

CFI HOLDINGS LIMITED

Abridged Unaudited Group Financial Report To Shareholders For The Half Year Ended 31 March 2025



SHORT-FORM ANNOUNCEMENT

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange.

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

The full announcement is available on the Zimbabwe Stock Exchange website: www.zse.co.zw, and at the registered office of the Company, 1Wynne Street, Harare.

FINANCIAL HIGHLIGHTS

	INFLATION-ADJUSTED			HISTORICAL		
	Half year ended			Half year ended		
	31 Mar. 2025	31 Mar. 2024		31 Mar. 2025	31 Mar. 2024	
	ZWG	ZWG			ZWG	
Revenue	1,457,880,040	1,117,975,013	30.4	1,335,890,933	605,948,516	120.5
Operating loss before financing costs, depreciation and impairment	(59,150,019)	(83,419,913)	29.1	(83,519,986)	(45,214,045)	84.7
Profit (loss) for the half year	493,640,240	(348,960,374)	241.5	(193,136,084)	(160,078,153)	20.7
Basic earnings (losses) per share (cents)	462	(327)	241	(181)	(150)	21
Headline earnings (losses) per share (cents)	462	(327)	241	(181)	(150)	21
Total assets	2,264,180,904	2,771,813,626	(18.3)	1,601,302,021	1,542,616,869	3.8
Total equity	773,844,798	310,333,280	149.4	110,965,915	146,903,359	(24.5)
Cash generated from (utilised in) operations	466,846,540	(211,509,034)	(320.7)	1,697,474	(114,639,043)	(101.5)

Chairman's Statement

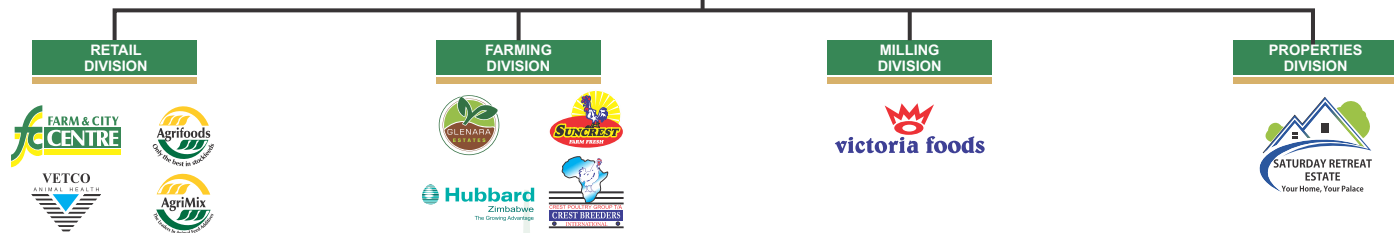
This short-form financial announcement is derived from the unaudited consolidated financial statements of CFI Holdings Limited, and should be read in conjunction with the complete set of the unaudited consolidated financial statements for the half-year ended 31 March 2025.

Dividend

in view of the Group's debt position, your Board will not declare a dividend for the half year ended 31 March 2025.

Ms. I. V. Pasi
Chairman
23 June 2025

Abridged Unaudited Group Financial Report To Shareholders For The Half Year Ended 31 March 2025

**Directors' Responsibility**

The Company's Directors are responsible for the preparation and fair presentation of the Group's financial statements, of which this press release represents an extract. These Abridged Unaudited Group financial statements are presented in accordance with the disclosure requirements of the **Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules (Statutory Instrument 134 of 2019)** for provisional financial statements (Preliminary Reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by 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 statements. No significant changes arise from new and revised International Financial Reporting Standards (IFRS) which became effective for reporting periods commencing on or after 1 January 2025.

