



# Delta Corporation

LIMITED



Brighter  
together

## Audited Financial Information

for the year ended 31 March 2025



## Key Highlights

|  | 2025<br>US\$ 000 | 2024<br>US\$ 000 |
|--|------------------|------------------|
| Revenue  | 807 470          | 767 871          |
| Operating Income   | 152 607          | 152 338          |
| Earnings before interest, tax depreciation and ammortisation | 171 519          | 166 921          |
| Profit after tax   | 116 145          | 100 538          |
| Attributable earnings per share (US\$ cents)                 | 8.79             | 7.71             |
| Headline Earnings per share (US\$ cents)                     | 8.79             | 7.72             |
| Dividend per share (US\$ cents)*                             | 3.30             | 3.00             |
| Lager Beer Volume (000 hectolitres)                          | 2 659            | 2 463            |
| Sorghum Beer Volume (000 hectolitres)                        | 6 047            | 6 527            |
| Soft Drinks Volume (000 hectolitres)                         | 2 095            | 2 151            |

\* Dividend per share refers to Interim Dividend per share US\$1 cent declared in November 2024 and the Final Dividend per share US\$2.3 cents declared in May 2025.

## Group Statement of Financial Position

| Note   | As At<br>31 March<br>2025<br>US\$ 000 | As At<br>31 March<br>2024<br>US\$ 000 |
|--|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>  |                                       |                                       |
| <b>Non-current assets</b>                                  |                                       |                                       |
| Property, plant and equipment                              | 155 689                               | 134 079                               |
| Right-of-use asset   | 4 050                                 | 4 411                                 |
| Investments in associates                                  | 12 463                                | 12 325                                |
| Intangible assets – Trademarks and Goodwill                | 25 246                                | 24 411                                |
| Deferred tax asset   | 4 661                                 | 1 923                                 |
| Investments and loans                                      | 4 522                                 | 5 225                                 |
| Financial asset at armotised cost                          | 14 7 935                              | 8 830                                 |
|  | 214 566                               | 191 204                               |
| <b>Current assets</b>                                      |                                       |                                       |
| Inventories  | 113 118                               | 107 591                               |
| Trade and other receivables                                | 40 112                                | 50 236                                |
| Other assets   | 52 005                                | 27 576                                |
| Current tax asset  | —                                     | 440                                   |
| Financial asset at armotised cost                          | 14 504                                | —                                     |
| Cash and cash equivalents                                  | 27 604                                | 26 410                                |
|  | 233 343                               | 212 253                               |
| <b>TOTAL ASSETS</b>  | <b>447 909</b>                        | <b>403 457</b>                        |
| <b>EQUITY AND LIABILITIES</b>                              |                                       |                                       |
| <b>Capital and reserves</b>                                |                                       |                                       |
| Issued share capital                                       | 994                                   | 994                                   |
| Share premium  | 6 807                                 | 6 800                                 |
| Share option reserve                                       | 1 048                                 | 275                                   |
| Share buyback  | (6 451)                               | (4 784)                               |
| Foreign currency translation reserve                       | 33 319                                | 40 570                                |
| Retained earnings  | 260 922                               | 182 055                               |
| Adjustment arising from change in non controlling interest | (704)                                 | (668)                                 |
| Equity attributed to equity holders of the parent          | 295 935                               | 225 242                               |
| Non-controlling interests                                  | (8 431)                               | (3 060)                               |
| Shareholders’ equity                                       | 287 504                               | 222 182                               |
| <b>Non-current liabilities</b>                             |                                       |                                       |
| Long term borrowings                                       | 13 528                                | —                                     |
| Long term lease liability                                  | 3 667                                 | 4 250                                 |
| Deferred tax liabilities                                   | 108                                   | 1 481                                 |
|  | 4 303                                 | 5 731                                 |
| <b>Current liabilities</b>                                 |                                       |                                       |
| Short term borrowings                                      | 13 977                                | 18 253                                |
| Short term lease liability                                 | 1 191                                 | 1 186                                 |
| Trade and other payables                                   | 95 278                                | 119 198                               |
| Provisions   | 33 675                                | 31 811                                |
| Current tax liability                                      | 11 981                                | 5 096                                 |
|  | 156 102                               | 175 544                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>447 909</b>                        | <b>403 457</b>                        |
| <b>Net asset value per share (cents)</b>                   | <b>22.41</b>                          | <b>17.27</b>                          |



## Group Statement of Profit or Loss and Other Comprehensive Income

| Note  | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|---|--|--|
| <b>Revenue</b>  | 1 807 470                                  | 767 871                                    |
| <b>Operating Costs</b>  | (654 863)                                  | (615 533)                                  |
| <b>Net Operating Income</b>                                       | 152 607                                    | 152 338                                    |
| Finance charges   | (3 354)                                    | (3 544)                                    |
| Finance income  | 1 642                                      | 3 667                                      |
| Exchange loss   | (12 320)                                   | (41 535)                                   |
| Monetary loss   | —  | (8 995)                                    |
| Share of profit of associates                                     | 1 374                                      | 2 468                                      |
| Profit before tax   | 139 949                                    | 104 399                                    |
| Income tax expense  | 3 (23 804)                                 | (3 861)                                    |
| <b>Profit for the year</b>  | <b>116 145</b>                             | <b>100 538</b>                             |
| <b>Attributable to:</b>   |  |  |
| Owners of the parent  | 118 223                                    | 100 994                                    |
| Non controlling interest  | (2 078)                                    | (456)                                      |
| <b>Total profit for the year</b>                                  | <b>116 145</b>                             | <b>100 538</b>                             |
| <b>Other comprehensive income</b>                                 |  |  |
| Foreign exchange differences on translation of foreign operations | (8 999)                                    | 23 522                                     |
| Foreign exchange impact of translating to presentation currency   | —  | (106 241)                                  |
| Share of other comprehensive income of associate                  | (1 237)                                    | 1 918                                      |
| Total other comprehensive income for the year                     | (10 236)                                   | (80 801)                                   |
| <b>Total comprehensive income for the year</b>                    | <b>105 909</b>                             | <b>19 737</b>                              |
| <b>Total comprehensive income for the year attributable to:</b>   |  |  |
| Owners of the parent  | 110 972                                    | 20 511                                     |
| Non controlling interest  | (5 063)                                    | (774)                                      |
|   | 105 909                                    | 19 737                                     |
| <b>Weighted average shares in issue (millions)</b>                | <b>1 321</b>                               | <b>1 310</b>                               |
| <b>Earnings per share (US\$ cents)</b>                            |  |  |
| Headline earnings   | 8.79                                       | 7.72                                       |
| Diluted earnings  | 8.65                                       | 7.58                                       |
| Basic earnings  | 8.79                                       | 7.71                                       |





# Delta Corporation

LIMITED

## Audited Financial Information

for the year ended 31 March 2025

### Group Statement of Cashflows

|  | Note      | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|--|-----------|--|--|
| <b>Cash flow from operating activities</b>   | <b>16</b> | <b>173 437</b>                             | <b>148 733</b>                             |
| Decrease in working capital  |           | (51 056)                                   | (25 880)                                   |
| Cash generated from operations   |           | 122 381                                    | 122 853                                    |
| Interest received  |           | 979  | 154  |
| Interest paid  |           | (2 798)                                    | (3 060)                                    |
| Interest paid on short term lease liability  |           | (483)                                      | (411)                                      |
| Income tax paid  |           | (21 043)                                   | (16 550)                                   |
| <b>Net cash flow from operating activities</b>   |           | <b>99 036</b>                              | <b>102 986</b>                             |
| <b>Cash flow from investment activities</b>  |           |  |  |
| Additions in investments and loans   |           | (9 715)                                    | (5 062)                                    |
| Repayments of investments and loans  |           | 9 511                                      | 1 802                                      |
| Purchase of property, plant and equipment to expand operations                                       |           | (31 558)                                   | (39 659)                                   |
| Purchase of property, plant and equipment to maintain operations                                     |           | (8 255)                                    | (8 439)                                    |
| Proceeds on disposal of property, plant and equipment  |           | 26   | 6  |
| <b>Net cash utilised in investing activities</b>   |           | <b>(39 991)</b>                            | <b>(51 352)</b>                            |
| <b>Cash flow from financing activities</b>   |           |  |  |
| Dividends paid by company  |           | (39 498)                                   | (33 592)                                   |
| Dividends paid by subsidiaries   |           | (522)                                      | (544)                                      |
| Dividends received   |           | 10   | —  |
| Purchase of shares in subsidiary   |           | (83)                                       | (52)                                       |
| Repayment of short-term lease liability  |           | (1 265)                                    | (1 387)                                    |
| Loans raised   |           | 17 911                                     | 15 958                                     |
| Repayment of borrowings  |           | (8 645)                                    | (18 544)                                   |
| Share buy back   |           | (1 667)                                    | (3 505)                                    |
| <b>Net cash utilised in financing activities</b>   |           | <b>(33 759)</b>                            | <b>(41 666)</b>                            |
| Net increase in cash and cash equivalents  |           | 25 286                                     | 9 968                                      |
| Effects of currency translation on cash and cash equivalents   |           | (11 028)                                   | (5 606)                                    |
| Effects of currency translation on cash and cash equivalents - foreign operations                    |           | 25   | 118  |
| Foreign exchange impact of translating to presentation currency on opening cash and cash equivalents |           | —  | (14 085)                                   |
| Effects of IAS 29 on cash and cash equivalents   |           | —  | 5 177                                      |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  |           | <b>14 283</b>                              | <b>(4 428)</b>                             |
| Cash and cash equivalents at beginning of year   |           | 9 665                                      | 14 093                                     |
| <b>Cash and cash equivalents at end of year</b>  |           | <b>23 948</b>                              | <b>9 665</b>                               |
| <b>Comprising:-</b>  |           |  |  |
| Bank balances and cash   |           | 27 604                                     | 26 410                                     |
| Bank overdraft   |           | (3 656)                                    | (16 745)                                   |
|  |           | 23 948                                     | 9 665                                      |

