



ABRIDGED UNREVIEWED HALF YEAR FINANCIAL RESULTS

For the half year ended 31 March 2025



CHAIRMAN’S STATEMENT AND REVIEW OF OPERATIONS

Dear Stakeholders

It is my honour to present the financial and strategic performance of ART Holdings Limited (ART) for the half year ended 31 March 2025, a period marked by both disruption and resilience across the sectors we operate.

OVERVIEW

The Group is under-going significant operational restructuring in the face of immense pressure from adverse market conditions, structural shifts in our industries and internal resource capacity constraints.

The broader macroeconomic environment across the region remained challenging with weakened demand, energy supply disruptions and increased competition. Foreign currency exchange rate fluctuations improved significantly from the comparative period as Government implemented recovery initiatives to contain money supply and curb illicit trade of low-cost counterfeit products.

The Zambian economy showed signs of recovery during the period with mining and agriculture poised for growth. The fiscal deficit, high inflation and power supply disruptions remain as the major challenges.

GROUP PERFORMANCE OVERVIEW

The half year was challenging despite our resilience and scaling back, the operating environment continued to present external and internal pressures that adversely impacted our financial performance.

Revenue declined by 14% year on year, due to weak demand in key sectors and heightened competition. Volumes across our core manufacturing lines were lower than planned and 8% below prior year. Opportunities to recover volumes in the second quarter were lost due to product shortages and trading channel disruptions.

The Group posted an operating profit of US\$355,000 with a net profit after tax of US\$378,000 compared to the loss of US\$135,000 posted in the prior year.

Our cash generation remained weak resulting in working capital strain and inefficiencies in the trading model as we sought to improve raw material availability and mitigate credit risk in our distribution channels. The negative cashflow necessitated the tightening of operations and funding of resultant gaps from asset disposals.

DIVISIONAL PERFORMANCES

Energy Storage

The Batteries business continued to face disruptions from power supplies, plant breakdowns and raw material shortages. Volumes declined by 8% overall from the prior year. Market liquidity affected sales in both the domestic and export market. The retail division despite battling product shortages opened additional branches to fill the gaps that were created by the closure of some franchise shops and retail chains. There was marked margin compression as higher material and energy costs were absorbed without sufficient price recovery in the market.

The shift towards newer technologies globally is accelerating and we believe that lead-acid batteries will continue to be dominant in applications where cost, recyclability and availability remain critical factors. We continue to review our product offering and are exploring partnerships to reposition ourselves within hybrid segments. During the period the change in product mix following the increased availability of maintenance free batteries necessitated investment in additional molds. The factory was able to secure adequate inputs for the expanded range of batteries ahead of the peak winter season.

Stationery and Tissue

Our Stationery and Tissue business segments were significantly affected by erratic supply chains and a constrained consumer environment with low demand from traditional retail chain customers. The pricing disparities in the market affected stock movement necessitating some product returns. Statutory Instrument 84A of 2024 which penalised the use of other exchange rates other than the official ones on pricing was repealed at the end of the period and we expect improved market trading going forward.

Softex increased its trading stock lines and established partnerships that improved product availability as the Mill remained mothballed given the persistent power and raw material shortages. Pen and tissue volumes were 14% and 24% below prior year respectively. The improved product availability in the second quarter demonstrated that the divisions have retained strong brand recognition and distribution relationships which we expect to spur volumes in the second half of the year.

Mutare Estates

The Mutare business recorded an 8% increase in turnover underpinned by a 7% volume increase compared to the prior year. The blended harvesting strategy worked well and enabled margins to improve by 10 percentage points from the prior year. Demand for gum timber, poles and crates was firm, and we are confident that efficiencies and volumes will be sustained to the end of the financial year.

SUSTAINABILITY REPORTING

Environmental stewardship remains central to our operations. Our battery manufacturing division strengthened its emission control and charging practices resulting in a reduction in lead and acid contamination. The on-going financial restructuring has challenged us to develop and institute cost effective measures to enable us to remain committed to our environmental and social sustainability responsibilities.

DIVIDEND

The Company is not in a position to declare a dividend.


OUTLOOK

The operating environment remains uncertain, currency fluctuations and load shedding will continue to challenge recovery efforts. We have remained focused on our core strengths: consistent product quality and our deep understanding of customer needs in automotive batteries, stationery and tissue. Our investment in the maintenance free battery range and tooling for writing instruments will improve our product offering and efficiencies. The rise of lithium and assembly partnerships is part of the diversified future of energy storage with lead acid remaining preferred in selected applications.

The Group’s focus on stabilisation and cash generation will continue as we expect to complete the review and disposal of non-core assets in the second half of the year. The strategic realignment of the operations will be followed by a review of the Group’s structure to ensure value preservation and the creation of a suitable platform to secure appropriate capital to support business recovery and growth.