Economic Environment

The financial year commenced following the official devaluation of the Zimbabwe Gold (ZWG) by the monetary authorities at the end of September 2024. This brought about stability to the local currency and inflation rates for the half-year period, creating a more predictable operating environment, conducive for planning and business management. Furthermore, the period witnessed an improved rainfall season boosting aggregate demand for agricultural products. The improved weather patterns are set to lead to the overall recovery of the agricultural sector following the previous year's drought. However, despite the currency stability, the first half of the year witnessed tightened liquidity conditions and high operating costs, notably human capital and power costs. This, coupled with the pronounced informalization of the retail sector, negatively impacted on the performance of the formal retail sector, with several leading retailers scaling down operations.

On 6 February 2025, the Reserve Bank of Zimbabwe (RBZ) Governor issued a Monetary Policy Statement (MPS) and announced a requirement for all entities to adopt the ZWG as a common presentation currency for reporting purposes, with effect for periods that ended on 31 December 2024. The Group had already adopted the ZWG as its presentation and reporting currency in the prior year. As reported in Note 2.1, we prepared our financial statements under hyper-inflation accounting basis.

Financial Performance

Group inflation-adjusted revenues for the half-year increased by 30.4% from ZWG1.12 billion in the previous year to ZWG 1. 46 billion. This increase largely reflected on the official devaluation of the local currency on 26 September 2024 from USD1:ZWG13.56, which had obtained since the introduction of the new currency on 5 April 2024 to USD1:24.40. Overall, retail operations contributed 85.04% (2024- 78.20%), food manufacturing and down-packing operations contributed 9.06% (2024 – 15.42%), Group properties accounted for 3.40% (2024– 3.55%), and farming operations accounted for 2.50% (2024– 2.82%) to the Group's turnover.

Group performance was adversely affected by competitive pressures from the growing informal sector, forcing selling prices to decrease without the corresponding decline in costs. As a result, margins for the key revenue drivers declined significantly. Furthermore, the Group incurred unrealized exchange losses of ZWG51.2 million (2024 – ZWG235.4 million) on its foreign currency denominated loans. However, due to high debt position the Group reported net inflation-adjusted monetary gains of \$672.42 million (2024 - \$53.62 loss). Overall, the Group realised a profit before tax of ZWG568.35

million against a loss before tax of ZWG189.63 million for the comparative prior year period.

The Group invested ZWG6.36 million (2024 – ZWG1.96 million) into property, plant, and equipment, mostly towards re-tooling and plant spares at Glenara Estates and Victoria Foods.

Operations Review**Retail Operations****Farm & City Centre (FCC)**

Sales volumes for FCC's key volume drivers increased by 25% compared to same period prior year, driven by improved sales of agricultural products due to improved rains and lower selling prices. Going forward, the division will continue to diversify its product portfolio to reduce over-dependency on agricultural sectors and strengthen the entity's adaptability to economic volatility.

Agrifoods

Sales volumes increased by 16% compared to the same period prior year, attributable to improved aggregate demand for the products. Going into the last half of the year, Agrifoods performance is set to strengthen on the back of the projected regional improved harvest expected to positively influence raw material availability and pricing. Management remains focused on growing Agrifoods' market share, notwithstanding increased competition in the feed sector.

Farming Operations**Glenara Estates**

The Estate maintained its summer cropping activities planting soya beans and maize and is anticipating a good harvest in the second half of the year. The Estate also successfully maintained its potato production during the first half of the year, although potato selling prices were 16% lower than prior year, following increased supply to the market. The Estate's cattle breeding and pen fattening operations were maintained with reasonable success.

Property Development**Saturday Retreat**

In February 2023, the Supreme Court ruled in favour of Crest Breeders International, confirming the entity's rights in Saturday Retreat Estate. In the current year, the Constitutional Court dismissed a challenge on the Supreme Court's ruling brought by the land barons. The entity remains seized with formulating a development strategy as the Group looks to enhance its synergies with the retail unit and diversify its portfolio.

Langford Estates

The legal proceedings remain pending before the relevant tribunals. The market will be updated on further progress in due course. Pending the resolution of the ownership dispute, the Company is currently undertaking crop farming and cattle breeding at the Estate.