### Group Statement of Changes in Shareholders' Equity

|  | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|--|--|--|
| Shareholders' equity at beginning of the year              | 222 182                                    | 239 544                                    |
| Profit for the period                                      | 116 145                                    | 100 538                                    |
| Other comprehensive income for the period                  | (10 236)                                   | (80 801)                                   |
| <b>Transactions with Owners:</b>                           |  |  |
| Share options exercised                                    | 261  | —  |
| Share buy back   | (1 667)                                    | (3 505)                                    |
| Recognition of share based payments                        | 922  | 594  |
| Adjustment arising from changes in ownership of subsidiary | (83)                                       | (52)                                       |
| Dividends declared:  | (40 020)                                   | (34 136)                                   |
| <b>Shareholders' equity at end of the period</b>           | <b>287 504</b>                             | <b>222 182</b>                             |
| <b>Attributable to:</b>                                    |  |  |
| Owners of the parent                                       | 295 935                                    | 225 242                                    |
| Non controlling interest                                   | (8 431)                                    | (3 060)                                    |
| <b>Shareholders' equity at end of the period</b>           | <b>287 504</b>                             | <b>222 182</b>                             |

### Supplementary Information

|   | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|---|--|--|
| <b>1. Revenue</b>   |  |  |
| Gross sales   | 947 437                                    | 893 474                                    |
| Less VAT and discounts  | (139 967)                                  | (125 603)                                  |
| <b>Revenue</b>  | <b>807 470</b>                             | <b>767 871</b>                             |
| Less excise duty, surtax and levies   | (96 908)                                   | (77 756)                                   |
| <b>Net Sales</b>  | <b>710 562</b>                             | <b>690 115</b>                             |
| <b>2. Depreciation of property, plant and equipment, amortisation and impairment of intangible assets</b> |  |  |
| Depreciation of right of use assets   | 17 982                                     | 13 038                                     |
|   | 930  | 1 545                                      |
|   | 18 912                                     | 14 583                                     |
| <b>3. Taxation</b>  |  |  |
| Current income tax expense  | 27 928                                     | 22 112                                     |
| Deferred tax - Arising from origination and reversal of temporary difference                              | (4 124)                                    | (17 848)                                   |
| Deferred tax - Arising from change in current tax rate  | —  | (403)                                      |
|   | 23 804                                     | 3 861                                      |
| <b>4. Commitments for property, plant and equipment</b>   |  |  |
| Contracts and orders placed   | 9 185                                      | 9 639                                      |
| Authorised by directors but not contracted  | 61 115                                     | 58 310                                     |
|   | 70 300                                     | 67 949                                     |

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

### Supplementary Information (continued)

#### 5. Segmental Reporting

The distinct operating segments for the Group are shown in the table below:

| Reportable Segments          | Operations  |
|------------------------------|---|
| Lager Beer division          | Manufacture and distribution of lager beer(malt and sorghum based clear beers)                  |
| Sparkling Beverages division | Manufacture and distribution of carbonated soft drinks and alternative non-alcoholic beverages. |
| Sorghum Beer division        | Manufacture and distribution of sorghum based opaque beer.                                      |
| Wines and Spirits            | Manufacture and distribution of wines and spirits.  |

Other operations include barley and sorghum malting and provision of transport services, which are functional departments for the above mentioned divisions. None of these segments met the quantitative thresholds for reportable segments in 2025 nor 2024.

There are varying levels of integration between Lagers, Sparkling Beverages and Sorghum segments. This integration includes shared primary and secondary distribution services and facilities. The Group has a centralised treasury function.

#### Information about reportable segements

Information related to each reportable segment is set out below. Segment operation income is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

|   | Lager Beer<br>US\$ 000 | Sparkling Beverages<br>US\$ 000 | Sorghum Beer<br>US\$ 000 | Wines and Spirits<br>US\$ 000 | Total Reportable Segments<br>US\$ 000 | All other segments and intersegment eliminations<br>US\$ 000 | Total<br>US\$ 000 |
|---|------------------------|---------------------------------|--------------------------|-------------------------------|---------------------------------------|--|-------------------|
| <b>2025</b>                                 |                        |                                 |                          |                               |                                       |  |                   |
| Segment revenue                             | 351 859                | 165 865                         | 229 106                  | 59 721                        | 806 551                               | 31 074   | 837 625           |
| Inter-segment revenue***                    | —                      | —                               | —                        | —                             | —                                     | (30 155)   | (30 155)          |
| <b>External revenue</b>                     | <b>351 859</b>         | <b>165 865</b>                  | <b>229 106</b>           | <b>59 721</b>                 | <b>806 551</b>                        | <b>919</b>   | <b>807 470</b>    |
| <b>Segment operating income</b>             | <b>111 006</b>         | <b>13 292</b>                   | <b>7 403</b>             | <b>5 555</b>                  | <b>137 256</b>                        | <b>15 351</b>  | <b>152 607</b>    |
| <b>Segment finance costs</b>                | <b>(50)</b>            | <b>—</b>                        | <b>(924)</b>             | <b>(718)</b>                  | <b>(1 692)</b>                        | <b>(1 662)</b>   | <b>(3 354)</b>    |
| <b>Segment net working capital*</b>         | <b>4 973</b>           | <b>37 629</b>                   | <b>13 690</b>            | <b>11 539</b>                 | <b>67 831</b>                         | <b>21 390</b>  | <b>89 221</b>     |
| Segment trade and other payables**          | (37 951)               | (17 979)                        | (31 339)                 | (9 065)                       | (96 334)                              | (47 788)   | (144 122)         |
| Segment working capital assets              | 42 924                 | 55 608                          | 45 029                   | 20 604                        | 164 165                               | 69 178   | 233 343           |
| <b>Segment property plant and equipment</b> | <b>43 567</b>          | <b>30 449</b>                   | <b>59 208</b>            | <b>5 329</b>                  | <b>138 553</b>                        | <b>17 136</b>  | <b>155 689</b>    |
| <b>Non-current assets additions</b>         | <b>14 606</b>          | <b>6 323</b>                    | <b>10 200</b>            | <b>2 046</b>                  | <b>33 175</b>                         | <b>6 638</b>   | <b>39 813</b>     |
| <b>Segment depreciation</b>                 | <b>(4 994)</b>         | <b>(4 241)</b>                  | <b>(5 691)</b>           | <b>(444)</b>                  | <b>(15 370)</b>                       | <b>(2 612)</b>   | <b>(17 982)</b>   |

|   | Lager Beer<br>US\$ 000 | Sparkling Beverages<br>US\$ 000 | Sorghum Beer<br>US\$ 000 | Wines and Spirits<br>US\$ 000 | Total Reportable Segments<br>US\$ 000 | All other segments and intersegment eliminations<br>US\$ 000 | Total<br>US\$ 000 |
|---|------------------------|---------------------------------|--------------------------|-------------------------------|---------------------------------------|--|-------------------|
| <b>2024</b>                                 |                        |                                 |                          |                               |                                       |  |                   |
| External revenue                            | 318 317                | 146 710                         | 250 811                  | 51 772                        | 767 610                               | 28 719   | 796 329           |
| Inter-segment revenue***                    | —                      | —                               | —                        | —                             | —                                     | (28 458)   | (28 458)          |
| <b>Segment revenue</b>                      | <b>318 317</b>         | <b>146 710</b>                  | <b>250 811</b>           | <b>51 772</b>                 | <b>767 610</b>                        | <b>261</b>   | <b>767 871</b>    |
| <b>Segment operating income</b>             | <b>91 991</b>          | <b>16 085</b>                   | <b>16 634</b>            | <b>6 623</b>                  | <b>131 333</b>                        | <b>21 005</b>  | <b>152 338</b>    |
| <b>Segment finance costs</b>                | <b>(78)</b>            | <b>(3)</b>                      | <b>(978)</b>             | <b>(605)</b>                  | <b>(1 664)</b>                        | <b>(1 880)</b>   | <b>(3 544)</b>    |
| <b>Segment net working capital*</b>         | <b>(15 781)</b>        | <b>7 826</b>                    | <b>11 902</b>            | <b>9 785</b>                  | <b>13 732</b>                         | <b>27 633</b>  | <b>41 365</b>     |
| Segment trade and other payables**          | (54 983)               | (39 264)                        | (37 409)                 | (9 515)                       | (141 171)                             | (29 277)   | (170 448)         |
| Segment working capital assets              | 39 202                 | 47 090                          | 49 311                   | 19 300                        | 154 903                               | 56 910   | 211 813           |
| <b>Segment property plant and equipment</b> | <b>35 444</b>          | <b>27 858</b>                   | <b>54 336</b>            | <b>3 737</b>                  | <b>121 375</b>                        | <b>12 704</b>  | <b>134 079</b>    |
| <b>Non-current assets additions</b>         | <b>18 295</b>          | <b>4 280</b>                    | <b>18 377</b>            | <b>1 776</b>                  | <b>42 728</b>                         | <b>5 370</b>   | <b>48 098</b>     |
| <b>Segment depreciation</b>                 | <b>(6 799)</b>         | <b>(831)</b>                    | <b>(3 546)</b>           | <b>(371)</b>                  | <b>(11 547)</b>                       | <b>(1 491)</b>   | <b>(13 038)</b>   |

