021,146	(854,673)
(Increase) in prepayments	(1,888,841)	(1,890,578)	(2,226,382)	(692,234)
Increase/(decrease) in customer deposits	2,310,248	1,087,470	1,184,393	(944,686)
(Increase) in intergroup receivables	-	-	(851,413)	(21,875)
(Decrease)/increase in trade and other payables	(1,964,325)	(3,555,181)	(96,523)	939,646
	2,380,760	**(197,837)**	**925,031**	**603,256**
Interest received	3,719	894	3,719	538
Interest paid	(204,220)	(138,487)	(163,487)	(87,302)
Income tax paid	(11,394)	(41,743)	(10,457)	(28,874)
Dividend paid	-	(290,716)	-	(290,716)
Net cash flow from/(used) in operating activities	**2,168,865**	**(667,889)**	**754,805**	**196,902**
Investing activities				
Proceeds from release of long term receivable	-	42,695	-	-
Proceeds from sale of property, plant and equipment	9,328	237,346	9,328	37,346
Purchase of property, plant and equipment	(556,381)	(316,525)	(363,858)	(364,317)
Net cash flows used in investing activities	**(547,053)**	**(36,484)**	**(354,530)**	**(326,971)**
Financing activities				
Lease liability principal repaid	-	-	(93,521)	(128)
Repayments of borrowings	(1,335,158)	(111,560)	(1,335,158)	(111,560)
Proceeds from borrowings	1,920,000	688,553	1,920,000	688,553
Net cash flows from financing activities	**584,842**	**576,993**	**491,321**	**576,864**
Net increase/(decrease) in cash and cash equivalents	**2,206,654**	**(127,380)**	**891,596**	**446,795**
Effects of exchange rate changes on cash and cash equivalents	(3,162,821)	(3,511,835)	(1,673,778)	(479,668)
Cash and cash equivalents at 1 January	**2,220,003**	**5,859,218**	**1,242,322**	**1,275,196**
Cash and cash equivalents at 31 December	**1,263,836**	**2,220,003**	**460,140**	**1,242,323**
Comprising of:				
Cash and cash balances	1,263,835	2,220,003	460,140	1,242,322

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital USD	Capital reserve USD	Share premium USD	Revaluation reserve USD	Change in ownership of reserve USD	Functional currency change reserve USD	Retained earnings USD	Attributable to owners the parent USD	Non-controlling interest USD	Total USD
Balance on 1 January 2022	**137,832**	**(194,451)**	**19,741,179**	**3,942,565**	**(904,212)**	**-**	**5,476,578**	**28,199,491**	**5,729,910**	**33,929,401**
Effects of currency translation	-	-	-	-	-	(893,953)	-	(893,953)	47,351	(846,602)
Dividend paid	-	-	-	-	-	-	(290,716)	(290,716)	-	(290,716)
Profit for the year	-	-	-	-	-	-	869,329	869,329	49,508	918,837
Other comprehensive loss net of tax	-	-	-	171,544	-	-	-	171,544	149,610	321,154
Balance at 31 December 2022	**137,832**	**(194,451)**	**19,741,179**	**4,114,109**	**(904,212)**	**(893,953)**	**6,055,191**	**28,055,695**	**5,976,379**	**34,032,074**
Effects of currency translation	-	-	-	-	-	(2,234,541)	-	(2,234,541)	102,663	(2,131,878)
Profit for the year	-	-	-	-	-	-	594,344	594,344	(34,473)	559,871
Other comprehensive loss net of tax	-	-	-	224,826	-	-	-	224,826	79,300	304,126
Balance at 31 December 2023	**137,832**	**(194,451)**	**19,741,179**	**4,338,935**	**(904,212)**	**(3,128,494)**	**6,649,535**	**26,640,324**	**6,123,869**	**32,764,193**

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital USD	Capital reserve USD	Share premium USD	Revaluation reserve USD	Functional currency change reserve USD	Retained earnings USD	Attributable to owners of the parent USD
Balance on 1 January 2022	**137,832**	**(194,451)**	**19,741,179**	**3,725,998**	**-**	**5,712,507**	**29,123,065**
Dividend paid	-	-	-	-	-	(290,716)	(290,716)
Effects of currency translation	-	-	-	-	6,997,204	-	6,997,204
Profit for the year	**-**	**-**	**-**	**-**	**-**	**1,808,185**	**1,808,185**
Balance at 31 December 2022	**137,832**	**(194,451)**	**19,741,179**	**3,725,998**	**6,997,204**	**7,229,976**	**37,637,738**
Effects of currency translation	-	-	-	-	(177,013)	-	(177,013)
Profit for the year	-	-	-	-	-	377,488	377,488
Other comprehensive profit/ (loss) net of tax	-	-	-	(23,074)	-	-	(23,074)
Balance at 31 December 2023	**137,832**	**(194,451)**	**19,741,179**	**3,702,924**	**6,820,191**	**7,607,464**	**37,815,139**

