



("Zambeef" or the "Group")
[Incorporated in the Republic of Zambia]
Company registration number 2557
Share Code: ZAMBEEF
ISIN: ZM0000000201

TRADING STATEMENT

As stated on 28 October 2020, the Group was pleased to announce that it expected to report audited dollar denominated revenue and EBITDA that is in line with current market expectations, with EBIT and adjusted Profit Before Tax* that are over 25% ahead of current market expectations. The Group is pleased to confirm this remains the case.

However, as explained below, and in accordance with the Lusaka Securities Exchange ("LuSE") Listings Requirements, the Board of Directors of Zambeef Products Plc hereby advises the Shareholders of the Group that the Total Earnings per Share for the financial year ended 30th September 2020 is expected to be **665%** lower (in Kwacha terms) than the corresponding period last year for the Group.

The financial year ended 30th September 2020 was characterised by a difficult operating environment, particularly in the second half of the year, due to adverse macro-economic fundamentals worsened by the Covid-19 pandemic. The significant depreciation of the Zambian Kwacha against the US Dollar had an adverse impact on the pricing of imported production inputs and financing costs on the Group's dollar denominated loans. The combined effects of depressed customer spending and a weakening currency impacted the Group results.

Despite the challenges noted above, Zambeef achieved significant revenue and operating profit (EBIT) growth compared to the previous financial period. This achievement, in the face of adverse economic and market conditions, demonstrates the Group's fundamental strength as a diversified and therefore resilient business.

Unadjusted profit before tax reduced due to increased financing costs and exchange losses on the Group's dollar denominated debt. Further, the impairment charge on a deferred tax asset of ZMW 107,785,000, resulted in the Group posting a loss after tax.

The Group intends to announce its results for the financial year ended 30th September 2020 on 30 November 2020. The results expect to report revenue of ZMW 3,875,104,000 (US\$239,648,000), EBIT of ZMW 210,531,000 (US\$13,020,000) and a Group loss after tax for the period of ZMW 102,195,000 (US\$6,320,000).

**Adjusted Profit Before Tax is defined as excluding any unrealised foreign exchange gains or losses and any losses or gains made from asset disposals.*

Lusaka, Zambia – 26/11/2020

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Notes to Editors

The Zambeef Group is one of the largest integrated cold chain food producers in Zambia, involved in the production, processing, distribution and retailing of beef, chicken, pork, milk, eggs, dairy products, fish, flour and stock feed. The Group also has large cereal row cropping operations (principally maize, soya beans and wheat), with approximately 7,973 hectares of row crops under irrigation, which are planted twice a year and a further 8,776 hectares of rain-fed/dry-land crops available for planting each year.

Further information can be found on www.zambeefplc.com