# Zimbabwe Stock Exchange Holdings Limited

## Unreviewed Half Year Results for the Period Ended 30 June 2025

## Chairman's Statement

**Operating Environment Review**

Zimbabwe's macroeconomic environment showed signs of stabilization and recovery according to the Zimbabwe National Statistics Agency, with Gross Domestic Product (GDP) growth rebounding to approximately 6% during the first half of 2025.

This rebound was primarily driven by increased agricultural output, robust gold prices, and strengthened foreign exchange inflows. Inflation experienced significant moderation, with monthly Zimbabwe Gold (ZWG) inflation averaging around 0.5%. This was facilitated by exchange rate stability, bolstered by stringent monetary and fiscal policies.

The ZWG currency stability continued to shape the operating environment on the Zimbabwe Stock Exchange (ZSE) during the first half of 2025, contributing to a 108% increase in market securities turnover value in real terms as compared to the first half in 2024. Furthermore, notable improvements were observed on the secondary market, including the lifting of vesting period restrictions, a reduction in the Capital Gains Withholding Tax (CGWT) from 2% to 1%, and the complete removal of Capital Gains Tax.

The Victoria Falls Stock Exchange (VFEX) continues to exhibit substantial growth, highlighted by the successful listing of its inaugural Real Estate Investment Trust (REIT), the Eagle REIT on 16 May 2025.

Secondary market activity on the VFEX has surged considerably, registering a 26% increase in the number of trades during the review period when compared to the corresponding timeframe last year. This amplified interest, driven by domestic and international investors seeking USD-denominated securities, has further fuelled the exchange's expansion. The VFEX has solidified its strategic position as a secure haven for investors, thereby enhancing its value proposition within the financial markets.

**Key Financial Highlights (IAS29):**

The market activity for the Group experienced substantial growth, resulting in overall improved performance. The Group's performance for the period ended June 30, 2025 showed a significant increase in profit before tax of over 483% and an even more substantial rise in profit after tax of approximately 1,270% demonstrating a remarkable improvement in profitability. This was further reflected in a strong increase in basic earnings per share, though it is important to note that no dividend was declared for the period.

**Outlook**

The Group maintains its strategic focus on digitalization, evidenced by the introduction of Data Direct, a market data reporting platform. This platform functions as a comprehensive gateway, offering market data solutions to traders, investors, and finance professionals. New listings are anticipated on the VFEX, which are expected to contribute to the full-year growth in trading values. Furthermore, the Group remains committed to enhancing its Sustainability Reporting.

