



Consolidated Special Purpose Financial Statements

For the year ended 31 March 2025

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 of the year the Group had a working capital funding gap.

Group Financial Performance

The Group Revenue declined by 52% to ZWG 6.6 billion 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 43.91% 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 ZWG 276.1 million as the recoverable amounts of certain CGUs were lower than their respective carrying amounts.

The net exchange gain of ZWG 359.7 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 ZWG 669 million.

As a result of negative cash flows, capital expenditure had to be capped at ZWG 23.3 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.



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 Karambo (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 ZWG 534.5 million proceeds received in August 2025. An additional capital raise plan of ZWG 280.6 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.

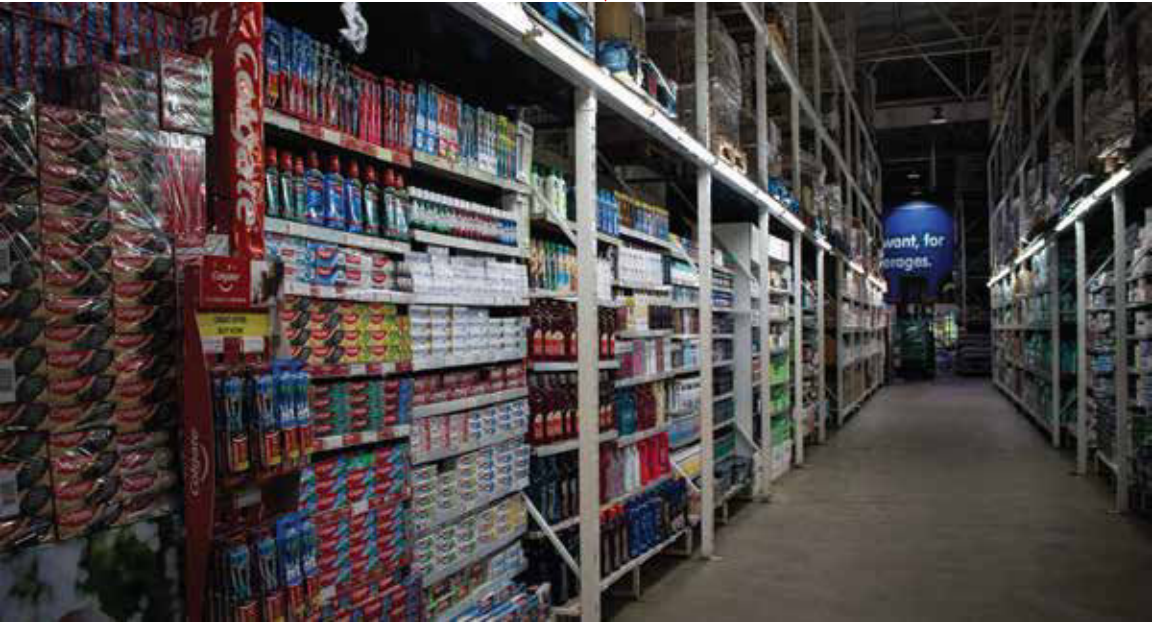
The Board and management's initial focus has been to stop the decline in performance and financial distress and to steer the business back to stability, profitability, and long-term sustainability. The process of restructuring the Group for survival and growth has already started to ensure proper management of debt to avoid insolvency, it operates with an appropriate organisational structure, efficient operations and that it adapts to changing market conditions.

Once the company is fully resourced and the stores are fOnce 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 October 2025



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March

	Notes	Audited 2025 ZWG	Unaudited 2024 ZWG
Revenue	5	6,552,897,391	13,658,286,854
Other income	6.1	60,496,570	234,140,284
Changes in trade inventories	12	(237,733,552)	(186,575,452)
Merchandise and consumables used	12	(5,123,793,489)	(11,857,606,885)
Employee benefits expense		(739,341,985)	(1,426,576,075)
Depreciation and amortisation expense	6.3	(307,710,348)	(327,071,866)
Impairment	10	(276,144,771)	-
Share based payments expense		(270,513)	(5,893,986)
Exchange gain/(loss)	6.2.1	359,749,462	(1,366,650,952)
Other expenses	6.2	(1,010,197,238)	(1,914,003,194)
Finance income		105,789	129,031
Finance costs		(88,527,776)	(140,385,072)
Net monetary gain		-	3,941,120,182
Loss before tax	6	(810,470,460)	608,912,869
Tax credit/(expense)	7.1	141,442,871	(625,467,248)
Loss for the year		(669,027,589)	(16,554,379)
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluation of property	8	(123,143,614)	(65,213,007)
Fair value gain/(loss) on financial assets measured at FVTOCI		678,942	(33,211)
Deferred tax income		17,500,093	29,174,805
Other comprehensive income/(loss) net of tax		(104,964,579)	(36,071,413)
Total comprehensive loss for the year		(773,992,168)	(52,625,792)
Loss for the year attributable to:			
Owners of the company		(666,514,739)	(30,109,166)
Non-controlling interests		(2,512,850)	13,554,787
		(669,027,589)	(16,554,379)
Total comprehensive loss for the year attributable to:			
Owners of the company		(771,479,318)	(66,180,579)
Non-controlling interests		(2,512,850)	13,554,787
		(773,992,168)	(52,625,792)
Weighted average number of ordinary shares in issue			
		1,327,554,515	1,314,992,516
Share performance: US\$ cents			
: Basic loss per share		(50.40)	(1.26)
: Headline loss per share		(28.97)	(1.63)
: Net asset value per share		67.31	126.79

DIRECTORS: H. Nkala (Chairman), W.V. Zireva (Chief Executive Officer), A.E. Siyavora (Chief Finance Officer), T.L. Gumbo, R. Mavima, A.S. Mcleod. R.J. Moyo, W.S. Nyabereka, L. Webster-Rozon, K. Zawanda

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Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	Audited 2025 ZWG	Unaudited 2024 ZWG
Assets			
Non-current assets			
Property and equipment	8.1	1,467,759,608	1,792,120,796
Goodwill	9	2,542,438	109,501,240
Right of use asset	11	601,216,019	776,155,898
Intangible asset		10,004,654	11,178,730
Financial assets held at FVTOCI		1,155,206	476,262
Total non-current assets		2,082,677,925	2,689,432,926
Current assets			
Inventories	12	440,493,833	675,219,828
Trade and other receivables	13	26,265,213	7,028,796
Prepayments	14	79,771,770	49,679,629
Current tax asset		-	67,301
Short-term loans receivable		231,170	206,981
Cash and cash equivalents		44,464,160	223,857,682
Assets held for sale	8.3	47,910,883	-
Total current assets		639,137,029	956,060,217
Total assets		2,721,814,954	3,645,493,143
Equity and liabilities			
Equity			
Share capital		3,570,367	773,372
Share premium		253,539,710	256,211,057
Share based payment reserve		18,583,615	18,473,122
Mark-to-market reserve		839,043	170,257
Revaluation reserve		455,461,965	561,095,330
Non-distributable reserves		62,421,300	62,421,300
Retained earnings		88,108,709	754,623,448
Equity attributed to equity holders of the parent		882,524,709	1,653,767,886
Non-controlling interests		10,995,752	13,508,602
Shareholders' equity		893,520,461	1,667,276,488
Non-current liabilities			
Deferred tax liabilities	15	173,062,564	325,040,103
Long term borrowings	18.2	21,233,820	12,203,505
Long term lease liability	16	494,342,533	507,593,424
Total non-current liabilities		688,638,917	844,837,032
Current liabilities			
Trade and other payables	17	756,286,137	912,058,396
Provisions		64,761,007	24,978,318
Lease liability	16	55,292,354	56,363,902
Short term borrowings	18.1	193,388,732	81,994,569
Current tax liabilities		7,392,453	57,984,438
Liabilities directly associated with assets classified as held for sale	8.3	62,534,893	-
Total current liabilities		1,139,655,576	1,133,379,623
Total liabilities		1,828,294,493	1,978,216,655
Total equity and liabilities		2,721,814,954	3,645,493,143

