

SENS ANNOUNCEMENT
("the notice" or "the announcement")

THE ISSUER



Zambeef Products Plc.
Incorporated in the Republic of Zambia
Company Registration Number: 31824
Share code: ZAMBEEF
ISIN: ZM0000000201

THE SPONSORING BROKER



AUTUS SECURITIES LIMITED

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APPROVALS

The captioned Notice or Announcement has been approved by:

- The Lusaka Securities Exchange Plc.
- The Securities and Exchange Commission
- Zambeef Products Plc

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

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Issued on 23 April 2024



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TRADING UPDATE

Zambeef (AIM: ZAM), the fully integrated cold chain foods and retail business with operations in Zambia, Nigeria and Ghana provides the following update on trading.

The Group announces that for the year ended 30 September 2024, revenue and gross profit (reported in USD) are now expected to be c.15% below current market expectations due to the underlying operational performance and exacerbated by the translational effect of a depreciating local currency. Reported profit before tax is expected to be c.30% below current market expectations due to higher than expected financing costs and an impairment of the investment in an associate. Reported profit after tax is expected to be c.55% below current market expectations and this reflects the inclusion of a loss from asset held for sale.

During the half year period to 31 March 2024, the Group endured a tough market and operating environment amidst continued constrained consumer spending exacerbated by the ongoing tight monetary policy of Zambia's Central Bank put in place to address inflation and exchange risk, and constrained government spending. Furthermore, albeit recent positive developments, specifically the understanding reached by government with international bond holders around debt restructuring, over the period the operating environment was marked by macroeconomic instability stemming from delays in concluding the country's debt restructuring process.

As the country grapples with the far-reaching adversities brought about by El Nino; the worst drought since records began, adversely permeating through various sectors crucial to the nation's well-being including agriculture, water resources for power generation, health and social-economic stability, our cropping division has not been spared the significant impact leading to reduced crop yields. Additionally, with diminished water levels Zambia's hydro power generation which accounts for 85% of electricity produced has resulted in an aggressive load management programme by the national power utility leading to the use of more expensive energy sources putting further pressures on overheads. A combination of these factors coupled with the sustained devaluation of the local currency beginning the financial year at K21.02/USD and ending the period at K24.9/USD, have led to higher input costs across the Group. Despite these headwinds, the demand for our products remained resilient, demonstrating positive growth compared to prior year (in ZMW). The strategic initiatives put in place, including optimized pricing across all divisions, have helped to mitigate the impact of rising input and overhead costs.

The impairment of the investment in an associate relates to Zampalm in which the Group owns a 10% equity interest, and remains in operation. The impairment reflects a reduction in the forecast Zampalm gross margin used in the value-in-use calculation for the investment, with a 50% impairment expected to be taken in the interim results to 31 March 2024, and impaired in full (c.USD1.4m) in the full year results to 30 September 2024.

The Group expects its results for the half year ended 31 March 2024 to be released by the end of June 2024. Shareholders are advised that the information contained in this Trading Update has not been reviewed nor reported on by the Company's external auditors.

For further information, please visit www.zambeefplc.com or contact:

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About Zambeef Products plc

Zambeef Products plc is the largest integrated cold chain food products and agribusiness company in Zambia and one of the largest in the region, involved in the primary production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, fish, flour and stockfeed, throughout Zambia and the surrounding region, as well as Nigeria and Ghana.

It has 236 retail outlets throughout Zambia and West Africa.

The Company is one of the largest suppliers of beef in Zambia. Five beef abattoirs and three feedlots are located throughout Zambia, with a capacity to slaughter 230,000 cattle a year. It is also one of the largest chicken producers in Zambia, with a capacity of 9.48m broilers and 25.4 million day-old chicks a year. It is one of the largest piggeries, pig abattoirs and pork processing plants in Zambia, with a capacity to slaughter 75,000 pigs a year, while its dairy has a capacity of 120,000 litres per day.

The Group is also one of the largest cereal row cropping operations in Zambia, with approximately 7,265 hectares of row crops under irrigation, which are planted twice a year, and a further 8,000 hectares of rainfed/dry-land crops available for planting. www.zambeefplc.com

Issued in Lusaka, Zambia on 23 April 2024

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