



ZIMBABWE NEWSPAPERS (1980) LTD

# UNAUDITED CONDENSED CONSOLIDATED RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

Digital & Publishing

Commercial Printing

RADIO

BoldAds

2TN

## CHAIRPERSON'S STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2025



### 1. Operations review

#### 1.1 Operating environment

The operating environment during the first half of 2025 was marked by tight monetary policy and intermittent liquidity constraints. Despite these challenges, economic growth indicators reflected resilience, supported by a buoyant tobacco selling season and a relatively stable exchange rate. According to the Zimbabwe National Statistics Agency, monthly inflation in ZWG terms declined by 10.2 percentage points from 10.5% in January to 0.3% in June 2025, demonstrating remarkable moderation. For the US dollar, month on month declined by 11.7 percentage points to 0.2% in June 2025 from 11.5% in January 2025. Exchange rate distortions narrowed, with the official rate remaining relatively stable at ZWG26.95 per US dollar by June 2025 from ZWG26.37 recorded in January 2025. This stability signalled growing confidence in the new currency regime and the effectiveness of accompanying monetary and fiscal policies.

On the global front, economic activity faced renewed headwinds in early 2025, driven by abrupt shifts in U.S. trade policy, persistent geopolitical tensions, and the lingering effects of supply chain fragmentation. Nevertheless, forecasts from IMF and World Bank place global GDP at around 2.9% to 3.0%, underscoring the resilience of major economies amid uncertainty.

#### 1.2 Media environment

The media environment continued to shift under the direct influence of technology advances and the ever-changing audience behaviours. In response, Zimpapers completed reorganising its newsroom into a modern converged, multi-platform operation that bridges print and digital channels, prioritising content innovation, leveraging digital and AI tools for workflow optimisation and content prediction.

In addition, the company also invested in training its staff for digital storytelling and agile reporting, while also maintaining editorial standards and expertise in key subject areas. Through these changes, Zimpapers has been able to deliver timely, relevant journalism that resonates with audiences across Zimbabwe and beyond.

#### 1.3 Digital Media

The Zimpapers digital footprint continued on a positive growth trajectory, reflecting a strong commitment to embracing technological innovation in the media sector. The company strategically invested in advanced data visualisation software and digital content creation tools that are powered by artificial intelligence (AI) and now form an integral part of our newsroom daily operations. These investments have enabled journalists and editors to produce interactive stories, infographics, and multimedia packages that enhance digital audience engagement and provide deeper insights across the digital platforms.

Our adoption of AI-powered tools supports not only efficient content production but also data-driven decision-making, real-time content personalisation, and improved workflows within the newsroom. As a result, Zimpapers has seen continuous growth in its digital reach, with its online platforms attracting increasing numbers of readers and listeners both locally and globally.

Importantly, Zimpapers maintains a strong commitment to privacy laws and ethical journalism. The company's adherence to the Cyber and Data Protection Act, along with other relevant privacy frameworks, is evident in its policies and operational protocols. This

ensures that personal data collected and processed through our digital channels is handled responsibly, safeguarding the rights of audiences and stakeholders.

Furthermore, Zimpapers' radio stations also demonstrated robust performance on both social media and digital online radio platforms. By integrating these platforms with digital media content initiatives, all broadcast brands under the Zimpapers umbrella have seen positive growth in listenership and engagement. This multi-channel approach reinforced the company's position as a leading, innovative, and compliant media house in Zimbabwe's rapidly evolving digital landscape.

### 2.0 Financial Performance

#### 2.1 Overview

The Company recorded a 92% increase in revenue for the period ended June 2025, reaching ZWG309.7 million, up from ZWG161.4 million in June 2024. Despite the revenue growth, the gross profit margin declined to 46.9%, compared to 58.6% in the prior period, indicating increased cost pressures. Operating expenses rose to ZWG195.2 million, up from ZWG96.7 million, representing a 102% increase due to the print centric structure which is currently being reorganised through the digital transformation initiative. As a result, the Company reported a loss from operations of ZWG46.1 million compared to a modest profit of ZWG1.2 million recorded in June 2024. Although a favourable exchange gain of ZWG2.5 million was realised, elevated expenses and net financing costs of ZWG1.8 million contributed to a pre-tax loss of ZWG45.4 million, widening from ZWG1.6 million loss in the previous year. The Company remains focused on cost containment and profitability enhancement. Strategic initiatives under the digital transformation programme, coupled with volume recovery efforts, are expected to drive future performance and restore profitability.