For and on behalf of the board


H. Nkala
Chairman
30 October 2025


V.W. Zireva
Chief Executive Officer

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	Audited 2025 ZWG	Unaudited 2024 ZWG
Cash flows from operating activities			
Cash (used in)/generated from trading	19	(323,392,916)	1,203,798,935
Working capital changes		241,125,616	(565,111,907)
Cash (used in)/generated from operations		(82,267,300)	638,687,028
Finance costs paid		(88,527,776)	(140,385,073)
Finance income received		105,789	129,031
Tax paid		(49,472,113)	(32,217,132)
Net cash (used in) / generated from operating activities		(220,161,400)	466,213,854
Cash flows from investment activities			
Investments to maintain operations:			
Replacement of property and equipment		(5,227,657)	(2,462,525)
Proceeds from disposal of property and equipment		6,042,056	7,879,800
Repayments of short-term loans receivable		1,738,169	1,587,385
Increase in short-term loans receivable		(1,762,358)	(396,440)
		790,210	6,608,220
Investment to expand operations:			
Additions to property and equipment		(18,118,015)	(170,995,284)
Additions to intangible assets		-	(1,660,826)
		(18,118,015)	(172,656,110)
Net cash used in investing activities		(17,327,805)	(166,047,890)
Cash flows from financing activities			
Dividends paid		-	(15,749,147)
Proceeds from share options exercised		146,389	252,620
Repayment of lease liabilities		(80,533,942)	(75,178,071)
Proceeds from borrowings		221,927,447	32,244,874
Repayment of borrowings		(102,955,096)	(260,942,359)
Net cash generated from / (used in) financing activities		38,584,798	(319,372,083)
Net decrease in cash and cash equivalents		(198,904,407)	(19,206,119)
Cash and cash equivalents at the beginning of year		223,857,682	105,852,026
Exchange gains on foreign cash balances		24,198,772	137,211,775
Cash and cash equivalents at the end of year		49,152,047	223,857,682
Cash and cash equivalents at end of year relating to assets classified as held for sale		(4,687,887)	-
Cash and cash equivalents at end of year		44,464,160	223,857,682



Consolidated Statement of Changes in Equity

For the year ended 31 March

	Share capital ZWG	Share Premium ZWG	Share based payments reserve ZWG	Mark-to Market reserve ZWG	Revaluation reserve ZWG	Non- distributable reserve ZWG	Retained Earnings ZWG	Total ZWG	Non-controlling interests ZWG	Total Equity ZWG
Balance at 1 April 2023	773,372	254,042,863	17,940,007	202,972	597,134,028	62,421,300	800,481,601	1,732,996,143	(46,025)	1,732,950,118
(Loss)/profit for the year	-	-	-	-	-	-	(30,109,166)	13,554,787	13,554,787	(16,554,379)
Other comprehensive income, net of tax	-	-	-	(32,715)	(36,038,698)	-	-	(36,071,413)	-	(36,071,413)
Total	773,372	254,042,863	17,940,007	170,257	561,095,330	62,421,300	770,372,435	1,666,815,564	13,508,762	1,680,324,326
Transactions with owners:										
Contributions and distributions										
Share options exercised	-	350,670	(195,648)	-	-	-	-	155,022	-	155,022
Recognition of share based payments	-	1,817,524	728,763	-	-	-	-	2,546,287	-	2,546,287
Treasury shares issued	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(15,748,987)	(15,748,987)	(160)	(15,749,147)
Total transactions with owners	-	2,168,194	533,115	-	-	-	(15,748,987)	(13,047,678)	(160)	(13,047,838)
Balance at 31 March 2024	773,372	256,211,057	18,473,122	170,257	561,095,330	62,421,300	754,623,448	1,653,767,886	13,508,602	1,667,276,488
Balance at 1 April 2024										
Loss for the year	-	-	-	-	-	-	(666,514,739)	(666,514,739)	(2,512,850)	(669,027,589)
Other comprehensive income, net of tax	-	-	-	668,786	(105,633,365)	-	-	(104,964,579)	-	(104,964,579)
Total	773,372	256,211,057	18,473,122	839,043	455,461,965	62,421,300	88,108,709	882,288,568	10,995,752	893,284,320
Transactions with owners:										
Contributions and distributions										
Share options exercised	2,112	123,536	-	-	-	-	-	125,648	-	125,648
Recognition of share based payments	-	-	110,493	-	-	-	-	110,493	-	110,493
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-
Reclassification	2,794,883	(2,794,883)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Total contributions and distributions	2,796,995	(2,671,347)	110,493	-	-	-	-	236,141	-	236,141
Total transactions with owners	2,796,995	(2,671,347)	110,493	-	-	-	-	236,141	-	236,141
Balance at 31 March 2025	3,570,367	253,539,710	18,583,615	839,043	455,461,965	62,421,300	88,108,709	882,524,709	10,995,752	893,520,461



Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1.General information

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 Limited, had five subsidiaries.

2. Basis of Preparation and Presentation

These special purpose financial statements have been derived from OK Zimbabwe’s audited United States Dollar (‘US\$’) financial statements for the year ended 31 March 2025, which are prepared in the Company’s functional currency. The special purpose financial statements of the Group have been prepared and presented in Zimbabwe Gold (ZWG) in accordance with Regulatory Notice Number: SECZ070325, paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], the Monetary Policy Statement issued by the Governor of the Reserve Bank of Zimbabwe on 6 February 2025, and the Zimbabwe Stock Exchange Notice dated 12 March 2025.

For compliance with regulatory and listing requirements, all amounts from the primary statements, notes and policies considered to be key by management, have been converted to ZWG at the closing spot rate of US\$1: ZWG26.73 as at 31 March 2025. The financial statements have been prepared on a historical cost basis and reflect the Company’s financial position and performance in ZWG for regulatory reporting purposes.

The special purpose financial results have not been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and therefore reading the special purpose financial statements and the auditor’s report thereon, is not a substitute for reading the audited general purpose consolidated financial statements and the auditor’s report thereon. The USD financial statements comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The general purpose consolidated financial statements of the Group were approved by the directors on 30 October 2025 and a qualified audit opinion was issued on the same day. The qualification was in respect of non-compliance with International accounting Standard 21, The Effects of Changes in Foreign Exchange Rates in the current year, and the inability of the auditors to obtain sufficient and appropriate audit evidence with regards to the existence and valuation of inventory in the current and prior years.

Without further modifying their opinion the audit report also makes reference to material uncertainties impacting our going concern assessment as disclosed in note 24. The general purpose financial statements and related audit opinion are available for inspection at the Company’s registered office.

