

**Total equity** 



# **Unaudited Condensed Consolidated Interim Financial Results**

for the half year ended 30 June 2025

### **Chairman's Statement**

#### Introduction

It is my pleasure to present to you the operational and financial performance of the Group for the half year ended 30 June 2025.

In the report, "Group" refers to Proplastics Limited, it's subsidiary companies; Promouldings (Private) Limited and Dudway Investments Limited.

#### **Operating Environment**

The operating environment was relatively stable during the first half of the year, showing signs of recovery as evidenced by low month-on-month inflation and less volatility in exchange rates. This was on the back of recovery in the agricultural sector with a record-breaking tobacco output of more than 350 million kilograms delivered to auction floors. The mining sector also benefitted from the elevated gold prices. The local currency, ZWG, was stable in the period under review, supported by stringent monetary policies. On the downside, shortage of local currency continued to persist.

The recent introduction of SI 34 of 2025, which allows pricing of goods in line with market conditions has had a muted impact, and the economy remains substantially dollarized, with the ZWG playing a limited role in transactions. Furthermore, the increase in foreign currency surrender requirements for exports from 25% to 30% has adversely impacted on the competitiveness and viability of our exports business.

Despite liquidity challenges, the business commenced the year on a positive trajectory, leveraging on the momentum garnered in the latter part of the preceding year. However, business activity remained subdued due to liquidity constraints and operational challenges from power disruptions.

Operations continued to be severely impacted by erratic electricity supply, with frequent load shedding and power failures disrupting production schedules and necessitating the deployment of the expensive generator to maintain product availability. This had an impact through increased conversion costs and the consequent reduction in margins. However, contribution from the solar plant continued to mitigate the power supply challenges.

Notwithstanding these challenges, we remain positive about the future, particularly considering the representations made by the formal sector to reduce the cost of doing business and create a more level playing field with the informal sector.

### Financial Performance

Turnover for the first half of the year increased by 12% to USD9.6 million compared to USD8.6 million in the prior period with export sales contributing 3%. The revenue increase was driven by a 14% growth in sales volumes, reflecting an improvement in demand for our products. Cost of sales increased by 4% resulting in a Gross profit increase of 30% to USD3.2 million compared to USD2.5 million in the prior period.

The profit before tax of USD602 thousand was 44% above the prior period amount of USD418 thousand despite the impact of once off employee rationalization costs. EBITDA was at USD1.4 million, an increase from USD1 million in the prior period.

The statement of financial position remained stable, with total assets amounting to USD 24.7 million compared to USD22.7 million in the prior period. The current ratio closed the period at 1.74 from 1.59 in the prior period. The gearing ratio decreased to 11% from 14% in the prior period. At this level, the gearing ratio still provides some leverage, if required, to bolster working capital requirements.

The Group closed the half year with cash and cash equivalents of USD235 thousand.

### Outlook

The stable trading environment is expected to continue, with GDP projected to grow by 6%, driven by agriculture and mining recovery. We expect a significant uptake in demand for tanks, piping, and fittings as major projects, including those under the Government of Zimbabwe's fiscal initiatives, commence during the dry season.

Having invested in boosting our tank production capacity in the third quarter, the business is positioned to capitalize on growing demand for tanks and accelerated sales growth.

While electricity supply uncertainties may impact our production process, our backup generator and installed solar capacity will minimize downtime and ensure business continuity during power outages. However, frequent unscheduled interruptions to electricity supply continue to drive up production costs and consideration is being given to additional investments to mitigate the impact of such interruptions.

Raw material prices are expected to remain stable throughout the year, and we continue to monitor the environment for possible local supply options given tensions growing in international markets.

### Dividend

Given the need to continue building up working capital, the Board proposes that no interim dividend be declared.

### Acknowledgments

I would like to express my sincere gratitude to the management and staff for their tireless efforts and dedication during the period under review. I also extend my appreciation to my fellow Board members for their unwavering commitment and strategic guidance, which has been invaluable to the Group. Furthermore, I wish to thank our stakeholders for their continued support and trust in our organization.

