NATIONAL FOODS
HOLDINGS LIMITED

Reviewed Abridged Financial Results of National Foods Holdings Limited

for the 6 Months Ended 31 December 2019

Abridged Group Statement of Profit or Loss And Other Comprehensive Income

	INFLATION ADJUSTED		HISTORICAL	
	6 Months Ended 31 Dec 2019 ZWL'000	6 Months Ended 31 Dec 2018 ZWL'000	6 Months Ended 31 Dec 2019 ZWL'000	6 Months Ended 31 Dec 2018 ZWL'000
Revenue	**2 058 153**	**1 578 042**	**1 464 785**	**207 745**
Operating Profit before depreciation and amortisation	**341 617**	**176 931**	**475 624**	**23 785**
financial (loss) / income	(71)	3 270	4 345	—
depreciation and amortisation	(15 522)	(12 212)	(6 027)	(1 436)
Profit before interest and tax	**326 024**	**167 989**	**473 942**	**22 349**
interest income	—	647	—	85
interest paid	(25 315)	(18 125)	(16 135)	(2 386)
equity accounted earnings	10 099	11 859	15 379	1 898
gain on net monetary position	18 447	2 794	—	—
Profit before tax	**329 255**	**165 164**	**473 186**	**21 946**
tax	(100 499)	(35 218)	(122 478)	(5 109)
Profit for the year	**228 756**	**129 946**	**350 708**	**16 837**
Total comprehensive income for the period	**228 756**	**129 946**	**350 708**	**16 837**
Profit for the period attributable to:				
equity holders of the parent	**228 756**	**129 946**	**350 708**	**16 837**
Total comprehensive income for the period attributable to:				
equity holders of the parent	**228 756**	**129 946**	**350 708**	**16 837**
EARNINGS PER SHARE (CENTS)				
- Basic earnings per share	**334.44**	**189.98**	**512.73**	**24.62**
- Headline earnings per share	**334.34**	**189.45**	**512.63**	**24.09**
- Diluted earnings per share	**334.44**	**189.98**	**512.73**	**24.62**

Abridged Group Statement of Cash Flows

	INFLATION ADJUSTED		HISTORICAL	
	6 Months Ended 31 Dec 2019 ZWL'000	6 Months Ended 31 Dec 2018 ZWL'000	6 Months Ended 31 Dec 2019 ZWL'000	6 Months Ended 31 Dec 2018 ZWL'000
Cash generated / (utilised) from operating activities	**167 352**	**(352 665)**	**34 029**	**(37 815)**
net interest paid	(25 315)	(17 478)	(16 134)	(2 301)
tax paid	(11 048)	(494)	(8 955)	(65)
Total cash generated / (utilised) from operations	**130 989**	**(370 637)**	**8 940**	**(40 181)**
Investing activities				
purchase of property, plant and equipment to expand operations	(28 582)	(67 050)	(23 101)	(6 975)
purchase of property, plant and equipment to maintain operations	(9 890)	(7 087)	(7 994)	(2 785)
other cashflows from investing activities	(4 201)	20 836	(2 668)	2 743
Net cash outflow from investing activities	**(42 673)**	**(53 301)**	**(33 763)**	**(7 017)**
Net cash inflow / (outflow) before financing activities	**88 316**	**(423 938)**	**(24 823)**	**(47 198)**
Financing activities	**(78 874)**	**246 052**	**110 062**	**33 138**
(decrease) / increase in borrowings	(70 991)	264 381	116 825	35 551
dividend Paid	(7 883)	(18 329)	(6 763)	(2 413)
Net increase / (decrease) in cash	**9 442**	**(177 886)**	**85 239**	**(14 060)**
Cash and cash equivalents at the beginning of the year	**110 315**	**298 023**	**34 518**	**33 403**
Cash and cash equivalents at the end of the year	**119 757**	**120 137**	**119 757**	**19 343**
Cash and cash equivalents comprise				
cash and short term deposits with related parties	119 757	120 137	119 757	19 343
	119 757	**120 137**	**119 757**	**19 343**

