Unaudited Short-Form Financial Announcement

for the year ended 31 March 2025

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

The Unaudited Short-Form Financial Announcement below is the responsibility of the Directors and is only a summary of the information 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 published on the following platforms:
i. Zimbabwe Stock Exchange website www.zse.co.zw
ii. The Company's website https://okziminvestor.com/

The full announcement is also available for inspection upon request, at no charge, via email to mmunyuru@okzim.co.zw.

Financial Highlights

	For the year ended 31 March 2025 US$	% Change 31 March 2025 vs 31 March 2024
Financial Performance		
Revenue	240,082,868	(53.02%)
Loss before tax	(30,323,013)	(455.10%)
Loss for the period	(29,614,428)	(168.07%)
Share Performance: US$ cents		
• Basic loss per share	(2.23)	(165.48%)
• Headline loss per share	(2.21)	(158.51%)
• Net asset per share	2.40	(49.90%)

	As at 31 March 2025 US$	% Change 31 March 2025 vs 31 March 2024
Financial Position		
Total assets	103,393,508	(24.19%)
Total equity	28,846,882	(53.76%)
Total liabilities	74,546,626	0.01%

Change in Functional Currency

The interim condensed consolidated financial statements have been presented in United States dollars (USD), which became the functional currency of the Group with effect from 1 April 2024. The comparative condensed consolidated financial statements were previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyper-inflationary Economies.

Audited Results

Due to numerous challenges within the Group relating to the ERP system, the state of records, and the shortage of staff, the preparation of financial statements for the year ended 31 March 2025 and audit thereof by independent auditors is still in progress. To comply with the requirements of the Zimbabwe Stock Exchange Listing Rules, the Group hereby presents its Management Accounts. The audited financial results for the year ended 31 March 2025 are expected to be published on or before 31 October 2025.

Dividend Announcement to Shareholders

The Board has resolved not to declare a dividend for the year ended 31 March 2025 as the Group is in a loss position.

By order of the Board

Mrs. Margaret Munyuru
Company Secretary
30 September 2025

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Unaudited Abridged Financial Results

for the year ended 31 March 2025

Financial Highlights

	2025 USD	2024 USD
Revenue	240,082,868	511,012,345
EBITDA	(15,502,083)	12,022,054
Headline loss (cents)	(2.21)	(0.85)
Basic loss per share (cents)	(2.23)	(0.84)
Net assets per share (cents)	2.40	4.79

	2025 USD
Sales Volume	↓12%
Sales Value	↓53%

OK ZIMBABWE LIMITED

Chairman's Statement

Operating Environment

During the year ended 31 March 2025, the Group operated under very difficult economic conditions marked by exchange controls that distorted pricing, constrained liquidity, unstable exchange rates culminating in the ZWG depreciating by almost 100%, and intensified competition from the informal sector. The introduction of the ZWG at the start of the financial year brought about some market stability but this quickly changed towards the half year when foreign currency shortages triggered the rapid depreciation of the local currency and the resultant negative impact of that on inflation. This development pushed many of our suppliers and service providers to demand payment in US$ or shortened payment terms in cases where they invoiced in ZWG, leading to understocking. Controls on the exchange rate applicable in setting prices led to distortions that left the business with uncompetitive prices when compared to the informal sector. These challenges, together with supply chain problems and declining sales volumes, increased income to expense ratio and frequent power cuts resulted in depressed operations and distressed financial situation for the Group. The business was posting losses and could not pay suppliers such that by the end the year the Group had a working capital funding gap.

Group Financial Performance

The Group Revenue declined by 53% to USD 240 million when compared to prior year and against an average inflation rate of 15.21%. The decline is attributed to supply chain disruption, unstable exchange rate especially in the first half of the year, liquidity crunch in the economy and heightened competition from the informal sector compounded by exchange rate controls that distorted pricing. Supply chain disruptions were as a result of the Group failing to settle suppliers' accounts on time leading to some withholding deliveries while others demanded payment upfront. These challenges resulted in the Group's operational capacity being impacted negatively.

The Group's overheads reduced by 51.21% over prior year and this is largely due to tight cost containment measures implemented. However, this was not sufficient for the Group to be profitable as revenue contracted at a much faster rate than operating costs. The only significant expense increase was fuel and repairs and maintenance because of more use of generators caused by persistent power outages.

The Group performed a comprehensive impairment review of all cash-generating units (CGUs). Due to constrained operational capacity the Group recognised an impairment of US$ 10.3 million as the recoverable amounts of certain CGUs were lower than their respective carrying amounts. The net exchange gain of US$ 13.5 million resulted from remeasurement of monetary liabilities following the devaluation of the ZWG.

As a result of the factors highlighted the Group recorded a significant loss for the year of US$ 29.6 million.

As a result of negative cash flows, capital expenditure had to be capped at US$ 0.9 million for the year.

Change in Functional Currency

The country allows use of multi-currencies for transactions, but the economy is experiencing the dominance of the US$ and this has been confirmed in the monetary policy statements pronouncements issued by the Reserve Bank. The level of use of the US$ in the market has resulted in growth in the Group's US$ denominated transactions in the company, necessitating a review of the functional currency of the Group at the beginning of the period. Based on this review, the Directors concluded that the functional currency of the Group had changed from ZWG and resolved to adopt US$ with effect from 1 April 2024.

The comparative figures were previously presented in ZWL inflation-adjusted terms, as disclosed in the notes to the financial statements. The application of hyperinflation accounting in prior years created certain distortions in those figures upon conversion to US$. While management implemented adjustments to mitigate some of these distortions, the financial statements for the current period are not fully comparable with those of the prior period.

Audited Results

Due to numerous challenges within the Group relating to the ERP system, the state of records, and the shortage of staff, the preparation of financial statements for the year ended 31 March 2025 and audit thereof by independent auditors is still in progress. To comply with the requirements of the Zimbabwe Stock Exchange Listing Rules, the Group hereby presents its Management Accounts. The audited financial results for the year ended 31 March 2025 are expected to be published on or before 31 October 2025.

Directorate

During the year under review, the Board welcomed Mrs. Kiitumetsi Zawanda to the Board who joined with effect from 1 June 2024. Two non-executive directors, Mrs. Rufaro Audrey Maunze- Bhebhe and Mrs. Keresia Mtemererwa-Nyawo retired from the Board. The Board would like to express its sincere appreciation to Mrs. Rufaro Audrey Maunze-Bhebhe and Mrs. Keresia Mtemererwa-Nyawo for their dedicated service and valuable contributions during their tenure.

