Hippo Valley Estates Limited

UNREVIEWED ABRIDGED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

Salient Features

	Sept-25	Sept-24	% Change
Sugar production (tons)	170 953	159 426	7%
Export market sales volumes (tons)	13 304	8 517	56%
Local market sales volumes (tons)	102 297	94 088	9%
Revenue (US$'000)	112 939	102 630	10%
Operating profit (US$'000)	24 530	13 709	79%
Adjusted EBITDA* (US$'000)	41 359	28 970	43%
Profit for the period (US$'000)	17 526	18 188	-4%
Net borrowings (US$'000)	11 219	10 938	-3%

*Adjusted EBITDA is operating profit adjusted to exclude depreciation, amortisation, any impairment (or reversal thereof) and fair value adjustments relating to biological assets.

Operating Environment Overview

The first half of the year was marked by liquidity challenges in both the United States Dollar (USD) and the Zimbabwean Dollar (ZWG) currencies, despite the noticeable exchange rate stability which the economy experienced following progressive monetary policy measures implemented at the start of the prior year. However, the gap between the exchange rate applicable to our sales and the exchange rate used by our suppliers of goods and services particularly those in the informal sector, continue to cause price misalignment by increasing costs while our sales are quoted at lower exchange rates in an effort to ensure sugar remains affordable. The multi-currency environment remains in place and USD transactions dominated compared to those denominated in the ZWG currency, due to the perceived stability when trading with the USD currency.

The ongoing global geopolitical events have resulted in inflationary pressures, increasing the price of key inputs like fertilisers, chemicals, packaging material and major spares through disruptions of the value chains. Challenges also stem from operational difficulties being experienced by key partners of the business which include the National Railways of Zimbabwe that is currently incapacitated to provide sugar and cane transportation services.

The country is entering the hot and rainy summer period, spanning November to March, which is expected to augment the levels of the supply dams. At present, these dams contain sufficient irrigation water to support two growing seasons. The business will maintain close monitoring of water availability to mitigate the potential impact of any abrupt or adverse changes in weather patterns.

Business Performance

Production Operations:

	Area under cane (hectares)			Sugar cane yield per hectare (tons)		Cane supply (tons)			Sugar production (tons)		Cane to Sugar ratio*
	Company	Private Farmers	Total	Company	Private Farmers	Company	Private Farmers	Total	Company	Industry	
Change	1% ↑	1% ↑	1% ↑	2% ↓	2% ↓	7% ↑	5% ↑	6% ↑	7% ↑	8% ↑	1% ↑
Sept-25	10 936	12 414	23 350	99.9	71.0	776 885	586 613	1 363 498	170 953	338 944	7.98
Sept-24	10 793	12 288	23 081	102.0	72.1	725 027	558 910	1 283 937	159 426	312 600	8.05

*Tons of cane required to be crushed to produce one ton of sugar.

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Principal Risks and Management Actions

The Board recognises several key risks where active management is essential to safeguard performance and drive value. These include: water security and infrastructure, power supply, cane costs, procurement costs for other goods and services, Division of Proceeds (DoP) uncertainty and logistical constraints. To mitigate these risks and maintain sustainable profits, management is proactively engaging with stakeholders, optimising operational efficiencies, negotiating supplier terms, and exploring flexible logistics solutions. Below is the detailed business performance analysis:

Agriculture

Cane harvested from the Company's plantations ("Miller-Cum-Planter") went up 7% from the same period reported for the prior year, driven by a combination of improved mill performances following a successful off crop campaign ahead of the 2025/26 season and cane delivery efficiencies experienced after retooling the business with new cane haulage equipment. These improvements contributed to a 9% increase in area harvested, reaching 7 780 hectares (2024: 7 113hectares). However, sugar cane yield per hectare marginally dropped by 2% due to electricity challenges for irrigation compounded by below normal rains (<80%) received in the October 2024 to December 2024 window and continued illegal water abstractions. Cane deliveries from private farmers were 5% above the prior period, largely in line with the increase in area under cane and consistent strong plant performance.

In addition to the positive operational performances, the Agriculture business unit continues to generate profits due to its internal cane sales to the Manufacturing business unit being priced at the same rate paid to private farmers. However, the Agriculture cost of doing business remains high, impacted by the following;

(a) Water security and infrastructure constraints
Water constraints remain a challenge for the industry with lobbying for a properly structured and efficient water distribution system being pursued through the responsible authorities.

(b) Cost of power
While power availability has improved, the business saw an increase in the energy cost due to inconsistences in power supply with the plant experiencing peak hours of maximum demand charged at a higher rate of 23 US cents per kilowatt hour compared to off peak hours which are charged at 14 US cents per kilowatt hour. This is also worsened by the additional charges of reactive energy. The business is looking into ways of managing these troughs and peaks in order to maximise on efficiencies.

