

TRADING UPDATE FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

OPERATING ENVIRONMENT

The third quarter of 2024 commenced with moderating inflationary pressures primarily driven by the introduction of the Zimbabwe Gold. However, this position was short lived as the devaluation of the Zimbabwe Gold in late September 2024 put the exchange rate under pressure resulting in increased inflationary pressures by the end of the quarter. The Zimbabwe Gold depreciated by 42% closing the quarter at ZWG24.88 per USD, down from an opening position of ZWG13.70. Currency volatility remains a key business risk.

PERFORMANCE REVIEW

There was a 10% growth in revenue compared to the prior year, with revenue for the nine months closing at USD45,8 million. The growth is attributable to a firm order book in Mining and Housing Infrastracture segments, however, this was subdued due to liquidity constraints in the market. Profitability during the period under review remained positive, mainly due to improved profit constraints margins resulting from cost containment strategies that were implemented, leading to operational efficiencies.

The Group's liquidity position strengthened due to enhanced working capital management, despite the liquidity constraints that prevailed in the market. Borrowings at the end of the third quarter totalled USD1,188,434 comprising USD1,178,973 denominated in United States dollars and a balance of USD9,461 denominated in Zimbabwe Gold currency.

The Group remains committed to upholding best practice in Safety, Health, Environment and Quality Management systems. To that end, it performed satisfactorily, with zero accidents reported in the quarter and year to date.

OUTLOCK

The macroeconomic environment is expected to remain tight due to contractionary fiscal policy and ongoing pricing distortions arising from exchange rate discrepancies in the market. However, we believe that securing sustainable financing for infrastructure development projects underway nationwide will anchor sustained growth and contribute to tangible socio-economic transformation.

Despite the challenging environment, the Group is forecasted to remain profitable for the financial year ending 31 December 2024.

By Order of the Board

P. Mutiti

Company Secretary

15 November 2024