SUPPLEMENTARY INFORMATION

For the year ended 31 December 2023

	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
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
	USD	**USD**	**USD**	**USD**
Headline earnings	594,344	840,350	377,488	1,799,207
Profit/(loss) for the year	594,344	869,329	377,488	1,808,185
Headline earnings per share	0.002	0.002	0.001	0.01
Basic profit/loss per share	0.002	0.003	0.001	0.01
Diluted profit/(loss) per share	0.002	0.003	0.001	0.01
Depreciation	864,845	796,209	674,557	583,404
Taxation:				
Current tax expense	264,083	1,349,744	48,724	1,383,692
Deferred tax movement	(143,808)	352,243	171,805	(17,043)

DIRECTORS: G.T. Manhambara (Chairman), L. Kennedy, B.N. Kumalo, K. Patel, G. Pio, A. Vere

ZIMPLOW
ENGINEERING PERFORMANCE

Abridged Audited Group Financial Results for the Year Ended 31 December 2023

The Directors report the following abridged audited financial results in respect of the Group and Company's operations for the year ended 31 December 2023

FARMEC MEALIEBRAND VALMEC C.T. BOLTS TPS POWERMEC SCANLINK IronTyres

NOTES TO THE FINANCIAL STATEMENTS

1. Presentation and statement of compliance

Basis of preparation
The Group's financial results have been prepared under policies consistent with the requirements of the Companies and Other Business Entities Act (Chapter 24.31).

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC) with the exception to IAS 21 "Effects of Changes in Exchange Rates" on accounting for change in functional currency and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors for non-correction of the prior year and current year non-compliance with IAS 21. This is because it has been impracticable to fully comply with IFRS in the current and prior year, due to the need to present financial statements with reasonable fair view. The Directors are of the view that the requirement to comply with "IAS 21-The effects of Changes in Foreign Exchange Rates" as well as with the principles embedded in the IFRS Conceptual Framework, will not produce financial statements with a true and fair view. This has resulted in the accounting treatment adopted in translating prior year and current period financial Statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS. These exceptions have also made full compliance with the Companies and Other Business Entities Act (Chapter 24.31) not possible.

The accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in United Sates dollars (USD) and all values are rounded to the nearest dollar except where otherwise stated. The consolidated financial statements are prepared under the historical cost convention, except for land and buildings (classified as property, plant and equipment) and factory plant and machinery which is carried using the revaluation model.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Change in functional currency
The Reserve Bank of Zimbabwe "RBZ", on the 27th of June 2022 increased minimum lending rates from 80% to 200% effective 1 July 2022 for all local currency borrowings. Subsequently gold coins were mustered into circulation by the central bank on the 25th of July 2022 and the uptake in the market was substantial. More than 90% of gold coins were sold in ZWL serving to effectively mop up excess liquidity in the market. In addition, the Ministry of Finance has been restricting contractor payments in an effort to control ZWL money supply to curb the depreciation of the ZWL against the US dollar. All these aforementioned measures served to create a liquidity crunch in ZWL terms thereby creating persistent push factors for the majority of the Zimbabwean economy's transactions to be executed in US dollars. The effect of this shift in the economic dynamic is apparent in the Group's revenue and expenditure during the period under review.

In line with 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 the conclusion being, effective 1 January 2023 the Group's functional currency changed from ZWL to the US dollar.

Change in reporting currency
The Group de-listed from the Zimbabwe Stock Exchange (ZSE) and subsequently listed on the Victoria Falls Exchange (VFEX) with the Group's shares commencing to trade on 14 July 2023. As per the listing requirements for the VFEX, the Group effectively adopted the US Dollar (USD) as its presentation and functional currency from 1 July 2023.

In accordance with IAS 8 w- Accounting Policies, Changes in Accounting Estimates and Errors, the Group restated the prior year consolidated financial statements to cater for the presentation currency change.

Translation of Financial Statements
In translating the Statement of Profit and Loss and Other Comprehensive Income, the following approach was used:
- Transactions were split by the underlying currency between USD and ZWL
- ZWL transactions were converted to USD using an estimated trading rate.

For the Statement of Financial Position, the following procedures were used:
- For all monetary items the balances were split into the origin currencies between USD and ZWL, with the ZWL balances being translated at the closing estimate exchange rate as at 30 June 2023.
- Inventory was valued using the latest landing cost for the respective inventory items.
- Investment Property was fair valued as at 31 December 2022 and the USD value as of that date was used to assign the value for the Investment Property.
- For PPE items, the USD cots of the assets were derived and depreciation recomputed to come up with the current carrying amounts.

Statement of compliance
These consolidated financial statements have been prepared with the aim of complying with International Financial Reporting Standards and presented in USD (United States Dollars) rounded to the dollar, which is the Group's functional and presentation currency. Full compliance with IFRS has not been possible in both 2022 and 2023, as only partial compliance has been achieved because it has not been possible to comply with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21), IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors for non-correction of the prior year non-compliance with IAS 21. These exceptions have also made full compliance with the Companies and Other Business Entities Act (Chapter 24:21) impractical.

