

Operating Environment

The operating environment in the first quarter of 2024 was uncertain due to a delay in the announcement of the Monetary Policy Statement by the new Reserve Bank Governor which was then moved to early April. During the period, foreign exchange rate depreciated significantly by 256% as the auction system was closed. Forecast GDP growth rate by the IMF was pegged at a rate 3.2% in 2024.

Business Performance

During the period under review, revenue saw a positive improvement compared to prior year, mainly driven by inflation. The revenue for the prior year first quarter was ZWL 63.99 million (ZWL1 619.24 million Inflation Adjusted) compared to the current year first quarter of ZWL 1 165.20 million (ZWL1 636.16 million Inflation Adjusted).

The performance of the group largely depended on the economic environment which affected cost of production and operating costs. However, at a group level we realised revenue also from our shop space business resulting in a positive effect on working capital.

On the shop space side, shop occupancy stood at 69.57%, an improvement from 53.33% for the same period last year. The moderate occupancy rates are indicative of the space side entering the growth stage whilst construction and renovations take place. Administration expenses stood at 8.41% and Property expenses at 29.76% for the quarter.

Outlook

We expect the tight monetary conditions to continue with less liquidity in a bid to stabilise the new local currency, the Zimbabwe Gold (ZiG). We also expect new business once we complete construction of new shop space. The business will continue to positively innovate in the competitive environment by pursuing new market segments including the construction industry for our other business unit.

By Order of the Board



J Mwinjilo

Company Secretary

(14 May 2024)