APPRECIATION

On behalf of the Board, I would like to extend my appreciation to all our stakeholders who have engaged with us constructively as we seek to restore operational stability and shareholder value. I wish to also extend the Board’s appreciation to our customers, management and staff for the continued support and commitment.


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CHAIRMAN
31 March 2025

For the six months ended 31 March	2025	2024
	USD 000	USD 000
Revenue from contracts with customers	13,526	15,689
Cost of sales	(8,897)	(9,929)
Gross profit	4,629	5,760
Other income	177	175
Total operating expenses	(4,451)	(5,360)
Selling and distribution expenses	(1,194)	(1,498)
Administration expenses	(3,257)	(3,862)
Operating profit before fair value adjustments & impairments	355	575
Share of associate (loss)/profit	(10)	3
Foreign exchange gain/(loss)	56	(40)
Profit/(loss) on disposal of non-current assets	1	(30)
Profit before interest and tax	402	508
Finance income	3	1
Finance costs	(338)	(330)
Profit before tax	67	179
Income tax credit/(expense)	311	(314)
Profit/(loss) after tax	378	(135)
OTHER COMPREHENSIVE INCOME		
<i>Items that may be reclassified subsequently to profit/loss:</i>		
Loss on translation of foreign subsidiary	(82)	(186)
Total other comprehensive loss for the period, net of tax	(82)	(186)
Total comprehensive profit/(loss) for the period	296	(321)
Basic Earnings per share	0.08	(0.03)
Diluted Earnings per share	0.08	(0.03)
Headline Earnings per share	0.04	0.03



ABRIDGED UNREVIEWED HALF YEAR FINANCIAL RESULTS

For the half year ended 31 March 2025



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March	2025 USD 000	2024 USD 000
ASSETS		
Non-current assets		
Property, plant and equipment	14,740	15,565
Investment property	4,420	4,420
Biological assets	5,757	5,717
Right of use assets	2,694	2,993
Investment in associate	216	226
	27,827	28,921
Current assets		
Inventories	8,400	7,497
Trade and other receivables	4,751	2,999
Income tax asset	145	485
Cash and cash equivalents	259	274
	13,555	11,255
Assets held for sale	496	496
TOTAL ASSETS	41,878	40,672
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	6	6
Share premium	559	559
Retained earnings	10,089	9,711
Non-distributable reserves	8,512	8,594
	19,166	18,870
Non-current liabilities		
Interest-bearing loans and borrowings	1,028	28
Lease liability	2,297	2,756
Long term creditors	2,127	2,127
Deferred tax liabilities	2,891	3,604
	8,343	8,515
Current liabilities		
Trade and other payables	12,448	10,906
Provisions	486	582
Lease liability	766	919
Interest-bearing loans and borrowings	153	388
Bank overdrafts	516	492
	14,369	13,287
Total liabilities	22,712	21,802
TOTAL EQUITY AND LIABILITIES	41,878	40,672

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2025	Share Capital USD 000	Share premium USD 000	Revaluation Reserve USD 000	Foreign Currency Translation Reserve USD 000	Retained Earnings USD 000	Total USD 000
30-Sep-23	6	559	4,914	4,843	8,313	18,635
Profit for the year	-	-	-	-	1,398	1,398
Other comprehensive income	-	-	-	(1,354)	-	(1,354)
Effect of change in currency	-	-	-	191	-	191
30-Sep-24	6	559	4,914	3,680	9,711	18,870
Profit for the year	-	-	-	-	378	378
Other comprehensive income	-	-	-	(82)	-	(82)
31-Mar-25	6	559	4,914	3,598	10,089	19,166

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March	2025 USD 000	2024 USD 000
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash (utilised in)/generated from operations	(732)	1,087
Interest income	3	1
Finance costs	(55)	(291)
Income tax paid	422	(203)
Cash (utilised in)/generated from operating activities	(362)	594
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(284)	(225)
Costs capitalized to biological assets	(237)	(671)
Proceeds on disposal of property, plant and equipment	80	1,385
Cash (utilised in)/generated from investing activities	(441)	489
FINANCING ACTIVITIES:		
Proceeds from borrowings	1,190	-
Repayment of borrowings	(426)	(943)
Cash generated from/(utilised in) financing activities	764	(943)
(Decrease)/Increase in cash and cash equivalents	(39)	140
Cash and cash equivalents at the beginning of the year	(218)	(346)
Cash and cash equivalents at the end of the year	(257)	(206)
Comprising:		
Cash resources	259	237
Overdrafts	(516)	(443)
Cash and cash equivalents at 31 March	(257)	(206)

