



# National Tyre Services Limited

## ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

#### a) Economic Overview

The country's operating environment showed signs of short-term stability and growth potential. The growing informalization of the economy is impacting negatively on formal businesses. The retail sector is facing intense competition stemming from informal market practices including smuggled goods that are often sold exclusively in United States Dollars (USD). Competitiveness in the market can be achieved through the Government measures of streamlining regulatory procedures and curbing smuggling of imports into the country. The new currency reforms introduced by the Reserve Bank of Zimbabwe at the beginning of the Financial Year 2025 have brought market stability and controlled inflation, boosting management confidence.

#### b) Operations Review

We maintained a strong presence within Government institutions and corporates, supported by the availability of preferred brands and long-standing trading relationships that reinforced customer trust and sustained business continuity.

#### c) Retreading

Despite the challenges posed by the influx of cheap smuggled tyres, our retreading operations demonstrated resilience, with both our Harare and Bulawayo factories maintaining sustainable production levels throughout the year.

#### d) Financial Review

Sales declined by 25% (inflation adjusted) to ZWG 143,358,489 (2024: ZWG 191,734,197). Gross profit declined by 41% (inflation adjusted) to ZWG 45,969,409 (2024: ZWG 77,761,875). Total operating expenses decreased (inflation adjusted) to ZWG 70,132,646 (2024: ZWG 84,224,649). The company incurred a loss (before tax and monetary loss) of ZWG 54,574,959 (inflation adjusted) from a loss of ZWG 29,000,469 in the previous year.

#### e) Dividends

The Directors have considered it prudent not to declare a dividend in consideration of the need to enhance working capital in the business.

#### f) Outlook

As we look ahead to the Financial Year 2026, we are optimistic that the stability in currency and foreign exchange rates will prevail. The local currency has shown notable stability since its inception in April 2024, bringing improved pricing clarity and predictability to our business operations.

We anticipate increased tyre demand, driven by the ongoing Government infrastructure projects, including road rehabilitation works, particularly in the commercial and transport sectors. The proposed measures to curb smuggling of goods, including tyres, will promote fair competition and support formal businesses.

National Tyre Services is upbeat and positive that the new supply chain strategy of importing affordable and meticulously engineered tyre brands is robust enough to achieve seamless stock supply and competitiveness. We have already witnessed growing customer preferences in our newly launched tyre brands, and we anticipate improved performance in the second half of the 2025 financial year.

We also hope for stable power supply from Kariba to reduce operating costs. Improved rainfall forecasts and a recovering agricultural sector also point to stronger demand for agriculture tyres.

Although we are affected by challenges, including tariff wars in the global market, commitment from our critical stakeholders continues to unlock value and opportunities for the business. The Company is leveraging on the rich experience of employees and their technical expertise in enhancing customer service, retaining market share and strengthening its branch network.

  
R.J. Moyo  
Chairman  
27 August 2025

### A. ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Revenue	143,358,489	191,734,197	105,000,154	15,853,907
Non current assets	4			
Gross Profit	45,969,409	77,761,875	33,716,849	7,388,002
Other Income	710,060	5,941,381	5,243,324	426,036
Operating expenses	(70,132,646)	(84,224,649)	(40,060,867)	(7,815,630)
Exchange loss	(20,835,887)	(18,621,654)	(28,825,887)	(10,618,478)
Loss from operations	(43,836,444)	(19,134,027)	(34,940,577)	(10,318,477)
Finance charges	(10,776,499)	(8,987,442)	(8,431,500)	(1,730,309)
Loss before tax and monetary gain	(54,574,959)	(29,000,469)	(43,372,077)	(12,049,786)
Monetary loss / (gain)	(47,873,341)	(6,745,910)	(47,873,341)	(6,745,910)
Income tax (expense) / credit	(18,721,238)	2,737,227	(108,404)	(178,387)
Loss / Profit for the year	(121,199,530)	(67,482,668)	(44,913,623)	(12,228,167)
Total comprehensive (loss) / income for the year	(121,199,530)	(67,482,668)	(44,913,623)	(12,228,167)
Non current assets	4			
Number of shares in issue (thousands)	253,872	253,872	253,872	253,872
Earnings per share (cents)	(48)	27	(18)	(5)
Diluted earnings per share (cents)	(48)	27	(18)	(5)
Headline earnings per share (cents)	(38)	34	(17)	(1)

