MASHONALAND HOLDINGS LIMITED
(Incorporated in Zimbabwe)

Leading property owners and developers

2025 HALF YEAR RESULTS

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

- OCCUPANCY 88%
- REVENUE GROWTH 1%
- RENTAL INCOME GROWTH 15%
- COLLECTIONS 92%
- RENTAL YIELD 9%
- INVESTMENT PROPERTY GROWTH 2%

CHAIRPERSON'S STATEMENT

I am pleased to present the financial results of Mashonaland Holdings Limited for the 6 months ended 30 June 2025.

Operating environment

The first half of 2025 presented a relatively stable and subdued operating environment marked by a slow-down in month-on-month inflation and a stable exchange rate. The operating environment has benefited from the tight monetary policy adopted by the authorities which has seen a slow-down in money supply growth. The operating environment, however, remains fragile considering low commodity prices globally and anticipated currency changes affecting the local economy in the medium term.

Property market

According to the Ministry of Finance, Economic Development and Investment Promotion the real estate sector is set to record a 5.4% growth in 2025 up from 2.1% in 2024. The sector's growth is being spurred by demand for new spaces which offer occupier convenience. The sector's growth is also supported by investors seeking capital preservation and balance sheet hardening.

The retail segment's performance is mixed. Well-located shopping centers in suburban areas remain resilient with tenants seeking space in strategic locations which offer visibility and access to markets. CBD retail space is now largely marked by informal traders in high traffic locations; property owners have responded to this trend by reconfiguring CBD retail spaces to attract higher yields.

The office segment remains under pressure. The segment's performance reflects the broader economy which is now increasingly dominated by informal traders. CBD office continues to record high vacancies and high service charges, resultantly demand is shifting toward smaller energy-efficient office spaces in suburbannodes.

While the sector is on a growth trajectory, sustenance of the growth trend will depend on continued investment into supporting infrastructure by authorities, policy consistency and economic stability to ensure manageable risk for property investors.

Financial performance

The company posted a revenue of US$3.66 million, 1% above the prior year. Rental income increased by 15% from US$2.7 million to US$3.1 million due to the onboarding of new tenants at the Pomona Commercial Centre following its completion in Q4 2024. During the period, the company managed to retain its tenants and thus the occupancy rate was maintained at 88% for the rest of the portfolio. Rental collections remained strong at 92% and in line with trends from 2024.

While the company did not earn significant development projects revenue for the first half of the year, its performance in the second half of the year is set to be supported by the completion of the Greendale cluster stands project which has now been fully sold off plan.

The Group reported a profit after tax of US$1.57 million, a 36% decrease from the previous year profit of US$2.38 million. This reduction was largely due to fair value losses on investments held for trading.

Investment property

The Group conducted a market valuation of its investment properties as at 30 June, 2025. The portfolio's value was $93.1 million up from $91.6 million in December 2024. The portfolio recorded a capital gain of 1%, the gain translated to a fair value gain of US$990,068 at mid-year 2025.

The company anticipates property fair value changes to be more subtle following the adoption of United States Dollar reporting.

Property development projects

Pomona Commercial Centre Development Project

The development concept consists of wholesaling and flexible warehousing with 14,000sqm lettable space. Construction works on the Pomona Commercial Centre Development commenced in the 3rd quarter of 2023 and the development achieved practical completion in Q4 2024. A total of 6,500m2 has now been leased out and onboarded tenants have commenced trading. The company is engaging with potential tenants for further lettings at the property.

12 Van Praagh Day Hospital Project

The project was completed and handed over to the tenant. The development started earning rentals under a long-term lease from 1st quarter 2024. The facility has now been opened for operation effective 1 July 2025.

Greendale Cluster - Stands servicing

The development entails servicing of cluster housing stands. The services installation commenced in May 2025. All services comprising of sewer and water reticulation, roads and stormwater drains have been installed. The project is forecast to be completed in August 2025. The cluster stands have now been fully sold off plan.

Outlook

The Ministry of Finance, Economic Development and Investment Promotion projects that the economy will grow by 6.0%, driven by a rebound in agriculture, mining, and a tight monetary policy stance. Growth projections however hinge on policy consistency and recovery of investor confidence.

The property market is forecast to remain segmented, with sustained demand for USD-linked leases in prime and suburban locations, and industrial/logistics assets benefiting from mining and trade. Resultantly, development activity is likely to remain cautious, focused on high yield and affordable housing projects. The company will remain focused on commercializing its investments and making investments in high demand developmental projects.