- \* Net working capital comprises of cash and cash equivalents, receivables, inventories, payables excluding provision for tax.
- \*\* Included are trade and other payables, provisions, short term borrowings, overdraft and short term lease liability.
- \*\*\* Intersegment revenue relates to malt sales from Kwekwe Maltings to Lager Beer. Kwekwe Maltings is included under “All other segments.”

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment operating income represents segment income before allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

No single customer contributed 10% or more to the Group's or individual segment's revenue.

#### Reconciliations of information on reportable segments to IFRS measures

|  | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|--|--|--|
| <b>i) Revenue</b>                              |  |  |
| Total revenue for reportable segments          | 806 551                                    | 767 610                                    |
| Revenue for other segments                     | 31 074                                     | 28 719                                     |
| Elimination of inter-segment revenue           | (30 155)                                   | (28 458)                                   |
| Consolidated revenue                           | 807 470                                    | 767 871                                    |
| <b>ii) Operating income</b>                    |  |  |
| Total operating income for reportable segments | 137 256                                    | 131 333                                    |
| Operating income for other segments            | 15 351                                     | 21 005                                     |
| - Finance income                               | 1 642                                      | 3 667                                      |
| - Finance cost                                 | (3 354)                                    | (3 544)                                    |
| - Share of profit in associates                | 1 374                                      | 2 468                                      |
| - Exchange losses                              | (12 320)                                   | (41 535)                                   |
| - Net monetary loss                            | —  | (8 995)                                    |
| Consolidated profit before tax                 | 139 949                                    | 104 399                                    |



Supplementary Information (continued)

5. Segmental Reporting (continued)

Reconciliations of information on reportable segments to IFRS measures (continued)

|   | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|---|--|--|
| iii) <b>Assets</b>  |  |  |
| Total working capital assets for reportable segments        | 164 165                                    | 154 903                                    |
| Working capital assets for other segments                   | 68 674                                     | 56 910                                     |
| Total property, plant and equipment for reportable segments | 138 553                                    | 121 375                                    |
| Property, plant and equipment for other segments            | 17 136                                     | 12 704                                     |
| Intangible assets   | 25 246                                     | 24 411                                     |
| Right-of-use asset  | 4 050                                      | 4 411                                      |
| Equity-accounted investees                                  | 12 463                                     | 12 325                                     |
| Deferred tax asset  | 4 661                                      | 1 923                                      |
| Investments and loans                                       | 4 522                                      | 5 225                                      |
| Financial asset at amortised cost                           | 8 439                                      | 8 830                                      |
| Current tax asset   | —  | 440  |
| <b>Consolidated total assets</b>                            | <b>447 909</b>                             | <b>403 457</b>                             |
| iv) <b>Liabilities</b>                                      |  |  |
| Total trade and other payables for reportable segments      | 96 334                                     | 141 171                                    |
| Trade and other payables for other segments                 | 47 787                                     | 29 277                                     |
| Total long-term borrowings for reportable segments          | 528  | —  |
| Long term lease liability for reportable segments           | 2 067                                      | 3 521                                      |
| Long term lease liability for other segments                | 1 600                                      | 729  |
| Total deferred tax liabilities for reportable segments      | 108  | 1 481                                      |
| Current tax liability                                       | 11 981                                     | 5 096                                      |
| <b>Consolidated total liabilities</b>                       | <b>160 405</b>                             | <b>181 275</b>                             |

6. Corporate Information

Delta Corporation Limited (the Company) is a public limited liability company that is listed on the Zimbabwe Stock Exchange and incorporated and domiciled in Zimbabwe. The principal activities of the Company and its subsidiaries (the Group) include the manufacture and distribution of cold beverages and some value-added activities related thereto.

These abridged consolidated financial statements and financial information have been prepared under the supervision of Mr Alex Makamure FCA (Z), Executive Director – Finance, registered Public Accountant, PAAB Number 0318.

7. Statement of Compliance

The summarized consolidated financial statements of both the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) issued by the International Accounting Standards Board (IASB®), as well as guidelines from the International Financial Reporting Interpretations Committee (IFRIC®). These financial statements comply with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the regulations of the Zimbabwe Stock Exchange.

The Directors note that there are varied interpretations and applications of legislation and exchange control directives governing the current multi-currency framework in Zimbabwe and in particular the statutory instruments relating to pricing of goods in foreign currency and the exchange rates thereto. These interpretation have a bearing on the application of International Accounting Standard (IAS 21) – The effects of Changes in Foreign Exchange Rates concerning converting transactions and operations conducted in foreign currencies.

8. Application of IAS 21 - The Effects of Changes in Foreign Exchange Rates

The Government of Zimbabwe has since 2020 promulgated legislative changes, which have since been consolidated into the Finance Acts, and which permit the use of foreign currencies for domestic transactions. The Monetary Authorities introduced the Foreign Exchange Auction Trading System in June 2020 and the Willing Buyer Willing Seller framework in 2022. The Zimbabwe businesses have relied on foreign currency obtained through the sale of products on the domestic market in line with the multi-currency framework. There have been significant gaps between the official exchange rates and the rates reflected by comparing the market prices of goods and services quoted in alternative currencies. International Accounting Standard 21 (IAS21) – The effects of Changes in Foreign Exchange Rates requires an entity to determine the exchange rates based on the economic environment in which it operates. The Group does not believe that the official exchange rates prevailing during the current and prior periods were, at all times, fairly reflective of the currency exchangeability and as such, applied an estimation process. Therefore, the exchange rate applied in translating from the transaction currency to the reporting currency and as the spot rate used in translating other balances recorded in different currencies at times differed from the official rates.

The Institute of Chartered Accountants of Zimbabwe (ICAZ) issued an interpretation guidance titled “Lack of Exchangeability – Interpretation of IAS 21, The Effects of Changes in Foreign Exchange Rates” in May 2022. The directors believe that recent amendments to IAS 21 confirm the correctness of this guidance. Our interpretation of this guidance confirms that the treatment that the Group has applied in estimating an exchange rate is acceptable.

The Group tracks the exchange rates implied in the prices of raw materials and services during the financial year based on referenceable arms length transactions which give a fair value of goods or services in either foreign currency or ZiG.

9. Material Accounting Policy Information

The summarized consolidated financial information has been compiled in accordance with the accounting policies used in the Group’s previous and most recent audited annual financial statements for the year ended 31 March 2024.

10. Basis of Preparation

The abridged consolidated financial information is presented in United States dollars (US\$) and have been prepared based on the statutory records that are maintained under the historical cost basis.

11. Cautionary Note on The Use of Financial Information

The Directors recommend users to exercise caution when analyzing the financial figures due to variations caused by fluctuations in exchange rates and high inflation which impacted the prior year consolidated statements of comprehensive income and related equity balances. These disparities have impacts on the financial information, as the comparative consolidated statements of comprehensive income and related equity balances comprises a mix of inflation-adjusted data and USD transactions, while current year financial performance was derived using US\$ as the functional currency. The figures derived from hyperinflationary data were significantly influenced by exchange rate movements. The spot exchange rate used in converting prior year inflation adjusted financials was USD1: ZWG2.2. The disparities in the exchange rates and high inflation persisted into the current financial year ended 31 March 2025.

12. Contingencies

12.1 Uncertain Tax Positions

The Company is contesting the tax assessments issued by the Zimbabwe Revenue Authority (ZIMRA) for amounts that they consider to have been payable exclusively in foreign currency. Additional assessments were received in November 2024 adding to those assessed in 2022, to bring the disputed amount to US\$74.8 million (2024: US\$ 54.8 million), which covers principal tax, penalties and interest for value added tax and income tax for periods 2019 to 2022. The assessments do not consider the local currency payments made at the relevant time, which have since been debased through inflation and currency depreciation. Adverse judgements have been made by both the High Court and the Supreme Court, although there are appeals and new cases at various stages in the courts including the Constitutional Court and the Zimra appeals processes. The Group had paid a total of US\$11.4 million as at 31 March 2025 (2024: US\$6 million) in line with the “pay now, argue later” principle and pre-existing payment plans. We believe any revisions to the payment plan will be rational, with due consideration of the financial health of the business and the fact that the principal amounts were fully paid in legal tender at the relevant periods, based on the best available interpretation of the legislation.