### B. ABRIDGED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
ASSETS				
Non current assets	293,374,440	297,418,295	5,916,726	5,025,382
Property, plant and equipment	248,087,442	249,073,434	4,182,143	4,225,103
Intangible assets	225,468	346,769	544	703
Investment property	40,518,416	40,518,416	714,126	714,126
Right of use assets	4,428,164	7,371,027	37,680	62,729
Deferred tax	94,103	94,103	61,897	22,633
Current assets	27,776,713	84,285,328	29,969,115	10,740,491
Total assets	321,151,362	381,704,153	31,987,841	15,765,873
EQUITY AND LIABILITIES				
Shareholders' equity and reserves	190,692,634	311,892,170	(52,781,118)	(7,987,495)
Deferred tax	94,103	94,103	61,897	22,633
Lease liability	7,175,148	1,775,098	962,109	962,109
Short term loan	9	38,514,884	19,529,327	10,584,979
Medium term loan	9	16,454,336	8,290,934	4,493,722
Trade and other payables	20	20,846,592	13,276,094	28,048,592
Total equity and liabilities	321,151,362	381,704,153	31,987,841	15,765,873

### C. ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Opening balance	311,892,170	244,360,902	(7,987,495)	4,360,872
Loss / Profit for the year	(121,199,530)	(67,482,668)	(44,913,623)	(12,228,167)
Closing balance	190,692,634	311,892,170	(52,781,118)	(7,987,495)

### D. ABRIDGED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Cash flows from operating activities before changes in working capital	(988,824)	5,151,454	2,530,467	2,200,790
Changes in working capital	70,976,579	(60,634,875)	5,033,744	317,895
Income tax paid	-	(88,874)	-	(27,145)
Net cash generated from / (utilised in) operating activities	69,987,755	(5,570,395)	7,564,211	3,481,475
Net cash generated from / (utilised in) investing activities	1,344,632	(29,402)	749,308	(1,813)
Net cash utilised in financing activities	(8,690,324)	(11,627,403)	(7,294,048)	(6,668,638)
Net (decrease) / increase in cash and cash equivalents	64,642,063	(67,227,200)	409,471	778,225
Effects of inflation on opening balances of monetary items	(84,925,428)	67,889,296	-	-
Cash and cash equivalents at beginning of year	1,508,424	846,330	817,375	39,347
Cash and cash equivalents at the end of the year	1,227,049	1,569,424	1,227,049	817,372

### E. NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

#### 1. BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) that are applicable to companies reporting under IFRS and in the manner required by the Companies and other Business Entities Act (Chapter 24:31), except for non-compliance with International Accounting Standard 21 (IAS 21), "The effects of changes in foreign exchange rates".

#### 2. INDEPENDENT EXTERNAL AUDITORS' STATEMENT

This abridged inflation-adjusted financial statements, derived from the audited inflation adjusted financial statements of National Tyre Services Limited for the financial year ended 31 March 2025 should be read together with the complete set of audited inflation-adjusted financial statements for the same period. The complete financial statements have been audited by Grant Thornton Chartered Accountants (Zimbabwe), and the auditor's report was signed by James Marimbo, Registered Public Auditor 0845.

An adverse opinion was issued on the audited inflation-adjusted financial statements for the year then ended. The adverse opinion relates to non-compliance with International Accounting Standard IAS 21 - The Effects of Changes in Foreign Exchange Rates and International Financial Reporting Standard IFRS 13 - Fair Value Measurement with respect to the fair valuation of investment property and owner-occupied property.

#### 2. INDEPENDENT EXTERNAL AUDITORS' STATEMENT (cont.)

The auditor's report also includes a section on Key Audit Matters, which, in the auditor's professional judgment, were of most significance in the audit of the inflation-adjusted financial statements. The key audit matters identified were in respect of revenue recognition and the assessment of going concern. The auditor's report on the inflation adjusted financial statements and the full set of the audited inflation adjusted financial statements is available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

#### 3. DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE RESULTS FOR THE TWELVE MONTHS ENDED 31 MARCH 2025

Accounting policies and methods are consistent in all material respects with those used in the prior year and with the requirements of International Financial Reporting Standards (IFRS) applicable for the year ended 31 March 2025.

### E. NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Revenue from sale of goods	135,666,052	179,068,526	99,275,444	14,568,087
Revenue from rendering of services	7,692,437	12,675,669	5,724,510	995,820
	143,358,489	191,734,197	105,000,154	15,563,907

#### 5. PROFIT BEFORE TAX AND MONETARY GAIN

Profit for the year has been arrived at after accounting for the following:

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Transport charges	129,391	1,935,307	788,002	159,095
Electricity and lighting	1,486,611	1,519,836	1,015,602	104,219
Staff remuneration	36,258,331	44,926,881	27,368,214	4,252,810
Income:				
Rental income from investment property	5,110,104	4,149,820	3,790,570	357,658
Remuneration of directors	-	-	-	-
- fees for services as directors	420,950	1,282,073	169,366	197,909

#### 6. PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Carrying amount at beginning of year	249,073,434	250,236,723	4,252,163	4,288,489
Additions	30,357	29,402	30,357	13,613
Disposals	(77,154)	-	(680)	-
Depreciation	(939,185)	(1,182,691)	(772,727)	(76,889)
Carrying amount at the end of the year	248,087,442	249,073,434	4,182,143	4,225,103

#### 7. LEASES

National Tyre Services leases 3 properties with a lease period of 3 and 5 years. In the twelve months ending 31 March 2025, National Tyre Services has applied IFRS 16 Leases (as issued by the IASB).