In an effort to stabilise the Group and turn the business around to profitable operations, the Board made management changes with effect from 26 February 2025 as follows: -

- Mr. Maxen Phillip Karombo (Chief Executive Officer) and Mr. Phillimon Mushosho (Chief Financial Officer) left the employment of the Group under voluntary separation agreements.
- Mr. Willard Vimbai Zireva, who had previously led the Group as Chief Executive Officer from 2001 until retiring in 2017, was engaged as interim Chief Executive Officer.
- Mr. Alex Edgar Siyavora, another former Chief Executive Officer and long-serving Chief Finance Officer of the Group, took on the role of interim Chief Financial Officer.

This interim leadership team working together with the interim Supply Chain Director, Mr. Muzvidzwa Chingaira, was entrusted with stabilizing and steering the Group through a strategic recovery period while substantive replacements are identified and employed to lead the Group into the future.

Dividend

The Board has resolved not to declare a dividend for the year ended 31 March 2025 as the Group is in a loss position.

Sustainability

The Group remains committed to sustainable business practises by integrating appropriate measures and practices in its business operations, new projects and supply chain. Perennial power cuts and disconnections due to challenges in settling electricity bills led to reliance on back-up diesel generators and this negatively impacted the carbon footprint. The Group will continue to pursue investments in renewable energy to reduce carbon footprint and protect the environment from pollution. Through the branch network, the Group was involved in various local community activities and made donations in line with its Corporate Social Investment (CSI) to invest back in the communities it serves and operates in.

Outlook

A rights issue exercise was successfully concluded in July 2025 and US$ 20 million proceeds received in August 2025. An additional capital raise plan of US$10.5 million through the sale of immovable properties is in progress, with offers received in August 2025 currently under consideration. The properties on sale include supermarket buildings that will be disposed on a sale and leaseback basis. The leaseback arrangement is necessary to ensure the Group continues to operate in its strategic store locations. Some of the funds raised will be applied to settle part of the Group's debt and this is expected to unlock supplier credit support for restocking.

The Board and management's initial focus has been to stop the decline in performance and financial distress and to steer the business back to stability, profitability, and long-term sustainability. The process of restructuring the Group for survival and growth has already started to ensure proper management of debt to avoid insolvency, it operates with an appropriate organisational structure, efficient operations and that it adapts to changing market conditions.Once the Group is fully resourced and the stores are fully stocked it is expected that employees will be more confident about the future. However, when the Group was in decline retail skills were lost as trained and experienced personnel left employment for better opportunities. It will therefore be essential to retrain the existing staff to raise levels of customer service and standards of performance.

Looking ahead, cost optimisation and in-store as well as online sales strategies will remain central to achieving and sustaining the required growth. The recovery of the Group has started, but it will take some time to return to normal operations. The Board and management are confident that with proper focus and diligence the ultimate goal of delivering consistent shareholder returns in the medium term is attainable.

H. Nkala
Chairman
30 September 2025

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March

	Notes	Unaudited 2025 US$	Restated 2024* US$
Revenue	5	240,082,868	511,012,345
Other income	6.1	2,263,424	8,760,145
Changes in trade inventories	12	8,894,584	6,980,550
Merchandise and consumables used	12	(206,979,558)	(457,602,647)
Employee benefits expense		(25,733,655)	(53,327,365)
Depreciation and amortisation expense	6.3	(11,512,702)	(12,237,096)
Impairment	10	(10,331,705)	-
Share based payments expense		(10,121)	(220,518)
Exchange gain/(loss)	6.2.1	13,459,698	(51,131,999)
Other expenses	6.2	(37,147,618)	(71,610,684)
Finance income		3,958	4,828
Finance costs		(3,312,186)	(5,252,379)
Net monetary gain		-	119,162,226
Loss before income tax	6	**(30,323,013)**	**(5,462,593)**
Tax credit/(expense)	7.1	708,585	(5,584,626)
Loss for the year		**(29,614,428)**	**(11,047,219)**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluation of property	8	(4,607,306)	(2,439,885)
Fair value gain/(loss) on financial assets measured at FVTOCI		25,402	(1,243)
Deferred tax income		654,749	1,091,549
Other comprehensive loss net of tax		(3,927,155)	(1,349,579)
Total comprehensive loss for the year		**(33,541,583)**	**(12,396,798)**
Loss for the year attributable to:			
Owners of the company		(29,488,950)	(11,554,359)
Non-controlling interests		(125,478)	507,140
		(29,614,428)	**(11,047,219)**
Total comprehensive loss for the year attributable to:			
Owners of the company		(33,416,105)	(12,903,938)
Non-controlling interests		(125,478)	507,140
		(33,541,583)	**(12,396,798)**
Weighted average number of ordinary shares in issue		1,327,554,515	1,314,992,516
Share performance: US$ cents			
: Basic loss per share		(2,23)	(0.84)
: Headline loss per share		(2,21)	(0.85)
: Net asset value per share		2.17	4.74

- The prior year consolidated statement of comprehensive income was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.
- Comparative figures have been restated following the correction of prior period errors in the application of IFRS 16 (see note 4.2 and note 11)

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Unaudited Consolidated Statement of Financial Position

As at 31 March

	Notes	Unaudited 2025 US$	Restated 2024* US$	Restated 2023* US$
Assets				
Non-current assets				
Property and equipment	8	54,914,887	67,050,565	75,474,342
Financial asset held at amortised cost		-	-	4
Goodwill	9	95,123	4,096,889	4,096,889
Right of use asset	11	22,493,949	29,039,165	13,961,522
Intangible asset		374,315	418,242	361,295
Financial assets held at FVTOCI		43,221	17,819	19,061
Total non-current assets		**77,921,495**	**100,622,680**	**93,913,113**
Current assets				
Inventories	12	16,480,675	25,262,734	43,652,372
Trade and other receivables	13	982,689	262,976	1,791,932
Prepayments	14	4,541,354	1,858,718	10,335,904
Current tax asset		2,518	2,518	54,779
Short-term loans receivable		8,649	7,744	52,302
Cash and cash equivalents		1,663,586	8,375,431	3,960,357
Assets held for sale	8.2	1,792,542	-	-
Total current assets		**25,472,013**	**35,770,120**	**59,847,646**
Total assets		**103,393,508**	**136,392,799**	**153,760,759**
Equity and liabilities				
Equity				
Share capital		133,582	28,935	28,935
Share premium		9,485,957	9,585,903	9,504,783
Share based payment reserve		695,289	691,155	671,209
Mark-to-market reserve		31,392	6,370	7,594
Revaluation reserve		17,040,694	20,992,870	22,341,225
Non-distributable reserves		2,335,436	2,335,436	2,335,436
Retained earnings		(1,255,402)	28,233,548	29,949,289
Equity attributed to equity holders of the parent		**28,466,948**	**61,874,217**	**64,838,470**
Non-controlling interests		379,934	505,412	(1,722)
Shareholders' equity		**28,846,882**	**62,379,629**	**64,836,748**
Non-current liabilities				
Deferred tax liabilities	15	11,030,948	12,161,079	6,569,637
Long term borrowings	18	794,444	456,583	3,060,303
Long term lease liability	16	18,495,375	18,991,145	13,318,177
Total non-current liabilities		**30,320,767**	**31,608,808**	**22,948,116**
Current liabilities				
Trade and other payables	17	29,852,522	34,123,833	53,508,870
Provisions		2,422,974	934,541	1,595,138
Lease liability	16	2,068,713	2,108,804	2,632,835
Short term borrowings	18	7,235,463	3,067,752	7,975,239
Current tax liabilities		306,501	2,169,433	263,813
Liabilities directly associated with assets classified as held for sale	8.2	2,339,686	-	-
Total current liabilities		**44,225,859**	**42,404,362**	**65,975,895**
Total liabilities		**74,546,626**	**74,013,170**	**88,924,011**
Total equity and liabilities		**103,393,508**	**136,392,799**	**153,760,759**