The Company's total assets increased to ZWG527.7 million as at 30 June 2025, up from ZWG511.8 million in December 2024, reflecting a 3% growth. This increase was primarily driven by a rise in current assets, notably trade debtors and inventories. Non-current assets remained stable, with property, plant and equipment increasing slightly to ZWG394.6 million, reflecting continued investment in productive capacity and infrastructure. Total liabilities rose to ZWG297.5 million, compared to ZWG248.3 million in the prior year. The Company remains committed to strengthening its balance sheet through prudent financial management, enhanced working capital efficiency, and strategic cost control. These efforts are expected to support long-term sustainability and shareholder value creation. As a result, cash and cash equivalents declined to an overdraft of ZWG1.3 million down from a positive of ZWG7.7 million in June 2024. The Company remains focused on improving cash generation from core operations and optimising its capital structure to support strategic initiatives and ensure financial resilience.

#### 2.2 Newspaper Division

The Newspaper Division recorded an 18% decline in total volumes compared to the same period last year, primarily driven by subdued market demand. This downturn reflects ongoing viability challenges within the retail sector, a shift in subscriber preferences toward digital editions and the increasing trend of readers accessing news through online platforms. To address the decline in volumes, the division is focusing on accelerated digital transformation, revitalising print appeal and monetisation beyond subscriptions. These initiatives aim to enhance content accessibility, strengthen brand loyalty, and diversify revenue streams in response to evolving consumer preferences and market dynamics. The Division recorded a 76% increase in revenue to ZWG165.6 million from ZWG93.9 million recorded for the prior period. This resulted in an operating loss for the Division of ZWG19.1 million.

#### 2.3 Commercial Printing Division

The Commercial Printing Division experienced a 24% decline in volumes compared to the same period last year, primarily due to reduced operational efficiency stemming from aging equipment. In response to the volume downturn, the Commercial Printing Division has implemented targeted strategies centered on improving operational efficiency through planned equipment upgrades and maintenance; and diversifying product offerings to capture new market opportunities. The Commercial Printing Division recorded a 59% revenue increase to ZWG54.2 million when compared to prior year. The operating loss of the division increased from a loss of ZWG0.5 million in June 2024 to ZWG13.2 million in June 2025.

#### 2.4 Broadcasting Division

The Broadcasting Division recorded a 22% year-on-year decline in volumes, driven by reduced client spending amid tightening budgets across key sectors. The Broadcasting Division posted a 169% increase in revenue, reaching ZWG90 million compared to ZWG33.5 million in 2024. However, the overall performance of the Broadcasting Division was further adversely affected by the underperformance of the television channel. Consequently, the Broadcasting Division's operating loss increased from ZWG7.3 million to ZWG12.4 million for the period under review. The Company continues to optimise costs and enhance its digital presence by leveraging online platforms and social media.

### 3. Corporate Governance

The Board of Directors and Management remain committed to high standards of good corporate governance. The Board and its established four Sub Committees of Audit and Risk, Business Development and Marketing, Human Resources and Remuneration, and Editorial Ethics and Sustainability, met on at least two occasions during the period under review to assess operations and the adequacy of systems and procedures that safeguard the Company's assets.

### 4. Dividend

The Board resolved not to declare a dividend for the half year ended 30 June 2025 in view of the poor performance by the Company and the need to preserve working capital to support the business.

### 5. Outlook

The economic outlook remains positive, driven by an anticipated GDP growth of 6%, a strong rebound in agriculture, and increased mining activity. In this favourable environment, the Company is well-positioned to seize emerging growth opportunities aligned with the projected economic recovery. Guided by its digital transformation strategy, the Company is actively pursuing volume recovery initiatives and expects substantial growth across key segments. A strong focus on cost efficiency, risk management, operational agility and innovation will continue to underpin its strategic execution. To further strengthen its market position, the Company will enhance its product portfolio by optimising the performance of both new and existing offerings, aiming to improve margins and deliver greater value to stakeholders.

### 6. Directorate

During the period under review, the 10-year contracts of Zimpapers' two Executive Directors; Chief Executive Officer, Mr. P. Deketeke and Chief Finance Officer, Mr. F. Matanhire reached their expiration and were not renewed. This decision aligns with sound corporate governance principles, which recommend a maximum tenure of 10 years for executive leadership roles.

### 7. Appreciation

My appreciation goes to my fellow Board members, the staff, customers, and all esteemed stakeholders for their continued support.