**Caroline Sandura**
**Chairman**
**16 September 2025**

## Interim Condensed Consolidated Statement of Financial Position

| | Inflation adjusted | | Historical Cost | |
|---|---|---|---|---|
| | *Unreviewed* | *Audited* | *Unreviewed* | *Audited* |
| **As at 30 June 2025** | **30-Jun-2025** | **31-Dec-2024** | **30-Jun-2025** | **31-Dec-2024** |
| | **ZWG** | **ZWG** | **ZWG** | **ZWG** |
| **ASSETS** | | | | |
| **Non-current Assets** | | | | |
| Property and equipment | 56 030 597 | 57 467 246 | 47 796 506 | 48 735 221 |
| Intangible assets | 40 435 459 | 40 029 347 | 30 174 159 | 29 739 668 |
| Investment at fair value through other comprehensive | 4 330 385 | 4 893 746 | 4 330 385 | 4 330 386 |
| | **100 796 441** | **102 390 339** | **82 301 050** | **82 805 275** |
| **Current Assets** | | | | |
| Financial assets at fair value through profit/loss | 2 236 963 | 2 292 875 | 2 236 963 | 2 028 923 |
| Short-term deposits | - | 1 328 647 | - | 1 272 073 |
| Trade and other receivables | 17 829 925 | 18 663 123 | 17 829 925 | 16 713 257 |
| Cash and cash equivalents | 19 393 867 | 9 599 182 | 19 393 867 | 8 970 674 |
| | **39 460 755** | **31 883 827** | **39 460 755** | **28 984 927** |
| **Total Assets** | **140 257 196** | **134 274 166** | **121 761 806** | **111 790 202** |
| **EQUITY AND LIABILITIES** | | | | |
| Capital and Reserves | | | | |
| Share capital | 3 634 | 3 634 | 1 934 | 1 934 |
| Share premium | 257 089 | 257 089 | 136 793 | 136 793 |
| Non-distributable reserve | 40 405 380 | 40 405 380 | 35 564 207 | 35 564 207 |
| Foreign Currency translation reserve | (3 866 688) | (2 448 977) | 10 650 050 | 14 160 059 |
| Mark to market reserve | 4 582 057 | 4 582 057 | 3 991 890 | 3 991 890 |
| Retained earnings | 67 401 749 | 55 841 920 | 40 165 712 | 27 970 373 |
| | **108 783 221** | **98 641 103** | **90 510 586** | **81 825 256** |
| **Non-current liabilities** | | | | |
| Deferred tax liability | 11 111 431 | 15 609 423 | 10 888 676 | 11 723 940 |
| **Current liabilities** | | | | |
| Trade and other payables | 15 357 979 | 14 418 165 | 15 357 979 | 13 184 745 |
| Income tax payable | 1 955 709 | 1 461 783 | 1 955 709 | 1 293 389 |
| Provisions | 3 048 856 | 3 252 944 | 3 048 856 | 2 974 667 |
| Short term borrowings | - | 890 748 | - | 788 205 |
| | **20 362 544** | **20 023 640** | **20 362 544** | **18 241 006** |
| **Total Liabilities** | **31 473 975** | **35 633 063** | **31 251 220** | **29 964 946** |
| **Total Equity and Liabilities** | **140 257 196** | **134 274 166** | **121 761 806** | **111 790 202** |

## Interim Condensed Consolidated Statement of Comprehensive Income

| | Inflation adjusted | | Historical Cost | |
|---|---|---|---|---|
| | *Unreviewed* | *Unreviewed* | *Unreviewed* | *Unreviewed* |
| **For the period ended 30 June 2025** | **30-Jun-2025** | **30-Jun-2024** | **30-Jun-2025** | **30-Jun-2024** |
| | **ZWG** | **ZWG** | **ZWG** | **ZWG** |
| Revenue | 90 621 786 | 96 531 940 | 89 022 360 | 60 452 877 |
| Fair value gains on investments through profit & loss | (55 912) | 1 348 003 | 208 040 | 700 191 |
| Other income | 483 706 | 23 079 | 411 100 | 11 988 |
| | **91 049 580** | **97 903 022** | **89 641 500** | **61 165 056** |
| **Operating expenses** | | | | |
| Staff costs | 39 613 692 | 32 199 897 | 38 570 832 | 16 950 869 |
| Other operating costs | 33 548 461 | 28 989 570 | 33 394 360 | 20 860 389 |
| | **73 162 153** | **61 189 467** | **71 965 192** | **37 811 258** |
| EBIDTA | **17 887 427** | **36 713 555** | **17 676 308** | **23 353 798** |
| Depreciation and amortisation | 3 615 769 | 4 363 577 | 3 082 122 | 3 279 982 |
| Operating profit | **14 271 658** | **32 349 978** | **14 594 186** | **20 073 816** |
| Finance income | 89 087 | 1 358 | 87 560 | 706 |
| Finance costs | (32 386) | (151 172) | (31 777) | (78 523) |
| Monetary loss | (281 377) | (29 793 545) | - | (17 795 773) |
| **Profit before tax** | **14 046 982** | **2 406 619** | **14 649 969** | **2 200 226** |
| Income tax expense | (2 487 153) | (1 563 142) | (2 454 630) | (1 242 136) |
| **Profit after tax** | **11 559 829** | **843 477** | **12 195 339** | **958 090** |
| Other comprehensive income: | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Foreign currency translation | (1 417 711) | (12 942 099) | (3 510 009) | (5 713 881) |
| **Total comprehensive income** | **10 142 118** | **(12 098 622)** | **8 685 330** | **(4 755 791)** |
| **Earnings per share** | | | | |
| Number of shares in issue | **102 704 000** | **102 704** | **102 704 000** | **102 704** |
| Basic earnings per share | 0.113 | 8.213 | 0.119 | 9.329 |
| Dividend per share ** | **-** | 69.02 | - | 69.02 |

