

FINANCIAL

HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Revenue	Loss from operations	Loss before taxation	Loss for the year
USD '000	USD '000	USD '000	USD '000
12,045	(3,222)	(3,306)	(2,923)



Chairman’s Statement

The Chairman’s statement is based on the general purpose United States Dollar (USD) financial statements.

Operating Environment

The operating environment was characterized by economic headwinds which included foreign currency shortages, high costs of borrowing, tight liquidity conditions, depressed consumer spending and adverse effects of the El-Nino induced drought which lowered agricultural output significantly. This was compounded by reduced electricity generation which further constrained productivity in key sectors such as manufacturing. Formal businesses continued to bear the brunt of the economic challenges with a number of companies downsizing, being placed under corporate rescue, going under liquidation or disinvesting.

On a positive note, there has been a steady increase in diaspora remittance inflows in the current year which have had a positive impact on the economy. The Zimbabwe Gold (ZWG) exchange rates were relatively stable until September 2024, when the currency was devalued by 43%. Relative stability subsequently returned in line with the monetary policy stance taken by the Central Bank. The year-on-year United States Dollar inflation ended the year at 2.5%.

There is hope for some recovery in 2025 due to the ongoing capital projects in the manufacturing and construction sectors coupled with an expected rebound in the agricultural sector on the back of the La Nina weather phenomenon. This recovery is expected to have downstream benefits for the other sectors in the economy. In addition, a stable exchange rate, low inflation as well as favourable international commodity prices for key minerals are expected to provide a conducive environment for doing business. However, the cost of borrowing remains high, power outages are persisting, exchange rate disparities continue to cause pricing distortions and liquidity constraints continue to restrict economic activity.

Financial Performance

The Group’s turnover for the year ended 31 December 2024 was US\$12.04 million compared to US\$12.56 million in the previous year. This represents a 4% decline which was mainly due to liquidity constraints and the adverse effects of the El-Nino induced drought which suppressed the demand for our products.

The gross margin for the period under review was 19% compared to 23% achieved in the same period last year. The margins were under pressure due to the rising cost of raw materials and exchange rate disparities whose negative impact on the cost of doing business could not always be sustainably recouped through selling price adjustments.

The operating expenses to sales ratio was 48% compared to 35% in the same period last year. The increase is attributed to inflationary pressures exerted particularly in the 1st and last quarters of the year.

A provision for obsolete and slow-moving inventory amounting to USD1.2 million was made during the year and was mainly in respect of some raw materials (synthetic fibres) which have expired and some pipes that have not moved for over a year mainly due to changing customer preferences. The stock provision is included in administration expenses.

Included in operating expenses is a provision for credit losses amounting to USD267,771.00 and Intermediary Money Transfer Tax (IMTT) amounting to USD111,710.00.

All these factors culminated in the Group incurring a loss for the year of USD2.9 million compared to USD1.5 million recorded last year.

Cash generation and utilisation.

In spite of the loss-making position, the Group managed to generate USD1.5 million from operating activities, up from a negative USD 6.4 million in the previous year. Capital expenditure for the period was USD3.2 million compared to USD567,927.00 spent last year and this was mainly in respect of the new fibre-cement plant and new templates for the sheeting plant in Bulawayo. The new sheeting plant is expected to be commissioned in the 3rd quarter of 2025.

Financing activities comprised mainly of bank and shareholder loans resulting in a net cash inflow of USD4.9 million compared to USD6.7 million in the previous year which was mainly in respect of Rights Issue proceeds.

Sustainability Performance

We continue to apply an integrated approach in managing our sustainability impacts and opportunities. The Group adopted the Global Reporting Initiatives (GRI) Sustainability Reporting Framework as a business model in addressing and managing economic, environmental, social and governance aspects of our operations.

Legislative Environment

Turnall Holdings Limited has continued to uphold its ISO14001 and ISO9001 certifications. We continue to comply with the relevant legislative requirements of the Environmental Management Act, Labour Act, Companies and Other Business Entities Act and other related legislations.