The Group holds a significant amount in treasury bills receivable from the Government, which could be considered in the settlement of any tax liabilities that may finally be determined. Management continues to engage with ZIMRA while appealing some legal and factual issues of the assessments and the judgments, with guidance from tax experts and legal counsel. These assessments have a material impact on the Group’s operations, if they materialise as per the extant assessments. The ambiguities in the tax legislation are pervasive, thereby creating risks of further disagreements in interpretations and application to current taxes. At this stage, the Board cannot estimate the likely outcome or timing of the resolution of these matters. The current accounting treatment and disclosures of the assessments and the amounts paid so far are considered to be appropriate.

Similarly, Natbrew Zambia is challenging an assessment by the Zambia Revenue Authority relating to transfer pricing positions on royalties and group charges for periods prior to the acquisition of the entity.

|   | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|---|--|--|
| 13. <b>Borrowings</b>   |  |  |
| 13.1 <b>Movements in Long Term Borrowings</b>                   |  |  |
| Balance at beginning of year                                    | —  | 468  |
| Foreign exchange impact of translating to presentation currency | —  | (206)                                      |
| Transfer (to) / from short-term loan                            | —  | (468)                                      |
| Loans raised  | 528  | —  |
| Effects of IAS 29   | —  | 206  |
| <b>Balance at end of year</b>                                   | <b>528</b>                                 | <b>—</b>                                   |
| 13.2 <b>Movements in Short Term borrowings</b>                  |  |  |
| Balance at beginning of year                                    | 1 508                                      | 5163                                       |
| Foreign exchange impact of translating to presentation currency | —  | (2 268)                                    |
| Translation differences on foreign balances                     | 2  | 1 179                                      |
| Transfer from / (to) long-term loan                             | —  | 468  |
| Loans raised  | 17 383                                     | 15 958                                     |
| Overdraft   | —  | —  |
| Repayment of capital  | (8 645)                                    | (18 544)                                   |
| Repayment of interest   | (1 015)                                    | (736)                                      |
| Interest  | 1 047                                      | 796  |
| Effects of IAS 29   | —  | (4 749)                                    |
| Revaluation arising from exchange differences                   | 39   | 4 241                                      |
| Balance at end of year  | 10 321                                     | 1 508                                      |
| Overdraft   | 3 656                                      | 16 745                                     |
| <b>Total borrowings</b>   | <b>13 977</b>                              | <b>18 253</b>                              |

Borrowings, which are unsecured, form part of the core borrowings of the Group and are renewed on maturity in terms of ongoing facilities negotiated with the relevant financial institutions. In terms of a resolution of the Company in a general meeting, borrowings shall not exceed, in aggregate, shareholders’ equity, which amounts to US\$ 296 million (2024: US\$ 225 million).

Included in the short term borrowings is a bank overdraft amounting to US\$ 3,7 million (2024: US\$ 16,7 million).

|   | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|---|--|--|
| 14. <b>Treasury bills - financial asset at amortised cost</b>   |  |  |
| Opening balance   | 8 830                                      | 1 435                                      |
| Foreign exchange impact of translating to presentation currency | —  | (630)                                      |
| Additions   | —  | 5 056                                      |
| Interest income   | 663  | 3 513                                      |
| Expected Credit Loss  | (1 054)                                    | —  |
| IAS 29 Impact   | —  | (544)                                      |
|   | 8 439                                      | 8 830                                      |
| <b>Maturity analysis</b>  |  |  |
| Short-term - Due within 1 year                                  | 504  | —  |
| Long-term - Due between 2 years and 5 years                     | 7 935                                      | 8 830                                      |
|   | 8 439                                      | 8 830                                      |

Treasury bills disclosed above represent the treasury bid component received from the Reserve Bank of Zimbabwe in settlement of the legacy debt. These are carried at 0% coupon, and have a tenure of 3 - 20 years. The amortised cost approximates the fair value.

The Group measures these bills at amortised cost. Management uses the discounted cashflow method to calculate the effective interest rate applicable to the Treasury bills on initial recognition. The treasury bills are discounted using an effective interest rate of 7.5% (2024: 7.5%). The interest rate was adopted from market-quoted prices of other US\$-denominated Treasury Bills that have not yet matured. All facilities were assumed to be held to maturity. The rate was considered prudent given that the yield on 20-year US Treasury Bonds is 4.51% to determine fair value at recognition.”





## Audited Financial Information

for the year ended 31 March 2025

### Supplementary Information (continued)

**15. Fair Value of Financial Instruments**

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets.

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

The Group did not have any financial assets under Level 2 in the current and prior financial years, in addition, the Group did not have any transfers between levels.

|  | Year Ended<br>31 March<br>2025<br>US\$ 000 | Year Ended<br>31 March<br>2024<br>US\$ 000 |
|--|--|--|
| <b>15.1 Categories of Financial Instruments</b>  |  |  |
| <b>Financial assets</b>  |  |  |
| <b>Amortised cost:</b>   |  |  |
| Cash and bank balances   | 27 604                                     | 26 410                                     |
| Trade and other receivables  | 40 112                                     | 50 236                                     |
| Loans  | 4 114                                      | 4 348                                      |
| Financial asset at armotised costs   | 7 935                                      | 8 830                                      |
| <b>Fair value through profit/loss:</b>   |  |  |
| Investments  | 408  | 877  |
| <b>Financial liabilities</b>   |  |  |
| <b>Amortised cost:</b>   |  |  |
| Borrowings   | 14 505                                     | 18 253                                     |
| Trade payables   | 30 186                                     | 44 677                                     |
| <b>16. Cash flow information</b>   |  |  |
| <b>Cash generated from operating activities</b>  |  |  |
| Profit before tax  | 139 949                                    | 104 399                                    |
| Depreciation of property, plant and equipment, right of use and container amortisation | 18 912                                     | 14 583                                     |
| Loss on disposal of property, plant and equipment                                      | 74   | 118  |
| Share option expense   | 922  | 594  |
| Finances charges   | 3 354                                      | 3 544                                      |
| Finance Income   | (1 642)                                    | (3 667)                                    |
| Unrealised exchange gains  | (574)                                      | 4 142                                      |
| Share of profit of associates  | (1 374)                                    | (2 468)                                    |
| Stock losses and breakages   | 6 918                                      | 7 042                                      |
| Container breakages  | 2 835                                      | 7 570                                      |
| Net monetary loss  | —  | 8 995                                      |
| Other non cash items*  | 4 063                                      | 3 881                                      |
|  | 173 437                                    | 148 733                                    |

\* Included in other non cash items are provisions and financial asset movement.

**17. Going Concern**

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate. The Zimbabwe business is witnessing a significant recovery despite operating in an unstable macroeconomic environment. The key factors related to an unstable currency, high inflation, a turbid political environment, fluid policy framework, and the impacts of global conflicts and economic developments.

Consumer spending continues to be driven by diaspora remittances, mining and infrastructure development projects. The business has been able to sustain volume across all business units during the period. Management constantly reviews the business risks and the business continuity plans in order to maintain operations at sustainable levels; competitive product pricing, cost reduction initiatives, and adapting sourcing strategies as necessary. The foreign subsidiaries still face operating challenges. Management supported the subsidiaries through capital investments and will continue to realign the marketing, route to market, and business operations in general, for sustainability.

**18. Impairment**

Management undertakes the requisite assessments for possible impairment of individual assets or clusters of assets at each reporting period. There were no significant asset impairments in the current year and comparative periods.

**19. Subsequent Events**

The Group has increased its shareholding in Schweppes Holding Africa Limited from 49% to 69% with effect from 1 April 2025 which will result in the unit being accounted for as a subsidiary effective from that date.

**20. External Auditor's Opinion**

The Group's annual financial information has been audited by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe). The auditors have issued a qualified opinion as a result of non-compliance in the prior year, with the IAS 21 – The Effects of Changes in Foreign Exchange Rates and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The audit opinion on the Group's abridged consolidated annual financial information is available for inspection at the Company's registered office. The engagement partner responsible for this audit is Mr. Walter Mupanguri (PAAB Practicing Certificate Number 367).

### Chairman's Letter to Shareholders

#### Dear Shareholder

**Operating Environment and Overview**

The operating environment prevailing during the year under review reflected the challenging route to market policies, constrained market access arising from poor road infrastructure and rehabilitation programs, high inflation and an unstable currency in the first half of the year. This is contrasted with the relatively stable local currency, tight liquidity and softer consumer spending in the second half of the year. Overallly, the economy remains fragile and presents significant operational challenges.