Mrs Doreen Sibanda  
Board Chairperson

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Company's abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Company's abridged financial statements fairly present the state of affairs of the Company as at the end of the period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

## STATEMENT OF COMPLIANCE

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Companies and Other Business Entities Act (Chapter 24:31). The Company's financial statements are based on the statutory records maintained under the historical cost convention as restated in line with IAS29 principles.





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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 June 2025

| Notes  | Historical Cost      |                     |
|--|----------------------|---------------------|
|  | Unaudited Jun-25 ZWG | Reviewed Jun-24 ZWG |
| Revenue  | 309,728,051          | 161,432,531         |
| Gross profit   | 145,406,001          | 94,594,354          |
| Other operating income   | 3,704,542            | 3,248,610           |
| Operating expenses   | (195,230,279)        | (96,650,293)        |
| Selling & distribution expenses  | (29,496,093)         | (16,202,668)        |
| Administration expenses  | (165,734,186)        | (80,447,625)        |
| (Loss)/Profit from operations before financing cost and monetary adjustments | (46,119,736)         | 1,192,671           |
| Net financing cost   | (1,842,219)          | (1,097,332)         |
| Exchange gain/(loss)   | 2,465,729            | (1,695,838)         |
| Loss before tax  | (45,496,226)         | (1,600,499)         |
| Tax credit/(expense)   | 12,266,971           | (2,020,989)         |
| Loss after tax   | (33,229,255)         | (3,621,488)         |
| Other Comprehensive income   |                      |                     |
| Gain on property revaluation net of tax                                      | -                    | -                   |
| Total Other Comprehensive income   | -                    | -                   |
| Total comprehensive income for the year                                      | (33,229,255)         | (3,621,488)         |
| Number of shares in issue(000s)  | 576,000              | 576,000             |
| Basic earnings per share (cents)   | (5.77)               | (0.63)              |
| Diluted earnings per share (cents)   | (5.77)               | (0.63)              |
| Headline earnings per share (cents)  | (5.52)               | (0.58)              |

Condensed Consolidated Statement of Financial Position as at 30 June 2025

| Notes  | Unaudited Jun-25 ZWG | Audited Dec-24 ZWG |
|--|----------------------|--------------------|
| ASSETS   |                      |                    |
| Non-current assets                                     |                      |                    |
| Property, plant and equipment                          | 394,560,280          | 392,767,628        |
| Intangible asset                                       | 5                    | 5                  |
| Long term investment                                   | 1,293                | 1,293              |
|  | 394,561,578          | 392,768,926        |
| Current assets   |                      |                    |
| Inventories  | 11,094,639           | 9,409,026          |
| Trade and other receivables                            | 113,267,666          | 98,546,782         |
| Financial assets at fair value through profit and loss | 406,330              | 668,120            |
| Tax refundable   | 5,366,992            | 295,780            |
| Bank and cash  | 3,052,162            | 10,074,290         |
|  | 133,187,789          | 118,993,998        |
| Total assets   | 527,749,367          | 511,762,924        |
| EQUITY AND LIABILITIES                                 |                      |                    |
| Equity and reserves                                    |                      |                    |
| Share capital  | 23                   | 23                 |
| Accumulated Loss                                       | (59,010,621)         | (25,781,367)       |
| Revaluation reserve                                    | 289,229,748          | 289,229,748        |
|  | 230,219,150          | 263,448,404        |
| Non-current liabilities                                |                      |                    |
| Long term borrowings                                   | 12,709,918           | 5,757,445          |
| Deferred tax   | 87,747,666           | 94,943,426         |
|  | 100,457,584          | 100,700,871        |
| Current liabilities                                    |                      |                    |
| Trade and other payables                               | 184,438,266          | 143,329,112        |
| Short term borrowings                                  | 8,260,366            | 3,918,517          |
| Bank overdraft   | 4,374,001            | 366,020            |
|  | 197,072,633          | 147,613,649        |
| Total liabilities                                      | 297,530,217          | 248,314,520        |
| Total equity and liabilities                           | 527,749,367          | 511,762,924        |

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

|  | Unaudited Jun-25 ZWG | Reviewed Jun-24 ZWG |
|--|----------------------|---------------------|
| Net cash outflows/inflows from operations              | (5,403,810)          | 15,884,638          |
| Net cash outflows from investing activities            | (15,075,419)         | (1,964,101)         |
| Net cash inflows /outflows from financing activities   | 9,449,119            | (6,136,533)         |
| Net increase/decrease in cash and cash equivalents     | (11,030,110)         | 7,784,004           |
| Cash and cash equivalents at the beginning of the year | 9,708,270            | (43,801)            |
| Cash and cash equivalents at end of the period         | (1,321,840)          | 7,740,203           |

