Hippo Valley Estates Limited

ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW

Salient Features

Statistical highlights	Year ended 31.03.25	Year ended 31.03.24	Change
Sugar production (tons)	219 112	194 684	13% ↑
Total industry sugar sales (tons)	380 530	391 662	-3% ↓
Hippo share of industry sugar (%)	49.78%	52.54%	-5% ↓

Financial highlights	Year ended 31.03.25 US$'000	Year ended 31.03.24 US$'000	Change
Revenue	191 596	340 478	-44% ↓
Operating profit/ (loss)	7 677	(57 751)	113% ↑
Adjusted EBITDA *	13 716	(19 502)	170% ↑
Profit for the year	13 445	24 263	-45% ↓

*Adjusted EBITDA is operating profit adjusted to exclude depreciation, amortisation, any impairment (or reversal thereof) and fair value adjustments relating to biological assets.

MESSAGE FROM THE CHAIRMAN

C F Dube

FY25 has been a momentous year in many respects with new and different business environmental forces having come our way. Despite the increasing cost of doing business which the Company is grappling with and all other macroeconomic challenges outside our control, we have delivered positive production outcomes and have set a good tone and emphasis for the ensuing years;

- *Thanking our shareholders for placing trust in the leadership and all Company employees for their hard work as the year ends with positive performances.*
- *Thanking all stakeholders for the long-standing relationships and the ongoing trust of our business partners.*

MESSAGE FROM THE CEO

T R Masawi

After a challenging prior year, the current year comes with improved production despite the high cost of production which continues to erode the Company profits;

- *Thanking our Agriculture unit for improved yields and efficiently delivering the cane.*
- *Thanking our Manufacturing unit for a reliable plant as we enjoyed good mill recoveries and minimum downtime.*
- *Thanking our Sales and Distribution unit for generating better returns and satisfying the local market after regaining market share.*
- *Thanking our supporting functions for demonstrating commitment and resilience in the everchanging business environment.*

Cautionary - Reliance on the translation of hyperinflation adjusted financial statements to determine US$ equivalent opening balances and comparative financial statements.

The consolidated financial results of Hippo Valley Estates Limited (the Group) have been prepared in accordance with the requirements of International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates (IAS 21) in determining the US$ opening balances and comparative information. At the beginning of the current financial year, the Company adopted the US$ as its functional and presentation currency, and will continue assessing and monitoring the level of its dominance for further guidance and implementation. With this development, the Company therefore did not apply the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) in the period under audit. The comparative financial statements, which were previously reported in Zimbabwe Dollars (ZWL) after applying IAS 29, have been restated and presented in US$ after applying the relevant translations detailed in note 7.

Users are therefore cautioned that;

- The financial statements for the year ending 31 March 2025 have opening balances and comparative information derived from translating hyperinflation balances and transactions that existed in a hyperinflationary environment where inherent economic distortions may have impacted these balances.
- The comparative financial information does not provide reasonable performance assessment of the Company between FY24 and FY25. See further analysis below.

	Year ended 31.03.25	Year ended 31.03.24	Change	Year ended 31.03.25	Year ended 31.03.24	Change
		Per IFRS			Per Management Best Estimate*	
	US$'000	US$'000		US$'000	US$'000	
Revenue	191 596	340 478	-44% ↓	191 596	178 698	7% ↑
Cost of sales	(124 724)	(275 137)	121% ↓	(124 724)	(126 767)	2% ↓
Gross profit	**66 871**	**65 341**	**2% ↑**	**66 871**	**51 931**	**29% ↑**
Adjusted EBITDA	**13 716**	**(19 502)**	**170% ↑**	**13 716**	**11 648**	**18% ↑**

* Management best estimate of prior year financial statements refers to transactions and balances accounted for without using the hyperinflation indices as per IFRS. Rather, the transactions and balances are accounted for as straight USD for those that were primarily denominated in foreign currency while those denominated in local currency were converted using the underlying exchange rates influencing the prices of goods and services.

- The purpose of disclosing management best estimate financial result is to aid users of financial statements in decision making.

Revenue per best estimate financial results:

Overall sales volumes decreased marginally by 3% while revenue grew by 7% driven by strong recovery of the local market which generated higher returns. The Company deliberately prioritised the local market with the export market volumes going down by 60%.

Cost of sales per best estimate financial results:

Cost of sales went down by 2% attributable to the Company's cane 'Miller cum Planter' (McP), which was cheaper than cane from Private Farmers. Efforts were also made to reduce the cost of production, through project 'Zambuko'.

However, improvement on cost of sales was still limited by the increase in other production costs which moved in tandem with local inflationary pressures and other global price influences on key inputs.

Additionally, the sugar industry was negatively affected by changes in the Value Added Tax (VAT) category (an indirect consumption tax levied on the value added at each stage in the value chain), when sugar was moved from a zero-rated supply to an exempt supply impacting the business to the tune of U$7m of unclaimable VAT in the current year.

Intermediary Money Transaction Tax (IMTT) for US$ denominated transactions grew to 2% from 1% same period prior year furthering up the cost of doing business.

Adjusted EBITDA per best estimate financial results:

Resultantly, adjusted EBITDA increased by 20% supported by increased production and local brown sugar market share recovery and contribution versus export sales which are negatively impacted by high cost of purchasing sugar cane from outgrowers.

- The Directors therefore advise users of the financial statements to exercise caution in relation to the reported comparative information due to the financial results coming out with a different logic compared to the financial results per management best estimate.

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Operating Environment Overview

The operating environment remained constrained throughout the year, with persistent inflationary pressures and exchange rate volatility driven by unresolved structural challenges in the economy. On 5 April 2024, the Zimbabwe Gold ("ZWG") was introduced as the new local currency, as part of efforts to curb inflation and reduce reliance on the US$. The ZWG initially remained stable but began weakening from late September 2024, ultimately closing the financial year at ZWG28.1 : US$1.

While the tight monetary policy supported a degree of exchange rate stability in the second half of the year, liquidity in the formal sector of the economy deteriorated. Dual currency trading created imbalances, with significant ZWG cash holdings proving difficult to utilise, as most suppliers required settlement in US$, a currency the Company was unable to generate in sufficient quantities through normal trade. The reduction in the foreign currency retention threshold from 75% to 70% towards the year end is expected to further reduce the Company's US$ export inflows in the year ahead, constraining funding for essential raw material imports and capital expenditure.

The El Niño climatic conditions did not materially affect sugar cane farming, as the major dams supplying irrigation water ended the reporting period with water levels ranging from 77% to 100%, including dams servicing private farmers in the Mkwasine area, where water levels had previously fallen below 50%. However, the El Niño-induced drought severely constrained national hydro-power generation, resulting in persistent power outages. Investment in long-term energy alternatives, including solar, remains a strategic priority for the Company.

Business Performance

Production Operations:

	Area under cane (hectares)			Sugar cane yield per hectare (tons)		Sugar cane production (tons)			Sugar production (tons)		Cane to Sugar ratio*
	Company	Private Farmers	Total	Company	Private Farmers	Company	Private Farmers	Total	Company	Industry	
Change	2% ↓	1% ↓	2% ↓	7% ↑	3% ↓	18% ↑	0.2% ↓	10% ↑	13% ↑	19% ↑	3% ↑
March-25	10 625	11 977	22 602	95.40	66.67	1 020 986	744 815	1 765 801	219 112	440 172	8.06
March-24	10 862	12 117	22 979	89.20	68.82	863 075	746 355	1 609 430	194 684	370 562	8.27

*Tons of cane required to be crushed to produce one ton of sugar.

DIRECTORS: C F Dube (Chairman), R T Masawi* (Chief Executive Officer), D K Shinya, R D Aitken, T Masarakufa*, G Sweto, R J Moyo, N J J Mangwiza, T Chigumbu, P G Serima, J J van Rooyen. * - Executive

a member of TongaatHulett

Hippo Valley Estates Limited

ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

Agriculture

Our Agriculture division delivered their strongest performance to date, with cane supplied from the Company's own estates ("Miller-Cum-Planter") exceeding one million tons, representing an 18% increase from the prior year. This was supported by a 7% improvement in cane yields, and more consistent cane haulage operations, underpinned by a successful off-crop maintenance programme for Company owned agricultural vehicles and equipment.