Appreciation

On behalf of the Board of Directors, I extend our deepest gratitude to our shareholders, tenants, partners, and stakeholders for their unwavering support and confidence in our Group. I also commend the executive team and staff for their resilience and commitment in delivering sustainable value in a difficult operating environment.

Eng. G Bema
Board Chairperson
13 August 2025

Reviewed Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Group 30 June 2025 Reviewed USD	Group 30 June 2024 Reviewed USD
Revenue	2	**3,656,501**	**3,610,926**
Property expenses		(760,238)	(811,471)
Allowances for credit (losses)/gains		(108,663)	610
Net property income		**2,787,600**	**2,800,065**
Other income	3	12,613	19,758
Administrative expenses		(1,274,200)	(1,086,674)
Operating profit		**1,526,013**	**1,733,149**
Fair value adjustments		**673,539**	**1,167,486**
Investments held for trading		(316,529)	150,802
Investment property		990,068	1,016,684
Profit before finance income and costs, net foreign exchange effects and tax		**2,199,552**	**2,900,635**
Finance income	4	88,553	119,176
Net foreign exchange gains/(losses)		365	(346,554)
Finance cost	5	(481,127)	(312,741)
Profit before tax		**1,807,343**	**2,360,516**
Tax (expense)/credit	6	(236,173)	21,670
Profit after tax		**1,571,170**	**2,382,186**
Weighted average number of shares		1,687,584,009	1,687,584,009
Basic and diluted earnings per share - cents	15	0.09	0.14

Reviewed Condensed Consolidated Statement of Financial Position

	Notes	Group 30 June 2025 Reviewed USD	Group 31 Dec 2024 Reviewed USD
Assets			
Non-current assets		**94,574,307**	**93,076,524**
Vehicles and equipment		359,337	295,528
Investment property	7	93,050,000	91,595,000
Long-term receivables		1,164,970	1,185,996
Current assets		**2,299,270**	**1,832,243**
Investments held for trading		362,593	834,790
Inventories		320,487	39,115
Trade and other receivables	9	1,087,363	519,697
Cash and cash equivalents		528,827	438,641
Total assets		**96,873,577**	**94,908,767**
Equity and liabilities			
Equity		85,240,391	83,899,221
Non-current liabilities		**7,237,591**	**7,891,278**
Deferred taxation		3,714,121	3,633,794
Non-current portion of borrowings	8	3,523,470	4,257,484
Current liabilities		**4,395,595**	**3,118,268**
Trade and other payables	10	1,657,697	1,155,469
Liabilities payable from contracts with customers		119,348	35,574
Current portion of borrowings	8	2,071,532	1,150,910
Income tax payable		380,050	418,691
Provisions		166,968	357,624
Total equity and liabilities		**96,873,577**	**94,908,767**

Reviewed Condensed Consolidated Statement of Changes in Equity

	Group 30 June 2025 Reviewed USD	Group 31 Dec 2024 Reviewed USD
Balance at beginning of the period	**83,899,221**	**80,489,914**
Total comprehensive income	1,571,170	3,819,795
Dividend declared	(230,000)	(410,488)
Balance at end of the period	**85,240,391**	**83,899,221**

Reviewed Condensed Consolidated Statement of Cash Flows

	Group 30 June 2025 Reviewed USD	Group 30 June 2024 Reviewed USD
Net cash inflow from operating activities	**1,308,902**	**2,912,700**
Profit before tax	1,807,343	2,360,516
Non-cash items	(133,142)	(637,715)
(Increase)/decrease in working capital	(213,693)	1,251,008
Tax paid	(151,606)	(61,109)
Net cash outflow from investing activities	**(557,671)**	**(3,306,089)**
Interest received	70,844	60,151
Proceeds from disposal of vehicles and equipment	3,494	23,201
Dividends received	3,044	-
Proceeds from investments held for trading	152,764	-
Purchase of vehicles and equipment	(106,885)	-
Additions and refurbishment of investment property	(680,932)	(3,389,441)
Net cash (outflow)/inflow from financing activities	**(661,045)**	**519,294**
Dividend paid	(217,250)	(169,472)
Loan raised	2,300,000	1,200,000
Loan repayment	(2,262,668)	(198,493)
Finance costs	(481,127)	(312,741)
Increase in cash and cash equivalents	**90,186**	**125,904**
Cash and cash equivalents at the beginning of the period	438,641	221,433
Cash and cash equivalents at the end of the period	**528,827**	**347,337**

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

Mashonaland Holdings Limited and its subsidiaries' (the Group) reviewed condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies adopted in the current year are in compliance with IFRS requirements. These condensed reviewed consolidated financial statements have been prepared under the assumption that the group operates on a going concern basis.