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Assets				
Right of use assets	4,428,164	7,371,027	37,680	62,729
Liabilities				
Lease liability	1,751,148	1,775,095	1,751,148	962,109
Current assets				
Inventories	20,307,646	76,987,370	19,598,686	7,901,239
Trade and other receivables	6,218,978	3,743,335	6,118,340	1,996,640
Bank and cash balances	1,227,049	1,508,424	1,227,049	817,372
Corporate tax asset	25,040	46,189	25,040	25,040
	27,776,713	84,285,328	26,969,115	10,740,491
Borrowings				
Short term loan	38,514,884	19,529,327	38,514,884	10,584,979
Medium term loan	16,454,336	8,290,934	16,454,336	4,493,722

#### 8. CURRENT ASSETS

The following loans from local financial institutions were outstanding as at reporting date:

Financial Institution	Interest rate per annum	Security
FBC Bank	19%	Land and buildings with a carrying amount of USD 104 355
Ecobank	15.5%	Land and buildings with a carrying amount of USD 750 000
Radun Investments	16.5%	Land and buildings with a carrying amount of USD 910 000

#### 10. TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG	AUDITED 31.03.2025 ZWG	AUDITED 31.03.2024 ZWG
Trade	15,527,387	7,696,481	15,527,387	4,189,274
Other payables	12,791,205	5,885,613	12,791,205	3,027,427
	28,048,592	13,276,094	28,048,592	7,195,701

#### 11. RELATED PARTY TRANSACTIONS AND BALANCES

Balances				
Payables:				
Simplify Africa (Private) Limited - technical fees	78,808	123,654	78,808	67,021
Radun Investments Loan	16,454,336	8,290,934	16,454,336	4,493,722

#### 12. CAPITAL EXPENDITURE COMMITMENTS

Capital commitments authorised but not contracted for

	7,895,677	124,589	7,895,677	67,528

#### 13. HYPERINFLATION

The Public Accountants and Auditors Board through its pronouncement provided guidance to all entities that report in accordance with International Financial Reporting Standards (IFRS) on the application of IAS 29 - Financial Reporting in Hyperinflationary Economies. The pronouncement requires that Companies that prepare and present financial statements for financial periods ended on or after 1 July 2019 should apply the requirements of IAS 29 - Financial Reporting in Hyperinflationary Economies.

#### Source of indices

The price indices used were derived by using the Total Consumption Poverty Line from the Zimbabwe National Statistics Agency website. The last published CPI in December 2022 was adjusted based on the monthly measurement of the TCPL. Below are the indices and conversion factors used up to 31 March 2025.

Month		Indices	Conversion factor
Mar-24		100	1.85
Apr-24		98	1.85
May-24		98	1.89
Jun-24		98	1.89
Jul-24		98	1.89
Aug-24		98	1.87
Sep-24		106	1.78
Oct-24		144	1.29
Nov-24		100	1.15
Dec-24		166	1.11
Jan-25		184	1.00
Feb-25		165	1.00
Mar-25		185	1.00

#### 14. GOING CONCERN

The Directors have assessed the Company's ability to continue operating as a going concern for the foreseeable future and believe that the preparation of the financial statements on a going concern basis is appropriate.



## INDEPENDENT AUDITOR'S REPORT

**Grant Thornton**

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To the members of National Tyre Services Limited

### Report on the Audit of the Inflation Adjusted Financial Statements

#### Adverse Opinion

We have audited the inflation adjusted financial statements of National Tyre Services Limited set out on pages **10** to **50**, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of the Company's significant accounting policies.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the inflation adjusted financial statements do not present fairly, in all material respects, the financial position of National Tyre Services Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Adverse Opinion

##### *Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates*

As disclosed in **Note 2.1** to the financial statements, the Company applied the Zimbabwe Gold (ZWG) as its functional currency for the year ended 31 March 2025.

In our assessment, the underlying transactions, events, and conditions of the Company indicate that the United States Dollar (USD), and not the local currency, is the currency that most

faithfully represents the economic effects of the Company's operations. The continued use of the ZWG as the functional currency without reassessment therefore represents a departure from the requirements of IAS 21. The effects of this departure are pervasive to the financial statements, as a whole.

In addition, during the year ended 31 March 2024, the Company implemented an accounting system reconfiguration that resulted in the use of inappropriate spot exchange rates in translating foreign currency transactions. IAS 21 requires the use of the spot exchange rate for translation of transactions from a foreign currency to the functional currency. The use of inappropriate rates resulted in the distortion of the amounts presented in the statement of profit or loss for the year ended 31 March 2024, which are disclosed as comparative figures in the current year's financial statements, as well as the opening balance of retained earnings for the year ended 31 March 2025.