3. Material accounting policy information

3.1 Statement of compliance

The special purpose financial statements of the Group have been prepared and presented in Zimbabwean Dollars (‘ZWG’) in accordance with Regulatory Notice Number: SECZ070325, paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], the Monetary Policy Statement issued by the Governor of the Reserve Bank of Zimbabwe on 6 February 2025, and the Zimbabwe Stock Exchange Notice dated 12 March 2025.

3.2 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 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 following factors, amongst other:

- 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.

3.3 Currency of reporting

The consolidated financial statements are presented in Zimbabwe Gold (ZWG), in compliance with the Reserve Bank of Zimbabwe (RBZ) and local regulatory requirements. The United States Dollar (US\$) is the functional currency of the Group companies, having become effective from 1 April 2024. Accordingly, transactions and balances denominated in currencies other than the functional currency are translated into US\$ at the exchange rate prevailing at the time of the transaction. For presentation purposes, the consolidated financial statements have been translated from US\$ to ZWG at the closing RBZ exchange rate prevailing at the reporting date.

3.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the OK Zimbabwe Limited and its subsidiaries (the Group).

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests are shown separately from the parent company’s equity in the consolidated financial statements. The value of non-controlling interests is determined as the proportionate share of the subsidiary’s net assets.

3.5 Goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date. Subsequently goodwill is measured at cost less accumulated impairment losses, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income.

3.6 Foreign currency transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. During the period the Group used, interbank rate plus a premium as allowable by the Reserve Bank of Zimbabwe, bank selling rates as well as market determined exchange rates at the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction and translation gains or losses arising on conversion or settlement are dealt with in the statement of profit or loss and other comprehensive income in the determination of the profit before tax.

3.7 Property and equipment

Property and equipment are stated in the statement of financial position at cost or revalued amount less any subsequent accumulated depreciation and impairment. Methods of valuation used are as follows:

Land and buildings	Market comparable and Income approach
Other property and equipment	Cost

Revaluations are performed frequently enough to ensure that the carrying amounts do not differ materially from those that would be determined using fair values.

Any surplus arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in the statement of profit or loss and other comprehensive income to the extent that it exceeds the balance, if any, held in the property’s revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in the statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property’s revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is realized.

Properties in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land and work in progress are not depreciated.

Motor vehicles, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment. The assets are depreciated over their estimated useful lives which are as follows:

i) Freehold property	20 years
ii) Motor vehicles	5 years
iii) Leasehold improvements	20 years
iv) Furniture and equipment:	
Computers	5 years
Office furniture	10 years
Equipment	10 years
Air conditioners	10 years
Fixtures and fittings	10 years
Refrigerators	10 years
Boats	30 years

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

3.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Merchandise and consumable stores are valued at the landed cost on a first-in first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

3.9 Financial instruments

Financial assets and financial liabilities are initially recognised at fair value in the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss which are immediately recognised in profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The classification of financial assets is based on the contractual cash flow characteristics and the entity’s business model for managing the financial asset. The categories used for these reflect their measurement, that is, amortised cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit and loss (“FVTPL”).

Financial assets held at amortised cost

- A financial asset shall be measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - it’s contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognised in profit or loss.

Financial assets held at FVTOCI

Debt instruments that fall into this category are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets held at FVTPL

By default, all other financial assets are measured subsequently at fair value through profit or loss. The Group may make the following irrevocable election at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.
- The Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences arising from translation are recognised in the same manner as the recognition of interest on the respective financial asset based on its category.

Derecognition of financial assets

The Group realized a financial liability when the obligation under the liability is discharged, cancelled, or expires. A substantial modification of the terms of an existing financial liability is accounted for as the derecognition of the original liability and the recognition of a new liability, with any resulting gain or loss recognised in profit or loss.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Revenue recognition

The revenue for the Group comprises sales of general merchandise to the local markets. The Group recognises revenue based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods and services sold in the normal course of business, net of discounts and value added taxes. The Group recognises revenue when it transfers control of a product to a customer which is generally at till points. Revenue is recognised when a performance obligation has been satisfied fully, when control of the goods has transferred, being when the goods have been collected or delivered to the customer’s specific location. Following collection or delivery, the customer has full discretion over the manner in which they handle the goods, and also bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are collected by or delivered to the customer as appropriate, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

A sale of goods is recognised when goods are delivered, and title has passed to the buyer. Revenue from sales comprises the invoiced value of sales in respect of the Group’s activities outlined.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2025

3.12 Tax

Income tax expense represents the current income tax and deferred tax.

Current income tax

Current income tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable nor deductible. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be realized Such deferred tax assets and liabilities are not recognized if the temporary differences arise from assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Following the increase of income tax rate from 24% to 25% with effect from 1 January 2024, deferred tax has been provided at 25.75% (inclusive 3% of AIDS levy).

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current income and deferred tax for the period

Current income and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

3.13 Employee benefits

Defined contribution plans

The entity operates pension schemes in terms of the Pension and Provident Funds Act (Chapter 24:09) and current contributions to defined contribution schemes are charged against income as incurred. The entity also participates in the National Social Security Authority scheme. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Retirement benefits are provided for Group employees through the OK Zimbabwe Pension Fund, which is a defined contribution fund, and through the National Social Security Authority ("NSSA") which is also a defined contribution scheme. Contributions to both are charged to the statement of profit or loss and other comprehensive income.

The NSSA scheme is a defined contribution scheme promulgated under the National Social Security Authority Act (Chapter 17:04). The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

Share based payments

Equity settled Share-based Payments

The cost of equity settled transactions with employees is measured by reference to the middle market at the date on which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions, other than linked to the price of the shares of the Company. The cost of equity settled transactions is recognised, together with the corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

The fair value determined at the grant date of the equity settled Share-based Payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group's original estimates, if any, are recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share-based Payment reserve.

Cash settled share-based payments

The fair value determined at the grant date of the cash settled Share-based payments is re-measured at each reporting date until settlement. The Group recognises a liability for the cash settled share-based payments calculated at fair value determined at each financial reporting period. The related expense is recognised in share-based payment expense through the statement of comprehensive income over the vesting periods.

Short term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and accrued when the associated services are rendered by the employees of the entity.

Other long-term employee benefits

The Group provides long-term service awards to its employees that are payable on the attainment of a specified length of service. The long-term service awards are not vested until the employee has met the specified length of service. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Remeasurements are recognized in the income statement over the period in which the employees render the related services.