While this record performance reflects improved operational execution, the unit cost of production remains unsustainably high and continues to erode profit margins. Several structural and cost-related challenges persisted during the year, including:

(1) Labour cost pressures

The Agriculture division accounts for approximately 72% of the Company's full-time equivalent headcount, equating to 4,772 of its 6,628 employees, and bears the largest share of the wage bill. The revision to the minimum wage structure applicable to the Company has placed it at a significant disadvantage relative to other sectors within the agriculture industry.

The current minimum wage is US$280 per month, with US$224 payable in foreign currency. In contrast, private cane farmers supplying cane to the mill pay US$130 per month, with only US$125 in foreign currency (Source: NEC agreements with respective sectors). This differential continues to place pressure on the Company's cost base and operating margins.

The Agriculture division generates its profit based on internal cane sales to the Milling division, using the 77% Division of Proceeds (DoP), aligned to the rate paid to private farmers. While the division remains profitable, its ability to offset losses in the Milling division has diminished compared to prior years.

(2) Water security and infrastructure constraints

Water availability remains a concern. Despite the development of the Tugwi-Mukosi Dam, illegal abstractions along the water conveyance route have negatively affected irrigation supply to the Company's cane fields. In addition, new cane developments by private farmers have not been matched with increased water allocations or supporting infrastructure, compounding pressure on the system, including the Company's own private canals. The public authority responsible for managing and distributing irrigation water also lacks adequate infrastructure to ensure consistent delivery, posing a risk to the reliability of agricultural output. If these constraints are not addressed, they may lead to reduced cane yields in future years.

(3) Replanting and input procurement challenges

The Company's crop husbandry programme includes the routine replanting of cane roots after the seventh ratoon, or earlier where necessary, to sustain high yields and maintain field productivity. This process has become increasingly constrained by limited access to working capital, with existing facilities unable to accommodate the higher seasonal funding requirements associated with the cane purchase arrangements. In the year under audit, only 793 hectares were replanted, significantly below the target of 1 238 hectares. The shortfall was primarily due to pricing pressures from contracted services providers and difficulties in meeting their US$ payment expectations. Although the Company generates revenue in both US$ and ZWG, the volume of US$ inflows was insufficient to meet all operational requirements.

(4) Cane haulage logistics

During the year, the Company remained reliant on outsourced cane haulage services, which increased operating costs due to the high rates charged by contractors. While efforts to internalise logistics were limited by cashflow constraints, new cane haulage equipment was procured towards the end of the reporting period to reduce this dependency in future seasons.

(5) Power supply instability

Extended power outages disrupted irrigation operations, particularly in areas reliant on electric pumps and overhead irrigation systems, which adversely affected crop water availability and placed downward pressure on yields. The Company is progressing work on alternative energy solutions, including solar, but full implementation will require further capital investment.

(6) Cane supply mix and value chain exposure

The loss of Company-owned agricultural land in prior years has led to a shift in the cane supply mix, with a reduced proportion of cane now originating from the Miller-Cum-Planter operations. This has increased reliance on private farmer cane, which is supplied at a higher cost than the Company's own cane, and continues to place strain on the value chain.

While sugar prices are subject to affordability considerations, the prices of goods and services supplied to the Agriculture division have continued to escalate in response to inflationary pressures. This imbalance between revenue and input costs remains a key risk to margin sustainability.

Private farmers

Private farmers recorded a marginal decline in cane deliveries, driven by a 1% reduction in area under cane and a 3% decrease in yield per hectare.

Milling

Following a difficult production season in the prior year, the Milling division recorded a 13% increase in sugar production, reflecting improved plant uptime and overall processing efficiency. These gains were enabled by a successful off-crop maintenance programme completed ahead of the crushing season, despite tight funding constraints arising from the competitive pressures resulting from low-cost, non-fortified sugar imports in the prior year.

While operational performance improved, the division continues to face structural cost pressures that undermine profitability. The key challenges include:

(1) Cane price and input cost pressures

The cost of cane under the Cane Purchase Agreement (CPA) remains a significant driver of losses in the division. At US$71 per ton of cane, the input cost is materially higher than regional benchmarks. In Kenya, which also operates under a CPA model, the cane price was US$38 per ton during the past season and has recently increased to around US$41 per ton. This comparison underscores the substantial cost gap undermining Zimbabwe's competitiveness.

When the proportion of cane supplied by private farmers increases relative to that from the Company's own estates, the impact of this high input cost intensifies, further reducing milling margins. This cost imbalance is a key reason why the division remains loss-making.

(2) Division of Proceeds (DoP)

The DoP under the Cane Milling Agreement (CMA) also significantly affects the cost structure of the division. The prevailing 77% DoP for most private farmers is high by regional standards. According to data published by the National Competitiveness Commission, DoP levels in Zimbabwe exceed those in neighbouring sugar-producing countries, which range from 59% in Zambia to 68% in Eswatini.

This results in lower milling margins for the division relative to regional peers, particularly when sourcing cane from private growers. Although the Company continues to benefit from internal cane supply arrangements, these are no longer sufficient to absorb the full impact of Milling-related losses. As a result, overall profitability remains under pressure.

Sales and Marketing:

Industry Sugar Sales (tons)

	31 March 25	31 March 24	Change
Local	337.227	283.288	19% ↑
Export	43.303	108.374	-60% ↓
Total	**380.530**	**391.662**	**-3% ↓**

Local Market

Following sustained industry engagement, the Government revoked Statutory Instrument (SI) 80 of May 2023 with effect from 31 January 2024. The reinstatement of duty on sugar imports addressed the unfair competitive advantage previously enjoyed by non-fortified regional sugar brands, which had landed in Zimbabwe at prices lower than locally produced sugar, and in some cases below prices prevailing in their countries of origin.

The reinstatement of import duty led to a significant recovery in the Huletts sugar brand's local market share, which was sustained above 86% (by sales volume) during the reporting period. SI 80 had enabled the influx of lower-priced, non-fortified table sugar brands, resulting in a loss of nearly 24% market share (by sales volume).

With a more level playing field reinstated, demand for Huletts brown sugar rose by 19% compared to the prior year. This recovery was supported by targeted marketing initiatives at both trade and consumer levels, which helped defend brand equity and drive volume growth across key customer segments.

Export Market

Industry export sales, of which the Company accounted for 49.8% (2024: 52.5%) declined by 60% compared to the prior year. This was largely due to delays in fulfilling export orders following post-election civil unrest and associated logistical disruptions in Mozambique and the Democratic Republic of Congo. In addition, the United States Tariff-Rate Quota (USTRQ) allocation was reduced by 7 983 tons, while exports to the United Kingdom declined due to the deliberate prioritisation of the local market, which continues to offer stronger returns relative to currently depressed world market prices.

Financial Results:

Despite the strong operational recovery, the cost of doing business remained elevated, primarily due to the high costs of both cane and manpower. These material input costs continued to erode margins and limit the full benefit of production gains. Key financial indicators are outlined below:

Revenue: 44% ↓

While overall industry sales volumes declined by only 3%, revenue decreased by 44%. This variance was primarily due to a distortion in the prior year's reported revenue, caused by inflationary adjustments and currency effects under IAS 29. These adjustments were translated into US$ following the change in functional currency, inflating the comparative base.

In the current year, the Company deliberately prioritised the local market over lower-priced export markets, supporting stronger average price realisations.

Profit for the year: 45% ↓

Operating profit improved significantly to US$7.9 million (2024: loss of US$57.8 million), reflecting the reversal of prior year CPI and currency effects embedded in cost of sales, the movement in the fair value of biological assets and administration expenses, before these transactions and balances were translated to US$.