- The prior year consolidated statement of financial position was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.
- Comparative figures have been restated following the correction of prior period errors in the application of IFRS 16 (see note 4.2 and note 11)

Unaudited Consolidated Statement of Cash Flows

for the year ended 31 March

	Notes	Unaudited 2025 US$	Restated 2024* US$
Cash flows from operating activities			
Cash (used in)/generated from trading	19.1	(17,883,176)	45,737,505
Working capital changes		10,142,585	(21,841,613)
Cash (used in)/generated from operations		(7,740,592)	23,895,893
Finance costs paid		(3,312,186)	(5,252,379)
Finance income received		3,958	4,828
Tax paid		(1,850,954)	(1,205,375)
Net cash (used in)/generated from operating activities		**(12,899,773)**	**17,442,966**
Cash flows from investment activities			
Investments to maintain operations:			
Replacement of property and equipment		(195,588)	(92,133)
Proceeds from disposal of property and equipment		226,058	294,816
Increase in short-term loans receivable		(905)	44,558
		29,564	**247,241**
Investment to expand operations:			
Additions to property and equipment		(677,869)	(6,397,633)
Additions to intangible assets		-	(62,138)
Net cash used in investing activities		**(677,869)**	**(6,459,771)**
Cash flows from financing activities		**(648,304)**	**(6,212,530)**
Dividends paid		-	(589,240)
Proceeds from share options exercised		5,477	9,452
Repayment of lease liabilities		(3,013,104)	(2,812,719)
Proceeds from borrowings		5,195,682	-
Repayment of borrowings		(3,851,971)	(9,957,593)
Net cash used in financing activities		**(1,663,916)**	**(13,350,100)**
Net decrease in cash and cash equivalents		(15,211,993)	(2,119,664)
Cash and cash equivalents at the beginning of year		8,375,431	3,960,357
Exchange gains on foreign cash balances		5,568,010	5,133,653
Cash and cash equivalents at the end of year		**(1,268,553)**	**6,974,345**
Cash and cash equivalents at end of year (assets held for sale)		175,392	-
Cash and cash equivalents at end of year (continuing operations)		**(1,443,945)**	**6,974,345**
Comprising -			
Cash and cash equivalents		1,663,586	8,375,431
Bank overdraft		(3,107,531)	(1,401,085)
Cash and cash equivalents at end of year (continuing operations)		**(1,443,945)**	**6,974,345**

* The prior year consolidated statement of cash flows was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.

* Comparative figures have been restated following the correction of prior period errors in the application of IFRS 16 (see note 4.2 and note 11)

Unaudited Consolidated Statement of Changes in Equity

for the year ended 31 March

	Share capital US$	Share Premium US$	Share based payments reserve US$	Mark-to Market reserve US$	Revaluation reserve US$	Non-distributable reserve US$	Retained Earnings US$	Total US$	Non-controlling interests US$	Total Equity US$
Balance at 1 April 2023 Restated*	28,935	9,504,782	671,209	7,594	22,341,225	2,335,436	40,423,815	75,312,996	(1,722)	75,311,274
(Loss)/Profit for the year	-	-	-	-	-	-	(11,601,034)	(11,601,034)	507,140	(11,093,894)
Other comprehensive income, net of tax	-	-	-	(1,224)	(1,348,355)	-	-	(1,349,579)	-	(1,349,579)
Total	28,935	9,504,782	671,209	6,370	20,992,870	2,335,436	28,822,781	62,362,383	505,418	63,867,801
Transactions with owners:										
Contributions and distributions										
Share options exercised	-	13,120	(7,320)	-	-	-	-	5,800	-	5,800
Recognition of share-based payments	-	68,001	27,266	-	-	-	-	95,267		95,267
Dividends	-	-	-	-	-	-	(589,234)	(589,234)	(6)	(589,240)
Total transactions with owners	-	81,121	19,946	-	-	-	(589,234)	(488,167)	(6)	(488,173)
Balance at 31 March 2024	28,935	9,585,903	691,155	6,370	20,992,870	2,335,436	28,233,547	61,874,216	505,412	62,379,628
Balance at 1 April 2024	28,935	9,585,903	691,155	6,370	20,992,870	2,335,436	28,233,548	61,874,217	505,412	62,379,629
Loss for the year	-	-	-	-	-	-	(29,488,950)	(29,488,950)	(125,478)	(29,614,428)
Other comprehensive income, net of tax	-	-	-	25,022	(3,952,176)	-	-	(3,927,154)	-	(3,927,154)
Total	28,935	9,585,903	691,155	31,392	17,040,694	2,335,436	(1,255,402)	28,458,113	379,934	28,838,047
Transactions with owners:										
Contributions and distributions										
Share options exercised	79	4,622	-	-	-	-	-	4,701	-	4,701
Recognition of share-based payments	-	-	4,134	-	-	-	-	4,134	-	4,134
Reclassification #	104,568	(104,568)	-	-	-	-	-	-	-	-
Total contributions and distributions	104,647	(99,946)	4,134	-	-	-	-	8,835	-	8,835
Total transactions with owners	104,647	(99,946)	4,134	-	-	-	-	8,835	-	8,835
Balance at 31 March 2025	133,582	9,485,957	695,289	31,392	17,040,694	2,335,436	(1,255,402)	28,466,948	379,934	28,846,882

\# Reclassification of impact of currency conversion from ZW$ to US$ on opening balances.

* The prior year consolidated statement of changes in equity was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.