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

|   | Share capital ZWG | Revaluation reserve ZWG | Retained (loss)/ profit ZWG | Total ZWG    |
|---|-------------------|-------------------------|-----------------------------|--------------|
| Balance as at 31 December, 2023           | 23                | 32,063,845              | 532,221                     | 32,596,089   |
| Total comprehensive income for the period | -                 | -                       | (3,621,488)                 | (3,621,488)  |
| Balance as at 30 June, 2024               | 23                | 32,063,845              | (3,089,267)                 | 28,974,601   |
| Balance as at 31 December, 2024           | 23                | 289,229,748             | (25,781,367)                | 263,448,404  |
| Total comprehensive income for the period | -                 | -                       | (33,229,255)                | (33,229,255) |
| Balance as at 30 June, 2025               | 23                | 289,229,748             | (59,010,622)                | 230,219,149  |

Business segment report

The commercial printing segment is involved in the printing of books, labels, security documents, diaries, calendars and offering of origination services. The news-paper segment is involved in newspaper and magazine printing and publishing. The broadcasting segment has television and commercial free-to-air radio stations. The corporate segment comprises Head Office administrative operations.

|                  | Commercial Printing Jun-25 ZWG | Newspapers Jun-25 ZWG | Broadcasting Jun-25 ZWG | Corporate Jun-25 ZWG | Consolidated Jun-25 ZWG |
|------------------|--------------------------------|-----------------------|-------------------------|----------------------|-------------------------|
| External revenue | 54,163,210                     | 165,569,153           | 89,995,688              | -                    | 309,728,051             |

Results

|                      |              |              |              |             |              |
|----------------------|--------------|--------------|--------------|-------------|--------------|
| Segment loss         | (13,189,339) | (19,107,353) | (12,361,068) | (1,461,976) | (46,119,736) |
| Net finance expenses |              |              |              |             | (1,842,219)  |
| Exchange gain        |              |              |              |             | 2,465,729    |
| Income tax expense   |              |              |              |             | 12,266,971   |
| Loss for the period  |              |              |              |             | (33,229,255) |

As at 30 June 2025 reportable segment assets and liabilities

|                         |             |             |            |            |             |
|-------------------------|-------------|-------------|------------|------------|-------------|
| Segment assets          | 163,664,722 | 269,281,963 | 84,771,455 | 10,031,227 | 527,749,367 |
| Current Assets          | 33,407,749  | 49,617,824  | 43,545,424 | 6,616,792  | 133,187,789 |
| Non current Assets      | 130,256,973 | 219,664,139 | 41,226,031 | 3,414,435  | 394,561,578 |
| Segment liabilities     | 54,405,485  | 91,336,304  | 47,891,193 | 16,149,570 | 209,782,552 |
| Current liabilities     | 51,117,974  | 82,762,672  | 47,042,418 | 16,149,570 | 197,072,634 |
| Non current liabilities | 3,287,511   | 8,573,632   | 848,775    | -          | 12,709,918  |

|                        |   |   |   |   |            |
|------------------------|---|---|---|---|------------|
| Deferred tax liability | - | - | - | - | 87,747,666 |
|------------------------|---|---|---|---|------------|

As at 30 June 2024 reportable segment assets and liabilities

|                       | Commercial Printing Jun-24 ZWG | Newspapers Jun-24 ZWG | Broadcasting Jun-24 ZWG | Corporate Jun-24 ZWG | Consolidated Jun-24 ZWG |
|-----------------------|--------------------------------|-----------------------|-------------------------|----------------------|-------------------------|
| External revenue      | 34,029,642                     | 93,931,752            | 33,471,137              | -                    | 161,432,531             |
| Results               |                                |                       |                         |                      |                         |
| Segment (loss)/profit | (527,018)                      | 7,613,756             | (7,299,598)             | 1,405,531            | 1,192,671               |
| Net finance expenses  |                                |                       |                         |                      | (1,097,332)             |
| Exchange loss         |                                |                       |                         |                      | (1,695,838)             |
| Income tax expense    |                                |                       |                         |                      | (2,020,989)             |
| Loss for the period   |                                |                       |                         |                      | (3,621,488)             |