Despite this improvement, profit for the year declined by 45% to US$13.4 million (2024: US$24.3 million), mainly due to the inclusion of a non-monetary gain in the prior year relating to the hyperinflationary restatement process.

Adjusted EBITDA: 170% ↑

Adjusted EBITDA, which excludes non-cash movements in the fair value of biological assets, increased to US$13.7 million from a negative US$19.5 million. While the prior year comparative was distorted by hyperinflation adjustments, the current year results reflect improved cost control.

The benefit of the increased sales volumes was not fully realised due to:

- A high proportion of goods and services which were priced in US$;
- Cane purchases from private farmers at US$71 per ton of cane – equivalent to US$575 per ton of sugar – exceeded the revenue realised from the sale of the sugar produced into more marginal export markets; and
- A minimum wage of US$280 per month, significantly higher than comparable rates across the agricultural sector, including private farmers.

Cost reduction initiatives

In response to continued cost pressure, the Company launched "Project Zambuko", a margin improvement initiative focused on cost containment and a revenue optimisation. As part of this, and in line with applicable labour legislation, an employee rationalisation process is underway to align labour costs with operational requirements. The first phase of the retrenchment programme was initiated in February 2025 and ongoing in terms of finalising the labour law requirements, with the next phase to be scheduled in FY26.

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DIRECTORS: C F Dube (Chairman), R T Masawi* (Chief Executive Officer), D K Shinya, R D Aitken, T Masarakufa*, G Sweto, R J Moyo, N J J Mangwiza, T Chigumbu, P G Serima, J J van Rooyen. * - Executive

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ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

Cashflows

Operating cash flows after interest, tax, and working capital changes increased by US$10.7 million to US$8.7 million (2024: US$2.0 million outflow). The improvement was largely driven by working capital gains following the recovery of local market share, which generates stronger margins than export markets. Capital expenditure for the year totalled US$4.8million (2024: US$7.5 million), including US$1.7 million (2024: US$5.0 million) spent on replanting cane roots. Although cash outflows were lower due to liquidity constraints, the Company has identified key retooling priorities for the next financial year, with plans in place to reduce reliance on outsourced services.

At 31 March 2025, the Company's net borrowings stood at US$8.9 million, down from US$ 11.1 million at 31 March 2024. This reduction reflects the improved local sales performance and a move towards more sustainable borrowing levels, creating headroom within the Company's facilities for potential future operating or capital expenditure requirements.

During the season, the Company's borrowing facilities remained under pressure and were not sufficient to meet the peak working capital requirements. With over 90% of private farmers now supplying cane under the CPA, the Company is required to pay for cane on delivery to the mill. This differs from the CMA where payments are made only once the sugar is sold. The resultant timing mismatch, where cash outflows are concentrated between April and December while revenue is recognised throughout the year, continues to strain liquidity. The shift by private farmers from CMA to CPA has significantly increased peak funding requirements. However, the Company's borrowing facilities have not yet been adjusted to reflect this change. Efforts are underway to secure new arrangements that are better aligned with the seasonal nature of the business.

Dividend:

Following the improvement in working capital, supported by a strong local market recovery, the business was able to normalise supplier obligations and reduce borrowings to more sustainable levels. As a result, the Company closed the year with sufficient headroom to meet the first quarter working capital requirements in the next financial year. Additionally, adequate sugar stocks were available at the commencement of FY26, and a successful off-crop maintenance campaign was completed to support improved milling reliability in the new season.

However, in light of ongoing liquidity demands associated with the CPA, elevated cost pressures, and the broader macroeconomic uncertainty, the Directors have resolved not to declare a dividend for the year ended 31 March 2025. This decision reflects the Company's prioritisation of financial stability and will be reviewed once its funding structure and cash flow generation are better aligned with its capital and operational requirements.

Environmental, Sustainability and Governance:

A total of three Lost Time Injuries (LTIs) were recorded during the reporting period, unchanged from the prior year. This resulted in a Lost Time Injury Frequency Rate (LTIFR) of 0.028 (2024: 0.028). One fatal accident occurred involving an employee of a contractor engaged by the Company. A comprehensive corrective action plan was implemented to address the findings of the investigation, and all actions identified have since been closed. The contractor management framework was also reviewed and strengthened to enhance oversight and supervision of third-party contractor teams.

The Company's Occupational Health and Safety and Environmental Management Systems were successfully recertified to ISO 45001 and ISO 14001, following an audit by the Standards Association of Zimbabwe. Under the Reforestation Programme, which has been in place for the past 15 years, approximately 10 000 trees have been planted in and around Chiredzi. To support groundwater protection efforts, ten community sewage treatment ponds were rehabilitated to improve waste processing efficiency.

The Company experienced an unusually low malaria burden of 18 cases in 2025 compared to 379 in the prior year, potentially linked to colder winter conditions and low rainfall.

Voluntary Counselling and Testing (VCT) uptake reached 95% among the Company's permanent employees. Fourteen new Human Immunodeficiency Virus (HIV) infections were recorded, with all affected employees receiving treatment and demonstrating effective viral suppression. HIV prevalence among the Company's employees stands at 29%.

In Zimbabwe, the Tuberculosis (TB), Malaria and HIV care programmes – covering prevention, testing, and treatment – have historically benefited from funding provided through the United States President's Emergency Plan for AIDS Relief (PEPFAR), implemented by US Agency for International Development (USAID). The temporary suspension of USAID funding following an executive order by the US government poses a risk to the continued delivery of these health services, which are vital to the workforce. Management has developed a mitigation plan to reduce the impact of this disruption and preserve the health outcomes achieved to date.

Cane growing projects and other industry matters:

Efforts to progress the implementation of Project Kilimanjaro, a 4000-hectare new cane development, continued during the year. As previously reported, the initial 700 hectares (referred to as the Project Kilimanjaro Empowerment Block and benefiting 41 new farmers) has already been planted, with 682 hectares harvested this season. Following the government's allocation of institutional offer letters to 116 additional beneficiary farmers and the establishment of a project company, a board of directors was constituted comprising representatives from government departments, parastatals, private famers and Tongaat Hulett Zimbabwe (Hippo Valley Estates and its sister company Triangle Limited). The board is now overseeing the development of the remaining 3 300 hectares, and is currently considering funding options to complete the project.

Separately, the Company continues to support Triangle Limited in other cane development initiatives intended for third-party farmers, including the Pezulu Project in Western Triangle (approximately 856 hectares benefitting 28 new farmers) and Chiredzi River North (1 000 hectares). While project planning has been completed for both, progress has been limited due to prevailing liquidity constraints in the economy.

These initiatives are intended to expand cane supply and support greater utilisation of the industry's installed milling capacity. However, the broader commercial and industrial implications of further expanding private farmer participation remain under review, particularly given the cost of cane and the DoP relative to regional benchmarks.

The commercial terms relating to the cane supply agreements for the current season have yet to be finalised, pending the Ministry of Industry and Commerce's determination of the cane price under the CPA. In the interim, farmers under the CPA continue to supply cane in accordance with the previous agreement, while those under the CMA are supplying cane under the current agreement, which remains in effect until the 2026/27 season.

Land tenure:

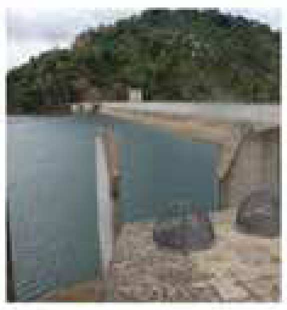
Significant progress has been made regarding land tenure for the Company. The Minister of Lands, Agriculture, Fisheries, Water and Rural Development, had signed 99-year lease agreements covering most of the surveyed land confirmed at 17, 644 ha which was a revision from the original estimate of 23,979 ha. In December 2024, the government of Zimbabwe introduced a new land tenure policy designed to convert land held under 99-year leases and offer letters into more secure and bankable tenure forms. The Company is actively engaging with the Ministry to obtain title deeds for land previously held under offer letters and 99-year leases, as well as for land historically protected under BIPPA (Bilateral Investment Promotion and Protection Agreement) arrangements..

