



28th October, 2020

Zambeef Products plc

("Zambeef" or the "Group")

Year End Trading Update

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

The Group announces that, based on work undertaken to date, it expects to report, for the year ended 30 September 2020, audited dollar denominated revenue and EBITDA that are in line with current market expectations, with EBIT and adjusted Profit Before Tax* that are over 25% ahead of current market expectations.

Despite the uncertainty caused by the COVID-19 pandemic, consumer demand for Zambeef's products in-country has, to date, stood up well, and trading performance has been satisfactory.

The Zambian economy has been under significant pressure over the last six months owing to weak macroeconomic fundamentals exacerbated by the onset of the COVID-19 pandemic. This has led to a sharp depreciation of the local currency which has increased certain input costs into the business, and foreign exchange losses on our foreign currency-denominated debt. Despite a convincing performance in the first half of the year, the Group saw a slowdown in profitability growth in the second half, mainly because of foreign exchange losses.

The Group has taken appropriate actions to rationalise costs and preserve balance sheet flexibility. The conclusion of the sale of Sinazongwe farm in April 2020 was a key milestone with the proceeds of the sale going towards further debt reduction. The Group's unaudited net debt position as at 30 September 2020 was US\$39 million (2019: US\$67 million).

The Group expects its audited results for the year ended 30 September 2020 to be released in early December 2020. Shareholders are advised to exercise caution when dealing in the securities until publication of the results.

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

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Notes to the 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, fish, stock feed, flour and leather. The Group also has large cereal row cropping operations, principally soya beans and wheat, with approximately 6099 hectares of row crops under irrigation, which are planted twice a year and a further 8,735 hectares of rain-fed crops available for planting each year.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

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