Notes to the Unaudited Abridged Consolidated Financial Statements
for the year ended 31 March 2025

1.General information
The Group is a leading supermarket retailer whose business is in retail and hypermarket formats, supplying food and liquor, housewares and household goods, building material and pharmaceutical goods. At the reporting date, the Group was operating from sixty-one retail, and eight hypermarket stores countrywide. The company, OK Zimbabwe Ltd, had five subsidiaries.

The Group's parent company OK Zimbabwe Limited is a registered limited liability entity incorporated in Zimbabwe under the Companies and Other Business Entities Act ("COBE") Chapter 24:31 and is listed on the Zimbabwe Stock Exchange with its registered office at OK House, 7 Ramon Road, Graniteside, P. O. Box 3081, Harare, Zimbabwe.

1.1 Statement of compliance
The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with Companies and Other Business Entities Act (COBE) (Chapter 24:31), except for non-compliance with IAS 21 The Effects of Changes in Foreign Exchange Rates, as more fully explained in Note 2.

2. Functional currency
Since the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020 and subsequently, SI 218 of 2023, issued on 27 October 2023, which confirmed the continued settlement of transactions and ultimately, the continued use of the US$ until 31 December 2030, the economy has been observing a gradual increase in the use of the United States Dollar ("US$").

The group companies have also been experiencing a shift in currency mix and as required by the guidance of IAS 21-The Effects of Changes in Foreign Exchange Rates, at the beginning of the financial year, the group companies evaluated whether the change in circumstances was indicative of a change in their functional currency.

In assessing the functional currency of the group companies, the Directors considered the guidance provided by IAS 21 which required consideration of factors including but not limited to:

- The currency that mainly influences sales prices of goods and services, which is increasingly the US$;
- The currency of costs that mainly influence operating expenses, including merchandise stock, services and employment costs, which are predominantly denominated and settled in US$; and
- The currency in which funds are generated from financing activities.

Based on the review, the Directors concluded that the functional currency of the Group companies had changed from the Zimbabwe Dollar ("ZWL") in prior year to the United States Dollar ("US$") with effect from 1 April 2024.

Procedures to convert functional currency prior to 1 April 2024, financial statements were presented in ZWL, after restatement of historical financial statements in accordance with IAS 29-Financial Reporting in Hyperinflationary Economies. IAS 21 requires entities that operated in hyperinflationary economies to translate their last reported inflation-adjusted financial statements using the closing rate of exchange at the last reporting date, on the effective date of change in functional currency.

Following the pronouncement of SI 27 of 2023, Census and Statistics (General) Notice, 2023 which introduced blended inflation rates replacing the ZWL inflation rates and Consumer Price Index (CPI) effective February 2023, the Group used an internal estimation based on the published Total Consumption Poverty Line (TCPL) since February 2023 to March 2024 to determine the Consumer Price Index (CPI).

In applying IAS 21 The Effects of Changes in Foreign Exchange Rates, the Group observed that for certain account balances — specifically inventory, prepayments and work in progress (WIP) — translating hyperinflation-adjusted ZWL balances at in-store rates did not yield amounts reflective of their true US$ recoverable values. To address this, the following approaches were adopted:

- **Prepayments and WIP:** US$-denominated invoices were retained at their US$ values. ZWL-denominated invoices were translated to US$ using the prevailing in-store exchange rate at the transaction date.
- **Inventory:** Implied exchange rates were derived from supplier pricing during the period 1–31 March 2024 by comparing ZWL and US$ quotations, and these implied rates were applied in translation.

These translation approaches were applied to ensure that the reported US$ balances more faithfully reflect the amounts expected to be recovered. The Directors believe that this approach achieves a fair presentation of the financial position and performance of the Group and enhances comparability with prior periods.

3. Currency of reporting
The consolidated financial statements are presented in United States dollars (US$), which became the functional currency of the Group with effect from 1 April 2024. All foreign denominated transactions and balances are translated to the US$ in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) at the in-store exchange rate prevailing at the time of transacting.

4. Material accounting policy information
The accounting policies are consistent with those used in the prior year except as noted on 4.2 below.

4.1 Accounting policies, changes in accounting estimates and errors
The Group applies IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors in accounting for restatements and changes in estimates.

Changes in accounting policies are applied retrospectively when required by an IFRS Accounting Standard, or when such a change results in financial statements providing more reliable and relevant information. In such cases, the comparative figures are restated and the opening balances of assets, liabilities and equity for the earliest prior period presented are adjusted accordingly.

Changes in accounting estimates are applied prospectively. They are recognised in the period of the change if the change affects that period only, or in the period of the change and future periods if the change affects both.

4.2 Accounting policies, changes in accounting estimates and errors
Prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery. The Group restates comparative amounts for prior periods presented in which the error occurred, and adjusts the opening balances of assets, liabilities and equity for the earliest prior period presented, as if the error had never occurred. During the current financial year ended 31 March 2025, the Group identified and corrected prior period errors relating to the accounting for certain lease arrangements under IFRS 16 Leases. These leases had previously been treated as variable lease payments linked to the Zimbabwe dollar interbank exchange rate. However, on reassessment, it was determined that the substance of the rental agreements was that these were US$ denominated leases which should have been accounted for as fixed foreign currency denominated leases during the periods in which the functional currency of the company was ZWL.

Accordingly, the comparative financial information as at and for the year ended 31 March 2024 has been restated, and the opening balances as at 1 April 2023 adjusted. The details of the restatement, including the nature of the error, the amounts involved, and the line items affected, are set out in Note 11.1 – Restatement of Prior Period Errors.

5. Revenue

	Unaudited 2025 US$	Restated 2024* US$
Retail	185,069,836	393,276,151
Hypermarket	55,013,032	117,736,194
	240,082,868	**511,012,345**

During the year, the Group earned revenue from sale of merchandise through its retail and hypermarket stores as shown above.

6. Profit before Income tax
Profit before income tax considers the following:

6.1 Other income

	2025 US$	Restated 2024 US$
Lease and sub-lease income	36,337	726,757
Commission income	2,227,087	8,033,388
	2,263,424	**8,760,145**

6.2 Other expenses

	Unaudited 2025 US$	Restated 2024* US$#
Other expenses		
Utilities and backup power expenses	14,093,958	28,172,643
Property operating costs	5,168,917	7,386,299
Marketing and promotional expenses	2,445,676	4,906,392
Maintenance expenses	2,466,221	5,260,957
Security expenses	2,738,769	4,406,580
Cleaning expenses	726,806	4,162,123
Transport and motor vehicle	1,542,744	3,481,047
Retirement benefit costs	1,395,394	2,509,005
Distribution expenses	920,556	2,869,948
Bank Charges	1,288,025	851,837
Licences expenses	1,566,079	1,876,546
Consultancy fees	231,933	1,877,677
Stock-taking expenses	400,203	1,135,934
Insurance expenses	495,456	614,551
Auditor's fees – year-end audit	187,748	540,726
Auditor's fees – other services	27,865	196,985
Profit on sale of property and equipment	311,532	(180,747)
Other [1]	1,139,736	1,542,179
Total	**37,147,618**	**71,610,684**

[1] Due to the nature of the Group's diversified operations, other expenses include several line items that are not material enough to be reasonably disaggregated.