(c) Labour cost pressures
The Company has implemented strategies to address the current minimum wage levels, particularly in comparison with other private farmers in the same sector and the broader agricultural industry. These measures are essential to improve profit margins and cash flow, which are currently insufficient to support retooling, recapitalisation, mechanisation, and modernisation of the business.

Milling

Our Manufacturing business unit registered a 7% increase in sugar production following an increase in the volume of cane crushed and improved plant uptime with 'overall time efficiency' (a measure of time utilisation to maximise output) increasing to 82.2% (2024: 80.9%).

However, the milling business battles with a high cost of production emanating from:

(a) Cane price
Cane purchased from private farmers including internal sales, is priced at US$71 per ton, way above regional benchmarks and this has continued to erode profit margins to unsustainable levels. The current cost of cane makes it difficult for the business to come up with competitive prices for our sugar customers.

(b) Division of Proceeds (DoP)
Our milling business profit margins still trail behind regional peers, due to a high DoP, which is currently at 77% in favour of farmers. There is a further legal process ongoing that is being challenged through the courts in terms of which the DoP is intended to be increased to 80.5% following the ruling made by governing authorities. For context, regional peers are on an average DoP of 59% - 65%, which makes the current one we have in Zimbabwe the highest in the region and also in Africa as a whole.

Due to the high cost of milling as demonstrated above, overall profitability of the business remains under pressure, which is to some extent cushioned by the Agriculture business unit profits, generated from own cane plantations.

Sales and Marketing

Following a successful production season in the prior year, the business started the year with adequate industry sugar stocks amounting to 95 974 tons, ready to fulfil both the local and export demand, surpassing prior years. Additionally, half year production performances to date have fully supported our sales front, further guaranteeing product availability in the market.

Industry Sugar Sales (tons)

	Sept 25	Sept 24	Change
Local	202 029	183 729	10% ↑
Export	26 490	16 454	61% ↑
Total	**228 519**	**200 183**	**14% ↑**

Local Market:

Local market volumes increased by 10% relative to the same period in the prior year, driven by robust demand, which was supported by a favourable agricultural season and ongoing interventions by authorities against counterfeit and illegally imported sugar products which also do not comply with fortification requirements. The strong demand is expected to continue, supported by targeted marketing initiatives which reinforce our market presence and further leverage the competitive advantages for our 'Huletts' sugar brand.

a member of TongaatHulett

Hippo Valley Estates Limited

UNREVIEWED ABRIDGED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

Export Market:

Industry export sales volumes, of which the Company accounted for 49.8% (2025: 52.5%) increased by 61% compared to the prior year. This was largely due to carry over export contracts which could not be fully delivered in the prior year following post-election civil unrest and associated logistical disruptions in Mozambique. There are more opportunities for more exports in the second half of the year.

Financial Results

Our financial performance highlights key milestones, challenges, and achievements. Building on strong operational results in both Agriculture and Manufacturing, the business closed the interim period with increased profits. However, cash generation remained limited due to high inventory levels that have not yet been converted into cash, alongside cash outflows already incurred for cane procurement from private farmers, agricultural inputs, manpower costs and related logistical expenses associated with sugar production. The current year crushing season was shortened from 33 weeks to 30 weeks, thereby increasing crushing rates and this created cashflow pressures in terms of input demands related to the crushing period, although benefits outweigh these challenges. Below is detailed financial performance analysis.

10% Revenue

Revenue marked a 10% growth from prior year, largely driven by a 14% increase in industry sales volumes and the benefit of better average price realisations from the local market where industry sales volumes shot up by 10%. Sales volumes were adequately supported by;

- Increased production in the prior year, which resulted in significant opening stocks.
- Good current year operational performances with production above prior year and targets.

The business continues to prioritise the local market, with excess sugar sold into the low-priced export markets. While export sales volumes rose by 61%, a significant portion of the sugar earmarked for the export market remained in stock due to logistical challenges in transporting the sugar to the port through rail and this impacted on the potential to further increase revenue although claw back is anticipated in the second half of the year.

4% Profit for the period

Operating profit improved by 79%, owing to the increase in revenue and reduction in costs due to improved efficiencies.

Additionally, after the change in functional currency in the prior year, some adjustments which impacted prior year tax were processed to normalise deferred tax liability in line with existing tax rules, with no similar adjustments in the current year and onwards. Resultantly, a tax credit was recognised in the prior year and a tax expense in the current year, with the US$25m operating profit for the current year pulled down to a profit for the year of US$18m.

Therefore, the 4% marginal decrease in profit for the year is the net of increased revenues and increased tax expense.

43% Adjusted EBITDA

Adjusted EBITDA, which excludes non-cash movements in the fair value of biological assets, increased to US$41 million from US$29 million in the prior year. The US$12m improvement in adjusted EBITDA is supported by a US$10m increase in revenue and US$2m decrease in costs, with project 'Zambuko' cost optimisation initiatives bringing improved operational efficiencies following the retooling of the business with critical equipment and running a successful off crop campaign prior to the commencement of the 2025/26 season.