**The Introduction and Performance of Zimbabwe Gold Currency (ZWG)**

The ZiG has had mixed fortunes since its introduction in April 2024, suffering rapid depreciation, culminating in a significant devaluation at the end of September 2024. The premiums between the official and parallel market rates have sustained despite the relative stability witnessed in the second half of the year. The exchange rate disparities contribute to pricing misalignments in the formal sectors. The tight liquidity conditions prevailing during the traditional holiday season in the quarter to December 2024 resulted in sub-optimal stocking patterns in key retail channels. The company has maintained its focus on affordable pricing although there were unavoidable price adjustments in local currency in line with exchange rate developments.

**Impact of Sugar Tax**

The introduction of the sugar content surtax in January 2024 necessitated significant increases in the prices of sparkling soft drinks and cordials. The sector has witnessed significant volume losses despite most players absorbing significant portions of the tax. The surtax has impacted the Group's price competitiveness which fuelled the influx of imports of similar products from the region, which is further compounded by rampant smuggling. There was a slowdown in imports in the fourth quarter in response to the blitz by authorities against illicit trade and smuggling. We remain engaged with government on the need to moderate this tax to reduce its negative impact on economic growth.

**Route To Market Policies**

The tax measures introduced to control the flow of goods to the informal sector resulted in unintended disruptions to trading in the formal sector. This was compounded by the pricing disparities arising from the prescribed use of the formal exchange rates for multi-currency pricing and the various other factors impacting the retail sector. The varied applications of the regulations created an uneven playing field for operators in the FMCG sector. The relaxation of pricing exchange rates is a welcome relief for our value chain partners.

**Constrained Market Access**

There were significant challenges in accessing certain markets, particularly in Harare, due to traffic congestion during the road upgrades undertaken ahead of the SADC summit held in August 2024. The ongoing infrastructure projects are expected to spur economic growth in the long-term. The road infrastructure is in dire need of rehabilitation which results in increased traffic accidents, leading to loss of property, high running costs and compromises the safety of road users.

**Pressure on Disposable Incomes:**

Consumer spending remains resilient, benefiting from mining activities, the expansionary effect of the government infrastructure projects and the steady flow of diaspora remittances. Aggregate demand was however affected by the lower mineral prices and the reduced agricultural output due to the drought. The country is mainly relying on imported maize. The 2024 tobacco output was reported to have declined by over 20% in volume and value terms. The drought also resulted in low water inflows into Kariba Dam, limiting the amount of water available to the hydro-electric power station.

In South Africa the Rand responded favourably to the formation of a Government of National Unity after the general elections held in May 2024. Consumer spending in the target sectors remains mixed, with increased reliance on social grants. Electricity supply has been stable although there were water supply disruptions in Gauteng and Western Cape.

The Zambian economy has been severely impacted by the disruptions to supply of goods and services due to reduced hydro-electricity generation, which also affected water supply. There were further impacts from fuel shortages and a weaker Kwacha. The cost of the staple maize remains high due to the reliance on imports and the removal of subsidies.

**Trading Performance**

**Lager Beer**

The Lager beer business achieved a volume of 2.66 million hectolitres for the year, growing 8% over prior year. The growth is attributed to improved supply of brands and packs and relatively competitive pricing. There were some disruptions to production arising from prolonged outages of utilities. The focus remains on leveraging on the capacity investments and improving glass circulation to minimise supply gaps.

Our brands remain active in the market, through sponsorships of sport and arts such as the Castle Lager Premier Soccer League, the Castle Tankard and other brand properties.

**Sorghum Beer**

The sorghum beer volume for Zimbabwe, excluding exports, grew by 1% for the year, whilst the overall volume declined 7% due to the cessation of regional exports. The sorghum beer category has been adversely impacted by the drought, reduced disposable incomes in rural markets and changes in route to market and the inconsistent performance by retail and wholesale partners. The sector has attracted new entrants and revival of established players.

The focus remains on defending market share with a focus on customer service and increased consumer engagement through the Chibuku flagship brand properties such as the Chibuku Road to Fame, Neshamwari Traditional Dance Festival and the Chibuku Super Cup soccer tournament among others. The Chibuku Super brand was recognised as the FMCG Sorghum Beer Sector winner for 2024 and granted the Quality Silver Award at the 63rd Monde Selection of Beers 2024 International Quality Awards.

United National Breweries (South Africa) registered a volume decline of 10% compared to prior year primarily due to supply disruptions at the main brewery caused by an illegal job action and inconsistent market execution. The new Chibuku Super plant at Phelindaba brewery was commissioned in May 2024 which allowed the business to transition to self-reliance on Chibuku Super brands. The focus remains on increasing the penetration of Chibuku Super into new trade channels and recruiting of new consumers whilst retaining the traditional consumer base.

At Natbrew Zambia the volume declined sharply by 30% for the year, due to the disruptive power load shedding and delays in commissioning diesel generators. The focus remains on reviving the market and stabilising the supply chain. It is apparent that consumers may have migrated to alternative alcohols during the height of the supply challenges. Operating margins remain under pressure from the high cost of maize, the depreciation of the Kwacha and the cost of running diesel generators.



# Delta Corporation

## LIMITED

### Audited Financial Information

for the year ended 31 March 2025

#### Chairman's Letter to Shareholders (continued)

##### Trading Performance (continued) Sparkling Beverages

The Sparkling Beverages volume declined by 4% compared to prior year, with the loss coming in the second half of the year. Whilst there has been a recovery in market shares, the overall performance was affected by pricing distortions in the formal channels arising from exchange rate disparities and the tax advantages accessed by some competitors. The sector is contracting due to the sugar tax-induced price increases, the surge in imports from the region and consumers shifting to emerging beverage alternatives. The sector's competitiveness has been affected by the relatively high sugar tax and cost differentials, leading to an increase in imports of similar offerings from neighbouring countries.

There are ongoing strategic interventions to support low and zero sugar offerings and availing packs at more accessible price points with the business absorbing part of the sugar tax.

The Shumba Maheu brand was relaunched in November 2024 with an expanded and improved flavour range. The category grew by 15% for the year, with a significant volume and market share growth since the relaunch.

##### Wines and Spirits

African Distillers (Afdis) recorded a volume growth of 15% over prior year, with notable growth in wines (29%), spirits (7%) and ready-to-drink (RTD) up 21%. The ongoing shift of the route to market to the independent trade played a pivotal role in driving volume in view of the challenges faced by the formal retail chains. Consumer demand was further strengthened by persistent Recommended Retail Price compliance initiatives, the impact of the reduction in informal imports in response to the anti-smuggling campaign and the expansion of the RTD portfolio through the launch of NightSky Gin and Tonic and Hunters 660ml pack.

##### Schweppes Holdings Africa

Schweppes Holdings Africa Limited recorded a volume decline of 15% for the year, primarily due to significant price increases, driven by the sugar tax. This resulted in a surge in imports of the flagship Mazoe Orange Crush from regional markets in the first half of the year. Volume was also impacted by disruptions in the route to market arising from the fiscal regulations.

The sugar tax was reduced from January 2025 which has provided some moderation in pricing. There are significant cost pressures affecting the category such as the rising prices of juicing fruit and sugar which limit the opportunity to moderate retail prices.

The Group has increased its shareholding in the company from 49% to 69% with effect from 1 April 2025 which result in the unit being accounted for as a subsidiary from that date. We note the departure of the Managing Director, Mr Charles Msipa on normal retirement. We thank him for his stewardship of the business over the last 20 years. He has been replaced by Mr Stanley Muchenje who was redeployed from within the Group.

##### Nampak Zimbabwe Limited

At Nampak Zimbabwe, overall volume for the 12 months period is below prior year impacted by the lower 2024 tobacco crop and the production stoppages arising from power cuts, plant breakdowns and increased competitions in some segments mainly through customers insourcing their packaging. The entity is trading under a cautionary relating to the pending sale of the Nampak International shareholding to TSL Limited.

##### Financial Performance

The financial results are presented in the US Dollar currency, following the change of reporting currency with effect from 1 October 2023. The prior year financial information included inflation adjusted figures that were converted to US Dollars and therefore may reflect distortions arising from exchange rates, inflationary holding gains and losses and hyper-inflation. These figures may not reflect the underlying financial performance. Whilst the conversion process was mathematically accurate, users of these financial statements are advised to exercise caution when making comparisons with prior year figures.

Group revenue for the year at US\$807 million increased by 5% to compared to the restated prior year figures. This reflects the volume growth in Lager Beer and the sugar tax induced price increases in sparkling beverages. The proportion of domestic sales undertaken in foreign currency was around 80% for most of the year although there were periodic shifts in response to the performance of the formal retail sector which was affected by exchange rate disparities and the level of enforcement of the dual pricing regulations.

Operating Income (Earnings before interest and tax) is indicated at US\$153 million which is in line with prior year. Profit before tax is indicated at US\$139.9 million compared to US\$104.4 million for the prior year. It is noted that the prior year comparative figures included currency related distortions. The trading margins in the current period were partly affected by the under recovery on the sugar tax and the higher cost of imported maize. It is highlighted that an equivalent of US\$20.7 million was paid as sugar tax by Delta Beverages and Schweppes Zimbabwe during the current year.