Comparatives were inflation-adjusted in ZWL and converted to US$, creating distortions; figures are not fully comparable.

6.2.1 Exchange gain/(loss)

	Unaudited 2025 US$	Restated 2024* US$
Exchange gain /(loss)	**13,459,698**	**(51,131,999)**

The current period exchange gains were driven by ZWG liabilities

6.3 Depreciation and amortization expense

	Unaudited 2025 US$	Restated 2024* US$
Property	1,178,380	4,477,325
Equipment	3,840,187	1,864,745
Right of use asset	6,450,209	5,889,834
Intangible asset	43,926	5,192
	11,512,702	**12,237,096**

6.4 Impairment of non-financial assets

Intangible Assets

	Unaudited 2025 US$	Restated 2024* US$
Intangible assets		
Goodwill	4,001,766	-
Property and equipment		
Equipment, furniture and fittings	29,207	-
Leasehold Improvements	1,706,561	-
Right of use assets		-
OK Company	3,058,703	-
Fresh and Green City	1,535,468	
	10,331,705	

7. Income taxes

7.1

	Unaudited 2025 US$	Restated 2024* US$
Tax charge		
Income Tax:		
Current	**66,182**	**2,325,870**
Standard	64,254	1,922,794
Aids Levy	1,928	403,076
Deferred:		
(Credit)/debit to statement of profit or loss	(774,767)	3,258,756
Total income tax (credit)/expense	**(708,585)**	**5,584,626**

8. Property and equipment

	Unaudited 2025 US$	Restated 2024* US$
Freehold land and buildings	**27,268,000**	**30,340,876**
Revalued amount		
Accumulated depreciation	-	-
	27,268,000	**30,340,876**
Leasehold improvements		
Cost	10,152,846	8,530,796
Accumulated depreciation	(4,472,357)	(2,451,733)
	5,680,489	**6,079,063**
Furniture and Equipment		
Cost	43,253,212	40,510,056
Accumulated depreciation	(24,263,372)	(21,337,436)
	18,989,840	**19,172,620**
Vehicles		
Cost	4,734,551	5,550,332
Accumulated depreciation	(2,008,761)	(2,003,414)
	2,725,790	**3,546,919**
Work in progress	250,768	7,911,087
Total Property and equipment	**54,914,887**	**67,050,565**

* The prior year consolidated statement of cash flows was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.
* Comparative figures have been restated following the correction of prior period errors in the application of IFRS 16 (see note 4.2 and note 11)

The gross carrying amount of fully depreciated property and equipment that is still in use was US$ 1.2 million (2024: US$ 0.49 million).

Assets pledged as security

During the year, the Group pledged certain immovable properties as security against borrowings from financial institutions. The total market value of the pledged properties amounted to US$19,580,000 (2024: nil), with mortgage values of US$19,580,000 securing total facilities of US$23,000,000. As a result of liquidity constraints in the economy, the Group was not able to fully access the facilities during the period. The pledged assets are summarised below:

PROPERTY	ADDRESS	MARKET VALUE	MORTGAGED
OK Mbuya Nehanda	Stand 5950 Salisbury Township 118 Mbuya Nehanda Street, Harare	US$3,210,000	US$3,210,000
OK Glen View	Stand 12279 Glenview Township Glenview Harare	US$1,830,000	US$1,830,000
Birmingham Warehouse	Stand 14997 Salisbury Township Harare	US$3,700,000	US$3,700,000
	Total mortgaged to FBC Bank Limited	**US$8,740,000**	**US$8,740,000**
OK Gweru	Stand 151A Gweru Township Gweru	US$2,700,000	US$2,700,000
OK Malvern	Stand 223 Malvern Township Harare	US$1,420,000	US$1,420,000
Harare Stand	Stand 6464 Odar Township Stand 39 Odar Township Harare	US$720,000	US$720,000
	Total pledged to National Building Society	**US$4,840,000**	**US$4,840,000**
Harare Stand	Stand 19678 Harare Township of Borrowdale Harare	US$6,000,000	US$6,000,000
	Total pledged to CBZ Bank Limited	**US$6,000,000**	**US$6,000,000**
	Total Properties	**US$19,580,000**	**US$19,580,000**

8.2 Assets held for sale

At 31 March 2025, the assets held for sale were stated at fair value less costs to sell and comprised the following assets and liabilities:

	Unaudited 2025 US$	Restated 2024* US$
Property, Plant and Equipment	770,640	-
Inventory	511,653	-
Trade and other receivables	210,864	-
Deferred tax asset	299,385	
Assets held for sale	**1,792,542**	-
Trade and other payables	564,059	-
Lease Liability	1,775,627	-
Liabilities related to assets held for sale	**2,339,686**	-

9. Goodwill

	Unaudited 2025 US$	Restated 2024* US$
Opening Balance	4,096,889	4,096,889
Goodwill Impairment	(4,001,766)	-
Closing balance	**95,123**	**4,096,889**

Goodwill arose when the Group acquired assets and assumed liabilities of Makro Zimbabwe and Talwant at a premium. The carrying values of goodwill is reviewed at least annually for impairment. Goodwill is monitored at the level of individual cash- generating units (CGUs) or groups of CGUs that are expected to benefit from the business combination. As at 31 March 2025, goodwill was allocated as follows:

CGU/ Business	Goodwill Carrying Amount (US$)	Impairment Loss (US$)
Fresh & Green City	4,001,766	4,001,766
OKmart	95,123	-
Total	**4,096,889**	**4,001,766**

Impairment
During the year, the Group resolved to exit the Food Lovers market franchise. As a result, the associated CGU (Fresh & Green City) is expected to be disposed of or closed within the next 12 months, and its recoverable amount determined as fair value less costs of disposal was lower than its carrying amount including goodwill.

An impairment loss of US$4 million was recognized, fully writing off the goodwill allocated to this CGU. The impairment loss is presented in "Impairment loss" in the consolidated statement of profit or loss

10. Impairment of Non-Financial Assets

Impairment testing of cash-generating units

Adverse macroeconomic conditions and sustained cost pressures continued to affect the Group's operating environment during the year ended 31 March 2025. Zimbabwe experienced persistent inflationary pressures, currency volatility, constrained consumer liquidity, and elevated utility and supply chain costs. These factors have placed pressure on operating margins and increased the risk profile of the retail sector.