****The dividend was declared as at 31 December 2024**

## Interim Condensed Consolidated Statement of Changes in Equity for the period ended 30 June 2025

**UNREVIEWED INFLATION ADJUSTED**

| | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share Capital | Share Premium | Foreign currency translation reserve | Non-distributable reserve | Mark to market reserve | Retained earnings | Total |
| | ZWG | ZWG | ZWG | ZWG | ZWG | ZWG | ZWG |
| **Balance at 1 January 2024** | 3 634 | 257 089 | 10 493 122 | 41 376 082 | 4 709 090 | 57 900 930 | 114 739 947 |
| Total comprehensive income | - | - | (12 942 099) | (970 702) | (127 033) | 1 194 680 | (12 845 154) |
| Dividend paid | - | - | - | - | - | (3 253 690) | (3 253 690) |
| Balance at 31 December 2024 | **3 634** | **257 089** | **(2 448 977)** | **40 405 380** | **4 582 057** | **55 841 920** | **98 641 103** |
| Total comprehensive income | - | - | (1 417 711) | - | - | 11 559 829 | 10 142 118 |
| **Balance at 30 June 2025** | **3 634** | **257 089** | **(3 866 688)** | **40 405 380** | **4 582 057** | **67 401 749** | **108 783 221** |

**UNREVIEWED HISTORICAL COST**

| | Attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share Capital | Share Premium | Foreign currency translation reserve | Non-distributable reserve | Mark to market reserve | Retained earnings | Total |
| | ZWG | ZWG | ZWG | ZWG | ZWG | ZWG | ZWG |
| **Balance at 1 January 2024** | 1 934 | 136 793 | 19 873 940 | 22 015 580 | 2 505 635 | 29 409 187 | 73 943 069 |
| Total comprehensive income | - | - | (5 713 881) | 13 548 627 | 1 486 255 | 292 424 | 9 613 425 |
| Dividend paid | - | - | - | - | - | (1 731 238) | (1 731 238) |
| Balance at 31 December 2024 | **1 934** | **136 793** | **14 160 059** | **35 564 207** | **3 991 890** | **27 970 373** | **81 825 256** |
| Total comprehensive income | - | - | (3 510 009) | - | - | 12 195 339 | 8 685 330 |
| **Balance at 30 June 2025** | **1 934** | **136 793** | **10 650 050** | **35 564 207** | **3 991 890** | **40 165 712** | **90 510 586** |