The new currency, Zimbabwe Gold (ZWG), which was introduced in April 2024 suffered from inflationary and widening disparity of market exchange rates leading to the 43% devaluation at the end of September 2024 as it became apparent that the official rates no longer fully reflected prevailing market conditions. The currency was relatively stable during the second half of the year although the market premiums remained high. As adopted in prior years and in line with IFRS IAS 21, the Group continued to estimate the adjusted exchange rate that better captured the economic realities. There were significant exchange losses arising from the devaluation of monetary assets, particularly cash holdings and debtor balances on 27 September 2024. The rates used at the reporting date were within the ranges allowed by the monetary regulations.

Both UNB South Africa and Nattbrew Zambia recorded losses for the period due to a poor volume performance and market exigencies.

The Board reminds users to take cognisance of the distortion of the comparative financial figures which were derived to comply with IFRS (IAS 21 & 29). The conversion process also resulted in the undervaluation of property, plant and equipment.

The focus is on protecting the balance sheet, optimum resource allocation, generating positive cashflows to fund the ongoing capital projects, strategies to revive the regional operations and aligning the SHAL operational strategies to the rest of the Group.

##### Functional Currency

The Directors have considered the current operating environment and the requirements of the International Financial Reporting Standards and have concluded that it is appropriate to present the financial statements in US Dollars. The change in functional currency was with effect from 1 October 2023. This position has been maintained despite the introduction of the ZiG currency in April 2024.

In accordance with IFRS, the hyperinflation numbers reported in prior year have been converted from the Zimbabwe Dollar (ZWD) using the exchange rates on 31 March 2023 of 1: 1000 (ZWG equivalent of 1: 0.44) whilst the transactions and balances for the first half of prior year were inflation adjusted then converted to USD using a rate of 1: 5500 (ZWG – 1: 2.20).

While the conversion process was mathematically accurate, users of these financial statements are strongly advised to exercise caution when relying on the balances, as they were significantly influenced by exchange rate distortions and challenges in accurately determining the inflation indices applied for hyperinflation accounting.

##### Update On Tax Matters

The Company is contesting the tax assessments issued by the Zimbabwe Revenue Authority (ZIMRA) for amounts that they consider were payable exclusively in foreign currency. The disputed additional assessments amount to US\$74.8 million.

Management continues to engage with ZIMRA while appealing some legal and factual issues of the assessments and the judgments, with guidance from tax experts and legal counsel. These assessments have a material impact on the Group's operations, if they materialise as per the extant assessments. The ambiguities in the tax legislation are pervasive, thereby creating risks of further disagreements in interpretations and application to current taxes.

At this stage, the Board cannot estimate the likely outcome or timing of the resolution of these matters. The current accounting treatment and disclosures of the assessments and the amounts paid so far are considered to be appropriate.

##### Outlook

The operating environment in Zimbabwe remains complex, influenced by policy changes and currency instability. The beverages sector faces further challenges relating to uncompetitive retail prices arising from high input costs and taxes which attract lower priced imports from the region and policy driven changes to the route to market. We continue to urge the authorities to implement policies that would ensure the stability of the local currency and access to foreign currency through the banking channels or through trading.

The full effects of lower mineral prices, improved gold price, international currencies movements and disruptions to global trading arising from tariff disputes between the United States of America and its key trading partners have not fully manifested. The pricing and supply of agricultural commodities is affected by changing climatic conditions and prevalence of natural disasters. There will be some benefit from the improved cereals and tobacco outputs in 2025.

Despite these challenges, the business remains well-positioned to seize any opportunities from increased consumer spending. Our focus remains on capitalizing on activities that generate aggregate demand and positioning the business for future growth.

##### Advancing Our Sustainability Priorities

The Group remains focused on its sustainability agenda, with increased activities in the areas of responsible alcohol consumption, reduction in waste and pollution, community involvement and optimising resource utilisation. In the current year we have amplified our communication on underage drinking under the Pledge 18 campaign, Make A Difference-Recycle executions and uprated the brand activations supporting sports and culture. The full Sustainability Report will be included in the annual report.

##### Board Changes

The Board welcomes Messrs George Gapu and Cherian Kurien who have joined the Board. Mr Cherian Kurien is a representative of AB InBev and replaces Ms B Makhura who resigned from the Board. We wish to thank Ms B Makhura for her service to the Group during the past year.

##### Final Dividend

The Board declared a final dividend (number 136) of US2.3 cents per share to be paid on 18 June 2025. This brings the total dividend for the year to US3.3 cents per share.

##### Appreciation

I wish to record my appreciation to management and staff for their great efforts in sustaining the business in the challenging operating environment. I also thank my fellow directors for their wise counsel and our customers, consumers, suppliers, regulators and stakeholders for their ongoing support.

For and on behalf of the Board

**Todd Moyo**  
**Chairman**  
15 May 2025

### Dividend Notice To Shareholders

NOTICE is hereby given that the Board of Directors has declared final dividend, Number 136 of US 2.3 cents per share payable in respect of all the qualifying ordinary shares of the Company to be paid out of the profits for the current financial year. This will be payable to shareholders registered at the close of business on 6 June 2025. The dividend will be paid by direct transfers or other approved forms of payment as per the following timetable.

| ACTION                           | DATE         |
|----------------------------------|--------------|
| Announcement Date                | 15 May 2025  |
| Last Date to Trade– cum dividend | 4 June 2025  |
| Share Trade Ex Dividend          | 5 June 2025  |
| Last Record Date (LDR)           | 6 June 2025  |
| Payment Date                     | 18 June 2025 |
| Dividend Per Share               | US 2.3 cents |

##### By Order of the Board

**Ms F Musinga**  
**Company Secretary**  
15 May 2025



# Delta Corporation

LIMITED

## Audited Financial Information

for the year ended 31 March 2025

### Special Purpose Financial Information: ZWG Financial Statements

The following abridged financial information has been provided as supplementary information to comply with the Reserve Bank of Zimbabwe requirements.

#### Group Statement of Financial Position

|  | As At<br>31 March<br>2025<br>ZWG 000 | As At<br>31 March<br>2024<br>ZWG 000 |
|--|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>  |                                      |                                      |
| <b>Non-current assets</b>                                  |                                      |                                      |
| Property, plant and equipment                              | 4 161 240                            | 1 818 111                            |
| Right-of-use asset   | 108 248                              | 59 813                               |
| Investments in associates                                  | 333 110                              | 167 127                              |
| Intangible assets – Trademarks and Goodwill                | 674 773                              | 331 013                              |
| Deferred tax asset   | 124 579                              | 26 076                               |
| Investments and loans                                      | 120 864                              | 70 851                               |
| Financial Asset at armotised cost                          | 212 086                              | 119 735                              |
|  | 5 734 900                            | 2 592 726                            |
| <b>Current assets</b>                                      |                                      |                                      |
| Inventories  | 3 023 407                            | 1 458 934                            |
| Trade and other receivables                                | 1 072 110                            | 681 200                              |
| Other assets   | 1 389 983                            | 373 931                              |
| Current tax asset  | —                                    | 5 966                                |
| Financial Asset at armotised cost                          | 13 471                               | —                                    |
| Cash and cash equivalents                                  | 737 797                              | 358 120                              |
|  | 6 236 768                            | 2 878 151                            |
| <b>TOTAL ASSETS</b>  | <b>11 971 668</b>                    | <b>5 470 877</b>                     |
| <b>EQUITY AND LIABILITIES</b>                              |                                      |                                      |
| <b>Capital and reserves</b>                                |                                      |                                      |
| Issued share capital                                       | 26 568                               | 13 480                               |
| Share premium  | 181 937                              | 92 208                               |
| Share option reserve                                       | 28 011                               | 3 728                                |
| Share buyback  | (172 422)                            | (64 871)                             |
| Foreign currency translation reserve                       | 890 547                              | 550 129                              |
| Retained earnings  | 6 973 897                            | 2 468 666                            |
| Adjustment arising from change in non controlling interest | (18 816)                             | (9 058)                              |
| Equity attributed to equity holders of the parent          | 7 909 722                            | 3 054 282                            |
| Non-controlling interests                                  | (225 343)                            | (41 494)                             |
| Shareholders’ equity                                       | 7 684 379                            | 3 012 788                            |
| <b>Non-current liabilities</b>                             |                                      |                                      |
| Long term borrowings                                       | 14 112                               | —                                    |
| Long term lease liability                                  | 98 011                               | 57 630                               |
| Deferred tax liabilities                                   | 2 887                                | 20 082                               |
|  | 115 010                              | 77 712                               |
| <b>Current liabilities</b>                                 |                                      |                                      |
| Short term borrowings                                      | 373 576                              | 247 511                              |
| Short term lease liability                                 | 31 833                               | 16 082                               |
| Trade and other payables                                   | 2 546 581                            | 1 616 325                            |
| Provisions   | 900 062                              | 431 357                              |
| Current tax liability                                      | 320 227                              | 69 102                               |
|  | 4 172 279                            | 2 380 377                            |
| <b>Total equity and liabilities</b>                        | <b>11 971 668</b>                    | <b>5 470 877</b>                     |
| <b>Net asset value per share (cents)</b>                   | <b>22.41</b>                         | <b>17.27</b>                         |