Termination benefits

Termination benefits are payable when employment is terminated by the entity before retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

3.14 Leases

The Group operates in leased premises in most of the locations. At inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group's leasing activities and how these are accounted for

The Group leases various properties for warehouses and retail space. Rental contracts are typically made for fixed periods of 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of initial application since the leases were in effect as of that date. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease term was used as it is lower than the useful life of the properties.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the outstanding lease payments at date of initial application for already existing leases. The lease payments are discounted using the company's incremental borrowing rate. Where the Group does not have long term loans to use in determining the incremental borrowing rate, the Reserve of Bank of Zimbabwe maximum co-operate lending rates are used. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability. Lease liabilities are remeasured when there is a change in future lease payments or when the lease term is revised. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group has elected not to recognize right of use asset and lease liabilities for leases of low-value assets. The threshold has been set as monthly rentals of an equivalent of ZWG 13,363. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has entered into various lease contracts with varying contractual payments denominated in different currencies, these are treated as follows:The Group has entered into various lease contracts with varying contractual payments denominated in different currencies, these are treated as follows:

- Lease agreements denominated and payable in US\$ (including those expressed in rental units payable in US\$) are aligned to the Group's functional currency. Accordingly, both the right-of-use asset and the lease liability are recognised and measured in US\$. Subsequent remeasurement of the lease liability and right-of-use asset is also maintained in US\$ and these are converted to ZWG using the spot exchange rate.
- Lease agreements whose contractual base rentals are linked to a US dollar or rental unit index but settled in ZWG at the prevailing interbank exchange rate are considered to be US\$-denominated in substance. These are therefore accounted for in the same manner as US\$-denominated leases, with the underlying lease calculations maintained in US\$. Both the right-of-use asset and the lease liability are recognised and subsequently remeasured in US\$ and these are converted to ZWG using the spot exchange rate.
- Lease agreements denominated and payable in ZWG are treated as foreign currency denominated leases, given the Group's US\$ functional currency. At commencement, the lease liability is measured at the present value of the ZWG lease payments, discounted using the lessee's incremental borrowing rate applicable to ZWG. Thereafter, the lease liability is remeasured at each reporting date using the closing spot exchange rate, with corresponding foreign exchange fluctuations recognised in profit or loss. The right-of-use asset is initially recognised in US\$ based on the exchange rate at inception (or modification) of the lease.

Extension Options

Extension options are included in the property leases within the Group if management concludes that it is reasonably certain to exercise an option to extend a lease. These terms are used to realized operational flexibility in terms of managing the contracts. The extension is exercisable by the Group and by the respective Lessor.

At the commencement date, the Group assessed whether it is reasonably certain to exercise an option to extend the lease or not. The Group considered all relevant facts and circumstances that would create an economic incentive for the Group to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. The Group has Long-term commitments to specific locations situated in crucial areas for our customer base and long-term lease improvement plans, exercising the extension was therefore highly likely to happen.

The Group has no exercise options that were not included in the lease measurement.

Operational and financial effects of those options.

a) Financial Effects:

Increased future lease payments. The Group has estimated that the potential future lease payments should it exercise the options to extend contributes ZWG 978 million in the total lease liability recognised.

b) Operational Effects:

Maintenance and repairs: With extended asset use, the Group will be expected to incur repairs and maintenance costs to ensure the stores remain functional and appealing to our customers.

3.15 Earnings per share

The calculation of earnings per share is based on profit for the period attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period. Headline earnings per share is calculated in accordance with the formula determined and realized by the Zimbabwe Stock Exchange. Diluted earnings per share is presented to show the effect of the conversion of favorable potential ordinary shares.

4. Key sources of uncertainty and critical judgments

The preparation of financial statements requires Directors and management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that the Directors and management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

4.1 Key sources of estimation uncertainty

4.1.1 Assessment of impairment of property, equipment and right of use asset

Determination and Measurement of Recoverable Amount of Cash-Generating Units
The Group has identified each retail outlet as a separate cash-generating unit (CGU) for the purpose of impairment testing of property, equipment and right-of-use assets.

The recoverable amount of each CGU is determined as the higher of value in use and fair value less costs of disposal (FVLCD). The determination is sensitive to several critical assumptions, including projected cash flows, discount rates, and long-term growth assumptions.

When assessing value in use, future cash flows are estimated using management-approved budgets and forecasts, which are informed by historical trading patterns, operational plans, and market expectations in Zimbabwe's retail sector. These forecasts take into account management's revenue growth initiatives and other mitigatory actions outlined in Note 24, which also highlights the material uncertainty related to the achievement of these initiatives and the Group's ability to continue as a going concern .These cash flows are discounted to present value using a pre-tax discount rate reflecting the time value of money and risks specific to the CGU. No benefits from future restructuring activities to which the Group is not yet committed are included in the forecasts. Continuing operations: Where outlets are expected to remain in operation, cash flow projections are prepared over a five-year period, with terminal values determined using a growth rate that reflects population dynamics, anticipated consumer demand, and forward-looking inflation expectations for food and groceries in Zimbabwe.

Non-continuing operations: For outlets where the Group intends to close, cash flows are projected over the remaining lease term only.

For the purpose of determining FVLCD, management considers observable market inputs where available. However, for right-of-use assets and leasehold improvements, FVLCD was not separately determined as there is currently no active market evidence for comparable retail properties or related leasehold improvements in Zimbabwe. In such cases, management relied on the value-in-use approach to assess recoverable amounts.

Determination and Measurement of Recoverable Amount of Corporate Assets

The Group supports the store operations through realisable functions such as head office facilities, information systems and distribution centres. These corporate assets provide benefits across the Group and do not generate independent cash inflows. Accordingly, corporate assets are tested for impairment together with the CGUs that they support. Where a reasonable and consistent allocation of the corporate assets to individual CGUs is not possible, the Group tests them for impairment at a higher aggregated level, being the Group CGU.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2025

4.1.1 Assessment of impairment of property, equipment and right of use asset (continued)

Certain assets, such as property and equipment relating to the central bakery, can be allocated to individual CGUs on a reasonable and consistent basis, for example by using each store's level of participation in bakery production and sales. These assets are tested for impairment at the respective CGU level.

The recoverable amount of corporate assets is similarly determined as the higher of value in use and fair value less costs of disposal, with sensitivity to discount rates, cash flow projections and growth rates, consistent with the approach outlined above.

4.1.2 Useful lives and residual values of property, equipment and right of use asset

The residual values were assessed through comparison of prices of new and aged assets, for each asset category to give an indicative recovery rate. The useful lives are set out in note 3.6 and no changes to these useful lives have been considered necessary during the year. The assessment does not relate to properties that are fair valued.

4.1.3 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Use of estimates and judgements

Fair value less costs to sell

- The disposal group is measured at fair value less costs to sell. This requires estimation of expected disposal proceeds, transaction costs, and in some cases use of discounted cash flow models. Key inputs include expected selling price, market comparables, and discount rates applied.

Probability and timing of disposal

- Classification as held for sale requires management judgement that the disposal is highly probable within 12 months. This involves assessment of the progress of negotiations, approvals required, and the likelihood of execution of the sale plan.

Allocation of impairment losses

- Impairment losses recognised on classification as held for sale are allocated across assets within the disposal group on a pro-rata basis. This involves estimating the recoverable amount of individual assets and determining whether they can absorb allocated impairment.

4.1.4 Valuation of share options

The fair value of share options granted to employees is determined using the Black-Scholes option pricing model at the grant date. The valuation incorporates assumptions regarding the expected volatility of the Company's share price, the expected life of the options, dividend yield, and the risk-free interest rate.

4.1.5 Impairment of goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date less accumulated impairment, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment may arise. An impairment loss recognised for goodwill shall not be reversed in a subsequent period. Key assumptions realized in the impairment assessment:

- Budgeted future cash-flows that were exclusive of cash-flows to be realized from any future refurbishments.
- A growth rate of 6% (2024: 4%) in future cash-flows was applied in the first 3 years, and 4.42% in perpetuity.
- Discount rate, pretax, of 27.07% (2024: 13.9%).