Food Manufacturing and Down-packing Operations**Victoria Foods (VF)**

Victoria Foods performance declined against prior first half year, although there was great improvement in the second quarter. Performance was largely

impacted by procurement challenges arising from the El-Nino induced drought driving the cost of maize up, affecting the mealie-meal division. Going into the second half of the year, performance is set to improve with the region's anticipated improved harvest and Management's turnaround strategies.

Poultry Division

Crest Poultry Group's other units, being Crest Breeders and Suncrest Chickens, remained under care and maintenance during the period. Joint ventures leveraging the Group's poultry infrastructure and brands are still being pursued.

Sustainable Business Practices

Your Board continues to strive to ensure that its business strategies and its values are constantly aligned with sustainable business practices guided by the Global Reporting Initiatives (GRI)'s Sustainability Reporting Guidelines.

Future Prospects

The trading environment is expected to remain challenging and requiring proactive strategies, in view of the growing informalisation of the market. However, your Board and Management remain cautiously optimistic and ready to employ appropriate management practices to ensure sustainable growth notwithstanding the environment.

Going forward, the Group remains focused on sharp procurement strategies, particularly for the grain commodities and will prioritise continued investments in its milling operations in order to underpin their long-term competitiveness. Long term focus remains directed towards the development of low-cost housing delivery in Harare South in support of Government's Vision 2030 on housing. The Group will therefore maintain its efforts to resolve all issues affecting its interests in its land banks to make way for progressive, orderly infrastructure deployment and service delivery to the various settlements.

Your Board will also continually strengthen its human capital base, improve business models to be adaptive to the changing environment and to strengthen its operational systems for the benefit of all stakeholders.

Acknowledgement and Appreciation

I wish to record my sincere appreciation to Management and Staff for their fortitude and resilience in serving our customers' various needs during these challenging economic environment. I also wish to thank our Shareholders, customers, suppliers and financiers for their enduring support to the Group, which has made the ongoing business turnaround strategy possible. Lastly, I would also like to record my gratitude and appreciation to my fellow Board members for their invaluable contributions, guidance and stewardship.

Ms. I. V. Pasi
Chairperson

Dividend Declaration

In view of the Group's current debt position, your Board will not declare a dividend for the half year ended 31 March 2025.

P. Hare
COMPANY SECRETARY
BY ORDER OF THE BOARD
23 June 2025

UNAUDITED ABRIDGED GROUP CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Notes	INFLATION ADJUSTED		HISTORICAL	
	Half-year to		Half-year to	
	31 Mar. 2025	31 Mar. 2024	31 Mar. 2025	31 Mar. 2024
	ZWG	ZWG	ZWG	ZWG
Turnover	1,460,393,678	1,110,312,895	1,338,194,241	601,795,607
Changes in fair value of biological assets	(2,513,638)	7,662,117	(2,303,308)	4,152,909
Revenue	1,457,880,040	1,117,975,013	1,335,890,933	605,948,516
Operating loss before financing costs, depreciation and impairment	(59,150,019)	(83,419,913)	(83,519,986)	(45,214,045)
Depreciation expense	(12,311,777)	(16,670,520)	(11,281,581)	(9,035,512)
Share of losses from joint ventures	(607,199)	(166,749)	(556,391)	(90,379)
Net finance costs	(31,996,734)	(35,753,235)	(29,319,385)	(19,378,447)
Monetary gain (losses)	672,416,133	(53,616,181)	-	-
Profit (los)s before tax	568,350,405	(189,626,598)	(124,677,343)	(73,718,383)
Income tax expense	(74,710,165)	(159,333,776)	(68,458,741)	(86,359,770)
Profit (loss) for the year	493,640,240	(348,960,374)	(193,136,084)	(160,078,153)
Other comprehensive income				
Net movement on FCTR	163,007,362	(323,142,420)	149,367,610	(175,144,943)
Gain on equity investment designated as at FVTOCI	-	-	7,831,029	-
Total other comprehensive income (loss)	163,007,362	(323,142,420)	157,198,639	(175,144,943)
Total comprehensive income (loss)	656,647,602	(672,102,794)	(35,937,445)	(335,223,096)
Profit (loss) attributable to:				
Equity holders of the parent	493,640,240	(348,960,374)	(193,136,084)	(160,078,153)
Total comprehensive income (loss) attributable to:				
Equity holders of the parent	656,647,602	(672,102,794)	(35,937,445)	(335,223,096)
Basic earnings (losses) per share (cents)	462	(327)	(181)	(150)
Diluted earnings (losses) per share (cents)	462	(327)	(181)	(150)
Headline earnings (losses) per share (cents)	462	(327)	(181)	(150)
Net asset value per share (cents)	724.43	290.52	103.88	137.52
Shares in issue	106,820,875	106,820,875	106,820,875	106,820,875