Abridged Group Statement of Financial Position

	INFLATION ADJUSTED		HISTORICAL	
	At 31 Dec 2019 ZWL'000	At 30 Jun 2019 ZWL'000	At 31 Dec 2019 ZWL'000	At 30 Jun 2019 ZWL'000
ASSETS				
Non-current assets				
property, plant and equipment	473 509	450 644	199 415	174 349
other non-current assets	99 908	94 046	48 718	28 744
	573 417	**544 690**	**248 133**	**203 093**
Current assets				
inventory	415 337	318 446	334 625	96 370
trade and other receivables	580 002	462 769	557 095	133 637
current portion of other financial assets	8 007	5 532	909	2 744
cash and cash equivalents	119 757	110 315	119 757	34 518
	1 123 103	**897 062**	**1 012 386**	**267 269**
Total assets	**1 696 520**	**1 441 752**	**1 260 519**	**470 362**
EQUITY AND LIABILITIES				
Capital and reserves				
ordinary share capital	6 027	6 027	684	684
distributable reserves	969 995	761 065	627 455	258 097
Total shareholders' equity	**976 022**	**767 092**	**628 139**	**258 781**
Non-current liabilities				
deferred tax liability	122 904	116 096	34 786	36 802
	122 904	**116 096**	**34 786**	**36 802**
Current liabilities				
interest-bearing borrowings	202 357	273 349	202 357	85 532
trade payables	249 365	205 332	249 365	64 277
other payables	2 118	1 453	2 118	428
current tax payable	130 518	47 875	130 518	14 981
shareholders for dividends	13 236	30 555	13 236	9 561
	597 594	**558 564**	**597 594**	**174 779**
Total liabilities	**720 498**	**674 660**	**632 380**	**211 581**
Total equity and liabilities	**1 696 520**	**1 441 752**	**1 260 519**	**470 362**

Abridged Group Statement of Changes in Equity

INFLATION ADJUSTED

	Share capital ZWL'000	Distributable reserves ZWL'000	Total ZWL'000
Balance at 30 June 2018	**6 027**	**792 596**	**798 623**
profit for year	—	18 654	18 654
transfer of CFCR relating to current year movements	—	(2 348)	(2 348)
total comprehensive income	**—**	**16 306**	**16 306**
dividends declared	—	(47 837)	(47 837)
Balance at 30 June 2019	**6 027**	**761 065**	**767 092**
profit for the year	—	228 756	228 756
transfer of CFCR relating to current year movements	—	—	—
total comprehensive income	**—**	**228 756**	**228 756**
dividends declared	—	(19 826)	(19 826)
Balance at 31 December 2019	**6 027**	**969 995**	**976 022**

HISTORICAL

	Share capital ZWL'000	Distributable reserves ZWL'000	Total ZWL'000
Balance at 30 June 2018	**684**	**103 152**	**103 836**
profit for year	—	56 620	56 620
transfer of CFCR relating to current year movements	—	(2 243)	(2 243)
change in functional currency reserve	—	112 494	112 494
total comprehensive income	**—**	**166 871**	**166 871**
dividends declared	—	(11 926)	(11 926)
Balance at 30 June 2019	**684**	**258 097**	**258 781**
profit for the year	—	350 708	350 708
transfer of CFCR relating to current year movements	—	—	—
change in functional currency reserve	—	29 087	29 087
total comprehensive income	**—**	**379 795**	**379 795**
dividends declared	—	(10 437)	(10 437)
Balance at 31 December 2019	**684**	**627 455**	**628 139**

Directors: T. Moyo (Chairman), *M. Lashbrook (Managing), N. Doyle, G. Gwainda, *L. Nyandoro (Finance), J. Schonken, P. Spies *Executive

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for the 6 Months Ended 31 December 2019

Supplementary Information

1. Operating Segments

INFLATION ADJUSTED	Milling, Manufacturing and Distribution ZWL'000	Properties ZWL'000	Intersegment adjustments ZWL'000	Total ZWL'000
Revenue				
31 December 2019	2 146 774	9 599	(98 220)	2 058 153
31 December 2018	1 612 285	7 654	(41 897)	1 578 042
Operating profit before depreciation and amortisation				
31 December 2019	339 728	1 889	—	341 617
31 December 2018	175 605	1 326	—	176 931
Depreciation and amortisation				
31 December 2019	(11 719)	(3 803)	—	(15 522)
31 December 2018	(9 499)	(2 713)	—	(12 212)
Net Interest Expense				
31 December 2019	(27 724)	2 409	—	(25 315)
31 December 2018	(17 542)	64	—	(17 478)
Profit before tax				
31 December 2019	320 944	8 312	—	329 255
31 December 2018	164 741	423	—	165 164
Segment assets				
31 December 2019	1 386 945	309 575	—	1 696 520
31 December 2018	1 313 778	127 974	—	1 441 752
Segment liabilities				
31 December 2019	(689 686)	(26 629)	—	(716 315)
31 December 2018	(658 449)	(16 211)	—	(674 660)
Capital expenditure				
31 December 2019	37 660	1 092	—	38 472
31 December 2018	69 081	5 056	—	7 087