Outlook

The Company remains focused on advancing its strategic growth plans, with priorities centred on increasing sugar production, expanding the revenue portfolio, containing costs and generating positive cash flows. However, significant challenges persist in the form of water availability, electricity supply interruptions, and a complex operating environment.

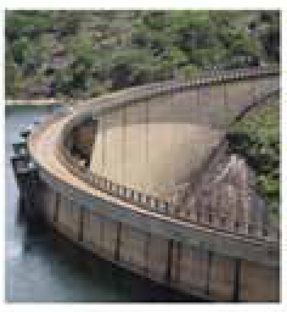
As the new season commences, the Company holds adequate sugar stocks to meet local market requirements. Sugar availability is expected to remain stable throughout the season, supported by substantial opening stock levels and the encouraging plant start-up performance. As a result, the Company does not anticipate a recurrence of sugar import pressures in the short term.

The drought conditions experienced in the previous season are not expected to materially impact the industry's performance in the current year. This includes the Mkwasine area, farmed by private growers, where water rationalisation measures had previously been implemented. Water levels in the Company's supply dams support this outlook, with the photographs below reflecting dam levels at 7 May 2025.



Tugwi-Mukosi

Dam Level - 100. 0%

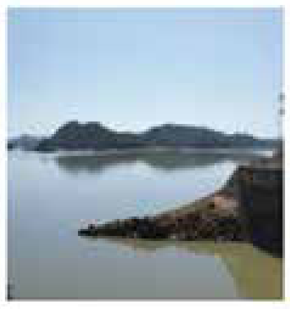


Lake Mutirikwi

Dam Level - 100. 0%

Manjirenji

Dam Level - 90. 9%



Siya

Dam Level - 77. 8%

Through its business continuity framework, the Company has completed a successful off-crop maintenance programme and has commenced retooling its Agriculture operations with adequate harvesting and haulage equipment. These initiatives are expected to support improved milling uptime and operational efficiency in the coming season.

Following developments in the DoP arrangement under the CMA, an increase in favour of private farmers is being challenged by the Company and the matter is still before the courts.

Project Zambuko will continue in the coming financial year, with further phases planned to support ongoing efficiency and cost management efforts across the Company.

In a context where several formal sector participants have reduced operations or exited the market altogether, the Company remains focused on maintaining relevance in the local sugar market, growing its footprint, and upholding Environmental, Social and Governance (ESG) standards as part of its long-term sustainability agenda.

By Order of the Board

CF Dube
Chairman

T R Masawi
Chief Executive Officer

26 June 2025

DDH&M_HV16622

ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31 March 2025 US$000 Audited	31 March 2024* US$'000 Audited Restated
Revenue		**191 596**	**340 478**
Cost of sales		(124 724)	(275 137)
Gross profit		**66 872**	**65 341**
Marketing and selling expenses		(16 294)	(11 455)
Administrative and other expenses		(45 158)	(51 707)
Expected credit losses		(2 509)	(683)
Fair value adjustment on biological assets		(1 430)	(36 756)
Other operating income/ (loss)		6 196	(22 491)
Operating profit/ (loss)		**7 677**	**(57 751)**
Net monetary gain		**-**	**120 025**
Net finance charges		**(1 941)**	**(27 105)**
Finance costs		(3 110)	(37 713)
Finance income		1 169	10 608
		5 736	**35 169**
Share of profit of associates		408	246
Profit before tax		**6 144**	**35 415**
Income tax credit/ (expense)	1	7 301	(11 152)
Profit for the period		**13 445**	**24 263**
Other comprehensive loss net of tax		**(105)**	**(25 276)**
Actuarial loss on post-retirement provision		(10))	(2 702)
Exchange (loss) /gain on translation of foreign investments		(95)	(47 732)
Effects of changes in presentation currency		-	25 158
Total comprehensive income/(loss)		**13 340**	**(1 013)**
Number of Ordinary shares in Issue ("000" of shares)		193 021	193 021
Basic and diluted earnings per share (US$ cents)		7	13
Headline and diluted headline earnings per share (US$ cents)		7	13

*The consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2024 was previously reported in ZWL, and has been restated and re-presented in US$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE).. Refer to note 7 for details of the change in the functional and presentation currencies.

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31 March 2025 US$'000 Audited	31 March 2024* US$'000 Audited Restated	31 March 2023* US$'000 Audited Restated
ASSETS			
Non-current assets	**47 236**	**46 241**	**33 052**
Property, plant and equipment	45 113	44 492	29 609
Intangible assets	33	34	234
Investments in associated companies	1 912	1 697	3 144
Right of use assets	178	18	65
Current assets	**125 789**	**122 904**	**127 191**
Biological assets	38 968	40 398	59 477
Inventories	42 680	32 241	30 218
Trade and other receivables	32 177	41 976	26 552
Amounts owed by related parties	7 187	6 975	5 740
Cash and cash equivalents	3 607	1 314	5 204
Current tax assets	1 170	-	-
Total Assets	**173 025**	**169 145**	**160 243**
EQUITY AND LIABILITIES			
Capital and reserves	**96 942**	**83 638**	**84 651**
Issued share capital	5 425	5 425	4 182
Other components of equity	(3 482)	(3 472)	(593)
Retained earnings	94 999	81 685	81 062
Non current liabilities	**26 265**	**32 107**	**28 308**
Deferred tax liabilities	18 867	25 221	22 702
Provisions	7 261	6 853	5 515
Lease liability	137	33	91
Current liabilities	**49 818**	**53 400**	**47 284**
Trade and other payables	30 782	32 474	35 352
Leave pay provision	2 035	2 852	1 029
Lease liability	66	60	55
Borrowings	12 492	12 456	9 961
Current tax liability	-	5 296	728
Provisions	3 443	14	159
Amounts owing to group companies	1 000	248	-
Total equity and liabilities	**173 025**	**169 145**	**160 243**

*The consolidated Statements of Financial Position as at 31 March 2024 and as at 31 March 2023 were previously reported in ZWL, and have been restated and re-presented in US$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 7 for details of the change in the functional and presentation currencies.

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	Issued share capital US$'000	Non-distributable reserves US$'000	Retained earnings US$'000	Total US$'000
Balance at 31 March 2023 (Audited, Restated)*	4 182	(593)	81 062	84 651
Total comprehensive income/ (loss) for the period	1 243	(2 879)	623	(1 013)
Profit for the period	-	-	24 263	24 263
Other comprehensive loss for the period	-	(2 702)	(47 732)	(50 434)
Effects of change in presentation currency	1 243	(177)	24 092	25 158
Balance at 31 March 2024 (Audited, Restated)*	**5 425**	**(3 472)**	**81 685**	**83 638**
Total comprehensive (loss)/ income for the period	-	(10)	13 350	13 340
Profit for the period	-	-	13 445	13 445
Other comprehensive loss for the period	-	(10)	(95)	(105)
Other restatement adjustments^	-	-	(36)	(36)
Balance at 31 March 2025 (Audited)	**5 425**	**(3 482)**	**94 999**	**96 942**

*The consolidated Statements of Changes in Equity for the periods ended 31 March 2023 and 31 March 2024, were previously reported in ZWL, and have been restated and re-presented in US$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE).. Refer to note 7 for details of the change in the functional and presentation currencies.

^This relates to differences between restated hyperinflation balances from ZWL to US$ at the closing rate of US$1: 22 055.47 and conversions of unit assets performed on 1 April 2024 on Property, plant and equipment, intangible assets, right of use, inventory and debtors.