Prospects

Despite a challenging business environment, the board and management remain optimistic that the Group will revert to profitability in the medium term. Current efforts to re-tool the factories will go a long way in addressing production efficiencies and improving our product offering, which is expected to result in revenue growth. These efforts, coupled with the current cost containment initiatives, will bring material improvements to the performance of the Group.

Resumption of export sales is also expected in 2026 after the planned upgrade of the Bulawayo sheeting plant.

Dividend

The directors have resolved that there will not be any dividend declared in respect of the financial year under review.

Appreciation

I would like to express my appreciation to all our stakeholders, fellow board members, management, and staff for your continued support of the Group.

By Order of the Board

G. Hampshire

Grenville Hampshire
Board Chairperson
22 April 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Year ended 31.12.24 USD	Year ended 31.12.23 USD
Revenue	12,044,700	12,555,443
Cost of sales	(9,706,497)	(9,636,095)
Gross profit	2,338,203	2,919,348
Other income	181,710	97,937
Selling and distribution expenses	(1,391,341)	(1,290,601)
Administrative expenses	(4,350,561)	(3,160,873)
Loss from operating activities	(3,221,989)	(1,434,189)
Finance costs	(83,533)	(92,460)
Loss before taxation	(3,305,522)	(1,526,649)
Income tax credit	382,996	22,083
Loss for the year	(2,922,526)	(1,504,566)
Other comprehensive income		
Loss on change in functional currency	(133,850)	-
Other comprehensive loss for the year inclusive of tax	(133,850)	-
Total comprehensive loss for the year	(3,056,376)	(1,504,566)
Loss per share		
Number of shares in issue	4,315,726,499	4,315,726,499
Basic and diluted (cents per share)	(0.07)	(0.03)
Headline (cents per share)	(0.07)	(0.03)

Consolidated Statement of Financial Position as at 31 December 2024

	As at 30.12.2024 USD	As at 31.12.2023 USD
ASSETS		
Non-current assets		
Property, plant and equipment	23,544,661	21,482,726
Right-of-use asset	-	19,120
Investment property	630,000	630,000
Investments in financial assets	75	75
Total non-current assets	24,174,736	22,131,921
Current assets		
Inventories	4,100,131	4,915,008
Trade and other receivables	6,119,074	7,680,837
Bank and cash balances	3,519,178	267,812
Total current assets	13,738,383	12,863,657
Total assets	37,913,119	34,995,578
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	4,938,029	4,938,029
Share premium	6,676,344	6,676,344
Non-distributable reserve	7,655,239	7,655,239
Revaluation reserve	291,582	291,582
Foreign currency translation reserve	(1,585,597)	(1,451,747)
Retained earnings	7,629,912	10,552,438
Total equity	25,605,509	28,661,885
Non-current liabilities		
Lease liability	-	8,708
Deferred taxation	195,431	444,545
Total non-current liabilities	195,431	453,253
Current liabilities		
Trade and other payables	6,552,743	5,266,928
Loans and borrowings	5,559,436	602,856
Lease liability	-	10,644
Bank overdraft	-	12
Total current liabilities	12,112,179	5,880,440
Total liabilities	12,307,610	6,333,693
Total equity and liabilities	37,913,119	34,995,578

Supplementary Information

1. Basis of Preparation

The abridged consolidated results have been extracted from the general purpose annual financial statements which have been prepared in compliance with International Financial Reporting Standards (IFRS). These consolidated financial statements are presented in United States Dollars which is the Group's functional and presentation currency effective 1 January 2024. The consolidated financial statements are based on statutory records that are prepared under the historical cost convention, except for property, plant and equipment which is carried at revalued amounts or fair values as per the revaluation carried out on 31 December 2022 by an independent valuer.

