Short-Form Unaudited Results

FOR THE HALF YEAR ENDED
31 MARCH 2025

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.

A copy of the full announcement is available upon request, and is also available for inspection at the Company's registered office and on the Zimbabwe Stock Exchange website: https://www.zse.co.zw/willdale-limited-2/ and the Company website https://willdale.co.zw/investor-relations/

Financial Highlights

	UNAUDITED Half year ended 31-Mar-25 USD	UNAUDITED Half year ended 31-Mar-24 USD	% Change 2025/2024
Revenue	3,144,102	6,074,521	(48%)
Operating loss	(1,789,045)	(3,677,027)	51%
Loss for the period	(1,796,906)	(6,469,467)	72%
Total assets	32,619,776	32,819,072	(1%)
Total equity	21,023,464	23,399,155	(10%)
Basic earnings per share (USD cents)	(0.0010)	(0.0051)	(80%)
Diluted earnings per share (USD cents)	(0.0010)	(0.0051)	(80%)

Revenue for the period declined by 48% compared to the same period in the previous year. This decline was driven by a 30% reduction in volumes, resulting from working capital constraints that limited production, and a 26% drop in average prices due to intensified market competition—particularly in the common plaster brick segment.

These challenges, coupled with ongoing cost pressures, led to an operating loss of $1.8 million (2024: $3.7 million loss). A turnaround is anticipated in the second half of the year when volumes and profitability are expected to improve.

Dividend
No dividend has been declared for the period under review in view of the need to preserve cash for working capital.

B K Mataruka
Chairman

20th June 2025

Willdale Limited
Quality • Durability • Diversity

UNAUDITED ABRIDGED FINANCIALS FOR THE HALF YEAR ENDED 31 MARCH 2025

REVENUE
USD3.1 Million (2024:USD6.1 Million)

REVENUE DOWN BY 48%

OPERATING LOSS
USD1.8 Million(2024:USD3.8 Million)

CHAIRMAN'S STATEMENT FOR THE HALF YEAR ENDED 31 MARCH 2025

Introduction

During the period under review, a stable macroeconomic environment—characterized by steady inflation and exchange rates—provided a relatively predictable backdrop for business operations. However, liquidity constraints persisted due to continued fiscal tightening by the Government, which limited the availability of working capital and restricted production capacity. Consequently, sales volumes and margins were negatively impacted.

In response, the Company maintained prudent financial management practices, including minimizing third-party debt and preserving a low gearing ratio, thereby reducing default risk during periods of suppressed trading activity.

Financial Results

Revenue for the period declined by 48% compared to the same period in the previous year. This decline was driven by a 30% reduction in volumes, resulting from working capital constraints that limited production, and a 26% drop in average prices due to intensified market competition—particularly in the common plaster brick segment.

These challenges, coupled with ongoing cost pressures, led to an operating loss of $1.8 million (2024: $3.8 million loss). However, management anticipates a turnaround in the second half of the year, traditionally the peak production season, which should boost volumes and support a return to profitability—driven by improved weather conditions and enhanced operational efficiency. Several cost rationalisation initiatives were undertaken in the period under review and the Company has begun to reap the benefits of these initiatives.

Market Overview

Despite the rainy season, demand for bricks remained strong, reflecting continued investor confidence in the property and construction sectors. The 30% decline in sales volumes was not demand-driven but rather a result of stock shortages; as all available inventory was sold during the period.

We will continue advocating for improved industry compliance, particularly regarding the industry-wide application of VAT on brick sales. Some industry players are neither charging nor collecting VAT, thereby offering lower prices and gaining an unfair trading advantage, which has a material bearing on the competition dynamics, particularly in the common brick market which is highly price sensitive.

Operational Update

Production volumes (extrusion) fell by 43% compared to the same period last year, largely due to limited working capital and the impact of seasonal rainfall. To address these constraints, several strategic initiatives are underway to secure adequate funding and ensure operational readiness for the peak production period from June to December 2025.