These assumptions are consistent with those applied in the Group's going concern cash flow forecasts (refer to Note 24), ensuring alignment between impairment testing and broader financial viability assessments.

4.1.6 Valuation of land and buildings

The valuation was undertaken using the appropriate valuation methodology and professional judgment of the valuers.

The Group engaged professional valuers, Dawn Property Consultants (Private) Limited to value land and buildings at the end of the reporting period. The fair values as determined by Dawn Property Consultants are used for reporting purposes.

Valuations of land and buildings are based on market comparable and income methods. The market comparable approach considers comparable market evidence i.e. the sales evidence either achieved or on the market, of similar land and buildings situated in the comparable residential suburbs and undeveloped land with that of subject land and buildings or the sales evidence of complete transactions as well as transactions where offers had been made but the transaction had not been completed. The income approach involves the capitalization of expected rental income by an appropriate yield. The most acceptable approach in assessing the valuation of commercial properties is the income approach. Accordingly, the income approach was used for all land and buildings except for undeveloped land and residential properties, for which the comparative approach was used.

The valuers have stated that valuations rely on inputs such as market rentals per square metre, rental yields and recent price per square meter for comparable properties.

4.2 Critical Judgements

4.2.1 Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. The assessment is reviewed if a significant event or change in circumstances occurs which affects this assessment.

4.2.2 Exchange rate

The Group transacts in foreign currency when paying for imports as well as for some revenue and expenses following the liberalization on the use of foreign currency for domestic transactions through Statutory Instrument 85 of 2020. The Group relies primarily on the sale of products on the domestic market to obtain foreign currency. For the conversion of the foreign currency transactions management determined the appropriate exchange rate applicable.

4.2.3 Control over investee

In determining whether the entity has control over another entity, management assesses whether it has power over the investee; exposure, or rights, to variable returns and ability to use power to affect returns. Management considers all facts and circumstances when assessing whether it controls an investee and shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Management considers the following factors in assessing whether it has control over an investee including where the Group holds less than 50%:

- Purpose and design of the investee
- What the relevant activities are and how decisions about those activities are made
- Whether the rights of the investor give it the current ability to direct the relevant activities
- Whether the investor is exposed, or has rights, to variable returns from its involvement with the investee.

5. Revenue

	Audited 2025 ZWG	Unaudited 2024 ZWG
Retail	5,082,514,573	10,511,445,645
Hypermarket	1,470,382,818	3,146,841,209
	6,552,897,391	13,658,286,854

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:

	Audited 2025 ZWG	Unaudited 2024 ZWG
Lease and sub-lease income	971,212	19,424,690
Commission income	59,525,358	214,715,594
	60,496,570	234,140,284

6.2 Other expenses

	Audited 2025 ZWG	Unaudited 2024 ZWG [*]
Other expenses		
Utilities and backup power expenses	387,780,989	752,995,592
Property operating costs	138,154,297	197,420,251
Marketing and promotional expenses	65,367,784	131,137,564
Maintenance expenses	65,916,908	140,614,345
Security expenses	79,441,894	117,778,628
Cleaning expenses	19,425,998	111,244,807
Transport and motor vehicle	41,234,307	93,041,080
Retirement benefit costs	37,295,951	67,060,444
Distribution expenses	24,604,529	76,707,689
Bank Charges	34,426,203	22,767,816
Licences expenses	41,858,003	50,156,125
Consultancy fees	6,199,082	50,186,355
Stock-taking expenses	10,696,586	30,361,134
Insurance expenses	13,242,498	16,425,658
Auditor's fees – year-end audit	5,018,110	14,452,481
Auditor's fees – other services	744,773	5,264,986
Loss/(profit) on sale of property and equipment	8,326,596	(4,830,979)
Other ¹	30,462,730	41,219,218
Total	1,010,197,238	1,914,003,194

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.

6.2.1 Exchange gain/(loss)

	Audited 2025 ZWG	Unaudited 2024 ZWG
Exchange gain /(loss)	359,749,462	(1,366,650,952)

6.3 Depreciation and amortization expense

	Audited 2025 ZWG	Unaudited 2024 ZWG
Property	31,495,623	119,669,495
Equipment	102,640,134	49,840,718
Right of use asset	172,400,541	157,422,882
Intangible asset	1,174,050	138,771
	307,710,348	327,071,866

6.4 Impairment of non-financial assets

	Audited 2025 ZWG	Unaudited 2024 ZWG
Intangible assets		
Goodwill	106,958,802	-
Property and equipment		
Equipment ,furniture and fittings	780,638	-
Leasehold Improvements	45,612,784	-
Right of use assets	122,792,547	-
	276,144,771	-

7. Income taxes

	Audited 2025 ZWG	Unaudited 2024 ZWG
7.1 Tax charge		
Income Tax:		
Current	1,036,534	446,844,935
Standard	1,006,331	436,071,568
Aids Levy	30,203	10,773,367
Deferred:		
(Credit)/debit to statement of profit or loss	(142,479,405)	178,622,313
Total income tax (credit)/expense	(141,442,871)	625,467,248

8. Property and equipment

	Audited 2025 ZWG	Unaudited 2024 ZWG
Freehold land and buildings		
Revalued amount	728,816,377	810,947,908
Accumulated depreciation	-	-
	728,816,377	810,947,908
Leasehold improvements		
Cost	271,364,253	228,010,251
Accumulated depreciation	(119,536,712)	(65,529,663)
	151,827,541	162,480,588
Furniture and equipment		
Cost	1,156,067,525	1,082,748,723
Accumulated depreciation	(648,508,980)	(570,304,848)
	507,558,545	512,443,875
Vehicles		
Cost	126,544,606	148,348,729
Accumulated depreciation	(53,689,963)	(53,547,044)
	72,854,643	94,801,685
Work in progress		
	6,702,502	211,446,740
		-
Total Property and equipment	1,467,759,608	1,792,120,796

The gross carrying amount of fully depreciated property and equipment that is still in use as at 31 March 2025 was ZWG 32 million (2024: ZWG 13 million).



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2025

8. Property and equipment (continued)

	Audited 2025 ZWG	Unaudited 2024 ZWG
Property and equipment movement in net book value for the year:		
Revaluation reserve		
At the beginning of the year	1,792,120,796	1,856,403,428
Capital expenditure	23,345,671	173,457,809
Impairment	(46,393,432)	-
WIP write-off	(9,063,377)	-
Revaluation	(123,143,614)	(65,213,007)
Disposals	(14,373,090)	(3,017,225)
Depreciation	(134,135,757)	(169,510,209)
Reclassified as held for sale	(20,597,589)	-
	1,467,759,608	1,792,120,796

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 ZWG 523 million (2024: nil), with mortgage values of ZWG 523 million securing total facilities of ZWG 614 million. As a result of liquidity constraints in the economy, the Group was not able to fully access the facilities during the year.