The consolidated financial statements and the corresponding figures for the previous year have been converted to United States Dollars (USD) to reflect the changes in functional currency from Zimbabwean dollars (ZWL) with effect from 1 January 2024. The transactions and balances for the comparative period were split into USD and ZWL and the ZWL transactions for the Statement of Profit or Loss and Other Comprehensive Income were converted to USD using the monthly average official exchange rates. The monetary items which were denominated in ZWL were converted to USD using the closing official exchange rates whilst inventory was based on historical spot rates and property, plant and equipment was based on the professional valuation exercise which was carried out in December 2022.

2. Change in functional currency

Following the promulgation of Statutory Instrument (“SI”) 185 of 2020, issued on 24 July 2020, the Group has witnessed a gradual increase in the usage of foreign currency. The USD is part of the legally allowed multi-currencies in the economy. Consequently, the Group changed its functional currency from Zimbabwe dollar (ZWL) to United States dollars (USD) effective 1 January 2024. The Zimbabwean currency was later changed from Zimbabwe dollars (ZWL) to Zimbabwe Gold (ZWG) effective the 5th of April 2024. The USD and the ZWG continue to be the most widely used currencies. IAS 21 permits entities to change their functional currencies based on underlying transactions, events and conditions that are relevant to them. Management will continue to review and assess the appropriateness of the functional currency determination for the entity’s operations.

3. Accounting policies and reporting currency

The accounting policies have remained unchanged since the date of the last consolidated financial statements. The financial statements are presented in USD effective 1 January 2024 following the decision by management to change its functional currency from ZWL to USD and all figures are rounded to the nearest dollar (\$) unless otherwise indicated.

4. Significant events and transactions

There was a provision made for obsolete and slow-moving inventory amounting to USD1.2 million. The figure is included in administrative expenses.

5. Events after the reporting date

The Group has evaluated events from 31 December 2024 through to the date that the consolidated financial statements were issued. The Board concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

6. Going Concern

The Group has secured adequate raw materials to meet production demand in the current financial year. In addition, the Group is also setting up a state of the art fibre cement plant which is being financed by the shareholders and is expected to be operational during the 3rd quarter of 2025. The Group will:

- a) focus on improving its product offering to enhance competitiveness and grow its revenue base;
- b) also focus on improving its production efficiencies;
- c) continue to implement cost containment measures to improve the viability of the business, and
- d) continue to source and ensure adequate raw materials are available to meet production demand.

7. Approval of abridged consolidated financial statements

The audited abridged consolidated financial statements for the year ended 31 December 2024 were approved by the board on 22 April 2025.

Independent Auditor's Statement

These abridged consolidated financial statements are derived from the complete set of consolidated financial statements of Turna Holdings Limited for the financial year ended 31 December 2024. They should be read in conjunction with the complete audited consolidated financial statements for the year, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe). The auditor's report has been signed by Onessius Mabuya, Registered Public Auditor 0634.

A qualified opinion was issued regarding non-compliance with International Accounting Standard (IAS) 21 – ‘The Effect of Changes in Foreign Exchange Rates’ for the financial year ended. The auditor’s report on the consolidated financial statements and the full set of the audited consolidated financial statements is available for inspection at the Company’s registered office and the auditor’s report has been lodged with the Zimbabwe Stock Exchange.

The independent auditor's report includes a section on key audit matters outlining matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements. The key audit matters were with respect to revenue from contracts with customers. The auditors' opinion is not modified in respect of these matters.

Short Form Financial Announcement
Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

The short form financial announcement is a summarised version of the special purpose consolidated financial statements for the year ended 31 December 2024. These translated financial statements are presented in Zimbabwe Gold (ZWG) as per the Monetary Policy Statement pronounced on the 6th of February 2025 and the Securities and Exchange Commission of Zimbabwe (SECZ) Notice Number SECZ070325 issued on 12 March 2025 which require all listed companies to report in ZWG. The short form financial announcement is the responsibility of the Directors and does not contain the full details.

A copy of the detailed translated financial statements is available upon request at the Company's registered office, 5 Glasgow Road Southerton, Harare.