1.1 Reporting currency

These reviewed condensed consolidated financial statements are presented in United States Dollars ("USD") which is the functional currency and presentation currency of the Group.

1.2 Valuation of investment properties

An internal valuation of the Group's investment property was performed to determine the fair values as at 30 June 2025. The valuation was performed by the Group's qualified internal team based on IFRS 13 Fair Value Measurement level 3 valuation inputs.

	Group	
	30 June 2025 Reviewed USD	**30 June 2024 Reviewed USD**
2. Revenue	**3,656,501**	**3,610,926**
IFRS 16 rental income	3,104,387	2,700,350
Revenue from contract with customers		
a) Recognised based on stage of completion Mashview Gardens housing project	-	542,227
b) Recognised at a point in time Greendale development project	75,652	-
Land inventory sales	57,433	64,671
Property services income	419,029	303,678
3. Other income		
Service charges	-	62,385
Dividend income	3,044	4,387
Profit/(loss) on disposal of vehicles and equipment	9,569	(47,014)
Total	**12,613**	**19,758**
4. Finance income		
This comprises of:		
Interest received from tenants' balances	47,730	60,152
Interest received from staff balances	40,823	59,024
Total	**88,553**	**119,176**
5. Finance costs		
Loan arrangement fee	-	(181,841)
Loan Interest	(481,127)	(130,900)
Total	**(481,127)**	**(312,741)**
6. Tax		
Current income tax	(155,847)	266,431
Deferred tax	(80,326)	(244,761)
Total	**(236,173)**	**21,670**

	Group	
	30 June 2025 Reviewed USD	**31 Dec 2024 Reviewed USD**
7. Investment properties		
Opening balance	**91,595,000**	**80,665,000**
Borrowing costs capitalised	-	444,898
Reclassification to inventory	(240,000)	-
Improvements and additions	704,932	9,742,195
Fair value adjustments	990,068	742,907
Closing Balance	**93,050,000**	**91,595,000**
8. Borrowings		
Interest bearing loan	5,595,002	5,408,394
The loan is presented on the Statement of Financial Position as follows:		
Current liabilities	2,071,532	1,150,910
Non-current liabilities	3,523,470	4,257,484
Total	**5,595,002**	**5,408,394**

The loan details and terms are as follows:

- The loans are denominated in (USD) currency with a 12-60 month tenure
- Loan repayments are done monthly, and the group is compliant with loan covenants
- Interest rates ranges from 14.5%-17% per annum payable monthly
- The Group secured the loans against some of its investment properties with a carrying value of USD 33,450,000 (2024: USD32,690,000)

	Group	
	30 June 2025 Reviewed USD	**31 Dec 2024 Reviewed USD**
9. Trade and other receivables		
Rent receivables	405,614	272,004
Other receivables	681,749	247,693
Total	**1,087,363**	**519,697**
10. Trade and other payables		
Trade payables	1,575,509	1,077,132
Other payables	82,188	78,337
Total	**1,657,697**	**1,155,469**

11. SEGMENT INFORMATION

	30 June 2025 USD					
	Office/retail	**Industrial**	**Pure retail**	**Residential, health & land**	**Reconciling items***	**Total**
Revenue	1,969,655	804,855	154,854	727,137	-	**3,656,501**
Net property income	1,397,254	336,080	115,872	938,394	-	**2,787,600**
Assets*	44,589,182	9,280,068	5,673,006	34,293,935	3,037,386	**96,873,577**
Liabilities**	2,270,890	401,496	222,642	366,088	8,372,070	**11,633,186**

	30 June 2024 USD					
	Office/retail	**Industrial**	**Pure retail**	**Residential, health & land**	**Reconciling items***	**Total**
Revenue	1,512,196	837,109	81,011	1,180,610	-	**3,610,926**
Net property income	1,044,212	595,107	57,591	1,103,156	-	**2,800,066**
Assets*	45,207,966	20,994,254	5,378,945	14,838,815	8,488,787	**94,908,767**
Liabilities**	2,610,616	1,445,163	252,183	318,681	6,382,903	**11,009,546**

* These represent aggregated cash and cash equivalents, prepayments and investments held for trading.
** These represent aggregated bank loans, provisions, income tax and deferred tax for vehicles and equipment.