PROPERTY	ADDRESS	MARKET VALUE ZWG	MORTGAGED ZWG
OK Mbuya Nehanda	Stand 5950 Salisbury Township 118 Mbuya Nehanda Street, Harare	85,796,559	85,796,559
OK Glen View	Stand 12279 Glenview Township Glenview Harare	48,912,057	48,912,057
Birmingham Warehouse	Stand 14997 Salisbury Township Harare	98,893,230	98,893,230
	Total mortgaged to FBC Bank Limited	233,601,846	233,601,846
OK Gweru	Stand 151A Gweru Township Gweru	72,165,330	72,165,330
OK Malvern	Stand 223 Malvern Township Harare	37,953,618	37,953,618
Harare Stand	Stand 6464 Odar Township Stand 39 Odar Township Harare	19,244,088	19,244,088
	Total pledged to National Building Society	129,363,036	129,363,036
Harare Stand	Stand 19678 Harare Township of Borrowdale Harare	160,367,400	160,367,400
	Total pledged to CBZ Bank Limited	160,367,400	160,367,400
	Total Properties	523,332,282	523,332,282

8.2 Revaluation Reserve

	Audited 2025 ZWG	Unaudited 2024 ZWG
At the beginning of the year	561,095,330	597,134,015
Comprehensive loss for the year	(123,143,614)	(65,213,007)
Deferred tax	17,510,249	29,174,322
	455,461,965	561,095,330

Revaluations of freehold land and buildings are conducted frequently to ensure that carrying amounts do not differ materially from those that would be determined using fair values. The Directors decided to have the freehold property revalued in the current year in order to ensure that the carrying amounts do not differ materially from the fair values as at the reporting date. The next revaluation is due in the financial year ending 31 March 2026.

8.3 Assets held for sale

At 31 March 2025, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Audited 2025 ZWG	Unaudited 2024 ZWG
Property and equipment	20,597,589	-
Inventory	13,675,410	-
Trade and other receivables	203,827	-
Prepayments	744,238	-
Cash and cash equivalent	4,687,860	-
Deferred tax asset	8,001,959	-
Assets held for sale	47,910,883	
Trade and other payables	10,421,128	-
Current tax liability	2,089,079	-
Provisions	2,565,905	-
Lease Liability	47,458,781	-
Liabilities related to assets held for sale	62,534,893	

9. Goodwill

	Audited 2025 ZWG	Unaudited 2024 ZWG
Opening Balance	109,501,240	109,501,240
Goodwill Impairment	(106,958,802)	-
Closing balance	2,542,438	109,501,240

The goodwill impairment recognised during the year relates to the Food Lovers Market stores that are being closed (refer to Note 10 below).

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 ZWG 276 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 ZWG	31 March 2024 ZWG
OK Company		
• Right of use assets	81,752,705	-
• Leasehold improvements	45,612,791	-
• Other property and equipment	780,638	-
• Goodwill	106,958,802	-
Total Company Impairment	235,104,936	-
Fresh and Green City		
• Right of use assets	41,039,835	-
Total Group Impairment	276,144,771	-

11. Right of use asset

	Audited 2025 ZWG	Unaudited 2024 ZWG
Cost	1,118,525,811	949,652,844
Reclassification to held for sale	(54,508,746)	-
Additions	-	59,037,914
Remeasurements	120,253,205	109,835,074
Accumulated amortisation of Right of use assets	(501,301,546)	(342,369,934)
Impairment	(81,752,705)	-
Total	601,216,019	776,155,898

12. Inventories

	Audited 2025 ZWG	Unaudited 2024 ZWG
Consumable stocks	6,248,609	3,241,052
Merchandise	434,245,224	671,978,776
	440,493,833	675,219,828
12.1 Changes in trade inventories		
Opening Merchandise Stock	671,978,776	856,059,167
Closing Merchandise Stock	434,245,224	669,483,715
	(237,733,552)	(186,575,452)

The cost of merchandise and consumables inventories recognised as an expense during the year was ZWG 5.1 billion (2024: ZWG 11.8 billion). This cost includes merchandise purchased and sold during the period amounting to ZWG 5.05 billion (2024: ZWG 11.7 million), a shrinkage provision of ZWG 582.6 thousand (2024: ZWG 553.2 thousand), and obsolete inventories and markdown provisions totalling ZWG 40.0 million (2024: ZWG 3.0 million). During the year, the Group also sold inventory that formed part of the opening balances, amounting to UZWG 237 million (2024: ZWG 186.5 million).

13. Trade and other receivables

	Audited 2025 ZWG	Unaudited 2024 ZWG
Trade receivables	19,652,811	6,386,679
Other receivables	16,245,538	1,325,049
Allowance for credit losses	(9,633,136)	(682,932)
	26,265,213	7,028,796

14. Prepayments

	Audited 2025 ZWG	Unaudited 2024 ZWG
Prepayments	79,771,770	49,679,629

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

15. Deferred Tax

	Audited 2025 ZWG	Unaudited 2024 ZWG
Deferred tax liability movement		
At the beginning of year	325,040,103	175,592,601
Credit to statement of profit or loss	(142,479,405)	178,622,313
Income tax relating to components of other comprehensive income	(17,500,066)	(29,174,811)
Reclassification of deferred tax directly associated with assets held for sale	8,001,932	-
At the end of year	173,062,564	325,040,103

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

	Audited 2025 ZWG	Unaudited 2024 ZWG
Property	139,383,912	167,961,972
Equipment	128,346,360	143,090,085
Quoted investments	17,320	7,136
Intangible assets	2,516,512	2,759,148
Right of use asset	154,813,102	199,860,170
Lease liability	(143,534,222)	(145,219,015)
Unrealised exchange loss	13,919,356	(37,251,102)
Provisions	(29,938,562)	(6,168,291)
Tax loss	(92,461,214)	-
	173,062,564	325,040,103

16. Lease liabilities

	Audited 2025 ZWG	Unaudited 2024 ZWG
Lease liabilities		
Long term lease liability	494,342,533	507,593,424
Short term lease liability	55,292,354	56,363,902
	549,634,887	563,957,326



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2025

17. Trade and other payables

	Audited 2025 ZWG	Unaudited 2024 ZWG
Trade payables	683,095,658	835,433,781
Accruals and other payables	73,190,479	76,624,615
	756,286,137	912,058,396

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.

18. Borrowings

18.1. Short-term borrowings

	Audited 2025 ZWG	Unaudited 2024 ZWG
Interest-bearing loans	110,330,954	44,546,500
Bank overdraft	83,057,778	37,448,069
	193,388,732	81,994,569

The Group took out short-term borrowings and utilised overdraft facilities during the period.

18.2 Long-term borrowings

	Audited 2025 ZWG	Unaudited 2024 ZWG
Due in over a year	21,233,820	12,203,505
	21,233,820	12,203,505

The Group's unsecured principal bank loans

The Group took out a loan of US\$ 5 million (ZWG 133.6 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 (ZWG 34.7 million) with a maturity date of 31 January 2028 with an interest of 16% per annum.

Borrowings and Covenant Compliance

As at 31 March 2025, the Group was not in compliance with certain qualitative covenants attached to its borrowing facilities. While the lenders have not formally waived these breaches, the Group obtained letters of support from its principal banks confirming their intention to continue providing the existing facilities and/or extend financial support for at least 12 months from the date of approval of these financial statements, subject to the satisfactory conduct of accounts and ongoing financial performance. Management therefore does not anticipate that the covenant breaches will result in withdrawal of facilities.