Fundraising through land disposals is expected to accelerate in the third quarter, following the issuance of a permit for the first phase of the commercial land development. The imminent development and disposal of the land bank will provide working capital, fund the acquisition of an all-weather plant, and inject fresh capital for mobile equipment procurement and improvements in operational efficiencies whilst also increasing the production capacity of fired bricks.

Environmental, Social, and Governance (ESG)

Sustainability remains a cornerstone of the Willdale Bricks brand. Our commitment to responsible manufacturing is embedded in a structured and integrated management system designed to meet stringent environmental and governance standards.

We are proud of our continued ISO certification, which affirms our dedication to international best practices and enhances our value proposition to environmentally and socially conscious investors.

Governance and Leadership

As part of our commitment to strong corporate governance, Dr. Engineer M. Mutezo and Mr. B. Manhando joined the Board following the retirement of Messrs. U. Duske and C. Makoni at the Annual General Meeting in March 2025. Their appointments bring valuable industry experience and strategic oversight to the business.

Outlook

The outlook for the remainder of the financial year remains positive, underpinned by strong fundamentals in the construction and property sectors. Housing and commercial development continue to show robust growth, supported by strategic partnerships with real estate developers.

The Board and management are focused on raising adequate working capital to support increased production of high-margin brick products. These efforts, which are expected to yield results from the third quarter of 2025, are critical to achieving scale, improving profitability, and ensuring the long-term sustainability of the business.

Additionally, the Company is actively exploring new project opportunities, and we are particularly encouraged by the Government's recent commitment to resume educational and infrastructure development projects, which are expected to stimulate additional demand in the sector.

The Company is focused on maximizing new revenue streams within the property development sector, while also increasing the production of high-margin bricks and enhancing consumer awareness of the long-term sustainability benefits associated with these premium hard-burn bricks.

Dividend

In line with our capital preservation strategy and the ongoing need to strengthen our working capital position, the Board has resolved not to declare an interim dividend for the half-year ended 31 March 2025.

B.K. Mataruka
CHAIRMAN
20th June 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 MARCH 2025

	MARCH 2025 USD	MARCH 2024 USD
Revenue from contracts with customers	**3,144,102**	**6,074,521**
Cost of sales	(3,243,774)	(5,737,372)
Gross (loss)/profit	**(99,672)**	**337,149**
Selling and distribution expenses	(307,684)	(437,902)
Administrative expenses	(1,173,903)	(1,479,332)
Allowance for credit losses	(16,965)	(18,757)
Exchange loss	(286,714)	-
Other income	95,893	(2,078,185)
Operating loss	**(1,789,045)**	**(3,677,027)**
Fair value loss on investment property	-	(2,717,648)
Interest income	-	1,166
Interest expense	(10,338)	(11,956)
Loss before monetary loss	**(1,799,383)**	**(6,405,465)**
Monetary loss	-	(631,633)
Loss before tax	**(1,799,383)**	**(7,037,098)**
Income tax credit	2,477	567,631
Loss after tax	**(1,796,906)**	**(6,469,467)**
Other comprehensive income-not to be recycled to profit or loss in subsequent periods		
Fair value adjustment on investments at FVTOCI	-	(2,661,023)
Tax thereon	-	133,051
Other comprehensive income net of tax	-	**(2,527,972)**
Total comprehensive income for the period	**(1,796,906)**	**(8,997,439)**
Basic earnings per share - cents	(0.0010)	(0.005)
Headline earnings per share - cents	(0.0010)	(0.005)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	MARCH 2025 USD	SEPTEMBER 2024 USD
Assets		
Non current assets	**27,071,591**	**27,424,111**
Property, plant and equipment	19,905,240	20,203,130
Right-of-use assets	36,085	90,715
Investment in associate	5,701,266	5,701,266
Investment property	1,429,000	1,429,000
Current assets	**5,548,185**	**5,775,499**
Inventories	5,208,164	5,410,154
Trade and other receivables	314,746	222,554
Cash and cash equivalents	25,275	142,791
Total assets	**32,619,776**	**33,199,610**
Equity and liabilities		
Equity	**21,023,464**	**22,820,370**
Share capital	11,353	11,353
Asset revaluation reserve	13,621,249	13,621,249
Retained income	7,390,862	9,187,768
Non current liabilities	**4,930,077**	**5,066,680**
Deferred tax	4,905,990	4,979,268
Long term borrowings	-	5,262
Lease liability	24,087	82,150
Current liabilities	**6,666,235**	**5,312,560**
Trade and other payables	6,244,322	4,930,051
Lease liability -current portion	10,723	9,384
Provisions	226,407	268,794
Short term borrowings	70,411	95,614
Current tax payable	114,372	8,717
Total liabilities	**11,596,312**	**10,379,240**
Total equity and liabilities	**32,619,776**	**33,199,610**

STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 31 MARCH 2025

	MARCH 2025 USD	SEPTEMBER 2024 USD
Loss before tax	(1,799,383)	(6,904,047)
Adjustments for non-cash items:		
Effects of IAS29 restatement	-	1,507,134
Fair value adjustment on investment property	-	2,717,648
Right of Use Ammortization	54,630	67
Depreciation	299,362	397,887
Profit on disposal of property, plant and equipment	(292)	-
Interest expense on lease liability	5,234	-
Interest expense	5,104	11,956
Interest income	-	(1,166)
Cashflow before changes in working capital	**(1,432,174)**	**(2,270,521)**
Working capital changes		
Decrease in inventories	201,990	895,697
(Increase)/Decrease in accounts receivable	(92,192)	2,848,605
Decrease in other provisions	(42,387)	(228,030)
Increase/(Decrease) in accounts payable	1,314,272	(1,297,836)
Cash generated from operating activities	**(50,492)**	**(52,085)**
Interest paid	(5,104)	(11,956)
Interest received	-	1,166
Income tax paid	-	(9,315)
Net cash generated during the year	**(55,596)**	**(72,190)**
Investing activities		
Proceeds from sale of property, plant and equipment	1,500	-
Purchase of property, plant and equipment	(2,387)	(82,918)
Cashflow from investing activities	**(887)**	**(82,918)**
Financing activities		
Dividend paid	-	(162,292)
Loan repayment	(30,466)	(39,187)
Payment of lease liability	(27,396)	(434)
Net cash outflows from financing activities	**(61,033)**	**(201,913)**
Net decrease in cash and cash equivalents	**(117,516)**	**(357,021)**
Cash and cash equivalents at the beginning of the period	**142,791**	**410,386**
Cash & cash equivalents at the end of the period	**25,275**	**53,365**

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 MARCH 2025

	SHARE CAPITAL USD	ASSETS REVALUATION RESERVE USD	FAIR VALUE REVALUATION RESERVE USD	RETAINED EARNINGS USD	TOTAL EQUITY USD
As at 1 October 2023	**19,419**	**15,822,490**	**6,834,537**	**9,882,440**	**32,558,886**
Total comprehensive income for the period	-	-	(2,527,972)	(6,469,467)	(8,997,439)
Dividend paid	-	-	-	(162,292)	(162,292)
As at 31 March 2024	**19,419**	**15,822,490**	**4,306,565**	**3,250,681**	**23,399,155**
As at 1 October 2024	**11,353**	**13,621,249**	**-**	**9,187,768**	**22,820,370**
Loss for the period	**-**	-	-	(1,796,906)	(1,796,906)
As at 31 March 2025	**11,353**	**13,621,249**	**-**	**7,390,862**	**21,023,464**

Assets revaluation reserve
This reserve is used to record increases or decreases in the fair value of property, plant and equipment.

Dividend
The directors resolved not to pay a dividend.

D I R E C T O R S : B K Mataruka (Chairman), P P Chadoka, G Machingambi, B Manhando, N Matonda *, M Munginga *, M T Mutezo (*Executive)