#### Group Statement of Profit or Loss and Other Comprehensive Income

|   | Year Ended<br>31 March<br>2025<br>ZWG 000 | Year Ended<br>31 March<br>2024<br>ZWG 000 |
|---|---|---|
| <b>Revenue</b>  | <b>21 581 977</b>                         | <b>10 412 331</b>                         |
| <b>Operating Costs</b>  | <b>(17 503 112)</b>                       | <b>(8 346 628)</b>                        |
| <b>Net Operating Income</b>                                       | <b>4 078 865</b>                          | <b>2 065 703</b>                          |
| Finance charges   | (89 645)                                  | (48 057)                                  |
| Finance income  | 43 887                                    | 49 725                                    |
| Exchange loss / (gain)  | (329 288)                                 | (563 215)                                 |
| Monetary loss   | —   | (121 972)                                 |
| Share of profit of associates                                     | 36 724                                    | 33 466                                    |
| Profit before tax   | 3 740 543                                 | 1 415 650                                 |
| Income tax expense  | (636 231)                                 | (52 355)                                  |
| <b>Profit for the year</b>  | <b>3 104 312</b>                          | <b>1 363 295</b>                          |
| <b>Attributable to:</b>   |   |   |
| Owners of the parent  | 3 159 853                                 | 1 369 479                                 |
| Non controlling interest  | (55 541)                                  | (6 184)                                   |
| <b>Total profit for the year</b>                                  | <b>3 104 312</b>                          | <b>1 363 295</b>                          |
| <b>Other comprehensive income</b>                                 |   |   |
| Foreign exchange differences on translation of foreign operations | ( 240 524)                                | 318 958                                   |
| Foreign exchange impact of translating to presentation currency   | 2 925 670                                 | (1 440 628)                               |
| Share of other comprehensive income of associate                  | (33 062)                                  | 26 008                                    |
| Total other comprehensive income for the year                     | 2 652 084                                 | (1 095 662)                               |
| <b>Total Comprehensive income for the year</b>                    | <b>5 756 396</b>                          | <b>267 633</b>                            |
| <b>Total comprehensive income for the year attributable to:</b>   |   |   |
| Owners of the parent  | 5 891 719                                 | 278 129                                   |
| Non controlling interest  | (135 323)                                 | (10 495)                                  |
|   | 5 756 396                                 | 267 634                                   |
| <b>Weighted average shares in issue (millions)</b>                | <b>1 321</b>                              | <b>1 310</b>                              |
| <b>Earnings per share (US\$ cents)</b>                            |   |   |
| Headline earnings   | 234.82                                    | 104.62                                    |
| Diluted earnings  | 231.32                                    | 102.82                                    |
| Basic earnings  | 235.06                                    | 104.50                                    |

#### Group Statement of Cashflows

|  | Year Ended<br>31 March<br>2025<br>ZWG 000 | Year Ended<br>31 March<br>2024<br>ZWG 000 |
|--|---|---|
| <b>Cash flow from operating activities</b>   | <b>4 635 607</b>                          | <b>2 016 819</b>                          |
| Decrease in working capital  | (1 364 620)                               | (350 933)                                 |
| Cash generated from operations   | 3 270 987                                 | 1 665 886                                 |
| Interest received  | 26 167                                    | 2 088                                     |
| Interest paid  | (74 785)                                  | (41 494)                                  |
| Interest paid on short term lease liability  | (12 910)                                  | (5 573)                                   |
| Income tax paid  | (562 435)                                 | (224 418)                                 |
| <b>Net cash flow from operating activities</b>   | <b>2 647 024</b>                          | <b>1 396 489</b>                          |
| <b>Cash flow from investment activities</b>  |   |   |
| Additions in investments and loans   | (259 662)                                 | (68 641)                                  |
| Repayments of investments and loans  | 254 209                                   | 24 435                                    |
| Purchase of property, plant and equipment to expand operations                                       | (843 479)                                 | (537 776)                                 |
| Purchase of property, plant and equipment to maintain operations                                     | (220 639)                                 | (114 433)                                 |
| Proceeds on disposal of property, plant and equipment  | 695                                       | 81  |
| <b>Net cash utilised in investing activities</b>   | <b>(1 068 876)</b>                        | <b>(696 334)</b>                          |
| <b>Cash flow from financing activities</b>   |   |   |
| Dividends paid by company  | (1 055 699)                               | (455 508)                                 |
| Dividends paid by subsidiaries   | (13 952)                                  | (7 377)                                   |
| Dividends received   | 267                                       | —   |
| Purchase of shares in subsidiary   | (2 218)                                   | (705)                                     |
| Repayment of short-term lease liability  | (33 811)                                  | (18 808)                                  |
| Loans raised   | 478 723                                   | 216 390                                   |
| Repayment of borrowings  | (231 063)                                 | (251 457)                                 |
| Share buy back   | (44 555)                                  | (47 528)                                  |
| <b>Net cash utilised in financing activities</b>   | <b>(902 308)</b>                          | <b>(564 993)</b>                          |
| <b>Net increase in cash and cash equivalents</b>   | <b>675 842</b>                            | <b>135 166</b>                            |
| Effects of currency translation on cash and cash equivalents   | (294 755)                                 | (76 017)                                  |
| Effects of currency translation on cash and cash equivalents - foreign operations                    | 668                                       | 1 601                                     |
| Foreign exchange impact of translating to presentation currency on opening cash and cash equivalents | 127 267                                   | (190 993)                                 |
| Effects of IAS 29 on cash and cash equivalents   | —   | 70 200                                    |
| <b>Net increase in cash and cash equivalents</b>   | <b>509 022</b>                            | <b>(60 043)</b>                           |
| Cash and cash equivalents at beginning of year   | 131 058                                   | 191 101                                   |
| <b>Cash and cash equivalents at end of year</b>  | <b>640 080</b>                            | <b>131 058</b>                            |
| <b>Comprising:-</b>  |   |   |
| Bank balances and cash   | 737 797                                   | 358 120                                   |
| Bank overdraft   | (97 717)                                  | (227 062)                                 |
|  | 640 080                                   | 131 058                                   |

#### Group Statement of Changes in Shareholders’ Equity

|  | Year Ended<br>31 March<br>2025<br>ZWG 000 | Year Ended<br>31 March<br>2024<br>ZWG 000 |
|--|---|---|
| Shareholders’ equity at beginning of the year              | 3 012 788                                 | 3 248 217                                 |
| Profit for the year  | 3 104 312                                 | 1 363 295                                 |
| Other comprehensive income for the period                  | 2 652 083                                 | (1 095 662)                               |
| <b>Transactions with Owners:</b>                           |   |   |
| Share options exercised                                    | 6 976                                     | —   |
| Share buy back   | (44 555)                                  | (47 528)                                  |
| Recognition of share based payments                        | 24 643                                    | 8 055                                     |
| Adjustment arising from changes in ownership of subsidiary | (2 218)                                   | (705)                                     |
| Dividends declared:  | (1 069 651)                               | (462 884)                                 |
| <b>Shareholders’ equity at end of the period</b>           | <b>7 684 378</b>                          | <b>3 012 788</b>                          |
| <b>Attributable to:</b>                                    |   |   |
| Owners of the parent                                       | 7 909 721                                 | 3 054 282                                 |
| Non controlling interest                                   | (225 343)                                 | (41 494)                                  |
| <b>Shareholders’ equity at end of the period</b>           | <b>7 684 378</b>                          | <b>3 012 788</b>                          |

- 1. Statement of Compliance**  
The consolidated special purpose financial statements of the Group have been presented in ZWG in compliance with the 2025 Monetary Policy Statement (MPS) issued by the Reserve Bank of Zimbabwe (RBZ) and the Zimbabwe Stock Exchange (ZSE) listing requirements.
- 2. Basis of Preparation and Presentation**  
The consolidated special purpose financial information is presented in Zimbabwe Gold (ZWG) and has been prepared based on the statutory records that are maintained under the historical cost basis. The consolidated special purpose financial information for the year ended 31 March 2025 has been converted from US dollars which is the functional currency for the Group to the presentation currency at the spot rate at 31 March 2025 of US\$1: ZWG26.73 (31 March 2024: US\$1: ZWG13.56).
- 3. External Auditor’s Report**  
The auditor’s report on special purpose financial information is available for inspection at the Company’s registered office.