GROUP SEGMENT RESULTS

For the period ended 31 March 2025	Batteries	Stationery	Paper	Plantations	Central Admin	Adj & Eliminations	Group
Mar-25							
Revenue from contacts with customers	14,375	1,982	377	1,113	-	(4,321)	13,526
Operating profit before impairments and fair value adjustments	521	(385)	(45)	262	2	-	355
Segment Assets	18,284	2,013	8,550	11,762	1,269	-	41,878
Segment liabilities	(6,971)	(888)	(7,296)	(1,679)	(5,878)	-	(22,712)
Capital expenditure	(232)	(15)	(11)	(8)	(18)	-	(284)
Depreciation	(668)	(109)	(180)	(41)	(65)	-	(1,063)
Mar-24							
Revenue from contacts with customers	15,921	2,704	1,101	1,028	-	(5,065)	15,689
Operating profit before impairments and fair value adjustments	1,307	432	(1,257)	171	(78)	-	575
Segment Assets	14,872	2,070	9,921	12,466	1,343	-	40,672
Segment liabilities	(6,536)	(956)	(6,691)	(1,699)	(5,920)	-	(21,802)
Capital expenditure	(76)	(33)	(20)	(81)	(14)	-	(225)
Depreciation	(680)	(114)	(183)	(57)	(64)	-	(1,098)



ABRIDGED UNREVIEWED HALF YEAR FINANCIAL RESULTS

For the half year ended 31 March 2025



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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2025

1. CORPORATE INFORMATION

The abridged consolidated financial statements of Amalgamated Regional Trading (ART) Holdings Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Directors on 28 May 2025. ART Holdings Limited is incorporated in the British Virgin Islands and its shares are publicly traded on the Zimbabwe Stock Exchange through its regional subsidiary ART Zimbabwe Limited.

The main activities of the Group are the manufacture and distribution of paper products, stationery, and lead acid batteries. The Group's principal place of business is 9 Bantry Road, Alexandra Park, Harare.

2. BASIS OF PREPARATION

The abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the British Virgin Islands Companies Act for International Business Companies (Chapter 291).

The interim financial report complies with IAS 34 "Interim Financial Reporting". The abridged consolidated financial statements of the Group have been prepared on a historical basis.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These abridged consolidated financial statements are presented in United States Dollars which is the Group's functional and presentation currency and all values are rounded to the nearest thousand, except where otherwise indicated.

4. STATEMENT OF ACCOUNTING POLICY

The accounting policies in the preparation of these half-year abridged consolidated financial results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2024.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the period ended 31 March 2025

5. BORROWINGS

	Mar-25			Sep-24		
USD000's	Short-term and Overdraft	Long-term	Total	Short-term and Overdraft	Long-term	Total
Group	669	1,028	1,697	880	28	908

The borrowings are secured by non-current assets with a net book value of USD5,195,000 (2024: USD8,945,000). The average cost of borrowings is 15%. All the borrowings are in USD currency.

DIRECTORS' RESPONSIBILITY

The Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this Press Statement is an extract.

These abridged Group financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listing requirements and in accordance with International Financial Reporting Standards and the Companies and Other Business Entities Act (Chapter 24:31).

The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial.

SHORT FORM FINANCIAL ANNOUNCEMENT SPECIAL PURPOSE FINANCIAL INFORMATION: ZWG FINANCIAL STATEMENTS

For the half year ended 31 March 2025

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the special purpose financial statements for the half-year to 31 March 2025. These statements are prepared in accordance with the requirements of the Reserve Bank of Zimbabwe Monetary Policy Statement of 6 February 2025 and does not contain full or complete details.

A copy of the financial statements is available upon request, and for inspection, at the Company's registered office.

For the six months ended

	2025 ZWG 000	2024 ZWG 000	Change %
Revenue from contracts with customers	361,765	419,616	-14%
Gross profit	123,807	154,056	-20%
Operating profit before fair value adjustments & impairments	9,495	15,379	-38%
Profit before tax	1,792	4,788	-63%
Profit/(loss) after tax	10,110	(3,611)	-380%
Total comprehensive profit/(loss) for the period	7,917	(8,585)	-192%
	As at 31 March 2025 ZWG 000	As at 30 Sept 2024 ZWG 000	Change %
Total assets	1,120,065	1,087,809	3%
Total liabilities	607,453	583,114	-4%
Total Equity	512,612	504,695	2%

1. STATEMENT OF COMPLIANCE

The abridged consolidated special purpose financial statements of the Group have been presented in Zimbabwe Gold (ZWG) in compliance with the 2025 Monetary Policy Statement issued by the Reserve Bank of Zimbabwe (RBZ) and the Zimbabwe Stock Exchange (ZSE) listing requirements.

2. BASIS OF PREPARATION

In preparing the abridged special purpose consolidated financial statements, the entity translated the functional currency balances and transactions from United States Dollars (USD) to Zimbabwe Gold (ZWG) for the current and prior year using the closing official spot exchange rate as at 31 March 2025 which was 1:26.7459.

Dr T U Wushe
CHAIRMAN
31 March 2025