19. Cash flow information

	Audited 2025 ZWG	Unaudited 2024 ZWG
Cash generated from trading	(323,392,916)	1,203,798,935
Loss before tax	(810,470,460)	608,912,869
Adjusted for:		
Finance costs	88,527,776	140,385,072
Depreciation and amortization	307,710,348	327,071,866
Share based payments expense	270,513	5,893,986
Unrealised foreign exchange (gain)/losses	(297,752,013)	1,366,650,952
Interest income	(105,789)	(129,031)
Loss/(profit) on sale of property and equipment	8,326,596	(4,830,979)
Increase/(decrease) in provision	42,348,594	(17,656,371)
Inventory write off	41,290,542	-
Increase/(decrease) in expected credit loss allowance	8,950,212	(1,012,159)
Other non-cash adjustments*	11,365,987	-
Goodwill impairment	276,144,778	-
Impact of inflation on cash flows	-	(1,221,487,270)

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

20. Commitment for capital expenditure

	Audited 2025 ZWG	Unaudited 2024 ZWG
Authorised but not contracted	106,911,600	80,183,700

21. Earnings per share

21.1 Headline earnings per share

	Audited 2025 ZWG	Unaudited 2024 ZWG
Loss attributable to shareholders	(669,027,589)	(16,554,379)
Impairment	276,144,778	-
Loss/(profit) on sale of property and equipment	8,326,596	(4,830,979)
Loss attributable to ordinary shareholders (basic)	(384,556,215)	(21,385,358)

Weighted number of ordinary shares (basic):	2025	2024
Issued ordinary shares at 1 April	1,320,208,817	1,311,691,373
Effect of share options exercised	7,345,698	3,301,143
Weighted average number of ordinary shares	1,327,554,515	1,314,992,516

21.2 Diluted earnings per share:

	Audited 2025 ZWG	Unaudited 2024 ZWG
Loss attributable to shareholders (basic)	(669,027,588)	(16,554,375)
Interest expense on convertible notes, net of tax	-	-
Diluted earnings	(669,027,588)	(16,554,375)

Weighted average number of shares:

Weighted number of ordinary shares (basic):	2025	2024
Number of shares:		
At the beginning of the year	1,320,208,817	1,311,691,373
Effect of share options exercised	7,345,698	3,301,143
At the end of the year	1,327,554,515	1,314,992,516

Reconciliation of diluted weighted number of shares

	2025	2024
Number of shares:		
At the beginning of the year	1,320,208,817	1,311,691,373
Effect of share options exercised	7,345,698	3,301,143
Effect of share options granted yet to vest	59,400,000	48,757,326
At the end of the year	1,386,954,515	1,363,749,842

Basic earnings

The calculations are based on the earnings attributable to ordinary shareholders. Account is taken of the weighted number of shares in issue for the period during which they have participated in the income of the Group and these amount to 1,327,554,515 (2024: 1,314,992,516) at reporting date.

Headline earnings

Headline earnings per share are calculated by dividing the headline earnings by the same divisor used in the basic earnings basis.

Diluted earnings

The calculation is based on the earnings attributable to ordinary shareholders and the number of shares in issue after adjusting to assume conversion of share options not yet exercised. Dilution arising in respect of share options granted amounted to 1,386,954,515 shares (2024: 1,363,749,842). Diluted headline earnings per share are calculated by dividing the total shares for dilution by headline earnings per share.

Right issue

Subsequent to year-end, the Board approved a Renounceable Rights Offer to raise ZWG 534 million through the issue of 1,834,982,573 new ordinary shares at a subscription price of ZWG 0.29 per share.

The Rights Offer entitled shareholders to subscribe for 1.37 new ordinary shares for every 1 ordinary share held on the record date of 21 July 2025. The new ordinary shares ranked pari passu with all existing shares and commenced trading immediately upon allotment.

Had this Rights Offer been effected before the reporting date, it would have significantly increased the weighted average number of shares outstanding used in the calculation of earnings per share. Accordingly the effect of this transaction was disclosed but was not adjusted for in the current year's earnings per share calculation.

Rights issue effect

OK Zimbabwe's share capital structure, pre and post the Rights Offer was as follows:

	Before the Rights Offer	Rights Offer	After the Rights Offer
Issued shares	1,335,820,802	1,834,982,573	3,170,803,375

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 US\$1:ZWG26.77 to US\$1:ZWG26.57. 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 ZWG 13,363,950.

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.

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 rights offer to raise approximately ZWG 534 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 ZWG 280 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 issue, which were applied towards settling 50% of the legacy debt.

Other developments

Subsequent to the reporting date, the Group continued implementing its branch rationalisation and restructuring programme aimed at improving operational efficiency and preserving liquidity.

Key developments after year-end include:

- The closure of OK Marondera, OK Banket, OK Banket Liquor stores and termination of lease agreements for closed branches;
- The closure of Alowell Medical Investment;
- The sale of the Food Lovers Market (FLM) Borrowdale and Avondale branch assets as part of the Group's strategic exit from the Food Lovers Market franchise;

Management expects that these actions will enhance the Group's cost efficiency and support its ongoing efforts to streamline operations and strengthen financial stability.

These events occurred after the reporting date and have been appropriately disclosed but not adjusted in the financial statements.

23. Contingencies

23.1 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.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2025

23.1 Contingent Liabilities (continued)

- 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.

24. 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 presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

The Directors have evaluated the Group's financial position, liquidity, cash flow forecasts, borrowing capacity, and the broader economic environment. This review included consideration of the Group's capital structure, profitability trends, debt maturity profile, and access to financing.

Financial Position

For the year ended 31 March 2025, the Group incurred a net loss of ZWG 669,027,589, and as at that date, its current liabilities exceeded current assets by ZWG 500 518 547. These conditions indicate the existence of events or conditions that may cast doubt on the Group's ability to continue as a going concern.

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 ZWG 534 million proceeds received in August 2025 Property valued at ZWG 280 million has been identified for disposal and sale and purchase agreements for property worth ZWG 195 million have been drawn up and will be signed before 31 October 2025. All prospective buyers are prepared to enter long-term sale-and-leaseback agreements. The Group has additional owned properties worth ZWG 460 million and these may be disposed to fund working capital requirements, should it be necessary, and subject to Board approval.
2. **Debt Refinancing and Facilities** – ZWG 523 million in banking facilities have been secured, with ZWG 328 million still undrawn at approval while some of the facilities are expiring on 31 December 2025, renewal negotiations have started and the Group is confident these will be renewed. Four 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.

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

The Directors acknowledge that the challenging macroeconomic environment may hamper the achievement of the targeted revenue growth and business recovery. While the Group is renegotiating banking facilities for longer term funding, the tight money supply in the market may hamper access to the required levels of liquidity support and furthermore it may also be difficult to realise the fair value of additional properties of ZWG 459.7 million should it be necessary to dispose of them. All these factors represent material uncertainties that cast doubt about the Group's ability to continue as a going concern.