12. Related party transactions and balances

Related party	Relationship	Nature of transaction	Transaction 30 June 2025 Reviewed USD	Transaction 30 June 2024 Reviewed USD	Balance 30 June 2025 Reviewed USD	Balance 31 Dec 2024 Reviewed USD
ZB Life Assurance Ltd	Direct shareholder	Rent accrued	65,244	33,352	12,505	15,709
ZB Bank Limited	Indirect shareholder	Rent accrued	320,161	53,989	37,795	26,424
ZB Life Assurance Ltd	Direct shareholder	Interest received	911	-	-	-
ZB Bank Limited	Indirect shareholder	Interest received	1,863	435	-	-
ZB Bank Limited	Indirect shareholder	Finance cost	301,968	312,741	-	-
ZB Financial Holdings Ltd	Indirect shareholder	Dividends received	-	-	-	-
ZB Financial Holdings Ltd	Indirect shareholder	Investment in equities	-	-	307,771	605,337
ZB Bank Limited	Indirect shareholder	Bank balances	-	-	144,021	241,819
ZB Bank Limited	Indirect shareholder	Loan payable	-	-	3,892,922	4,169,559
FBC Crown Bank	Direct shareholder	Loan payable	-	-	1,702,081	1,238,835
FBC Crown Bank	Direct shareholder	Finance cost	161,659	-	-	-
FBC Crown Bank	Direct shareholder	Bank balances	-	-	15,385	67,096

13. Compensation of key management personnel in the Group

	Group	
	30 June 2025 Reviewed USD	**30 June 2024 Reviewed USD**
Non-executive directors' emoluments	130,663	123,608
Short & long-term employee benefits	158,562	139,957
Post-employment pension and medical benefits	5,155	6,384
Total compensation paid to key management	**294,380**	**269,949**

	30 June 2025 Reviewed USD	**31 Dec 2024 Reviewed USD**
13.1 Loans and advances to key management personnel in the Group		
Short term loans and advances	22,789	126,814
Long term loans and advances	172,614	169,981
Interest charge	7,168	26,016
Expected credit loss allowance	(448)	(742)
Total	**202,123**	**322,069**
14. Commitments for capital expenditure		
Authorised and contracted	312,762	7,060,555
Authorised and not yet contracted	699,088	11,537,908

	30 June 2025 Reviewed USD	**30 June 2024 Reviewed USD**
15. Earnings per share		
Basic and diluted earnings per share - cents	0.09	0.14
Headline earnings per share - cents	0.09	0.14

- The calculation of basic and diluted earnings per share has been based on the profit/(loss) attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.
- The calculation of headlines earnings per share has been based on the profit/(loss)attributable to ordinary shareholders and adjusted for profits or losses from the events that do not happen often and weighted average number of shares outstanding.

16. Going concern

The Directors assessed the ability of the Group to continue operating as a going concern and concluded that the use of the going concern assumption is appropriate in the preparation of the financial statements. The Directors have considered the impact of macro-economic conditions on the Group's business and are satisfied that adequate measures have been put in place to ensure the viability of the Group beyond the next 12-month period.

17. Subsequent events

Interim dividend

An announcement on the interim dividend will be issued in due course.

Independent auditor's review conclusion

The reviewed condensed financial results for the 6-month period ended 30 June 2025 have been reviewed by the Group's external auditors, Axcentium, who have issued an unmodified review conclusion. The engagement partner for the review engagement was Mr Stelios Michael, PAAB practice certificate number 0443.

Directors: Eng. G. Bema (Chairperson), P. Musarurwa, K. Musundire* (Managing Director), T. Chaparamhosva, T. Masunda, M. Mubayiwa, Dr. B. Shumba, I. Tigere, G. Mabiza*. (*Executive).

Axcentium
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

AXCENTIUM

PO Box 267
Harare
Zimbabwe

Tel: +263 (0) 8677 000261

www.axcentium.co.zw

To the Shareholders of Mashonaland Holdings Limited

Independent Auditor's Report on the Review of Condensed Consolidated Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Mashonaland Holdings Limited and its subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position as at 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows, for the six month period then ended, and the selected explanatory notes to the condensed consolidated interim financial information.

The Directors are responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2025, and its financial performance and its cash flows for the six month period then ended in accordance with IAS 34 - Interim Financial Reporting.

Axcentium

Axcentium
Chartered Accountants (Zimbabwe)
Per: Stelios Michael
Partner
Registered Auditor
PAAB Practice Certificate Number: 0443
Harare, Zimbabwe

Date: 20 August 2025