

## UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

### CHAIRMAN'S STATEMENT

I am pleased to present the unaudited interim financial statements for Imara Asset Management Zimbabwe (Pvt) Limited ("Imara") for the half year ended September 30th 2021. These are based on historical cost accounting.

Since my year-end statement, Imara's funds under management (FUM) rose over the six months driven by a strong stock market. Funds under management ended September at ZWL24.4 billion as compared with ZWL 12.9 billion at the end of March, a gain of 89% over the six month period. Since funds under management drive our revenues, we have also seen our top line grow to ZWL93.2 million over the first six month period as compared with ZWL568.1 million for the full year to March 2020. Net profits ended September 2021 at ZWL33.8million as compared with ZWL22.2million for the full year to March 2020. Comparisons with previous years are meaningless given the inflationary environment we have been operating under. Needless to say and given these circumstances our balance sheet remains strong and in excess of the SECZ's capital requirements. The Board renewed dividend payments in 2021 due to strong cash flows and has declared an interim dividend for the year to March 2022. At the same time, the company has continued to provide support to its staff whose cost of living allowances have been increased substantially over the first half of the 2021 financial year.

The second half of Imara's financial year has started on a strong note following continued strength on the ZSE. October saw the ZSE Industrial Index rise a further 32% whilst Imara's FUM rose by 28% to ZWL31.1billion. This has been positive for Imara's revenues and net profits. With official inflation likely to end 2021 at around 60% or higher, we anticipate further strength in the ZSE over the course of the coming five months.

Outside of Imara's core business, the Company manages the Imara Social Investment Fund on behalf of the Imara Zimbabwe Group. Every quarter Imara, together with its sister companies, pays a percentage of its profits into this Fund that is then used to support the education and wellbeing of disadvantaged individuals within our community. A sub-committee of the main Board administers the Fund. The fund has made further disbursements over the six month period with a focus toward providing assistance as a result of the COVID-19 pandemic.

The Board comprises three independent non-executive directors, and two executive directors. The Board, assisted by the Audit Committee and a strong management team, endeavours to uphold the highest standards of corporate governance.

Peter L. Bailey  
16th November 2021

### INCOME STATEMENT

For the half year ended 30 September 2021

|                            |   | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>30 September 2020<br>ZWL |
|----------------------------|---|---------------------------------------|---------------------------------------|
| <b>Revenue</b>             | 1 | 76 025 553                            | 18 734 174                            |
| Finance income             |   | -                                     | 3 307                                 |
| Other operating income     | 1 | 17 304 585                            | 1 120 652                             |
| <b>Total income</b>        |   | 93 330 138                            | 19 858 133                            |
| <b>Operating expenses</b>  | 1 | (48 335 967)                          | (13 688 095)                          |
| Operating profit           |   | 44 994 171                            | 6 170 038                             |
| Finance costs              |   | (22 002)                              | (57 472)                              |
| <b>Profit before tax</b>   |   | 44 972 169                            | 6 112 566                             |
| Income tax expense         | 1 | (11 112 889)                          | (1 511 027)                           |
| <b>Profit for the year</b> |   | 33 859 280                            | 4 601 539                             |

### STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 September 2021

|  | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>30 September 2020<br>ZWL |
|--|---------------------------------------|---------------------------------------|
| <b>Profit for the year</b>                                 | 33 859 280                            | 4 601 539                             |
| <b>Other comprehensive</b>                                 | -                                     | 1 650 457                             |
| <b>Total comprehensive income for the year, net of tax</b> | 33 859 280                            | 6 251 996                             |

### STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

|   |   | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>31 March 2021<br>ZWL |
|---|---|---------------------------------------|-----------------------------------|
| <b>ASSETS</b>                                 |   |                                       |                                   |
| <b>Non-current assets</b>                     |   |                                       |                                   |
| Equipment                                     | 2 | 2 085 796                             | 827 752                           |
| Right of Use Asset                            |   | 96 439                                | 289 317                           |
| Equities at fair value through profit or loss |   | 23 080 369                            | 9 674 013                         |
| Deferred tax asset                            |   | 712 443                               | 712 444                           |
|   |   | 25 975 047                            | 11 503 526                        |
| <b>Current assets</b>                         |   |                                       |                                   |
| Trade and other receivables                   | 3 | 19 137 161                            | 11 972 372                        |
| Cash and cash equivalents                     | 4 | 6 181 647                             | 4 134 624                         |
|   |   | 25 318 808                            | 16 106 996                        |
| <b>TOTAL ASSETS</b>                           |   | 51 293 855                            | 27 610 522                        |
| <b>EQUITY AND LIABILITIES</b>                 |   |                                       |                                   |
| <b>Equity</b>                                 |   |                                       |                                   |
| Issued share capital                          | 5 | 10 276                                | 10 276                            |
| Retained earnings                             |   | 37 749 501                            | 21 890 221                        |
| Total equity                                  |   | 37 759 777                            | 21 900 497                        |
| <b>Non-current liabilities</b>                |   |                                       |                                   |
| Lease liability                               |   | -                                     | -                                 |
| <b>Current liabilities</b>                    |   |                                       |                                   |
| Lease Liability                               |   | (324 301)                             | 327 185                           |
| Other payables                                | 6 | 4 437 257                             | 2 562 477                         |
| Income tax payable                            |   | 3 942 516                             | 453 666                           |
| Provisions                                    | 7 | 5 478 606                             | 2 366 697                         |
|   |   | 13 534 078                            | 5 710 025                         |
|   |   | 13 534 078                            | 5 710 025                         |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>         |   | 51 293 855                            | 27 610 522                        |

### STATEMENT OF CASH FLOWS

For the half year ended 30 September 2021

|   | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>30 September 2020<br>ZWL |
|---|---------------------------------------|---------------------------------------|
| <b>Cash flows from operating activities</b>                         |                                       |                                       |
| Profit before tax   | 44 972 169                            | 6 112 566                             |
| <b>Adjustments to reconcile profit before tax to net cash flow:</b> |                                       |                                       |
| Depreciation  | 341 494                               | 121 980                               |
| Interest income   | -                                     | (3 307)                               |
| Finance costs   | 22 002                                | 57 472                                |
| Amortisation of right of use asset                                  | 192 878                               | 192 878                               |
| Fair value gain on equities   | (13 406 356)                          | (90 962)                              |
| Profit on sale of equipment   | (119 473)                             | -                                     |
| Operating cash inflows before working capital adjustments:          | 32 002 714                            | 7 198 540                             |
| (Increase)/Decrease in trade and other receivables                  | (7 164 789)                           | (3 362 302)                           |
| Movements in provisions   | 3 111 909                             | 807 823                               |
| Increase/(Decrease) in trade and other payables                     | 1 874 780                             | 535 967                               |
| Cash generated from operations                                      | 29 824 614                            | 4 372 115                             |
| Dividend paid   | (18 000 000)                          | -                                     |
| Income tax paid   | (7 624 039)                           | (672 554)                             |
| Interest received   | (22 002)                              | 3 307                                 |
| <b>Net cash flows from / (used in) operating activities</b>         | 4 178 573                             | 3 702 868                             |
| <b>Cash flows from investing activities</b>                         |                                       |                                       |
| Purchase of equipment- to maintain operating capacity               | (1 732 065)                           | (404 758)                             |
| Purchase of equities  | -                                     | (1 107 610)                           |
| Proceeds from sale of equipment                                     | 252 000                               | -                                     |
| <b>Net cash flows from / (used in) investing activities</b>         | (1 480 065)                           | (1 512 368)                           |
| <b>Cash flows from financing activities</b>                         |                                       |                                       |
| Repayments - Lease obligations                                      | (651 485)                             | (241 075)                             |
| <b>Net cash flows used in financing activities</b>                  | (651 485)                             | (241 075)                             |
| Net increase in cash and cash equivalents                           | 2 047 023                             | 1 949 425                             |
| Cash and cash equivalents at beginning of year                      | 4 134 624                             | 40 445                                |
| <b>Cash and cash equivalents at end of half year</b>                | 6 181 647                             | 1 989 870                             |

### STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 September 2021

| Total Equity:               | Share capital | Retained earnings | Total Equity |
|-----------------------------|---------------|-------------------|--------------|
| Balance - 1 April 2020      | 10 276        | 2 302 657         | 2 312 933    |
| Profit for the year         | -             | 22 587 564        | 22 587 564   |
| Dividends paid              | -             | (3 000 000)       | (3 000 000)  |
| Balance - 31 March 2021     | 10 276        | 21 890 221        | 21 900 497   |
| Balance - 1 April 2021      | 10 276        | 21 890 221        | 21 900 497   |
| Profit for the year         | -             | 33 859 280        | 33 859 280   |
| Dividends paid              | -             | (18 000 000)      | (18 000 000) |
| Balance - 30 September 2021 | 10 276        | 37 749 501        | 37 759 777   |

### NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 September 2021

#### Corporate information

The financial statements of the Company for the half year ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors on 16 November 2021. The Company is a Private Limited company incorporated and domiciled in Zimbabwe. The registered office is located at:

Block 2 ,Tendeseka Office Park  
SamoraMachel Avenue, Eastlea  
Harare, Zimbabwe

The principal activity of the Company is the management of client investment portfolios. Imara Capital Zimbabwe (Private) Limited is the parent company. ImaraHoldings Limited is the ultimate parent company.

#### Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), which comprise standards approved by the International Accounting Standards Board, (IASB), and interpretations approved by the International Financial Reporting Interpretations Committee, (IFRIC).

The financial statements have been prepared on an historical cost basis. The financial statements are presented in Zimbabwe Dollars which is also the company's functional currency and all values are rounded to the nearest dollar unless otherwise indicated.

The financial statements also provide comparative financial information in respect of the previous year.

#### Fiduciary activities

The Company acts in fiduciary capacities that result in the holding of assets for the account of and at the risk of clients. As these are not assets of the Company, they are not reflected in the statement of financial position but are included as a note to the financial statements at market value as part of funds under management.

### 1. REVENUE

|                                      | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>30 September 2020<br>ZWL |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Management fee income                | 76 025 553                            | 18 734 174                            |
|                                      | 76 025 553                            | 18 734 174                            |
| <b>OTHER OPERATING INCOME:</b>       |                                       |                                       |
| Consultancy fees                     | 1 665 118                             | 435 725                               |
| Non-member institutions commission   | 1 893 873                             | 593 965                               |
| Fair value gains on equities @ FVTPL | 13 406 356                            | 90 962                                |
| Sundry income                        | 339 238                               | -                                     |
|                                      | 17 304 585                            | 1 120 652                             |

### OPERATING EXPENSES

Included in operating expenses are:

|   |            |           |
|---|------------|-----------|
| Auditor's remuneration (Audit services) | 386 328    | 334 841   |
| Depreciation                            | 341 494    | 121 980   |
| Directors remuneration- non-executive   | 296 875    | 110 000   |
| Information technology expenses         | 2 752 093  | 745 971   |
| Insurance and licences                  | 239 808    | 54 687    |
| Operating lease expense                 | 909 664    | 232 809   |
| Communications                          | 223 849    | 80 562    |
| Staff costs                             | 24 507 987 | 7 229 732 |
| Subscriptions                           | 336 134    | 87 805    |

### INCOME TAX EXPENSE

Current income tax:

|   |            |           |
|---|------------|-----------|
| Current income tax charge                                     | 11 112 889 | 1 511 027 |
| <b>Deferred income tax:</b>                                   |            |           |
| Relating to origination and reversal of temporary differences | -          | -         |
| Income tax expense  | 11 112 889 | 1 511 027 |

### 2. EQUIPMENT

|                                  | Motor vehicles<br>ZWL | Computer equipment<br>ZWL | Fixtures & Fittings<br>ZWL | Total<br>ZWL |
|----------------------------------|-----------------------|---------------------------|----------------------------|--------------|
| <b>Cost:</b>                     |                       |                           |                            |              |
| Balance - 31 March 2020          | 27 784                | 759 774                   | 77 555                     | 865 113      |
| Additions                        | 102 686               | 588 336                   | 53 607                     | 744 629      |
| Disposals                        | -                     | (1 009)                   | -                          | (1 009)      |
| Balance - 31 March 2021          | 130 470               | 1 347 101                 | 131 162                    | 1 608 733    |
| Additions                        | -                     | 1 676 022                 | 56 043                     | 1 732 065    |
| Disposals                        | -                     | (176 703)                 | -                          | (176 703)    |
| Balance - 30 September 2021      | 130 470               | 2 846 420                 | 187 205                    | 3 164 095    |
| <b>Depreciation:</b>             |                       |                           |                            |              |
| Balance - 31 March 2020          | 27 784                | 395 940                   | 38 265                     | 461 989      |
| Depreciation charge for the year | 20 537                | 286 629                   | 12 835                     | 320 001      |
| Disposals                        | -                     | (1 009)                   | -                          | (1 009)      |
| Balance - 31 March 2021          | 48 321                | 681 560                   | 51 100                     | 780 981      |
| Depreciation charge for the year | 10 269                | 322 367                   | 8 858                      | 341 494      |
| Disposals                        | -                     | (44 176)                  | -                          | (44 176)     |
| Balance - 30 September 2021      | 58 590                | 959 751                   | 59 958                     | 1 078 299    |
| <b>Net book value:</b>           |                       |                           |                            |              |
| 31 March 2021                    | 82 149                | 665 541                   | 80 062                     | 827 752      |
| 30 September 2021                | 71 880                | 1 886 669                 | 127 247                    | 2 085 796    |