In light of these external conditions, management performed a comprehensive impairment review of all cash-generating units (CGUs), including those with limited headroom. The review incorporated updated cash flow projections, revised discount rates, and adjusted terminal value assumptions reflecting the heightened economic uncertainty.

The impairment loss recognised for the year ended 31 March 2025 was US$10.3 million (2024: Nil), as the recoverable amounts of certain CGUs were lower than their respective carrying amounts. The table below sets out the impairment losses recognised by the Group during the current and prior periods under review.

Entity / Asset	31 March 2025 US$	31 March 2024 US$
OK Company		
• Right-of-use assets (ROUA)	3,058,703	–
• Leasehold improvements	1,706,561	–
• Other property, plant and equipment (PPE)	29,207	–
• Goodwill	4,001,766	
Total Company Impairment	**8,796,236**	–
Fresh and Green City		
• Right-of-use assets (ROUA)	1,535,468	–
Total Group Impairment	**10,331,705**	–

11. Right of use asset

	Unaudited 2025 US$	Restated 2024* US$
Cost	38,287,122	34,008,289
Additions	-	2,208,850
Remeasurements	6,021,270	4,109,379
Accumulated amortisation of Right of Use Asset	(18,755,740)	(11,287,353)
Impairment	(3,058,703)	-
Total	**22,493,949**	**29,039,165**

11.1 Restatement of Comparative Figures (Correction of Prior Period Errors in IFRS 16 Application)

During the year ended 31 March 2025, management identified errors in the prior period application of IFRS 16 Leases. In the prior periods, certain leases were structured with contractual base rentals denominated in United States dollars (US$) or in rental units indexed to US$, but contractually payable in Zimbabwe dollars (ZWL) at the prevailing interbank exchange rate. To preserve value in the hyperinflationary environment, the Group and lessors adopted this structure. The Group had therefore included these payments in the lease liability but accounted for them as variable lease payments, subject to periodic re-assessments.

However, the substance of these payments is that the conversion rate is linked to underlying economic factors, meaning the payments are in substance fixed or contractually determinable. Under IFRS 16, such arrangements represent contractual lease payments rather than variable lease payments. Accordingly, the Group should have treated these amounts as fixed lease payments in both the initial measurement and subsequent re-measurement of lease liabilities and the related right-of-use assets.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has corrected these errors by restating each of the affected financial statement line items for prior periods, as follows:

Impact on Statement of Financial Position

	31 March 2024 (As previously reported) US$	Adjustment US$	31 Mar 2024 (Restated) US$
Right-of-use assets	62,231,026	33,191,861	29,039,165
Total assets	139,833,242	39,210,562	100,622,680
Lease liabilities (non-current)	7,430,097	(11,561,049)	18,991,145
Lease liabilities (current)	1,518,057	(590,747)	2,108,804
Deferred tax	26,573,756	14,412,677	12,161,079
Retained earnings	77,693,475	49,459,928	28,233,548
Total equity	**111,839,557**	(49,459,928)	62,379,629

Impact on Statement of Profit or Loss and Other Comprehensive Income

	31 March 2024 (As previously reported) US$	Adjustment US$	31 Mar 2024 (Restated) US$
Amortisation	(12,949,837)	712,741	(12,237,096)
Finance costs	(8,429,271)	3,176,891	(5,252,379)
Exchange Gain/(Losses)	(16,969,702)	(34,162,297)	(51,131,999)
Net monetary gain	164,321,904	(45,159,678)	119,162,226
Profit before tax	69,923,074	(75,385,668)	(5,462,593)
Income tax expense	(31,510,366)	25,925,740	(5,584,626)
Profit for the year	38,412,709	(49,459,928)	(11,047,219)

Opening Balances Restated (1 April 2023)

	(As previously reported) US$	Adjustment US$	(Restated) US$
Retained earnings	40,377,141	(10,427,852)	29,949,289
Lease liabilities	17,460,913	(1,509,902)	15,951,012
Deferred tax	9,993,873	(3,424,236)	6,569,637
Right-of-use assets	29,323,512	(15,361,990)	13,961,522

Impact on Statement of Changes in Equity

	(As previously reported) US$	Adjustment US$	(Restated) US$
Opening retained earnings (1 April 2023)	40,377,141	(10,427,852)	29,949,289
Profit for the year	38,412,709	(49,459,928)	(11,047,219)
Closing retained earnings (31 March 2024)	77,693,475	(49,459,928)	28,233,548
Total equity	111,839,557	(49,459,928)	62,379,629

Impact on Earnings per Share (EPS)

For the year ended 31 March 2024	(As previously reported) US$	Adjustment US$	(Restated) US$
Profit attributable to ordinary shareholders	38,412,709	(49,459,928)	(11,047,219)
Weighted average number of ordinary shares in issue	1,314,992,516	-	1,314,992,516
Weighted average diluted number of ordinary shares in issue	1,363,749,842	-	1,363,749,842
Basic earnings per share (US$ cents per share)	2.92	(3.76)	(0.84)
Diluted earnings per share (US$ cents per share)	2.82	(3.63)	(0.81)

* The prior year consolidated statement of cash flows was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.
* Comparative figures have been restated following the correction of prior period errors in the application of IFRS 16 (see note 4.2 and note 11)

Notes to the Condensed Consolidated Financial Statements (continued)
for the year ended 31 March

The correction of these prior period errors had no impact on the Group's cash position, but resulted in adjustments to the recognition of right-of-use assets, lease liabilities, deferred tax, depreciation, interest expense, foreign exchange fluctuations, net monetary gains/losses and retained earnings. Comparative information for the year ended 31 March 2024 has been restated accordingly.

12. Inventories

	Unaudited 2025 US$	Restated 2024* US$
Consumable stocks	233,786	121,261
Merchandise	16,246,889	25,141,473
	16,480,675	25,262,734
12.1 Changes in trade inventories		
Opening Merchandise Stock	25,141,473	32,028,673
Closing Merchandise Stock	16,246,889	25,048,123
	(8,894,584)	(6,980,550)

The cost of merchandise and consumables inventories recognised as an expense during the year was US$ 207.8 million (2024: US$ 457.6 million). The cost of inventories recognised as an expense was US$8.9 million (2024: US$ 7.0 million). The shrinkage provision was US$ 21.8 thousand (2024: US$ 20.7 thousand). The obsolete inventories and markdown provision was US$ 1.5 million (2024: US$ 115.6 thousand).