HISTORICAL	Milling, Manufacturing and Distribution ZWL'000	Properties ZWL'000	Intersegment adjustments ZWL'000	Total ZWL'000
Revenue				
31 December 2019	1 464 705	5 834	(5 754)	1 464 785
31 December 2018	208 223	1 008	(1 486)	207 745
Operating profit before depreciation and amortisation				
31 December 2019	472 993	2 630	—	475 624
31 December 2018	23 131	654	—	23 785
Depreciation and amortisation				
31 December 2019	(4 551)	(1 477)	—	(6 027)
31 December 2018	(1 117)	(319)	—	(1 436)
Net Interest Expense				
31 December 2019	(16 193)	59	—	(16 134)
31 December 2018	(2 520)	219	—	(2 301)
Profit before tax				
31 December 2019	471 973	1 213	—	473 186
31 December 2018	21 392	554	—	21 946
Segment assets				
31 December 2019	1 148 631	111 888	—	1 260 519
31 December 2018	204 837	45 721	—	250 558
Segment liabilities				
31 December 2019	(608 871)	(23 509)	—	(632 380)
31 December 2018	(127 668)	(5 880)	—	(133 548)
Capital expenditure				
31 December 2019	30 212	883	—	31 095
31 December 2018	9 024	736	—	9 760

Supplementary Information (continued)

	INFLATION ADJUSTED		HISTORICAL	
	31 Dec 2019 ZWL'000	31 Dec 2018 ZWL'000	31 Dec 2019 ZWL'000	31 Dec 2018 ZWL'000
2. Depreciation and amortisation	15 522	12 212	6 027	1 436
3. Capital expenditure for the year	38 472	74 137	31 095	9 760
4. Future lease commitments				
Payable within one year	556	—	556	—
Payable two to five years	—	—	—	—
	556	**—**	**556**	**—**

	INFLATION ADJUSTED		HISTORICAL	
	31 Dec 2019 ZWL'000	30 Jun 2019 ZWL'000	31 Dec 2019 ZWL'000	30 Jun 2019 ZWL'000
5. Commitments for capital expenditure				
Contracts and orders placed	15 985	31 636	15 985	47 600
Authorised by Directors but not contracted	55 000	36 798	128 645	26 200
	70 985	**268 434**	**144 630**	**73 800**

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

	INFLATION ADJUSTED		HISTORICAL	
	31 Dec 2019 ZWL'000	30 Jun 2019 ZWL'000	31 Dec 2019 ZWL'000	30 Jun 2019 ZWL'000
6. Other non-current assets				
Intangible assets	13 362	13 362	1 516	1 516
Investment in associates	86 547	80 684	47 202	27 228
	99 908	**94 046**	**48 718**	**28 744**

7. Earnings per share

Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and number of shares in issue for the year.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	INFLATION ADJUSTED		HISTORICAL	
	31 Dec 2019 ZWL'000	31 Dec 2018 ZWL'000	31 Dec 2019 ZWL'000	31 Dec 2018 ZWL'000
Reconciliation of basic earnings to headline earnings				
Profit for the year attributable to equity holders of the parent	228 756	129 946	350 708	16 837
Adjustment for capital Items				
Profit on disposal of property, plant and equipment	(90)	(485)	(90)	(485)
Tax effect on adjustments	23	125	23	125
Headline earnings attributable to ordinary shareholders	**228 689**	**129 586**	**350 641**	**16 477**
Number of shares in issue				
Weighted average number of ordinary shares in issue	68 400 108	68 400 108	68 400 108	68 400 108
Basic earnings per share (cents)	334.44	189.98	512.73	24.62
Headline earnings per share (cents)	334.34	189.45	512.63	24.09

8. Guarantees

The company acted as a guarantor to Pure Oil. The guarantees are in respect of any and all financial obligations and the indebtedness of Pure Oil Industries (Private) Limited.

1. Guarantee issued by National Foods Holdings Limited in favour of Stanbic Bank Zimbabwe Limited subject to a maximum limit of ZWL$ 30 million
2. Guarantee issued by National Foods Limited (a wholly owned subsidiary) in favour of ETC Group subject to a maximum limit of US$750,000
3. Guarantee issued by National Foods Holdings Limited in favour of Banc ABC subject to a maximum limit of ZWL$ 10 million