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Notes	31 March 2025 US$'000 Audited	31 March 2024* US$'000 Audited Restated
Cash flows from operating activities			
Profit before tax		6 144	35 415
Net monetary gain		-	(120 025)
Depreciation and amortization	2	4 609	1 493
Exchange loss		200	32 913
Net finance charges		1 941	27 105
Share of profits from associates		(408)	(246)
Net movements in provisions		**5 770**	**(659)**
- Gross movements in provisions		6 354	218
- Movement attributable to revenue reserves		(584)	(877)
(Profit)/loss on disposal of PPE		(5)	157
Fair value adjustment on biological assets		1 430	36 756
Cash generated from operations		**19 681**	**12 909**
Changes in working capital		(4 778)	(13 142)
Net cash generated by/ (utilized in) operations		**14 903**	**(233)**
Tax paid		(5 211)	(2 221)
Finance income received		364	2 121
Finance cost paid		(1 315)	(1 710)
Net cash inflow/ (outflow) from operating activities		**8 741**	**(2 043)**
Cash flows from investing activities			
Loans advanced to related parties		(2 911)	(7 962)
Repayments by related parties		2 487	5 480
Additions to property, plant and equipment		**(4 835)**	**(7 465)**
- Other property, plant and equipment		(3 174)	(2 422)
- Cane roots		(1 661)	(5 043)
Proceeds on disposal of fixed assets		17	68
Dividends received from associated companies		181	221
Net cash outflow from investing activities		**(5 061)**	**(9 658)**
Net cash inflow/ (outflow) before financing activities		**3 680**	**(11 701)**
Cash flows from financing activities			
Proceeds from borrowings		14 405	60 863
Repayment of borrowings		(14 369)	(54 499)
Lease financing paid		(87)	(77)
Net cash (outflow)/ inflow from financing activities		**(51)**	**6 287**
Net increase / (decrease) in cash and cash equivalents		3 629	(5 414)
Net cash and cash equivalents at the beginning of the period		1 314	5 204
Inflation effects on cash and cash equivalents		-	(8 509)
Net foreign exchange differences		(1 336)	8 486
Effects of changes in presentation currency		-	1 547
Net cash and cash equivalents at end of period		**3 607**	**1 314**

*The consolidated Statement of Cash Flows for the year ended 31 March 2024 was previously reported in ZWL, and has been restated and re-presented in US$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 7 for details of the change in the functional and presentation currencies.

ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS

	31 March 2025 US$'000	31 March 2024 US$'000 Audited Restated
1. Income tax credit/ (expense)		
Normal tax - Current year	(2 544)	-
Prior year overprovision	3 526	-
Deferred tax	(987)	(11 152)
Effects of currency translation*	7 306	-
Charged to profit and loss	**7 301**	**(11 152)**
2. Depreciation and amortisation		
Depreciation of property, plant and equipment	1 724	998
Amortisation of intangible assets	29	271
Depreciation of roots	2 856	224
	4 609	**1 493**
3. Capital expenditure commitments		
Contracted and orders placed	2 676	284
Authorized by Directors but not contracted	3 622	540
	6 298	**824**

*Prior year deferred tax included temporary differences from IAS 29 adjustments which are no longer relevant in the current year.

4. Segment reporting

The Group and Company has two major operating segments, namely Agriculture and Milling. Other smaller segments which are individually immaterial are aggregated into other farming activities segment. The reportable segments are identified based on the structure of information reported to the Group's Chief Executive Officer (the Chief Operating Decision - Maker) for performance measurement and resource allocation purposes.
The distinct operating segments for the Group are as shown below:

Agriculture	Milling	Other farming activities#
Business operations relate to sugar cane,	Business operations relate to,	Business operations relate to,
• Planting • Maintenance • Harvesting and haulage	• Sugar Cane Crushing • Subsequent sugar production and other by products	• Maintenance and harvesting of citrus fruits

All these segments operate their activities in Chiredzi. The accounting policies of the reportable segments are the same as the Group and Company's accounting policies.

Other farming activities previously included livestock operations and citrus fair value movement. Livestock division was discontinued during year ended 31 March 2024. Due to the immateriality of the citrus fair value, in the current year it was not disclosed as a standalone operating segment.

Segment information for the reportable segments for the year ended 31 March 2025 is as follows:

	Agriculture 31.03.25 US$'000	Milling 31.03.25 US$'000	Other farming activities # 31.03.25 US$'000	Total 31.03.25 US$'000
Total segment revenue	85 240	190 545	-	275 786
Inter segment revenue	(84 190)	-	-	(84 190)
Revenue from external customers	**1 051**	**190 545**	**-**	**191 596**
Segment Operating profit/(loss)	11 354	(3 677)	-	7 677
Adjust for:				
Fair value adjustment on biological assets	1 430	-	-	1 430
Depreciation and amortisation	3 397	1 212	-	4 609
Segment Adjusted EBITDA	**16 181**	**(2 465)**	**-**	**13 716**

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.25 US$'000
Segment non-current assets for reportable segments	**45 146**
Right - of - use asset	**178**
Unallocated: Investments in associated companies	**1 912**
Total non-current assets per statement of financial position	**47 236**

Agriculture:
Performance is measured by the level of sugar cane yields and quality.
Key financial highlights;
1. The business unit is profitable and generates positive EBITDA, benefiting from a high cane price, similarly with other farmers delivering cane to Milling.

2. However the business unit suffers a high cost of doing business in terms of labour costs after the minimum wage was increased to US$280 and this continue to erode profit margins below generally acceptable agriculture margins when comparing with other agriculture operations including other sugar producing companies. Our business being an agriculture estate should generate higher margins to cushion the business in terms of downturns.

3. Additionally, the business unit relies on the use of yellow machines for operational efficiencies and this regularly requires retooling thereby drawing on cash resources.

Milling:
Performance of the business unit is focused on sugar production with the major raw material (sugar cane) supplied by the agriculture business unit and Private farmers. This performance is measured in terms of level of sugar production and related recoveries.

Key financial highlights;
1. The business unit cost of production is relatively large due to a high sugar cane price, which is currently at US$71 per ton of sugar cane delivered under the Cane Purchase Agreement, under which 90% of the private farmers have opted for.
2. Another regional country that operates on the basis of cane supply under a CPA arrangement is Kenya and in this past season they operated on an equivalent cane price of US$38. Since February 2025, sugar cane price per tonne in Kenya is operating at Kenyan Shillings (Ksh5 300) which is almost equivalent to US$40.91 and showing a huge contrast to Zimbabwe's US$71.
3. Excess sugar is sold into the export markets fetching lower returns while the cost of sugar cane is fixed at US$71 per ton, resulting in reduced margins.

Sugar cane contributions between Company (McP) and Private farmers were 58% and 42% respectively. In the event that the contribution from McP deteriorates, this will result in reduced margins considering the expensive cane from private farmers.

The remaining 10% of the private farmers are subjected to a DoP of 77% which is the highest in the region and a court case is currently ongoing for it to be increased to 80.5% (effectively is 83%).

Segment information for the reportable segments for the year ended 31 March 2024 is as follows:

Comparative financial statements are distorted through the application of IAS 29 'hyperinflation', due to CPIs and exchange rate dynamics upon translating to US$.

Refer to the details below the segment financial information.

	Agriculture 31.03.24 US$'000	Milling 31.03.24 US$'000	Other farming activities# 31.03.24 US$'000	Total 31.03.24 US$'000
Total segment revenue	374 883	337 679	692	713 254
Inter segment revenue	(372 776)	-	-	(372 776)
Revenue from external customers	**2 107**	**337 679**	**692**	**340 478**
Segment Operating (loss)/profit	**(111 395)**	**53 662**	**(19)**	**(57 752)**
Adjust for:				
Fair value adjustment on biological assets	36 768	-	(12)	36 756
Depreciation and amortisation	1 201	292	-	1 493
Segment Adjusted EBITDA	**(73 426)**	**53 954**	**(31)**	**(19 503)**

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.24 US$'000
Segment non-current assets for reportable segments	44 526
Right - of - use asset	18
Unallocated: Investments in associated companies	1 697
Total non-current assets per statement of financial position	**46 241**

- Comparative information is not suitable to provide a reasonable analysis of the Segments performance due to inherent distortions which came from translating hyperinflation balances and transactions that existed in a hyperinflationary environment.