## Interim Condensed Consolidated Statement of Cash Flows for the period ended 30 June 2025

| | Inflation adjusted | | Historical Cost | |
|---|---|---|---|---|
| | *Unreviewed* | *Unreviewed* | *Unreviewed* | *Unreviewed* |
| | **30-Jun-2025** | **30-Jun-2024** | **30-Jun-2025** | **30-Jun-2024** |
| | **ZWG** | **ZWG** | **ZWG** | **ZWG** |
| **Profit before tax** | 14 046 982 | 2 406 619 | 14 649 969 | 2 200 226 |
| Adjustment for non-cash items : | 2 586 049 | (503 904) | 2 585 695 | 31 170 |
| **Cash flows from operating activities before working capital** | **16 633 031** | **1 902 715** | **17 235 664** | **2 231 396** |
| Working capital adjustments | (6 014 602) | 7 800 121 | (6 588 081) | 6 827 967 |
| **Cash generated from operations** | **10 618 429** | **9 702 836** | **10 647 583** | **9 059 363** |
| Finance costs | (32 386) | (149 813) | (31 777) | (77 817) |
| Tax paid | (539 276) | (7 096 612) | (527 284) | (3 686 179) |
| **Net cash flow (used in)/ from operating activities** | **10 046 767** | **2 456 411** | **10 088 522** | **5 295 367** |
| **Net cash flows used in investing activities** | **1 177 211** | **(2 792 189)** | **1 147 448** | **(2 745 276)** |
| **Net cash flows used in financing activities*** | **(812 777)** | **(4 945 479)** | **(812 777)** | **(6 629 602)** |
| **Net increase/(decrease) in cash and cash equivalents** | **10 411 201** | **(5 281 257)** | **10 423 193** | **(4 079 511)** |
| Opening cash and cash equivalents | 8 970 674 | 12 531 233 | 8 970 674 | 10 083 897 |
| Inflation effect on overall cash flows | 11 992 | 1 248 897 | - | - |
| **Cash and cash equivalents at 30 June 2025** | **19 393 867** | **8 498 873** | **19 393 867** | **6 004 386** |

## Notes to the Financials Statements for the period ended 30 June 2025

**GENERAL INFORMATION**

### 1. Nature of business and incorporation

The Zimbabwe Stock Exchange Holdings Limited (the "Group") was incorporated in Zimbabwe on December 4, 2020, under the Companies and Other Business Entities Act (Chapter 24:31) (registration number 6514/2020). The Group wholly owns both the Zimbabwe Stock Exchange Limited (ZSE) and the Victoria Falls Stock Exchange Limited (VFEX) whose core businesses are to facilitate long-term capital raising by listing securities, providing a secondary market for securities trading, and offering issuer regulation services. The Companies and Other Business Entities Act (Chapter 24:31) also governs the Group's structure, capital, and financial reporting.

### 2. Standards and interpretations affecting the reported results or financial position

The principal accounting policies applied in the preparation of these financial statements are set out below.
These policies have been consistently applied to all years presented, unless otherwise stated.

### 3. Basis of preparation

**Statement of compliance**

The Group's financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) ("IFRS IC"). The financial statements have also been prepared in compliance with the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

The financial statements of the Group are prepared under the historical cost convention. For the purpose of fair presentation in accordance with International Accounting Standard (IAS) 29- Financial Reporting In Hyperinflationary Economies, this historical cost information has been restated for changes in the general purchasing power of the ZWG and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statement represent the primary financial statements of the Group.

The Group applied inflation adjustment factors calculated from monthly Consumer Price Indices published by the Zimbabwe National Statistics Agency (ZIMSTAT).The Consumer Price Indices adopted are as follows:

| Year ended | Index | Conversion factor |
|---|---|---|
| 30-Jun-2025 | 187.90 | 1.000 |
| 31-Dec-2024 | 166.30 | 1.130 |
| 30-Jun-2024 | 97.62 | 1.925 |

### 4. Functional and presentation currency

As the Group's functional currency is the Zimbabwe Gold (ZWG), the financial statements are presented directly in ZWG. Furthermore, the financial statements have been adjusted for the effects of hyperinflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies, prior to presentation.

### 5. Determination of functional currency

For the period ended 30 June 2025, significant developments in the economy have warranted an assessment of whether the functional currency of the Group has changed from the Zimbabwe Gold (ZWG). The Group realized its total income and disbursed its total expenses at a ratio of approximately 50% in US dollars and 50% in local currency.

Given that the currency mix is yet to stabilize and continues to fluctuate within relatively short intervals, and considering the Government's ongoing efforts to promote the use of local currency, the Group cannot conclusively assert, with a high level of reliability, that the increase in foreign currency transactions in the year ending 31 December 2024 would be sustained in the coming months. The period in which these changes have occurred is too limited for the Group to conclude that the functional currency has indeed changed.