As at 30 June 2024 reportable segment assets and liabilities

|                         |             |             |            |           |             |
|-------------------------|-------------|-------------|------------|-----------|-------------|
| Segment assets          | 105,432,897 | 188,615,916 | 57,169,586 | 4,082,206 | 355,300,605 |
| Current Assets          | 18,078,872  | 31,439,345  | 18,263,092 | 685,794   | 68,467,103  |
| Non current Assets      | 87,354,025  | 157,176,571 | 38,906,494 | 3,396,412 | 286,833,502 |
| Segment liabilities     | 18,778,996  | 29,257,514  | 14,128,850 | 7,405,512 | 69,570,872  |
| Current liabilities     | 17,224,895  | 27,991,845  | 13,824,956 | 7,405,512 | 66,447,208  |
| Non current liabilities | 1,554,101   | 1,265,669   | 303,894    | 0         | 3,123,664   |
| Deferred tax liability  | -           | -           | -          | -         | 9,214,920   |

Notes to the Condensed Interim Financial Statements for the half year ended 30 June 2025

1. General information

Zimbabwe Newspapers (1980) Limited and its subsidiaries are incorporated and domiciled in Zimbabwe. The Company's main business is that of newspaper proprietors, printers ,publishers and broadcasters. The Company's registration number is 600/B280.

2. Currency

The Company's functional and presentation currency is the Zimbabwean Gold ("ZWG")

3. Basis of preparation

The Company's financial statements for the half year ended 30 June 2025 have been prepared in accordance with the Zimbabwe Stock Exchange Listing requirements and the Zimbabwe Companies and Other Entities Act (Chapter 24:31). The financial statements, which are prepared in Zimbabwe Gold (ZWG) currency, provide information about the financial position of the company as at the reporting date. Resultantly, this financial commentary has been based on the historical financial statements.

4. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are consistent in all material respects with those applied in the previous annual financial statements.

|  | Unaudited Jun-25 ZWG | Audited Dec-24 ZWG |
|--|----------------------|--------------------|
| 5. Significant transactions  |                      |                    |
| 5.1 Additions to property,plant and equipment  | 15,325,823           | 6,210,372          |
| 5.2 Deferred Tax liability   | 87,747,666           | 94,943,426         |
| 6 Earnings per share   |                      |                    |
| Loss for the period  | (33,229,255)         | (3,621,488)        |
| Number of shares used in calculating earnings per share  |                      |                    |
| Shares in issue  | 576,000,000          | 576,000,000        |
| Weighted average number of shares in issue   | 576,000,000          | 576,000,000        |
| Basic earnings per share   |                      |                    |
| Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company by the average number of ordinary shares in issue during the year.                                   |                      |                    |
| Headline earnings per share  |                      |                    |
| Headline earnings per share is calculated by dividing headline earnings for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares in issue during the year. |                      |                    |
| Headline earnings is calculated as follows:  |                      |                    |
| Loss for the year attributable to ordinary equity holders  | (33,229,255)         | (3,621,488)        |
| Loss on disposal of property, plant and equipment  | 1,185,998            | 8,937              |
| Fair value loss on equities  | 261,790              | 245,253            |
| Headline loss  | (31,781,467)         | (3,367,298)        |
| 6.1 Basic earnings per share - cents   | (5.77)               | (0.63)             |
| 6.2 Diluted earnings per share - cents   | (5.77)               | (0.63)             |
| 6.3 Headline earnings per share - cents  | (5.52)               | (0.58)             |

|  | Unaudited Jun-25 ZWG | Audited Dec-24 ZWG |
|--|----------------------|--------------------|
| 7 Borrowings                               |                      |                    |
| FBC Bank Limited:                          |                      |                    |
| Long term portion                          | 12,709,918           | 5,757,445          |
| Short term portion of long term borrowings | 8,260,366            | 3,918,517          |
|  | 20,970,284           | 9,675,962          |

The FBC Bank Limited borrowing was obtained at the prevailing interest rate per annum and is repayable over 3 years. The loan is secured by land and building with a carrying amount of ZWG 207,446,877.55 and a Notarial General Covering Bond for ZWG 4,000,000.00

|                            |             |             |
|----------------------------|-------------|-------------|
| 8 Trade and other payables |             |             |
| Trade                      | 51,673,107  | 46,893,161  |
| Accruals                   | 107,936,182 | 77,619,094  |
| Tax related payables       | 24,828,977  | 18,816,857  |
|                            | 184,438,266 | 143,329,112 |