- Additionally, revenue generated under the agriculture business unit is recognised covering the period which usually starts in April and ending in December of each year while the milling revenue extends to March.

Therefore, distortions arising from CPIs and currency will affect the reported results due to the volatility in these inputs which were used for the prior year hyperinflation accounting.

5. Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards as issued by the International Accounting Standards Board (IASB®) Accounting Standards (hereafter referred to as IFRS Accounting Standards), and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC®) and in a manner required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE).

6. Basis of preparation

The financial statements are based on statutory records that are maintained under the historical cost convention except for the valuation at fair value at the end of each reporting period for certain assets. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of the transaction.

7. Change in functional and presentation currency

The annual financial statements are presented in US$ following the change in functional and presentation currency by the Group's significant entity Hippo Valley Estates (hereafter referred to as the Company) from 1 April 2024. Comparative financial statements for the year ended 31 March 2024, were initially prepared in ZWL under the inflation-adjusted accounting basis in line with the provisions of IAS 29 and thereafter translated to US$ using the spot rate as at 31 March 2024.

Following the Company's change in functional currency on 1 April 2024, the Group's annual financial statements have since been prepared based on the statutory records that are maintained under the US$ historical cost basis.

Hippo Valley Estates Limited

ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

According to IAS 21, entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their presentation currency.

The following exchange rates were used in the translation of comparative statements:

Date	Exchange rate
31 March 2023	US$1: ZWL 929.86
31 March 2024	US$1: ZWL 22 055.47

7.1. Functional currency

In June 2022, the Government of Zimbabwe Promulgated SI 118A of 2022 which enacted the multi-currency into law until 31 December 2025. Furthermore, the use of multi-currency was extended to 31 December 2030 through SI 218 of 2023, assuring business regarding the continuity of the multi-currency regime. Resultantly, the Company witnessed a steady increase in the use of foreign currency in its operations. This prompted management to relook into its functional currency as guided by IAS 21 ("The effects of Changes in Foreign Exchange Rates").

The following primary and secondary factors were considered in assessing the functional currency of the business:

- the currency that mainly influences the sales prices for the goods and services (the currency in which sales prices for its goods and services are denominated and settled);
- the currency that mainly influences labour, material and other costs of providing goods or services;
- the currency in which funds from financing activities are generated;
- the currency in which receipts from operating activities are usually retained; and
- The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.

The Directors concluded based on the above factors, that there has been a change in the Company's functional currency including the appropriateness to present the financial statements in US$. The change in functional currency was with effect from 1 April 2024.

Following the Company's change in functional currency, the Group's comparative annual financial statements which were previously reported in Zimbabwe Dollars (ZWL) after applying IAS 29, have been restated and presented in US$ after applying the following translations:

- For the purposes of determining the US$ opening balances at 1 April 2024 (that were used to determine the Statement of Financial Position), the closing ZWL hyperinflation balances as at 31 March 2024 were converted from ZWL to US$ using the closing exchange rate at 31 March 2024 of US$1 : ZWL22 055.

- For the purposes of determining the US$ annual comparative information, the closing ZWL hyperinflation balances at 31 March 2023 (that were used to determine the comparative Statement of financial position and Statement of Cashflows) have been converted from ZWL to US$ using the closing exchange rate at 31 March 2023 of US$1 : ZWL 929.86.

8. Impact of Tongaat Hulett South Africa Business Rescue

The business rescue plan for Tongaat Hulett South Africa is still ongoing in terms of finalising Equity Subscription by the Vision Partners. The international businesses which include Hippo Valley Estates are not in business rescue. Note that, Hippo Valley Estates sugar operations are not financially distressed, will not enter business rescue and will continue trading. In addition, with regards intercompany transactions with the South African operations, Hippo Valley Estates is in a net owing position hence exposure due to the development is also minimal. In relation to the processes, there are no key processes with the sister company that would threaten the Company's going concern.

Recent updates relate to the sale of the Tongaat Hullet Limited shares in Triangle Sugar Corporation (Company's majority shareholder) to Vision Sugar Holdings (Mauritius). In addition, Vision Investments 155 (Pty) Ltd paid the full remaining amount owed to the Lender Group. This means that Vision has now formally replaced the Lender Group and is now the sole lender to Tongaat Hulett Limited (THL). Work is continuing with the Business Rescue Practitioners and Vision Partners to finalise the completion of the alternative transaction which is the sale of THL's operations and assets to Vision.

9. Provision for an adjustment in the Division of Proceeds (DoP) ratio

Private farmers who deliver cane to the mills are paid using either a fixed price per ton of sugarcane or a price related to the sugar proceeds through the ruling Division of Proceeds (DoP). The DoP refers to the share of sugar sales proceeds between the farmer and the miller for each ton of sugar sold. On 07 October 2024, the Group became aware of a potential liability arising from the 2016 DoP validation exercise carried out by a consultant and overseen by the Ministry of Industry and Commerce. The Ministry announced an increase in DoP from 77% to 80.5% in favour of the farmers with effect from the financial year beginning April 2022. The Group challenged the process and results of the validation exercise in the High Court and the Court upheld the determination by the Ministry of Industry and Commerce. The case is still before the courts for final determination.

10. Going concern

The IFRS Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements of the Company. The financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting are required.

In terms of IAS 1 Presentation of Financial Statements (IAS 1), management is required to make an assessment of the Group's ability to continue as a going concern. To this extent, IAS 1 states that when management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, such uncertainties should be disclosed.

Below were major highlights in the going concern assessment.

- The drought did not adversely affect sugar cane farming supported by adequate irrigation water from supplying dams.
- Following the repeal of the statutory instrument that allowed duty free non-fortified sugar imports the Company has regained its market share.
- Other dynamics in the business environment have been mitigated by our sustainable business strategies including engagements with relevant stakeholders.
- A favourable outcome of the legal process surrounding the DoP validation exercise.
- Our good operational performances demonstrate a positive business trajectory.
- The introduction of a company-wide cost reduction programme which included a retrenchment exercise to assist with the pressures of high input costs (both cane and manpower).

Accordingly, the Directors believe that as of the date of this report, the going concern presumption is still appropriate after assessing the ability of the Company to continue as a going concern. Management and the Directors are not aware of any such material uncertainties.

11. Borrowings

The borrowings are unsecured and are at an average finance cost of 11% per annum (2024: 9.1%).

12. Annual Financial Results Conclusion

The Group's consolidated annual financial statements as at 31 March 2025 from which these abridged results have been extracted have been audited by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe), who have issued an unmodified audit opinion. The engagement partner for this audit is Mr David Marange (PAAB Practicing Certificate Number 436).

By order of the Board
Hippo Valley Estates Limited
Registration No. 371/1956
Registered Office: Hippo Valley Estates Limited, Chiredzi

Pauline Kadembo
Company Secretary
26 June 2025

Hippo Valley Estates Limited

ABRIDGED ANNUAL FINANCIAL RESULTS 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 Security and Exchange Commission of Zimbabwe (SECZ)

Cautionary - Reliance on the translation of opening balances and comparative financial statements from US$ to ZWG in line with the requirements of the Securities and Exchange Commission of Zimbabwe (SECZ), to present financial statements in a common presentation currency, the ZWG.

Prior to this directive, the Group had adopted the US$ as the presentation and functional currency effective 1 April 2024. Therefore, it should be noted that the opening balances and comparative financial statement were initially reported in ZWL under hyperinflation accounting. See note 7 with the details of the translations performed.

Users are therefore cautioned that;

• The financial statements for the year ending 31 March 2025 have opening balances and comparative information derived from:

(a) Translating to US$, ZWL hyperinflation opening balances and comparative information that existed in a hyperinflationary environment where inherent economic distortions may have impacted these balances.

(b) Translating to ZWG, US$ opening balances and comparative information per point (a) above in order to adhere to the requirements of SECZ.

