

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

Financial Highlights

US\$ '000'

Revenue	5,050
Loss from operations	(148)
Loss before taxation	(215)
Loss for the year	(245)

Chairman's Statement

Operating Environment

The business operating environment for the first half of the year was generally stable as the Central Bank continued to maintain a tight monetary policy stance. The record-breaking tobacco marketing season, improved mining activity and increased diaspora remittances contributed to the positive operating environment. The gap between the parallel market and inter-bank foreign exchange rates remained largely constant and the rates also remained stable throughout the period under review thereby minimizing the pricing distortions within the market. Inflation was also largely steady with the month-on-month and year-on-year inflation figures closing the period at -0.2% and 14% respectively.

However, liquidity constraints and electricity supply disruptions continued to pose challenges for the business during the period under review. Borrowing costs were high and this constrained productivity. Despite these headwinds, we remain optimistic about the future and are focused on implementing strategies that will deliver sustainable long-term value for all our stakeholders.

Financial Performance

Profitability

The revenue for the half year ended 30 June 2025 was US\$5 million compared to US\$ 5.5 million achieved last year. The general liquidity constraints have impacted negatively on demand, as well as the pricing distortions that existed prior to the liberalisation of the exchange rates for pricing purposes on 15 April 2025. However, subsequent to this, the pricing distortions have largely been reduced, and this is assisting in stimulating demand. We have noted a gradual increase in the demand for our products which is a welcome development. Marketing initiatives are also being rolled out in an effort to regain the lost market share.

The gross margin for the period was 25% compared to 19% recorded last year. The improvement in the gross margin was due to improved production efficiencies, tight cost-containment measures, and a favourable product mix which was skewed towards high margin and low tonnage building products compared to last year.

Moreso, the operating expenses to sales ratio for the period was 31% compared to 42% reported last year. The total expenses for the six months were US\$16 million compared to US\$2.3 million incurred last year, representing a 32% reduction in operating expenses. Management is implementing cost-containment strategies, and these are starting to bear fruit as the cost structure is now largely aligned to the level of activity.

Financing costs went up from \$16,307.00 last year to \$66,768.00 this year. The business accessed additional loan facilities from shareholders and a financial institution during the period under review resulting in an increase in finance costs.

Consequently, despite the 9% drop in revenue and increased finance costs, the loss for the half year dropped from \$1.2 million in the same period last year to \$244,884.00.

Cash generation and utilisation

The business generated operating cash flows amounting to \$406,529.00 before working capital changes compared to a cash outflow of \$677,682.00 recorded last year. The cash was partly used to pay trade and other payables resulting in the latter decreasing by \$2 million. The balance of the amount paid to creditors was financed by a loan received from the shareholders in December 2024. In addition, trade and other receivables declined by \$1.96 million from the beginning of the year mainly due to the receipt of fibre-cement plant components which had been in prepayments in the prior year.

The business spent \$1.6 million in the current year towards civil works for the state-of-the-art fibre-cement sheeting plant being established at the Harare factory and machine components worth \$1.5 million were also received.

Financing activities comprised of loan repayments to financial institutions.

Cash and bank balances declined by \$3.2 million due to the utilisation of the shareholders loan proceeds towards working capital and civil works of the new sheeting plant.

Sustainability Performance

We continue to apply an integrated approach in managing our sustainability impacts and opportunities. The company adopted the Global Reporting Initiatives (GRI) Sustainability Reporting Framework as a business model in addressing and managing the economic, environmental, social and governance aspects of our operations.

Legislative Environment

Turnall Holdings Limited has continued to uphold its ISO14001 and ISO9001 certifications. We continue to comply with the relevant legislative requirements of the Environmental Management Act, Amended Labour Act, Companies and Other Business Entities Act and other related legislations.

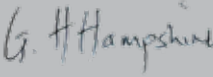
Prospects

Management has put together a robust business turnaround plan which the Board is confident will enable the Group to revert to profitability. The plan addresses revenue growth, production efficiencies, business diversification, working capital management and cost containment amongst other initiatives. Significant improvements in margins are expected in the second half of the year mainly from procurement savings and an improvement in production efficiencies especially with the coming on board of the new sheeting plant in the fourth quarter of 2025.