## Independent Auditor's Report

*To the Shareholders of Delta Corporation Limited*

### Report on the Audit of the Consolidated and Company Financial Statements

#### **Qualified Opinion**

We have audited the Consolidated and Company Financial Statements of Delta Corporation Limited and its subsidiaries ('the Group' and "the Company") set out on pages 10 to 89, which comprises of the Consolidated and Company Statements of Financial Position as at 31 March 2025, and the Consolidated and Company Statements of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated and Company Statements of Cash Flows for the year then ended, and notes to the Consolidated and Company Financial Statements, including material accounting policy information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying Consolidated and Company Financial Statements present fairly, in all material respects, the Consolidated and Company Statements of Financial Position of the Group and Company as at 31 March 2025 and its Consolidated and Company Financial Performances and its Consolidated and Company Cash Flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

#### **Basis for Qualified Opinion**

***Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and IAS-8 - Accounting Policies, Changes in Accounting Estimates and Errors:***

##### *Exchange rate used in the prior year*

Management applied a transaction exchange rate to translate foreign denominated transactions and balances to the functional and reporting currency, the United States Dollar (US\$). We believe that the use of a transaction rate was inappropriate for financial reporting as it did not meet the definition of a spot rate as the rate was not accessible through a legal exchange mechanism. We believe that Management should have applied the auction exchange rate and/or the Willing-Buyer-Willing-Seller (WBWS) exchange rate as determined by the interbank market, as either one of these two rates met the IFRS Accounting Standards definition of a spot rate.

The errors resultant from the use of incorrect exchange rates impacts prior year numbers and our prior year audit report was modified due to this matter. The prior year errors should have been corrected retrospectively in accordance with IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*. Further impacting the prior year Consolidated and Company Financial Statements was the consequential impact this matter had on application of IAS 29 - *Financial Reporting in Hyperinflationary Economies* in the first half of prior year.

## Independent Auditor's Report (Continued)

### *Delta Corporation Limited*

As no retrospective adjustments in terms of IAS 8 have been made, the corresponding amounts for Retained Earnings on the Consolidated and Company Statements of Financial Position, Revenue, Operating Costs, Exchange Loss and Income Tax Expense on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Dividend and Other Income on the Company Statement of Profit or Loss and Other Comprehensive Income remain impacted. Our audit report is therefore modified due to possible impact of this matter on comparability of the prior year and current year amounts.

The effects of the above departures from IFRS Accounting Standards are material but not pervasive to the Consolidated and Company Financial Statements.

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 and Company Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### ***Emphasis of Matter – Materiality uncertainty relating to a Tax Court Case***

We draw attention to Note 11.4 of the Consolidated and Company Financial Statements, which describes the uncertainty relating to the future outcome of ongoing tax disputes between the Group and the Zimbabwe and Zambia Revenue Authorities. Our opinion is not modified in respect of this matter.

### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated and Company Financial Statements of the current period. These matters were addressed in the context of the audit of the Consolidated and Company Financial Statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a Company opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

### ***Other Information***

The Directors are responsible for the Other Information. The Other Information comprises the information included in the document titled "Delta Corporation Limited Annual Report for the year ended 31 March 2025", other than the Consolidated and Company Financial Statements and our auditor's report thereon. We obtained the Financial Highlights, Group Statistics, Report of the Directors, Directors' Responsibility and Shareholder Information, prior to the date of our auditor's report, and we expect to obtain Value Statements, Our History, Company Profile, Chairman's Letter to Shareholders, Business Overview, Corporate Governance, Principal Business Risks, Report of the Remuneration Committee and Report of the Audit Committee after the date of our auditor's report.

The Other Information does not include the Consolidated and Company Financial Statements and our auditor's report thereon. Our opinion on the Consolidated and Company Financial Statements does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.



## **Independent Auditor's Report (Continued)**

### *Delta Corporation Limited*

In connection with our audit of the Consolidated and Company Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated and Company Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the Group and Company did not comply with the requirements of IAS 21 - *The Effects of Changes in Foreign Exchange Rates*, IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* and the consequential impact on IAS 29 - *Financial Reporting in Hyperinflationary Economies*. We have concluded that the Other Information is materially misstated for the same reasons.

### ***Responsibilities of the Directors for the Consolidated and Company Financial Statements***

The Directors are responsible for the preparation and fair presentation of the Consolidated and Company Financial Statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated and Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and Company Financial Statements, the Directors are responsible for assessing the Group's and Company'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 the Directors either intend to liquidate the Group and Company and/or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Consolidated and Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and Company 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 Consolidated and Company 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## Independent Auditor's Report (Continued)

### *Delta Corporation Limited*

- Conclude on the appropriateness of the Directors' 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 auditor's report to the related disclosures in the Consolidated and Company Financial Statements or, if such disclosures are inadequate, to qualify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated and Company Financial Statements, including the disclosures, and whether the Consolidated and Company Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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 the Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Consolidated and Company Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).



Ernst & Young  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors

Harare

15 May 2025

## **Independent Auditor's Report**

*To the Shareholders of Delta Corporation Limited*

### **Report on the Audit of the Abridged Consolidated Translated Information**

#### **Opinion**

We have audited the Abridged Consolidated Translated Information of Delta Corporation Limited and its subsidiaries (the Group), set out on pages 6 to 13, which comprises the Translated Consolidated Statement of Financial Position as at 31 March 2025, the Translated Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Translated Consolidated Statement of Changes in Equity and the Translated Consolidated Statement of Cash Flows for the year then ended, and selected notes.

In our opinion, the accompanying Abridged Consolidated Translated Information of Delta Corporation Limited as at 31 March 2025 is prepared in all material respects, in accordance with the Regulatory Notice Number: SECZ070325 ; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank of Zimbabwe Governor on the 6<sup>th</sup> of February 2025 and the Zimbabwe Stock Exchange Notice dated the 12<sup>th</sup> of March 2025.

#### **Basis for Opinion**

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 and Company Financial Statements section of our report. We are independent of the entity in accordance with the International Code of Ethics for professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Consolidated and Company Financial Statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The Directors are responsible for the Other Information. The Other Information comprises the information included in the document titled "Delta Corporation Limited Audited Abridged Consolidated Translated Information for the year ended 31 March 2025" which include the Directors' Report. The Other Information does not include the Abridged Consolidated Translated Information and our auditor's report thereon. Our opinion on the Abridged Consolidated Translated Information does not cover the Other Information and we do not express any form of assurance conclusion thereon.



## **Independent Auditor's Report (Continued)**

### *Delta Corporation Limited*

In connection with our audit of the Abridged Consolidated Translated Information, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Abridged Consolidated Translated Information, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

### **Emphasis of Matter: Basis of Accounting**

We draw attention to Notes 1.1 and 1.2 to the Abridged Consolidated Translated Information, which describes the basis of accounting. The Abridged Consolidated Translated Information is prepared to assist Delta Corporation Limited to comply with the Regulatory Notice Number: SECZ070325; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank of Zimbabwe Governor on the 6<sup>th</sup> of February 2025 and the Zimbabwe Stock Exchange Notice dated the 12<sup>th</sup> of March 2025. Consequently, the Audited Abridged Consolidated Translated Information and the related auditor's report may therefore not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter - Materiality uncertainty relating to a Tax Court Case**

We draw attention to Note 4.1 of the Abridged Consolidated Translated Information, which describes the uncertainty relating to the future outcome of ongoing tax disputes between the Group and the Zimbabwe and Zambia Revenue Authorities. Our opinion is not modified in respect of this matter.

### **Other matters**

Delta Corporation Limited has prepared a general-purpose set of Consolidated and Company Financial Statements for the year ended 31 March 2025 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) on which we issued Group and Company auditor's report to the shareholders of Delta Corporation Limited dated the same day as this report. Further, this is the first year the Directors have prepared this Abridged Consolidated Translated Information to comply with the basis of preparation as indicated in Notes 1.1 and 1.2, therefore the comparative Zimbabwe Gold (ZWG) financial information presented on the Abridged Consolidated Translated Information for the year ended 31 March 2024 was not audited.

### **Responsibilities of the Directors for the Abridged Consolidated Translated Information**

The Directors of Delta Corporation Limited are responsible for the preparation and presentation of the Abridged Consolidated Translated Information in accordance with the financial reporting provisions established by the Regulatory Notice Number: SECZ070325 ; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank Governor on the 6<sup>th</sup> of February 2025 and the Zimbabwe Stock Exchange Notice dated the 12<sup>th</sup> of March 2025 and for such internal control as the Directors determine is necessary to enable the preparation of the special purpose Abridged Consolidated Translated Information that are free from material misstatement, whether due to fraud or error.

## Independent Auditor's Report (Continued)

### *Delta Corporation Limited*

In preparing the Abridged Consolidated Translated Information, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Abridged Consolidated Translated Information**

Our objectives are to obtain reasonable assurance about whether the preparation of the Abridged Consolidated Translated Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing (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 this Abridged Consolidated Translated Information.

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

- Identify and assess the risks of material misstatement of the Abridged Consolidated Translated Information, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 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 Directors' 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 auditor's report to the related disclosures in the Abridged Consolidated Translated Information 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 auditor's 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 Abridged Consolidated Translated Information, including the disclosures, and whether the Abridged Consolidated Translated Information represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report (Continued)

### *Delta Corporation Limited*

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, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).



Ernst & Young  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors

Harare

15 May 2025