Considering the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe gold, as presented in the prior and current year financial statements. All values are rounded to the nearest ZWG unless otherwise indicated.

### 6. Going concern assessment

The Group assesses the appropriateness of the going concern assumption at each statement of financial position date. This involves making judgments about viability of proposed strategies to turn around the Group, as well as estimation of future cash flows. The process is therefore subjective.

### 7. Events after reporting date

No ajusting event has occurred between 30 June 2025 and the date of authorisation of these financial statements. However, a significant non-adjusting event occurred on July 10, 2025, when the Group succesfully listed on its main bourse.

## 8. Property and equipment

| INFLATION ADJUSTED | Land and Buildings | Solar Plant | Equipment (including furniture and fittings) | Container Office WIP | Vehicles | Total |
|---|---|---|---|---|---|---|
| | ZWG | ZWG | ZWG | ZWG | ZWG | ZWG |
| **Gross carrying amount** | | | | | | |
| Balance at 1 January 2025 | 45 961 728 | 4 812 220 | 10 628 832 | 1 573 614 | 2 927 438 | 65 903 831 |
| Additions | - | - | - | 277 902 | - | 277 902 |
| **Balance at 30 June 2025** | 45 961 728 | 4 812 220 | 10 628 832 | 1 851 516 | 2 927 438 | 66 181 733 |
| **Depreciation and impairment** | | | | | | |
| Balance at 1 January 2025 | ( 757 939) | ( 743 879) | (5 502 910) | - | (1 431 857) | (8 436 585) |
| Depreciation | (295,769) | (216,777) | ( 894 025) | - | ( 307 979) | (1 714 551) |
| **Balance at 30 June 2025** | (1 053 708) | ( 960 656) | (6 396 935) | - | (1 739 836) | (10 151 136) |
| **Carrying amount at 30 June 2025** | **44 908 020** | **3 851 564** | **4 231 897** | **1 851 516** | **1 187 602** | **56 030 597** |
| **Gross carrying amount** | | | | | | |
| Balance at 1 January 2024 | 47 016 454 | 4 961 673 | 9 284 891 | - | 2 927 438 | 64 190 456 |
| Additions | - | - | 1 402 186 | 1,573,614 | - | 2 975 801 |
| Disposals | - | - | ( 58 246) | - | - | (58 246) |
| Revaluation | (1 054 726) | (149 453) | - | - | - | (1 204 179) |
| **Balance at 31 December 2024** | 45 961 728 | 4 812 220 | 10 628 832 | 1 573 614 | 2 927 438 | 65 903 831 |
| **Depreciation and impairment** | | | | | | |
| Balance at 1 January 2024 | - | - | (3 148 645) | - | ( 811 062) | ( 3 959 706) |
| Depreciation | ( 757 939) | (743 879) | (2 412 512) | - | ( 620 795) | ( 4 535 125) |
| Disposals | - | - | 58 246 | - | - | 58 246 |
| **Balance at 31 December 2024** | ( 757 939) | ( 743 879) | (5 502 910) | - | (1 431 857) | ( 8 436 585) |
| **Carrying amount at 31 December 2024** | **45 203 789** | **4 068 341** | **5 125 921** | **1 573 614** | **1 495 581** | **57 467 246** |