13. Trade and other receivables

	Unaudited 2025 US$	Restated 2024* US$
Trade receivables	735,292	238,952
Other receivables	607,812	49,575
Allowance for credit losses	(360,415)	(25,551)
	982,689	262,976

14. Prepayments

	Unaudited 2025 US$	Restated 2024* US$
Prepayments	4,541,354	1,858,718

The prepayments relate to mainly imported inventory and capital equipment paid for in advance.

15. Defered Tax

	Unaudited 2025 US$	Restated 2024* US$
Deferred tax liability movement		
At the beginning of year	12,161,079	9,993,872
Credit to statement of profit or loss	(774,767)	3,258,756
Income tax relating to components of other comprehensive income	(654,749)	(1,091,549)
Reclassification of deferred tax directly associated with assets held for sale	299,385	-
At the end of year	11,030,948	12,161,079

The deferred tax liability / (asset) comprises of the effects of temporary differences arising from:

	Unaudited 2025 US$	Restated 2024* US$
Property	5,214,922	6,284,144
Inventory	-	-
Equipment	4,801,962	5,353,585
Quoted investments	648	267
Intangible assets	94,153	103,231
Right of use asset	5,792,191	7,477,586
Lease liability	(4,837,508)	(4,410,729)
Unrealised exchange loss	520,780	(2,416,224)
Provisions	(556,200)	(230,781)
	11,030,948	12,161,079

16. Lease liabilities

	Unaudited 2025 US$	Restated 2024* US$
Lease liabilities		
Long term lease liability	18,495,375	18,991,145
Short term lease liability	2,068,713	2,108,804
	20,564,088	21,099,950

Comparatives have been restated as set out in Note 11.1.

17. Trade and other payables

	Unaudited 2025 US$	Restated 2024* US$
Trade payables	27,114,167	31,256,993
Accruals and other payables	2,738,355	2,866,840
	29,852,522	34,123,833

The Group endeavours to settle its obligations to suppliers in accordance with agreed terms. However, during the reporting period the Group did not have sufficient liquidity to settle all obligations as they fell due, resulting in delays in payments to creditors. Refer to note 29.5 on Groups liquidity risk management.

17.1 Supplier Finance Arrangements

The Group has supplier finance arrangements with third-party financial institutions (the "finance providers"). Under this programme, when the Group is unable to settle invoices with suppliers on the contractual due date, certain suppliers elect to receive early payment from the finance provider. The finance provider pays the supplier the invoiced amounts on or shortly after the due date, and the Group subsequently settles the amounts directly with the finance provider at a later agreed date.

The suppliers bear the financing costs of obtaining early settlement from the finance provider. The Group incurs incremental interest expense under the arrangement should it fail to meet the finance provider settlement date.

Presentation
Obligations under the supplier finance arrangement are presented as borrowings in the statement of financial position. Management concluded that the characteristics of the liabilities differ from trade payables as the amounts are owed directly to a finance provider rather than the original supplier, and therefore fall within the scope of borrowings.

Carrying amounts
The carrying amounts of financial liabilities that are part of the supplier finance arrangement are presented in the statement of financial position as set out below:

	Unaudited 2025 US$	Restated 2024* US$
Liabilities subject to supplier finance arrangements (presented in borrowings)	770,365	-
Other borrowings	3,357,566	-
Total borrowings	4,127,931	-

Payment terms
The range of payment due dates of financial liabilities that are part of the supplier finance arrangement, and those that are not, are as follows:

	2025 Days	2024 Days
Liabilities subject to supplier finance arrangements	30-45	-
Trade payables not part of supplier finance arrangements	7-30	7-30

Cash flow presentation
Payments made to the finance provider under the supplier finance arrangement are presented in the financing activities section of the statement of cash flows, consistent with the classification of the liabilities as borrowings.

Liquidity risk
The liabilities under the arrangement are classified as current, as the Group does not have an unconditional right to defer settlement beyond 12 months. The Group monitors concentration risk with the finance provider to ensure that reliance on supplier finance does not give rise to significant liquidity risk.

18. Borrowings

18.1. Short-term borrowings	Unaudited 2025 US$	Restated 2024* US$
Unsecured interest-bearing loans	4,175,784	1,666,667
Bank overdraft	4,192,751	1,401,085
	8,368,535	3,067,752

18.2 Long-term borrowings	Unaudited 2025 US$	Restated 2024* US$
Due in over a year	794,444	456,583
	794,444	456,583

The Group's unsecured principal bank loans
The Group took out a loan of US$ 5 million on 30 August 2022 with a maturity date of 31 August 2025. The loan carries an interest of 18.5% per annum.

In February 2025 the Group took out a loan of US$1.3 million with a maturity date of 31 March 2026 with an interest of 16% per annum.

19. Cash flow information

		Unaudited 2025 US$	Restated 2024* US$
19.1	Cash generated from trading	(17,883,176)	45,737,505
	Profit before tax	(30,323,013)	(5,462,593)
	Adjusted for:		
	Finance costs	3,312,186	5,252,379
	Depreciation and amortization	11,512,702	12,237,096
	Share based payments expense	10,121	220,518
	Foreign exchange losses	(13,459,698)	51,131,999
	Interest income	(3,958)	(4,828)
	Loss on sale of property plant and equipment	311,532	(180,747)
	Other non-cash adjustments*	425,247	-
	Goodwill impairment	10,331,705	-
	Impact of inflation on cash flows	-	(17,456,319)

* Other non-cash items comprise mainly the expensing of work-in-progress write-offs.

20. Commitment for capital expenditure

	Unaudited 2025 US$	Restated 2024* US$
Authorised but not contracted	4,000,000	3,000,000

21. Subsequent events

Statutory Instrument 34 of 2025

On 15 April 2025, Statutory Instrument 34 of 2025 was issued, repealing the Exchange Control (Amendment of Schedule to the Exchange Control Act) Notice, 2024, which had been published under Statutory Instrument 81A of 2024. This repeal removed the legal requirement to use the interbank rate for pricing and liberalised the use of market-determined exchange rates. As a result, exchange rates agreed to by market participants in contractual arrangements are now legally enforceable in Zimbabwe.

The Directors have assessed the impact of these changes and determined that they represent a non-adjusting subsequent event for the year ended 31 March 2025.

Exchange Rate Movement
As at the date of approval of these financial statements, the interbank rate had moved from ZWG26.77:US$1 to ZWG26.57:US$1. The Directors have considered this movement to be a non-adjusting subsequent event.

Labour Dispute
Subsequent to year-end, the Local Joint Committee and Negotiating Committee issued communication to the Group regarding employees who were previously found to have been wrongfully terminated and were not subsequently reinstated. Should the Group's reasons for non-reinstatement not be accepted by the Labour Court, the Group may be liable for back-pay and damages to the tune of US$500,000.