Appreciation

I would like to express my appreciation to all our stakeholders, fellow board members, management, and staff for your continued support.

By Order of the Board


Grenville Hampshire
Board Chairman
9 September 2025

Consolidated Statement of Comprehensive Income for the half year ended 30 June 2025

	Six months ended 30.06.2025 USD	Six months ended 30.06.2024 USD
Revenue	5,049,574	5,524,771
Cost of sales	(3,798,597)	(4,458,094)
Gross profit	1,250,977	1,066,677
Other income	190,338	46,483
Selling and distribution expenses	(520,567)	(653,446)
Administrative expenses	(1,069,022)	(1,676,572)
Loss from operating activities	(148,274)	(1,216,858)
Finance costs	(66,768)	(16,307)
Loss before taxation	(215,042)	(1,233,165)
Income tax (expense)/credit	(29,842)	37,300
Loss for the year	(244,884)	(1,195,865)
Other comprehensive income		
Other comprehensive loss for the year inclusive of tax	-	-
Total comprehensive loss for the year	(244,884)	(1,195,865)
Loss per share		
Number of shares in issue	4,315,726.49	4,315,726.49
Basic and diluted (cents per share)	(0.01)	(0.03)
Headline (cents per share)	(0.01)	(0.03)

Consolidated Statement of Financial Position as at 30 June 2025

	As at 30.06.2025 USD	As at 31.12.2024 USD
ASSETS		
Non-current assets		
Property, plant and equipment	26,187,607	23,544,661
Investment property	630,000	630,000
Investment in financial assets	-	75
Total non-current assets	26,817,607	24,174,736
Current assets		
Inventories	4,118,123	4,100,131
Trade and other receivables	4,154,431	6,119,074
Bank and cash balances	234,680	3,519,178
Total current assets	8,507,234	13,738,383
Total assets	35,324,841	37,913,119
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	4,938,029	4,938,029
Share premium	6,676,344	6,676,344
Non-distributable reserve	7,655,239	7,655,239
Revaluation reserve	291,582	291,582
Foreign currency translation reserve	(1,585,597)	(1,585,597)
Retained earnings	7,385,028	7,629,912
Total equity	25,360,625	25,605,509
Non-current liabilities		
Deferred taxation	225,266	195,431
Total non-current liabilities	225,266	195,431
Current liabilities		
Trade and other payables	4,463,102	6,552,743
Loans and borrowings	5,275,848	5,559,436
Total current liabilities	9,738,950	12,112,179
Total liabilities	9,964,216	12,307,610
Total equity and liabilities	35,324,841	37,913,119

Consolidated Statement of Cash Flows for the half year ended 30 June 2025

	Six months ended 30.06.2025 USD	Six months ended 30.06.2024 USD
Loss before income tax	(215,042)	(1,233,165)
Adjustment for:		
Depreciation of property, plant and equipment	554,728	533,715
Amortisation of right-of-use asset	-	5,461
Finance costs	66,768	16,307
Impairment of finance assets	75	-
Operating cash flows before working capital changes	406,529	(677,682)
Movement in working capital		
Change in inventories	(17,992)	(1,085,353)
Change in trade and other receivables	1,964,643	1,091,454
Change in trade and other payables	(2,089,641)	1,772,959
Operating cash flows after working capital changes	263,539	1,101,378
Tax paid	(7)	(5,013)
Financing costs	(66,768)	(16,307)
Net cash flows generated from operating activities	196,764	1,080,058
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,197,674)	(1,979,088)
Net cash flows utilised in investing activities	(3,197,674)	(1,979,088)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in loans and borrowings	(283,588)	1,047,238
Change in lease liabilities	-	(5,189)
Net cash flows (utilised in) / generated from financing activities	(283,588)	1,042,049
CHANGE IN CASH AND CASH EQUIVALENTS	(3,284,498)	143,019
OPENING CASH AND CASH EQUIVALENTS	3,519,178	267,800
CLOSING CASH AND CASH EQUIVALENTS	234,680	410,819