| HISTORICAL COST | Land and Buildings | Solar Plant | Equipment (including furniture and fittings) | Container Office WIP | Vehicles | Total |
|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | |
| Balance at 1 January 2025 | 40 403 287 | 3 995 807 | 7 273 864 | 837 568 | 1 557 645 | 54 068 170 |
| Additions | - | - | - | 276 986 | - | 276 986 |
| **Balance at 30 June 2025** | 40 403 287 | 3 995 807 | 7 273 864 | 1 114 554 | 1 557 645 | 54 345 156 |
| **Depreciation and impairment** | | | | | | |
| Balance at 1 January 2025 | (403 287) | ( 395 807) | (3 771 988) | - | (761 869) | (5 332 951) |
| Depreciation | ( 260 000) | ( 180 000) | ( 611 828) | - | ( 163 871) | (1 215 699) |
| **Balance at 30 June 2025** | ( 663 287) | ( 575 807) | (4 383 816) | - | ( 925 740) | (6 548 650) |
| **Carrying amount at 30 June 2025** | **39 740 000** | **3 420 000** | **2 890 048** | **1 114 554** | **631 905** | **47 796 506** |
| **Gross carrying amount** | | | | | | |
| Balance at 1 January 2024 | 25 016 735 | 2 640 030 | 6 558 774 | 837 568 | 1 557 645 | 35 773 184 |
| Additions | - | - | 746 082 | - | - | 1 583 650 |
| Disposals | - | - | ( 30 992) | - | - | (30 992) |
| Revaluation | 15 386 552 | 1 355 777 | - | - | - | 16 742 328 |
| **Balance at 31 December 2024** | 40 403 287 | 3 995 807 | 7 273 864 | 837 568 | 1 557 645 | 54 068 170 |
| **Depreciation and impairment** | | | | | | |
| Balance at 1 January 2024 | - | - | (2 058 602) | - | (431 553) | (2 490 155) |
| Disposals | - | - | 30 992 | - | - | 30 992 |
| Depreciation | (403 287) | (395 807) | (1 744 378) | - | (330 316) | (2 873 788) |
| **Balance at 31 December 2024** | (403 287) | (395 807) | (3771 988) | - | (761 869) | (5 332 951) |
| **Carrying amount at 31 December 2024** | **40 000 000** | **3 600 000** | **3 501 876** | **837 568** | **795 776** | **48 735 221** |

## 9. Intangible assets

| | Inflation adjusted | | Historical Cost | |
|---|---|---|---|---|
| | 30-Jun-2025 | 31-Dec-2024 | 30-Jun-2025 | 31-Dec-2024 |
| | *Unreviewed* | *Audited* | *Unreviewed* | *Audited* |
| | ZWG | ZWG | ZWG | ZWG |
| **Gross carrying amount** | | | | |
| Balance at 1 January | 52 204 211 | 50 635 247 | 38 333 527 | 37 166 601 |
| Additions | 2 307 331 | 1 568 964 | 2 300 914 | 1 166 926 |
| **Balance at 31 December** | **54 511 542** | **52 204 211** | **40 634 441** | **38 333 527** |
| **Depreciation and impairment** | | | | |
| Balance | (12 174 864) | (7 127 322) | (8 593 859) | (4 907 685) |
| Amortisation charge | (1,901,219) | (5,047,542) | (1 866 423) | (3,686,174) |
| **Balance** | (14 076 083) | (12 174 864) | (10 460 282) | (8 593 859) |
| **Carrying amount** | **40 435 459** | **40 029 347** | **30 174 159** | **29 739 668** |

During the year ended 30 June 2025, the Group capitalized internally generated intangible assets totaling ZWG 2 307 331. These additions are primarily for Data Direct Application.

## 10. Financial assets at fair value through profit or loss

| | Inflation adjusted | | Historical Cost | |
|---|---|---|---|---|
| | 30-Jun-2025 | 31-Dec-2024 | 30-Jun-2025 | 31-Dec-2024 |
| | *Unreviewed* | *Audited* | *Unreviewed* | *Audited* |
| | ZWG | ZWG | ZWG | ZWG |
| Opening balance | 2 292 875 | 1 933 598 | 2 028 923 | 1 028 838 |
| Fair value gains on financial assets through profit | (55 912) | 359 277 | 208 040 | 1 000 085 |
| | 2 236 963 | 2 292 875 | 2 236 963 | 2 028 923 |

Financial assets at fair value through profit or loss at year end is made up of Equities and Unit Trusts.