### 3. TRADE AND OTHER RECEIVABLES

|                           | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>31 March 2021<br>ZWL |
|---------------------------|---------------------------------------|-----------------------------------|
| Trade receivables         | 13 664 041                            | 7 398 165                         |
| Other receivables         | 864 064                               | 332 742                           |
| Related party receivables | 4 609 056                             | 4 241 465                         |
|                           | 19 137 161                            | 11 972 372                        |

Trade receivables are non-interest bearing and are generally on 30 day terms.

### 4. CASH AND CASH EQUIVALENTS

|                     | Unaudited<br>30 September 2021<br>ZWL | Unaudited<br>31 March 2021<br>ZWL |
|---------------------|---------------------------------------|-----------------------------------|
| Short term deposits | 6 181 647                             | 4 134 624                         |

The Company's cash which has been identified as not being immediately required for operational purposes is invested into short term money market instruments denominated in Zimbabwe dollars. These instruments, typically have maturity dates of between 30 and 90 days, earn interest and are rolled over on maturity, depending on operational cash flow requirements.

### 6. SHARE CAPITAL

Authorised share capital:

1 100 000 ordinary shares of \$0.001 each  
10 000 000 Class A ordinary Shares of \$0.001 each

| Issued capital:   | Half year ended 30 September 2021 |                      |
|---|-----------------------------------|----------------------|
|   | September 2021<br>Number          | March 2021<br>Number |
| <b>Reconciliation of the number of shares in issue:</b>   |                                   |                      |
| Ordinary shares in issue at beginning of the year         | 1 020 000                         | 1 020 000            |
| Class A ordinary shares in issue at beginning of the year | 9 255 790                         | 9 255 790            |
| Total in issue at end of the year                         | 10 275 790                        | 10 275 790           |

Issued capital:

|                              | Half year ended 30 September 2021 |                   |
|------------------------------|-----------------------------------|-------------------|
|                              | September 2021<br>ZWL             | March 2021<br>ZWL |
| Balance at beginning of year | 10 276                            | 10 276            |
| Movement for the year        | -                                 | -                 |
| Balance at end of year       | 10 276                            | 10 276            |

Issued capital:

Notes relating to issued capital:

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The holders of class "A" ordinary shares are not entitled to receive dividends from the Company. All the shares in this category carry one vote per share without restriction.

The un-issued ordinary shares are under the control of the directors.

### 6. OTHER PAYABLES

|                | As at 30 September 2021  |                      |
|----------------|--------------------------|----------------------|
|                | 30 September 2021<br>ZWL | 31 March 2021<br>ZWL |
| Other payables | 4 437 257                | 2 562 477            |
|                | 4 437 257                | 2 562 477            |

Other payables are non-interest bearing and have average terms of between 30 and 60 days.

### 7. PROVISIONS

|                             | Half year ended 30 September 2021 |            |              |
|-----------------------------|-----------------------------------|------------|--------------|
|                             | Bonus                             | Audit fees | Profit share |
| At 1 April 2020             |                                   |            |              |
| Balance - beginning of year | -                                 | 110 364    | -            |
| Utilised during the year    | -                                 | (131 795)  | (6 505 201)  |
| Arising during the year     | -                                 | 794 087    | 8 099 242    |
| At 31 March 2021            | -                                 | 772 656    | 1 594 041    |

|                             | Half year ended 30 September 2021 |            |              |
|-----------------------------|-----------------------------------|------------|--------------|
|                             | Bonus                             | Audit fees | Profit share |
| At 1 April 2021             |                                   |            |              |
| Balance - beginning of year | -                                 | 772 656    | 1 594 041    |
| Utilised during the period  | -                                 | (386 328)  | (11 828 587) |
| Unutilised amounts reversed | -                                 | -          | -            |
| Arising during the period   | 1 419 625                         | 386 328    | 13 520 871   |
| At 30 September 2021        | 1 419 625                         | 772 656    | 3 286 325    |

### 8. FUNDS UNDER MANAGEMENT

|  | September 2021<br>ZWL | March 2021<br>ZWL |
|--|-----------------------|-------------------|
| Funds under management - Private Clients       | 1 874 655 920         | 966 708 832       |
| Funds under management - Institutional Clients | 22 765 79             |                   |