UNAUDITED ABRIDGED GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Notes	INFLATION ADJUSTED		HISTORICAL	
	31 Mar. 2025		31 Mar. 2025	
	ZWG	ZWG	ZWG	ZWG
ASSETS				
Non-current assets				
Property, plant and equipment	1,151,672,295	1,161,727,054	624,212,626	629,662,360
Investments (unlisted)	182,577,761	182,577,761	111,356,636	103,525,607
Investments in joint ventures	(542,872)	(694,779)	(497,447)	(393,955)
Deferred tax assets	78,019,199	203,638,822	71,490,889	115,467,692
Total non-current assets	1,411,726,382	1,547,248,857	806,562,704	848,261,704
Current assets				
Inventories and biological assets	689,748,840	949,396,210	632,033,635	538,328,538
Trade and other receivables	108,779,920	217,731,859	108,779,920	123,458,754
Investments - listed shares	3,392,781	3,977,579	3,392,781	2,255,375
Cash and bank balances	50,532,981	53,459,121	50,532,981	30,312,498
Total current assets	852,454,522	1,224,564,769	794,739,317	694,355,165
TOTAL ASSETS	2,264,180,904	2,771,813,626	1,601,302,021	1,542,616,869
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent	773,844,798	310,333,280	110,965,915	146,903,359
Total equity	773,844,798	310,333,280	110,965,915	146,903,359
Non-current liabilities				
Accruals and other payables	150,940,602	247,478,715	150,940,602	140,325,876
Long term borrowings	657,145,810	1,035,386,995	657,145,810	587,087,205
Total non-current liabilities	808,086,412	1,282,865,710	808,086,412	727,413,081
Current liabilities				
Trade and other payables	589,878,805	1,031,818,086	589,878,805	585,063,555
Short term borrowings	40,416,711	51,348,343	40,416,711	29,115,640
Bank overdraft	11,005,226	33,699,602	11,005,226	19,108,416
Current tax liabilities	40,948,952	61,748,606	40,948,952	35,012,818
Total current liabilities	682,249,694	1,178,614,637	682,249,694	668,300,429
TOTAL EQUITY AND LIABILITIES	2,264,180,904	2,771,813,626	1,601,302,021	1,542,616,869

Unaudited Abridged Report To Shareholders For The Half Year Ended 31 March 2025

UNAUDITED ABRIDGED GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES
CASH OUTFLOWS BEFORE WORKING CAPITAL CHANGES
Cash (utilised in) generated from working capital changes
CASH GENERATED FROM (UTILISED IN) OPERATIONS

Net interest paid
Income taxes paid
CASH GENERATED FROM (UTILISED IN) OPERATIONS

CASH FLOWS FROM INVESTING ACTIVITIES
Purchase of property, plant and equipment
NET CASH OUTFLOWS TO INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES
Net movement on long term loans
Net decrease (increase) in fixed investments
NET CASH INFLOWS FROM FINANCING ACTIVITIES

NET INCREASE IN CASH AND CASH EQUIVALENTS
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD
Cash and bank balances
Bank overdraft