Based on legal advice, the Directors believe that the Group has valid grounds for its position. Accordingly, this has been treated as a non-adjusting subsequent event.

* The prior year consolidated statement of cash flows was previously reported in ZW$. This was restated by converting to the Group`s new functional currency, US$ as described per note 2.
* Comparative figures have been restated following the correction of prior period errors in the application of IFRS 16 (see note 4.2 and note 11)

Rights Issue
At an Extraordinary General Meeting of shareholders held on 17 July 2025, the Company obtained approval for the following key resolutions:

- An increase in the authorised share capital from 2 billion to 6 billion ordinary shares.
- A renounceable right offer to raise approximately US$20 million, underwritten by the National Social Security Authority (Lead Underwriter), with Datvest Nominees (Private) Limited and Old Mutual Life Assurance Company Limited as Sub-Underwriters.
- Disposal of certain immovable properties to raise approximately US$10.5 million in net proceeds.
- Reconstitution of the Board of Directors at the forthcoming Annual General Meeting.
- Authority for Directors to implement the above resolutions and related transactions.

By 21 August 2025, the Group had received the full proceeds from the rights offer.
These events occurred after the reporting date and have been appropriately disclosed but not adjusted in the financial statements.

22. Contingencies

22.1 Contingent Liabilities

1. Tax Dispute – Zimbabwe Revenue Authority (ZIMRA)
The Zimbabwe Revenue Authority ("ZIMRA") issued a civil penalty order against the Group amounting to US$ 2,054,250 in terms of Section 81B as read with the First Schedule of the Value Added Tax Act [Chapter 23:12]. The penalty relates to alleged non-compliance with the Fiscal Data Management System ("FDMS") requirements and was calculated on the basis of 914 tills over a period of 90 days commencing 23 January 2024.

The Group, with the assistance of its tax advisors, is disputing the penalty on the following grounds:

- The Group was actively engaging with ZIMRA on FDMS integration and encountered technical challenges beyond its control, which were communicated to ZIMRA throughout the process. Successful on boarding was achieved in December 2024.
- The legal basis for the civil penalty order in relation to FDMS compliance is unclear under the VAT Act, and the prescribed procedure for issuing a penalty order, including the requirement for a "show cause notice," was not followed.
- The number of tills used to calculate the penalty is being contested by the Group.

The company has lodged an appeal with the Commissioner Domestic Taxes and is awaiting the outcome. Management believes that there are strong grounds to contest the civil penalty, and accordingly no provision has been recognised in these financial statements.

23. Going concern
Assessment of the Group's Ability to Continue as a Going Concern

The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern. This basis assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business for at least 12 months from the date of approval of these financial statements.
The Directors have evaluated the Group's financial position, liquidity, cash flow forecasts, borrowing capacity, and the broader economic environment in accordance with IAS 1 – *Presentation of Financial Statements*. This review included consideration of the Group's capital structure, profitability trends, debt maturity profile, and access to financing.

Macroeconomic and Trading Environment
The Group operates in a market facing economic challenges, including:

- high inflation and exchange rate volatility;
- reduced consumer liquidity;
- power supply disruptions; and
- tight credit conditions.

While these factors create uncertainty, management has already taken significant steps to stabilise the Group and strengthen its ability to withstand external pressures.

Mitigating Actions and Progress

1. **Capital Raising –** A rights issue process was successfully concluded in July 2025 and US$20 million proceeds received in August 2025. Property valued at US$10.5 million has been identified for disposal and as at end of August 2025 offers worth US$7.3 million were under management consideration. All prospective buyers are prepared to enter long-term sale-and-leaseback agreements.

2. **Debt Refinancing and Facilities –** US$19.6 million in banking facilities have been secured, with US$12.3 million still undrawn at approval. Three key relationship banks have provided formal letters of support (subject to normal conditions), reinforcing confidence in continued financial backing.

3. **Cost Control and Efficiency –** Overhead reductions were achieved through headcount rationalisation to align staffing levels with productivity requirements. In addition, the Group implemented branch rationalisation measures, which included the closure of the Borrowdale and Avondale Food Lovers Market (FLM) stores, the closure of all Alowell stores, and, in the second quarter, the closure of further underperforming stores in Banket, as well as the commencement of the closure process for Bon Marché Marondera. FLM Bulawayo expected to close in the third quarter. The Group continues negotiations with landlords and other service providers to pay rentals and fees commensurate with economic benefit to the Group. In the same vein, the Group will continue reviewing performance of stores with a view to close non-performing stores.

4. **Revenue Growth Initiatives –** The revised product mix is improving margins, digital sales channels are being rolled out, and suppliers have resumed trade following successful rights issue funding and settlement of legacy debts. These steps are expected to enhance both sales growth and supply chain stability.

5. **Capital Expenditure:** The Group has deliberately slowed down on capital expenditure projects and other expansion initiatives in order to preserve liquidity and strengthen the balance sheet. Investment has been limited to essential maintenance of existing infrastructure, refurbishment of strategic stores, and critical systems upgrades required to support operational efficiency.

In addition to the mitigating actions undertaken by management, the Directors also note recent government policy interventions that have had a stabilising effect on the trading environment. On 15 April 2025, Statutory Instrument 34 of 2025 was issued, repealing the Exchange Control (Amendment of Schedule to the Exchange Control Act) Notice, 2024 (Statutory Instrument 81A of 2024). This repeal removed the legal requirement to use the interbank rate for pricing and liberalised the use of market-determined exchange rates.

As a result, exchange rates agreed to by market participants in contractual arrangements are now legally enforceable in Zimbabwe. This policy change has reduced a key macro-economic pressure previously faced by the Group, improving predictability in pricing, supply chain stability, and financial planning.

Cash Flow Forecasts
Management prepared detailed forecasts covering September 2025 to September 2026. These incorporate confirmed rights issue proceeds, expected property disposals, cost reductions already achieved, and access to committed facilities. The forecasts indicate that, assuming continuation of these actions, the Group will maintain sufficient liquidity to meet obligations as they fall due.

Directors' Conclusion

After careful review, the Directors are satisfied that:

- Adequate financing arrangements are in place or are reasonably expected to be secured;
- Property disposals and cost reductions are progressing and will support working capital stability; and
- The Group has sufficient resources to continue operations for at least 12 months from the approval date of these financial statements.

Notes to the Condensed Consolidated Financial Statements (continued)
for the year ended 31 March

Accordingly, the financial statements have been prepared on a going concern basis.

The Directors acknowledge that the challenging macroeconomic environment and reliance on successful execution of mitigating actions represent material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. However, based on the capital already raised, bank support secured, cost savings achieved, and supplier relationships restored, the Directors remain confident that the Group's strategy is robust and that it will continue to operate as a going concern.