**Historical Cost** 

of while

G. SEBBORN

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025

	6 months to	6 months to
	30 June 2025 Unaudited USD	30 June 2024 Unaudited USD
Revenue	9,591,663	8,578,089
Cost of sales	(6,361,229)	(6,088,731)
Gross profit	3,230,434	2,489,358
Other expenses	(6,660)	(8,069)
Distribution costs	(371,529)	(371,518)
Administrative expenses	(1,963,028)	(1,542,748)
Impairment loss on trade receivables	(97,648)	(101,628)
Profit before interest and tax	791,569	465,395
Finance costs	(189,686)	(46,971)
Profit before tax	601,883	418,424
Income tax expense	(253,715)	(490,299)
Profit /(loss) for the period	348,168	(71,875)
Other comprehensive income net of tax	-	-
Total comprehensive income/ (loss) for the period	348,168	(71,875)
Basic earnings/(loss) per share (cents)	0.13	(0.03)
Diluted earnings/(loss) per share (cents)	0.13	(0.03)
Headline earnings/(loss) per share (cents)	0.13	(0.03)

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

capital USD	USD	Earnings USD	USD
7,942	10,450,250	4,483,809	14,942,001
-	39	-	39
-	-	(313,705)	(313,705)
-	(48,937)	-	(48,937)
-	-	348,168	348,168
7,942	10,401,352	4,518,272	14,927,566
7,894	10,444,849	3,283,296	13,736,039
-	118	-	118
-	-	(71,875)	(71,875)
7,894	10,444,967	3,211,421	13,664,282
	7,942 - - - - 7,942 7,894	7,942 10,450,250 - 39 - (48,937) - 7,942 10,401,352  7,894 10,444,849 - 118	ÚSD         USD           7,942         10,450,250         4,483,809           -         39         -           -         (313,705)         -           -         (48,937)         -           -         348,168         -           7,942         10,401,352         4,518,272           7,894         10,444,849         3,283,296           -         118         -           -         (71,875)

The reserves primarily comprise two material elements being the revaluation surplus reserve (USD 8,16 million) and the unbundling reserve (USD 1,68 million) which was created during Masimba unbundling in 2015. The Masimba unbundling was through a dividend in specie to Masimba Shareholders.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		i listoricai cost	
	Notes	30 June 2025	31 Dec 2024
		USD	USD
		Unaudited	Audited
Assets			
Non-current assets			
Property, plant & equipment	3	13,836,555	14,269,199
Intangible Asset	4	161,625	172,400
Right of use assets	5	189,666	226,564
Investment in treasury bills		32,714	34,169
Total non- current assets		14,220,560	14,702,332
Comment			
Current assets			
Inventories	6	6,431,087	6,668,829
Trade and other receivables	7	3,777,633	2,961,444
Cash and cash equivalents		234,803	356,966
Total current assets		10,443,523	9,987,239
Total assets		24,664,083	24,689,571
Equity and liabilities			
Equity			
Share capital		7,942	7,942
Reserves		10,401,352	10,450,250
Retained earnings		4,518,272	4,483,809
Total equity		14,927,566	14,942,001
Non-current liabilities			
Long-term borrowings	8	604,624	505,479
Long-term lease liability		116,305	115,885
Deferred taxation		3,011,517	2,802,368
Total non-current liabilities		3,732,446	3,423,732
Current liabilities			
Trade and other payables	9	4.622.710	4 227 220
• •		4,622,710	4,327,220
Contract liabilities Short-term borrowings	8	279,099	190,362
Current tax payable	8	972,174	1,615,856
Short-term lease liability		63,016	132,759
Total current liabilities		67,072	57,641
Total liabilities		6,004,071	6,323,838
		9,736,517	9,747,570

