

Operating Environment

The operating environment in the first quarter of 2025 was relatively stable but constrained by liquidity issues, low economic activity and power disruptions. The monetary authorities maintained a tight monetary policy resulting in scarce ZWG balances in the market. Forecast GDP growth rate by the IMF was pegged at a rate 6.0% in 2025.

Business Performance

During the period under review, revenue saw a positive improvement to ZWG16.723 million from ZWG0.65 million (restated amount) in the prior year.

The performance of the group largely depended on the economic environment which affected cost of production and operating costs. However, at a group level we realised revenue also from our shop space business resulting in a positive effect on working capital.

On the shop space side, shop occupancy rate during the period was 46.67%, a decrease from 69.57% from the same period last year due to seasonality but should improve with enhanced marketing strategies.

Administration expenses stood at 56.99% compared to 8.41% in the prior year and Property expenses at 3.49% compared to 29.76% in the prior year for the quarter. More capital is expected to be used to complete units under construction at Palm Estate on the space side.

Outlook

We expect the tight monetary conditions to continue but with an improvement in liquidity expected from high crop harvests coupled by a stable local currency. We also expect improved business once new office space construction is completed as we innovate. Continued projects in the construction industry should also improve the window and doorframes sales.

By Order of the Board



Company Secretary

14 May 2025