2. Leases
The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets according to IFRS 16.

3. Borrowings
The Group acquired a short-term loan of US$1,920,000 from a facility of US$2,700,000 secured against buildings valued at US$5m. The average cost of the borrowings was at 12%.

4. Revenue
An analysis of Group revenue and results for the year.

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Sale of goods: Domestic	30,068,837	41,603,994	18,117,187	22,857,665
Sale of goods: Export	1,905,716	2,571,558	1,905,716	2,571,558
Total revenue from contracts with customers	**31,974,553**	**44,175,552**	**20,022,903**	**25,429,223**
Investment property rental income	98,160	69,446	98,144	85,448
Total revenue	**32,072,713**	**44,244,998**	**20,121,047**	**25,514,671**

5. Segment information

	Farming	Mining and Infrastructure	Logistics and Automative	Property	Other Segments	Total Segments	Adjustments	Consolidated
31 December 2023								
Revenue	15,787,004	5,078,651	11,699,447	98,160	98,144	32,761,406	(688,693)	32,072,713
Segment operating profit	423,803	(83,325)	437,972	42,796	(15,770)	805,476	75,171	880,647
Other items								
Finance income	2,460	15,859	-	-	1,257	19,576	(15,857)	3,719
Finance costs	(122,536)	(38,365)	(58,654)	(396)	-	(219,951)	15,731	(204,220)
Income taxes	(107,878)	142,950	(197,881)	(71,969)	(73,503)	(308,281)	188,006	(120,275)
Group profit after tax	**195,849**	**37,119**	**181,437**	**(29,569)**	**(88,016)**	**296,820**	**263,051**	**559,871**
Segment assets	17,568,521	8,043,147	5,946,791	7,905,000	28,977,419	68,440,878	(22,220,881)	46,219,997
Segment liabilities	(4,108,035)	(3,122,889)	(4,978,226)	(355,663)	(952,639)	(13,517,452)	61,648	(13,455,804)
Other segment information								
Depreciation and amortisation	384,975	226,651	69,474	113,240	67,883	862,223	2,622	864,845
Additions to non-current assets	167,666	121,197	177,678	-	89,840	556,381	-	556,381
Inventory provision	345	267,644	9,564	-	-	277,553	-	277,553
Impairment loss r ecognized on receivables	50,841	189,003	21,100	-	-	260,944	-	260,944

	Farming	Mining and Infrastructure	Logistics and Automative	Property	Other Segments	Total Segments	Adjustments	Consolidated
31 December 2022								
Revenue	19,964,096	12,379,186	11,823,077	69,446	85,448	44,321,253	(76,255)	44,244,998
Segment operating profit	1,519,648	1,083,805	750,693	(6,820)	886,982	4,234,308	(1,475,891)	2,758,417
Other items								
Finance income	202	356	-	-	336	894	-	894
Finance costs	(85,016)	-	(52,973)	(498)	-	(138,487)	-	(138,487)
Income taxes	(722,393)	(252,922)	(335,972)	(390,700)	(390,700)	(2,092,687)	390,700	(1,701,987)
Group profit after tax	**712,441**	**831,239**	**361,748**	**(398,018)**	**496,618**	**2,004,028**	**(1,085,191)**	**918,837**
Segment assets	17,129,527	8,701,440	7,333,448	7,780,000	29,100,464	70,044,879	(22,269,892)	47,774,987
Segment liabilities	(4,333,889)	(2,995,437)	(4,964,637)	(60,792)	(1,150,686)	(13,505,441)	(237,472)	(13,742,913)
Other segment information								
Depreciation	315,786	216,473	69,640	-	56,662	658,561	137,648	796,210
Additions to non-current assets	297,451	18,630	161,967	-	89,840	567,888	-	567,888
Inventory provision	837,869	1,294,036	5,835	-	-	2,137,740	-	2,137,740
Impairment loss recognized on receivables	126,416	373,079	38,314	-	-	-	-	537,809
Impairment of goodwill	-	-		874,800	-	-	-	874,80

The inter company assets and liabilities are eliminated on consolidation.

6. Events after the reporting period

On 29 September 2023, Zimplow Holdings Limited (Zimplow) entered into a Share Purchase Agreement (SPA) with Barloworld Equipment UK Limited (BWE UK) for the purchase of 49% shareholding in Barzem Enterprises (Private) Limited (Barzem) held by BWE UK. Zimplow was exercising a call option per the provisions of the Shareholders Agreement. Effectively, Barzem is a wholly owned subsidiary of Zimplow effective March 2024 as full settlement of the purchase consideration, being $1,219,381.60, was paid. Furthermore, conditions precedents relating to the SPA were fulfilled in the same said period. This is a non-adjusting event.