Had the financial statements been prepared in compliance with the requirements of IAS 21, many elements of the financial statements would have been materially different.

#### Valuation of investment property and owner-occupied property

The determination of fair values for assets presented in the inflation-adjusted financial statements is significantly affected by the prevailing economic environment. These financial statements include investment property and owner-occupied property carried at revalued amounts. The last valuation of the investment property and owner-occupied property was performed by professional valuers as at 31 March 2023. However, the fair value of the investment property was not updated for the current reporting period, and therefore does not reflect conditions at the reporting date in accordance with IAS 40, which requires that fair values be determined at each reporting date when the fair value model is applied.

In addition, the valuations of the investment property and owner-occupied property as at 31 March 2023 were determined in USD and subsequently translated into Zimbabwe Gold (ZWG) using the interbank exchange rate. While the USD valuations may reasonably reflect fair value in USD, the converted ZWG values are not fully compliant with IFRS 13 – Fair Value Measurement, as they may not incorporate the assumptions that market participants would apply in valuing similar items denominated in ZWG. Consequently, the reported revalued amounts of investment property and owner-occupied property in ZWG may not represent their fair value at the reporting date. The opinions for the years ended 31 March 2022, 31 March 2023 and 31 March 2024 were modified in respect of this matter as there were no subsequent revaluations of investment property and owner-occupied property. This matter continues to affect the financial statements for the year ended 31 March 2025.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and we did not

provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated and separate financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>IFRS 15 – Revenue from Contracts with Customers</b></p> <ul style="list-style-type: none"> <li>There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated by the Company. This is a significant risk and accordingly a key audit matter. The revenue recognised in these financial statements has been disclosed in <b>Note 18</b>.</li> </ul>	<p>Our audit procedures incorporated a combination of tests of the Company's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion.</p> <p>Our substantive procedures included but were not limited to the following:</p> <p>Reviewed that revenue recognition criteria is appropriate and in line with the requirements of IFRS 15.</p> <ul style="list-style-type: none"> <li>Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions.</li> <li>Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review.</li> <li>Furthermore, we performed analytical procedures and assessed the reasonableness of explanations provided by management.</li> <li>Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period.</li> <li>Inspected reversals and credit memos performed in the period subsequent to year end and established if they were for valid revenue transactions.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>Based on the audit work performed, we satisfied ourselves that the revenue recognition is appropriate and in compliance with the requirements of IFRS 15 - Revenue from Contracts with Customers.</p>
<p><b>Going concern</b></p> <ul style="list-style-type: none"> <li>As disclosed in <b>Note 32</b> to the financial statements, the Company incurred a loss before tax of <b>ZWG 102 448 300</b> and a net loss of <b>ZWG 121 199 536</b> (inflation-adjusted) for the year ended 31 March 2025. As at that date, the Company's current liabilities exceeded its current assets by <b>ZWG 55 239 098</b>.</li> <li>These events and conditions may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, we considered the appropriateness of the going concern assumption, including the adequacy of the related disclosures, to be a key audit matter.</li> </ul>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Reviewed management's assessment of going concern to evaluate whether their conclusions were appropriate.</li> <li>Evaluated management's cash flow forecasts, including the underlying assumptions (that is projected revenue growth, margin improvements, and cost savings), to assess whether these support the going concern assumption.</li> <li>Assessed the availability of financing facilities and the related terms and conditions to determine whether these would help improve the Company's cashflows.</li> <li>Evaluated the reasonableness of management's turnaround strategy and whether it is adequate to improve the Company's profitability and liquidity.</li> <li>Reviewed management's going concern disclosures in the financial statements for adequacy and appropriateness.</li> </ul> <p>Based on the audit work performed, we concluded that management's assessment of going concern is appropriate, and the related disclosures are adequate.</p>

## Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report', 'Corporate governance' and 'Chairman's report', which we obtained prior to the date of this auditor's report. The other information does not include the inflation adjusted financial statements and our auditor's report thereon. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Management and Those Charged with Governance for the Inflation Adjusted Financial Statements

Management is responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 inflation adjusted 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 inflation adjusted 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 Company'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 inflation adjusted 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the inflation adjusted financial statements. We are responsible for the direction, supervision and performance of Company's audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the inflation adjusted 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.

**Report on Other Legal and Regulatory Requirements**

In our opinion, except for the effects of the matters described in the *Basis for Adverse Opinion*, the inflation adjusted financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is James Marambire.

The logo for Grant Thornton, featuring the company name in a stylized, handwritten-style font.

James Marambire

Partner

Registered Public Auditor (PAAB No: 0846)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE

05 September 2025