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025

	6 months to	6 months to
	30 June 2025	30 June 2024
	Unaudited	Unaudited
	USD	USD
Profit for the period before interest and tax	791,569	465,395
Net cash from operations before working capital changes	1,441,078	1,029,830
Cash flow from operating activities	1,246,858	451,002
Interest paid	(145,626)	(42,380)
Income tax paid	(111,108)	(788,717)
Net cash generated/ (utilised) from operating activities	990,124	(380,095)
Cash flow from investing activities		
Purchase of property, plant and equipment	(121,076)	(107,124)
Proceeds from disposal of property, plant and equipment	19,967	5,923
Net cash utilised in investing activities	(101,109)	(101,201)
Cash flow from financing activities		
Repayment of borrowings	(588,598)	(19,914)
Proceeds from loans and borrowings	-	514,529
Dividend paid	(313,705)	-
Purchase of treasury shares	(48,937)	-
Repayment of lease liability	(53,611)	(46,607)
Net cash (utilised)/generated in financing activities	(1,004,851)	448,008
Net decrease in cash and cash equivalents	(115,836)	(33,288)
Opening cash balance	356,966	376,994
Effects of currency translation on cash and cash equivalents	(6,327)	(76,031)
Closing cash and cash equivalents	234,803	267,675

# Basis of preparation

The Group's condensed financial results are based on statutory records that are maintained under the historical cost convention, except for elements of property, plant and equipment at revalued amounts. The same accounting policies and methods of computation are followed in these Condensed Consolidated Interim Financial Results as compared with the most recent Annual Financial Statements These financial statements were approved by the Board of Directors on 22 September 2025. These financial results are presented in United States Dollars (USD).

# 1.1 Determination of functional currency The Group adopted the United States Polls

The Group adopted the United States Dollar (USD) as the functional and reporting currency effective 1 January 2023.

The Directors have applied their judgement and believe that the functional currency for the period ended 30 June 2025 is still United States Dollars (USD).

# 1.2 Statement of compliance

The condensed consolidated interim financial statements of the Group have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with IAS 34-"Interim financial Reporting" and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements), Rules, 2019.

# 1.3 Hyperinflation

In 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement that factors and characteristics for the application of IAS 29 "Financial Reporting in Hyper-Inflationary Economies" in Zimbabwe were met and, therefore, mandated IAS 29 to be applied in the preparation and presentation of financial statements for entities in Zimbabwe. Hyper-inflation financial reporting is, however, applicable to entities whose functional currency is the currency in hyper-inflation.

The Group's functional currency is USD, which is not a currency in hyper-inflation and, therefore, IAS 29 "Financial Reporting in Hyper-Inflationary Economies" is not applicable to the financial statements of the Group.

24,689,571

24,664,083

**Total equity and liabilities** 





# **Unaudited Condensed Consolidated Interim Financial Results**

for the half year ended 30 June 2025

Reporting currency

The Group's Condensed Interim Financial Results are presented in United States dollars (USD), which is the Group's functional and presentation currency for the period ended 30 June 2025. All the Group's subsidiaries operate in Zimbabwe and United States dollar (USD) is both their

These USD financial statements fully comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The Group has produced the special purpose financial statements which comply with the requirements of the Monetary policy statement of 6 February 2025, which are available for inspection at the Company's registered office

### Property, plant, and equipment

	Freehold Land & Buildings	Lease hold Improve- ments	Plant & Equip- ment	Motor Vehicles	Furniture & Office Equip- ment	Total
Cost	USD	USD	USD	USD	USD	USD
Balance at 31 December 2023	7,065,000	37,205	6,905,283	499,873	291,184	14,798,545
Additions	-	-	1,225,945	74,501	43,447	1,343,893
Disposals	-	_	(17,513)	(5,298)	(18,083)	(40,894)
Balance at 31 December 2024	7,065,000	37,205	8,113,715	569,076	316,548	16,101,544
Additions	-	_	40,383	54,365	26,328	121,076
Disposals	-	_	(24,857)	-	(6,307)	(31,164)
Balance at 30 June 2025	7,065,000	37,205	8,129,241	623,441	336,569	16,191,456
Accumulated Depreciation						
Balance at 31 December 2023	(166,425)	(14.815)	(566,377)	(76,279)	(61,718)	(885,614)
Depreciation for the year	(166,425)	(12,128)	(599,488)	(109,202)	(73,571)	(960,814)
Disposals	-	-	1,946	1,413	10,724	14,083
Balance at 31 December 2024	(332,850)	(26,943)	(1,163,919)	(184,068)	(124,565)	(1,832,345)
Depreciation for the year	(83,213)	(5,131)	(338,334)	(61,905)	(41,727)	(530,310)
Disposals	-	-	5,006	-	2,748	7,754
Balance at 30 June 2025	(416,063)	(32,074)	(1,497,247)	(245,973)	(163,544)	(2,354,901)
Carrying Amount						
Balance at 31 December 2024	6,732,150	10,262	6,949,796	385,008	191,983	14,269,199
Balance at 30 June 2025	6,648,937	5,131	6,631,994	377,468	173,025	13,836,555