Balance at 30 September 2023
Loss for the year
Other comprehensive income for the year
Balance at 30 September 2024
Profit for the year
Other comprehensive income for the year
Balance at 31 March 2025

ABRIDGED UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT - HISTORICAL

Balance at 30 September 2023
Loss for the year
Other comprehensive income for the year
Balance at 30 September 2024
Loss for the year
Other comprehensive income for the year
Balance at 31 March 2025

NOTES TO THE UNAUDITED ABRIDGED GROUP FINANCIAL STATEMENTS

- 1.0 General information**
The principal activities of the Company, its subsidiaries and joint ventures (the Group) is the holding of investments, the letting of properties, the wholesaling and retailing of agro-inputs and general hardware commodities, the manufacturing of stock feeds, the provision of animal health requisites, the operation of maize and wheat mills, crops and livestock farming, and the development and management of real estate.
- 2.0 Basis of preparation**
The consolidated financial statements for the half-year ended 31 March 2025 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by International Accounting Standard ("IAS") 34 (Interim Financial Reporting). The Group's consolidated financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are reported in Zimbabwe Gold (ZWG).

The principal accounting policies applied in the preparation of the Group consolidated financial statements are in terms of IFRS, and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.
- 2.1 Application of IAS 29 Financial Reporting in Hyperinflationary economies**
In 2019 the Public Accounts and Auditors Board (PAAB) pronounced that Zimbabwe was a hyperinflationary economy. Further, and after the replacement of the Zimbabwe dollar (ZWL) by the Zimbabwe Gold (ZWG) on 5 April 2024, the PAAB has noted that hyperinflationary conditions remain in place in the Country. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Interpretations Committee (IFRIC) 7 (Applying the Restatement Approach under IAS 19), as if the economy had been hyperinflationary from 1 April 2024.

The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Appropriate adjustments and reclassifications, including restatements of changes in the general purchasing power of the ZWL 29 have been made on the basis of the CPI for the period from 1 October 2024 to the end of the reporting period.

Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 1 October 2024 to the end of the reporting period.

The indices and conversion factors used to restate the historical financial statements at 31 March 2025 are as given below:

	Indices	Conversion factor
CPI as at 31 March 2025	184.50	1.0000
CPI as at 30 September 2024	104.62	1.7636
CPI as at 31 March 2024	100.00	1.8350

- 3.0 Supplementary information**
- 3.1 Profit (loss) before tax**
Profit (loss) before tax is shown after charging the following significant items:
Net leasing expenses
Depreciation expense
Unrealised exchange losses
Compensation of directors and key management:
- for services as directors
- for management services
Income tax expense
Current tax
Withholding tax
Intermediated money transfer tax
Deferred tax expense relating to current temporary differences
- 3.2 Inventories and biological assets**
Finished goods
Raw materials and consumables
Biological assets and agricultural produce on hand
Land in development
- 3.4 Borrowings**
The table below summarizes the movements in the Group's third party borrowings during the period:
Balance at the beginning of the year
Net movement on loans during the year
Balance at the end of the year
The borrowings were broken down as follows:
Short-term borrowings
Long-term borrowings
Total borrowings
All the loans were raised to fund the Group's working capital requirements. Long-term borrowings were all unsecured, whilst all short-term borrowings were secured by the Group's assets
Contingent liabilities at reporting date in respect of:
Langford Estates (envaseged reversal of land for debt swap)
City of Harare rates
Capital commitments
Authorised but not yet contracted
The capital expenditure will be financed from the Company's own resources and existing borrowing facilities.
- 3.7 Segment information**
Revenue
Retail
Farming
Milling
Head Office & Properties
EBITDA
Retail
Farming
Milling
Head Office & Properties
Segment assets
Retail
Farming
Milling
Properties & Head Office
Segment liabilities
Retail
Farming
Milling
Properties & Head Office

- 3.8 Events after the reporting period**
There were no significant adjusting or non-adjusting events after the reporting date at the time of issuing this press release.

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