Consolidated Statement of Changes in Equity for the half year ended 30 June 2025

	Share capital USD	Share premium USD	Non-distributable reserve USD	Revaluation reserve USD	Foreign currency translation reserve USD	Retained earnings USD	Total USD
Balance at 1 January 2024	4,938,029	6,676,344	7,655,239	291,582	(1,451,747)	10,552,438	28,661,885
Transactions with owners	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(133,850)	(2,922,526)	(3,056,376)
Balance at 31 December 2024	4,938,029	6,676,344	7,655,239	291,582	(1,585,597)	7,629,912	25,605,509
Balance at 1 January 2025	4,938,029	6,676,344	7,655,239	291,582	(1,585,597)	7,629,912	25,605,509
Transactions with owners	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(244,884)	(244,884)
Balance at 30 June 2025	4,938,029	6,676,344	7,655,239	291,582	(1,585,597)	7,385,028	25,360,625

Supplementary Information

1. Basis of preparation

The abridged consolidated financial results have been extracted from the general purpose financial statements which have been prepared in compliance with the International Financial Reporting Standards (IFRSs) . These consolidated financial statements are presented in United States Dollars (USD) which is the Group's functional and presentation currency effective 1 January 2024. The consolidated financial statements are based on statutory records that are prepared under the historical cost conversion , except for property, plant and equipment which is carried at revalued amounts or fair values as per the revaluation carried out on 31 December 2022 by an independent valuer.

The financial statements are in agreement with the underlying books and records, which have been properly prepared in accordance with the accounting policies set out in Note 2, and comply with the disclosure requirements of the Companies and Other Businesses Entities Act (Chapter 24:31), and the applicable Zimbabwe Stock Exchange Listing Requirements.

2. Accounting policies and reporting currency

The accounting policies have remained unchanged since the date of the last consolidated financial statements. The financial statements are presented in USD effective 1 January 2024 following the decision by management to change the functional currency from ZWL to USD and all figures are rounded to the nearest dollar (USD) unless otherwise indicated.

3. Significant events and transactions

There were no significant transactions during the period under review.

4. Events after the reporting date

The Group has evaluated events from 30 June 2025 through to the date that the consolidated financial statements were issued. The Board concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

5. Going Concern

The Group is setting up a state-of-the-art fibre cement plant which is being financed by the shareholders and is expected to be operational during the 4th quarter of 2025. This new plant is going to significantly improve product quality and also increase production efficiencies, amongst other benefits.

In addition, the Group will:

- focus on improving its product offering to enhance competitiveness and grow revenue.
- focus on improving its production efficiencies for all the plants.
- continue to implement cost containment measures to improve the viability of the business.
- continue to source and ensure adequate raw materials are available to meet production demand.

6. Approval of abridged consolidated financial statements

The audited abridged consolidated interim financial statements for the half year ended 30 June 2025 were approved by the board on 9 September 2025.

Abridged Unaudited Translated Financial Statements for the half year ended 30 June 2025

Short Form Financial Announcement
Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange.

The short form financial announcement is a summarised version of the special purpose consolidated financial statements for the half year ended 30 June 2025. These translated financial statements are presented in Zimbabwe Gold (ZWG) as per the Monetary Policy Statement pronounced on the 6th of February 2025 and the Securities and Exchange Commission of Zimbabwe (SECZ) Notice Number SECZ070325 issued on 12 March 2025 which require all listed companies to report in ZWG. The short form financial announcement is the responsibility of the Directors and does not contain the full details.

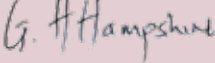
A copy of the detailed translated financial statements is available upon request at the Company's registered office, 5 Glasgow Road, Southerton, Harare.

	Change	30.06.2025 ZWG	30.06.2024 ZWG
Revenue	(9 %)	136,107,732	148,916,335
Loss before taxation	(83 %)	(5,796,307)	(33,239,100)
Loss for the year	(80 %)	(6,600,677)	(32,233,705)
Total assets	(7 %)	952,156,362	1,021,921,584
Total equity	(1 %)	683,577,895	690,178,572
Total liabilities	(19 %)	268,578,467	331,743,012
Share Performance in ZWG Cents			
Number of shares in issue		4,315,726,499	4,315,726,499
Basic and diluted (cents per share)	134 %	(1.75)	(0.75)
Headline (cents per share)	134 %	(1.75)	(0.75)

Dividend Announcement to shareholders

The directors have resolved that there will not be any dividend declared in respect of the half year under review.

By order of the Board



Grenville Hampshire
Board Chairman
9 September 2025