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31 March 2025 ZWG'000 Audited	31 March 2024 ZWG'000 Audited Restated
Revenue		**5 128 137**	**4 617 422**
Cost of sales		(3 338 300)	(3 731 291)
Gross profit		**1 789 837**	**886 131**
Marketing and selling expenses		(436 120)	(155 359)
Administrative and other expenses		(1 208 679)	(701 231)
Expected credit losses		(67 151)	(9 264)
Fair value adjustment on biological assets		(38 282)	(498 472)
Other operating income/ (loss)		165 846	(305 008)
Operating profit/ (loss)		**205 451**	**(783 203)**
Net monetary gain		-	**1 627 736**
Net finance charges		**(51 943)**	**(367 589)**
Finance costs		(83 231)	(511 448)
Finance income		31 288	143 859
		153 508	**476 944**
Share of profit of associates		10 933	3 337
Profit before tax		**164 441**	**480 281**
Income tax credit/ (expense)	1	195 410	(151 235)
Profit for the period		**359 851**	**329 046**
Other comprehensive income/ (loss) net of tax		**1 101 539**	**(342 781)**
Actuarial loss on post-retirement provision		(2 544)	(647 324)
Exchange loss on translation of foreign investments		(261)	(36 647)
Effects of changes in presentation currency		-	341 190
Translation effects		1 104 344	-
Total comprehensive income/(loss)		**1 461 390**	**(13 735)**
Number of Ordinary shares in Issue ("000" of shares)		193 021	193 021
Basic and diluted earnings per share (ZWG cents)		186	170
Headline and diluted headline earnings per share (ZWG cents)		186	170

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31 March 2025 ZWG'000 Audited	31 March 2024 ZWG'000 Audited Restated	31 March 2023 ZWG'000 Audited Restated
ASSETS			
Non-current assets	**1 264 282**	**627 106**	**448 239**
Property, plant and equipment	1 207 455	603 384	401 545
Intangible assets	894	466	3 166
Investments in associated companies	51 173	23 015	42 647
Right of use assets	4 760	241	881
Current assets	**3 366 787**	**1 666 786**	**1 724 923**
Biological assets	1 043 000	547 868	806 613
Inventories	1 142 351	437 234	409 800
Trade and other receivables	861 226	569 258	360 090
Amounts owed by related parties	192 376	94 599	77 843
Cash and cash equivalents	96 530	17 827	70 577
Current tax assets	31 304	-	-
Total Assets	**4 631 069**	**2 293 892**	**2 173 162**
EQUITY AND LIABILITIES			
Capital and reserves	**2 594 697**	**1 134 270**	**1 148 005**
Issued share capital	145 200	73 571	56 715
Other components of equity	(93 192)	(47 083)	(8 045)
Retained earnings	2 542 689	1 107 782	1 099 335
Non current liabilities	**703 003**	**435 427**	**383 905**
Deferred tax liabilities	504 988	342 045	307 879
Provisions	194 350	92 942	74 798
Lease liability	3 665	440	1 228
Current liabilities	**1 333 369**	**724 195**	**641 252**
Trade and other payables	823 857	440 413	479 446
Leave pay provision	54 479	38 683	13 955
Lease liability	1 766	812	744
Borrowings	334 341	168 925	135 091
Current tax liability	-	71 821	9 873
Provisions	92 161	184	2 143
Amounts owing to group companies	26 765	3 357	-
Total equity and liabilities	**4 631 069**	**2 293 892**	**2 173 162**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	Issued share capital ZWG'000	Non-distributable reserves ZWG'000	Retained earnings ZWG'000	Total ZWG'000
Balance at 31 March 2023 (Audited, Restated)	**56 715**	**(8 045)**	**1 099 335**	**1 148 005**
Total comprehensive income/ (loss) for the period	16 856	(39 038)	8 447	(13 735)
Profit for the period	-	-	329 046	329 046
Other comprehensive loss for the period	-	(36 647)	(647 324)	(683 971)
Effects of change in presentation currency	16 856	(2 391)	326 725	341 190
Balance at 31 March 2024 (Audited, Restated)	**73 571**	**(47 083)**	**1 107 782**	**1 134 270**
Total comprehensive income/ (loss) for the period	71 629	(46 109)	1 435 870	1 461 390
Profit for the period	-	-	359 851	359 851
Other comprehensive loss for the period	-	(261)	(2 544)	(2 805)
Translation effects	71 629	(45 848)	1 078 563	1 104 344
Other restatement adjustments^	-	-	(963)	(963)
Balance at 31 March 2025 (Audited)	**145 200**	**(93 192)**	**2 542 689**	**2 594 697**

^This relates to differences between restated hyperinflation balances from ZWL to US$ at the closing rate of US$1: 22 055.47 and conversions of unit assets performed on 1 April 2024 on Property, plant and equipment, intangible assets, right of use, inventory and debtors. These were then converted to ZWG using the closing rate of US$1:ZWG26.77.

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ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Notes	31 March 2025 ZWG'000 Audited	31 March 2024 ZWG'000 Audited Restated
Cash flows from operating activities			
Profit before tax		164 441	480 281
Net monetary gain		-	(1 627 736)
Depreciation and amortization	2	123 350	20 251
Exchange loss		5 367	446 359
Net finance charges		51 943	367 589
Share of profits from associates		(10 933)	(3 337)
Net movements in provisions		**154 446**	**(8 946)**
- Gross movements in provisions		170 072	2 954
- Movement attributable to revenue reserves		(15 626)	(11 900)
(Profit)/loss on disposal of PPE		(121)	2 124
Fair value adjustment on biological assets		38 282	498 472
Cash generated from operations		**526 775**	**175 057**
Changes in working capital		(127 889)	(178 228)
Net cash generated by/ (utilized in) operations		**398 886**	**(3 171)**
Tax paid		(139 475)	(30 118)
Finance income received		9 740	28 762
Finance cost paid		(35 184)	(23 188)
Net cash inflow/ (outflow) from operating activities		**233 967**	**(27 715)**
Cash flows from investing activities			
Loans advanced to related parties		(77 924)	(107 976)
Repayments by related parties		66 563	74 314
Additions to property, plant and equipment		**(129 406)**	**(101 230)**
- Other property, plant and equipment		(84 962)	(32 842)
- Cane roots		(44 444)	(68 388)
Proceeds on disposal of fixed assets		459	917
Dividends received from associated companies		4 856	2 991
Net cash outflow from investing activities		**(135 452)**	**(130 984)**
Net cash inflow before financing activities		**98 515**	**(158 699)**
Cash flows from financing activities			
Proceeds from borrowings		385 544	825 396
Repayment of borrowings		(384 596)	(739 091)
Lease financing paid		(2 327)	(1 050)
Net cash (outflow)/ inflow from financing activities		**(1 379)**	**85 255**
Net increase / (decrease) in cash and cash equivalents		**97 136**	**(73 444)**
Net cash and cash equivalents at the beginning of the period		17 827	70 577
Translation effects on cash and cash equivalents		17 357	(94 404)
Net foreign exchange differences		(35 790)	115 098
Net cash and cash equivalents at end of period		**96 530**	**17 827**

ABRIDGED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS

	31 March 2025 ZWG'000	31 March 2024 ZWG'000 Audited Restated
1. Income tax credit/(expense)		
Normal tax - Current year	(68 091)	-
Prior year overprovision	94 372	-
Deferred tax	(26 419)	(151 235)
Effects of currency translation	195 548	-
Charged to profit and loss	**195 410**	**(151 235)**
2. Depreciation and amortisation		
Depreciation of property, plant and equipment	46 145	13 534
Amortisation of intangible assets	771	3 676
Depreciation of roots	76 434	3 041
	123 350	**20 251**
3. Capital expenditure commitments		
Contracted and orders placed		
Authorized by Directors but not contracted	71 637	3 850
	96 936	7 330
	168 573	**11 180**

4. Statement of compliance

The Group's abridged audited special purpose financial statements have been prepared in accordance with the requirements of the Security and Exchange Commission of Zimbabwe (SECZ) to present financial statements in a common presentation currency, (ZWG). The financial statements also comply with the Monetary Policy Statement (MPS) of 6 February 2025 in the manner required by the Zimbabwe Stock Exchange Notice of 12 March 2025.