Auditor's Statement

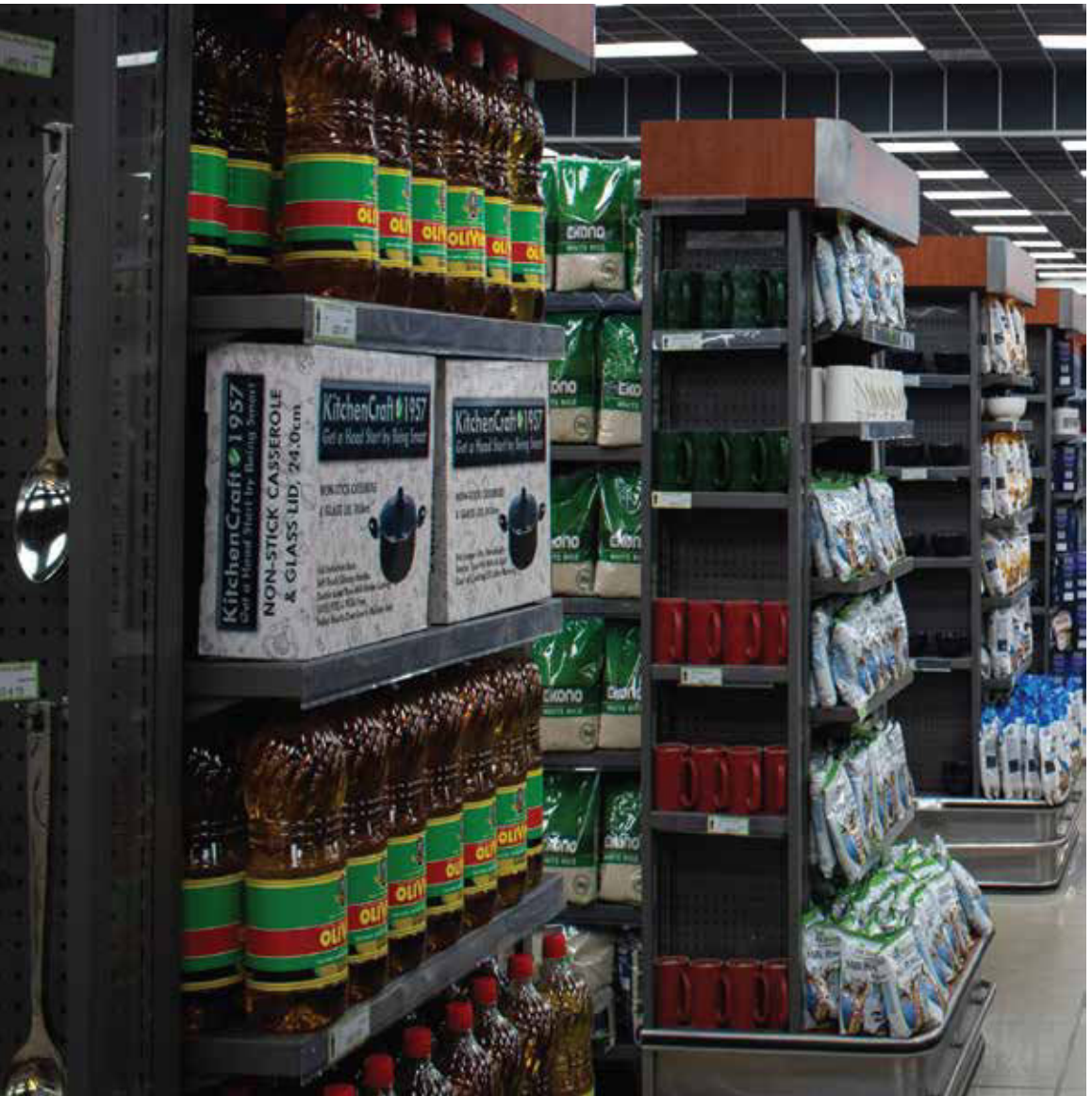
These special purpose Financial Statements have been prepared, with the objective of satisfying the Securities and Exchange Commission of Zimbabwe Notice SECZ070325. They have not been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and therefore reading the special purpose financial statements and the auditor's report thereon, is not a substitute for reading the audited general purpose consolidated financial statements and the auditor's report thereon.

The general purpose consolidated Financial Statements of the Company, which comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). were approved by the Directors on 30 October 2025 and a qualified audit opinion was issued on 30 October 2025.

The qualification was because of non-compliance with International Accounting Standard 21, “The Effects of Changes in Foreign Exchange Rates” (IAS 21), in relation to the exchange rates used in the translation of opening balances for certain non-monetary assets from Zimbabwean Dollars (ZWL) to United States Dollar (US\$) on the date of change of functional currency and the use of instore exchange rates for a certain period during the year and the inability for the auditors to obtain sufficient and appropriate audit evidence in respect of the existence and valuation of inventory in the current and prior periods.

Material uncertainties relating to going concern were also noted in respect of achieving the targeted revenue growth, access to required levels of liquidity support through banking facilities and the realisation of the fair value of additional properties should it be necessary to dispose them.

These are available for inspection at the Company's registered office. The engagement partner for this audit is Vinay Ramabhai (PAAB Practising Certificate Number 0569).”





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Independent Auditors' Report

To the shareholders of OK Zimbabwe Limited

Opinion

We have audited the special purpose consolidated financial statements of OK Zimbabwe Limited and its subsidiaries (the Group), which comprise the Consolidated Statement of Financial Position as at 31 March 2025, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes, comprising material accounting policy information and other explanatory information, as set out on pages 7 to 32.

In our opinion, the special purpose consolidated financial statements of OK Zimbabwe Limited for the year ended 31 March 2025, are prepared, in all material respects, in accordance with the basis of preparation described in notes 2 and 3.1 to the special purpose consolidated financial statements, with the objective of satisfying the requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the special purpose consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the special purpose consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 24 to the special purpose consolidated financial statements, which indicates that the Group incurred a net loss of ZWG669,027,589 during the year ended 31 March 2025 and, as of that date, the Group's current liabilities exceeded its current assets by ZWG500,518,549. As stated in note 24, these conditions, along with other events as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter



Emphasis of matter - Basis of preparation

We draw attention to note 2 to the special purpose consolidated financial statements, which describes the basis of accounting. The special purpose consolidated financial statements are prepared in accordance with the Group's accounting policies, with the objective of satisfying the requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matters

We draw attention to the matters below:

Statutory consolidated financial statements

The Group has prepared a statutory set of consolidated financial statements for the year ended 31 March 2025 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31), on which we issued a separate auditors' report to the shareholders of OK Zimbabwe Limited dated 30 October 2025.

The general purpose consolidated financial statements of the Group, which comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) were approved by the directors on 30 October 2025 and a qualified audit opinion was issued on the same day. The qualified opinion was in respect of non-compliance with IAS 21, *The Effects of Changes in Foreign Exchange Rates* in the current year and on the change of functional currency on 1 April 2024, impacting the current year and on comparability of the prior year numbers and our inability to obtain sufficient and appropriate audit evidence in respect of the existence and valuation of inventory for the year ended 31 March 2025 and prior years.

Comparatives

In addition, as this is the first year the directors have prepared this special purpose consolidated financial statements to comply with the basis of preparation as indicated in note 2, the comparative special purpose consolidated financial statements in ZWG for the year ended 31 March 2024 were not audited.

Responsibilities of the directors for the special purpose consolidated financial statements

The directors are responsible for the preparation of the special purpose consolidated financial statements in accordance with the basis of accounting described in note 2 to the special purpose consolidated financial statements, for determining that the basis of preparation is acceptable in the circumstance, with the objective of complying with Regulatory Notice Number: SECZ070325, and for such internal control as the directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.



Auditors' responsibilities for the audit of the special purpose consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG

Vinay Ramabhai
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0569

30 October 2025

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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