Freehold land and buildings with a carrying amount of USD 6,649 thousand has been pledged to secure borrowings for the Group. This was done by way of a Deed of Hypothecation over The Remaining Extent of Lot 5 Block Y Ardbennie Township of Ardbennie. The Group's property, plant and equipment

### Intangible asset

	Balance at 1 January 2025
	Amortisation charge for the period
	Balance at 30 June 2025
;	Right of use asset
	Balance at 1 January 2025
	Additions to right of use
	Amortisation charge for the period
	Balance at 30 June 2025
5	Inventories
	Raw materials

Invento	ories
Raw ma	terials
Finished	goods
Workin	progress
Spares a	nd consumables
Provision	n for slow moving inventorie
Total in	ventories

30 June 2025 USD	31 Dec 2024 USD
Unaudited	Audited
172,400	193,950
(10,775)	(21,550)
161,625	172,400
226,564	182,438
63,557	211,589
(100,455)	(167,463)
189,666	226,564
2,659,223	3,118,534
3,111,820	2,524,864
517,375	825,295
350,278	401,183
(207,609)	(201,047)
6,431,087	6,668,829

3,320,400	2,467,051
418,380	267,786
247,582	337,687
3,986,362	3,072,524
(208,729)	(111,080)
3,777,633	2,961,444
604,624	505,479
972,174	1,615,856
1,576,798	2,121,335
	418,380 247,582 <b>3,986,362</b> (208,729) <b>3,777,633</b> 604,624 972,174

The loan is secured by Notarial General Covering Bond (NGCB) over movable assets including cession of book debts and First Ranking Deed of Hypothecation over immovable assets. It is payable over 3 years at an effective interest rate of 12% per annum.

<b>Trade and other payables</b> Trade payables	3,780,195	3,583,769
Accruals and other payables	842,515	743,451
Total trade and other payables	4,622,710	4,327,220

### Financial assets and liabilities

Assets as per statement of financial position	Assets at amortised cost	Assets at amortised cost
Trade and other receivables (excluding prepayments)	3,359,253	2,558,864
Loans to directors	-	114,928
Cash and cash equivalents	234,803	356,966
Total	3,594,056	3,030,758
Liabilities as per statement of financial position	Other financial liabilities	Other financial
Liabilities as per statement of financial position  Borrowings and other payables (excluding statutory payments)		liabilities
·	liabilities	<b>liabilities</b> 6,264,600

30 June 2025

USD

31 Dec 2024

USD <u>Audited</u>

Earnings per share

Basic earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders of the parent for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders of the parent for the period by the weighted average number of ordinary shares outstanding during the period plus weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Headline earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent adjusted for profits or losses on disposal of assets for the period.

**Contingent Liabilities** 

There were no contingent liabilities at the reporting date (June 2025-USD nil).

**Capital Commitments** 

Capital Expenditure for the period to 30 June 2025 amounted to USD 121,076. The budgeted capital expenditure for the period to 31 December 2025 is USD 1,535,750. The expenditure will be financed from internal resources and existing facilities.

Going Concern

The Board confirms that the Group has adequate resources to continue in business for the foreseeable future. Accordingly, the Group's Condensed Consolidated Interim Financial Results have been prepared on the assumption that the Group is a going concern.

**Events after the Reporting Date** 

There were no events that occurred between the end of the reporting period and the date when the financial statements were authorized for

Dividends paid

No dividend has been declared with respect to the half year ended 30 June 2025.