5. Basis of preparation

The financial statements are based on US$ statutory records that are maintained under the historical cost convention except for the valuation at fair value at the end of each reporting period for certain assets. Historical cost is based on US$ statutory records that have been translated to ZWG in line with the SECZ directive, to present financial statements in a common presentation currency (ZWG).

6. Change in functional and presentation currency

Hippo Valley Estates witnessed a steady increase in the use of foreign currency in its operations. This prompted management to relook into its functional currency as guided by IAS 21. After considering the requirements of IAS 21, the Directors concluded that there has been a change in the Company's functional currency from ZWL to US$. The change in functional currency was with effect from 1 April 2024. In addition, the Group also changed its presentation currency to US$.

However, the Monetary Policy statement published on the 6th of February 2025 mandated that the presentation currency for all entities should be ZWG therefore for the purpose of special purpose reporting, the Group's annual financial statements are presented in ZWG.

For the purpose of preparing special purpose abridged financial statements, the Group translated US$ financial statements as below:

- Statement of Financial Position balances were translated at the closing exchange rate as at 31 March 2025 of US$1:ZWG26.77
- Statement of Comprehensive Income and Statement of Cashflows transactions were translated at the closing exchange rate as at 31 March 2025 of US$1:ZWG26.77.
- Comparative financial statements have been translated from USD to ZWG using the exchange rate as at 05 April 2025 of US$1:ZWG13.56.

Shape the future
with confidence

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Independent Auditor's Report

To the Shareholders of Hippo Valley Estates Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Hippo Valley Estates Limited and its subsidiaries ('the Group and Company') set out on pages 18 to 89, which comprise of the consolidated and separate statements of financial position as at 31 March 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, 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 of Zimbabwe Chapter 24.31.

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 Separate 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 of the group and company and in Zimbabwe. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

Hippo Valley Estates Limited

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key audit matter description	How the matter was addressed in the audit
Valuation of Sugar Inventory As disclosed on note 8 of the annual financial statements. The Sugar inventory balance is significant amounting to USD 26 475 000 as of 31 March 2025 with a comparative balance of USD 13 901 000. The valuation of this inventory is complex due to the unique steps involved in determining the production costs and the subsequent calculation of the lower of Net Realizable Value (NRV) or cost. **Own cane costs** The valuation of sugar inventory includes cane costs which arise from deliveries by out-grower farmers under Cane Milling Agreement (CMA) and Cane Purchase Agreement (CPA) as well as own grown cane. The other costs included in the valuation of inventory are milling costs which is an accumulation of various cost elements of large volume of transactions. Costs for own-grown cane are determined at the point of harvest, in line with IAS 41 and IAS 2 which require transfers from biological assets to inventories to be recorded at point of harvest at fair value less costs to sell. **Incorporation and assessment of cane costs inputs and assumptions into Inventory sugar valuation measurement** The determination of cane costs for inventory valuation also refers to the Mill-Door-Price (MDP) which is an estimate affected by subjectivity and complexities in the estimation process. The fair valuation process includes significant judgements, estimates and assumptions relating to the sucrose content, expected yield per hectare, extraction ratios, selling prices and costs	We evaluated the appropriateness of inventory valuation accounting policy implemented by management in accordance with the requirements of IAS 2. We performed a recalculation of the weighted average production costs, compared against the NRV and applied the lower of the two for inventory valuation. **Evaluation of own cane costs** We recalculated own cane costs based on the Estimated Recoverable Crystal (ERC) tonnage derived from the cane delivered for crushing at the mill from the sugar cane fields along with the associated fair value less costs to sell at the point of harvest. We verified the data underpinning the fair value less costs to sell to confirm that the estimate (i) is accurate, (ii) is complete, and (iii) relevant for purposes of IAS 41. This was performed through recalculations, inspection of source documents, and physical inspection of the cane fields. **Incorporation and assessment of cane costs inputs and assumptions into Inventory sugar valuation measurement** We independently calculated the inputs that were used in determining the fair value of cane. The following are the inputs that feed into the fair value calculation which we computed and compared against the outputs provided by Management:

to sale, some of which are Level 3 inputs (unobservable) **Evaluation of out-grower cane costs** For out-growers, cane purchase costs are based on contractual agreements, with the cost being fixed throughout for CPA and the cost being adjusted monthly until the final price is determined for CMA. In determining the cane cost from out-grower farmers under the CMA, the entity determines the costs for the current year for deliveries based on Mill-Door Price (MDP). Changes in MDP results in top-ups monthly. These top-ups are accounted for in terms of the value of inventory for both the current and prior year deliveries which have not yet been sold. The valuation process is further complicated by the need to account for variable payments (movement in MDP) in the inventory valuation process. Due to the large number of complex cost variables above that are involved in the valuation process, we determined that the valuation of sugar inventory is a Key Audit Matter.	i. Estimated Residual Crystal (ERC) ii. Division of proceeds (DOP) iii. Average Mill-door price (MDP) iv. Average yield per hectare v. Equivalent hectarage of cane We conducted control testing to verify the following non-financial data points that are integral to the determination of cane costs; ➢ ERC tonnage ➢ Cane tonnage ➢ Farmers listing. **Evaluation of out-grower cane costs** We recomputed out grower cane costs at a disaggregated level as outlined below. ➢ Recalculated the cane purchases costs based on CPA prices and cane tonnage delivered through the CPA agreement period. ➢ Recalculated the cane purchases costs using MDPs (including the top ups) and ERC tonnage and molasses tonnage obtained from cane delivered through the CMA agreement.

Other Information

The directors are responsible for the other information. The other information comprises the information included in document titled "Hippo Valley Limited Annual Report for the year ended 31 March 2025", which includes the Statement of Director's Responsibility for Financial Reporting, Directors' Report and the Audit Committee's Report as required by the Companies and Other Business Act of Zimbabwe Chapter 24:31. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate 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 separate 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. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group 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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 separate 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 separate 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 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.

- 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 and company'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 separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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 separate 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 engagement resulting in this independent auditor's report on the consolidated and separate financial information is Mr David Marange (PAAB Practicing certificate number 436).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 27 June 2025

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Independent Auditor's Report

To the Shareholders of Hippo Valley Estates Limited

Report on the Audit of the Translated Financial Report

Opinion

We have audited the translated financial report of Hippo Valley Estates Limited and its subsidiaries (the Group and Company), set out on the abridged annual financial results, which comprise the translated consolidated statement of financial position as at 31 March 2025, and translated consolidated statement of profit or loss and other comprehensive income, translated consolidated statement of changes in equity and the translated consolidated statement of cashflows for the year then ended, and a select of material notes.

In our opinion, the accompanying translated financial report of hippo valley estates 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 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 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 Separate 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 (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 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 Chairman's Statement and Chief Executive's Review. The other information does not include the translated financial report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the translated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the translated financial report, 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

The translated financial report is prepared to assist Hippo Valley Estates 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 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025. Consequently, the translated financial report and the related auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matters

The Group has prepared a general-purpose set of financial statements for the year ended 31 March 2025 in accordance with IFRS accounting standards as issued by the International Accounting Standards Board on which we issued a separate auditor's report to the shareholders of the Group dated 27 June 2025. Further, this is the first year the directors have prepared this translated financial report to comply with the basis of preparation as indicated on note 6, therefore the ZWG comparative financial information presented on the translated financial report for the year ended 31 March 2024 was not audited.

Responsibilities of the Directors for the Financial Statements

The directors of Hippo Valley Estates Limited are responsible for the preparation and presentation of the financial statements 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 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025 and for such internal control as the directors determine is necessary to enable the preparation of the special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and company 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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the translated financial report 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 these financial statements.

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 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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.

The engagement partner on the audit resulting in this independent auditor's report is Mr David Marange (PAAB Practicing Certificate Number 436).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

27 June 2025