Dividend Announcement to shareholders

The directors have resolved that there will not be any dividend declared in respect of the financial year under review.

Auditors Statement

This ZWG Short Form Financial Announcement has been derived from the USD consolidated financial statements for the year ended 31 December 2024, which have been audited by Messrs Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Onessius Mabuya, Registered Public Auditor 0634.

A qualified opinion was issued on the USD consolidated financial statements regarding non-compliance with International Accounting Standard (IAS) 21 – ‘The Effect of Changes in Foreign Exchange Rates’ for the financial year ended. The auditor’s report on the consolidated financial statements and the full set of the audited USD consolidated financial statements is available for inspection at the company’s registered office and the auditor’s report has been lodged with the Zimbabwe Stock Exchange.

The independent auditor's report includes a section on key audit matters outlining matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements. The key audit matters were with respect to revenue from contracts with customers. The auditors' opinion is not modified in respect of these matters.

By order of the Board

G. Hampshire

Grenville Hampshire
Board Chairperson
22 April 2025

Directors: G.H. Hampshire (Chairman), I. Bagshaw (Managing Director) *, C.J. Mahari (Finance Director) *, B.P. Nyajeka, B. Ngara, K.R.R Schofield, C.J. Chakona, D. Desai. * Executive

Independent Auditors' Report

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To the Members of Turnall Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying annual consolidated financial statements of Turnall Holdings Limited, set out on pages 8 to 56, which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of Turnall Holdings Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" on accounting for the change in functional and presentation currency

The Group changed its functional and presentation currency from the Zimbabwean Dollar (ZWL) to the United States Dollars (USD) effective 1 January 2024. A change in functional currency entails all amounts, including comparatives being translated from ZWL to USD in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". The Group's previous functional currency (ZWL) was a currency of a hyperinflationary economy in terms of IAS 29 "Financial Reporting in Hyperinflationary Economies". As such, IAS 21 requires that the ZWL inflation adjusted amounts for the period prior to the change in functional currency, and previously stated comparative

consolidated inflation adjusted financial statements be translated to USD at the closing exchange rate at the date of change in functional currency.

In preparing the USD comparatives for the consolidated statement of financial position, management translated the consolidated comparative financial statements to USD, by separating the balances with underlying USD amounts and ZWL balances without underlying USD amounts. The USD components of the transactions and balances were then maintained as if the USD had always been the functional currency of the Group, and the ZWL components of the transactions and balances were translated to USD using the translation methods disclosed in **Note 2.1** to these consolidated financial statements, which is not in compliance with the requirements of IAS 21.

The balances as at 31 December 2024 for property, plant, and equipment, investment property, inventories, cash and cash equivalents, loans and borrowings, deferred tax liabilities and trade payables contain material amounts carried forward from 31 December 2023. As a result, the balances may contain misstatements arising from the translation of ZWL balances as at 1 January 2024 to USD on change in the functional and presentation currency of the Group.

The effects of the above non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the consolidated financial statements as a whole.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key Audit Matter
<p>IFRS 15 – Revenue from Contracts with Customers</p> <p>There is a presumed risk of inappropriate revenue recognition specifically identified in ISA 240 (R), ‘The auditor’s responsibility to consider fraud in an audit of financial statements. This is a significant risk and accordingly a key audit matter.</p>	<p>Our audit procedures incorporated a combination of tests of the Group’s controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewed that revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scope of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Performed analytical procedures and assessed the reasonableness of explanations provided by management. <p>We satisfied ourselves that the revenue recognition is appropriate and in compliance with the requirements of IFRS 15.</p>

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors, as Those Charged With Governance, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged With Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged With Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the Group's accounting policies and comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditors' report is Onessious Mabuya.



Onessious Mabuya
Partner
 Registered Public Auditor (PAAB Number 0634)

Grant Thornton
 Chartered Accountants (Zimbabwe)
 Registered Public Auditors

28 April 2025

HARARE