Due to the seasonality nature of the business, a high adjusted EBITDA is realised in the first half of the year, benefiting from opening stocks and the build-up of sugar stocks due to production which is largely concentrated in the first six months of the year (22 weeks out of the 30 weeks of crushing for the full season). Additionally, off crop costs related to the maintenance of the plant, commence in the second half of the year, which will reduce profits realised in the interim period.

Therefore, it should be noted that, our half year results should be read in the context of the time we are in the season. Profits will reduce as the season closes.

59% Net cash generated from operations

The drop in net cash generated from operations is due to cash tied up in stock after closing the interim period with significant sugar stock levels which resulted in a US$12 million cash outflow (Sep 2025 industry stocks of 206 745 tons; 2024: 152 286 tons).

While the business experienced successful production seasons in the first six months of both the current and prior year, the potential to increase sugar sales has been obstructed largely by the logistical challenges to transport exports through rail and the low uptake of raw sugar by refiners as refined sugar customers have adjusted sugar content in their products to counter the negative effects of sugar tax.

Cash outflows for investing activities increased by US$1.5 million, in support of the retooling strategy particularly regarding agriculture equipment in order to eliminate outsourcing. Additionally, the replanting of roots was pushed up after resolving challenges experienced with the contracted companies in the prior year. These efforts were meant to foster improvements in yield and maintain an efficient cane haulage system which has to date delivered per targets.

However, due to cash tied up in stock, the business relied on short term loans to cushion cashflow gaps during the past six months which were concentrated with private farmer payments, agriculture inputs and cane haulage fuel. With more sales volumes to be sold in the last six months, the business anticipates opportunities to lower borrowings.

Dividend

In light of ongoing liquidity demands associated with the cane payments, elevated cost pressures, and the broader macroeconomic uncertainty, the Directors have resolved not to declare an interim dividend for the year ended 31 March 2026. This decision reflects the Company's prioritisation of financial stability and will be reviewed once its funding structure and cashflow generation are better aligned with its capital and operational requirements.

Environmental, Sustainability and Governance (ESG)

One Lost Time Injury (LTI) was recorded during the reporting period (2024:2). This resulted in a Lost Time Injury Frequency Rate (LTIFR) of 0.022 (2024: 0.038). One third party fatal accident was recorded involving a motorcyclist (third party) who rammed into the rear wheel of the Company tractor. A comprehensive corrective action, which includes raising awareness to members of the community on hazards associated with our operations is underway.

No significant environmental incident was recorded during the period under review. Additionally, in pursuit of our policy to minimise pollution from the company's activities, 80 tons of recyclable waste have been sold in the current year.

The Company's Occupational Health, Safety and Environmental Management Systems were recommended for continued recertification, subject to closure of dentified major findings by 31 December 2025 following an audit by the Standards Association of Zimbabwe.

Cane growing projects and other industry matters

Efforts to progress the implementation of Project Kilimanjaro, a 4000-hectare new cane development, continues and as previously reported, the initial 700 hectares (referred to as the Project Kilimanjaro Empowerment Block and benefiting 41 new farmers) has already been planted, with 682 hectares harvested this season.

A board of directors constituting representatives from government, private famers and Tongaat Hulett Zimbabwe (Hippo Valley Estates and its sister company Triangle Limited) continue to oversee the development of the remaining 3 300 hectares, and this board is currently considering funding options to complete the project.

The Company together with Triangle Limited continues to be engaged in other cane development initiatives intended for third-party farmers. However, the broader commercial and industrial implications of further expanding private farmer participation remain under review, particularly given the cost of cane and the DoP relative to regional benchmarks.

The commercial terms relating to the cane supply agreements remain as previously reported.

Land tenure

The Company is actively engaging with the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development to obtain title deeds for land previously held under offer letters and 99-year leases, as well as for land historically protected under BIPPA (Bilateral Investment Promotion and Protection Agreement) arrangements.

Outlook

The season ended with improved production performances against current year targets supported by;

- Increased mill uptime to encourage more cane deliveries.
- An efficient cane delivery system which now relies on own equipment that is within the business control.

Post the reported interim period, our harvesting/crushing season was subsequently completed on a positive note, with cane crushed having registered 1 771 051 tons (2025: 1 765 801 tons). Resultantly, sugar production reached 221 017 tons (2025: 219 112 tons), achieving a 1% increase from prior year which was supported by good operational efficiencies.

Project 'Zambuko' initiatives remain focused on cost reduction and revenue enhancement, with some of the benefits having been realised to date, testified by improved operational results. In addition, these strategies are geared towards ensuring that our sugar business becomes a low-cost producer, not only to achieve competitive prices but to make sugar affordable by the general populace in the country.

More effort will continue on sales, particularly exports which are currently below management targets and consider alternative disposal plans to promote raw sugar uptake. The business is proud to say, 'sugar availability is guaranteed in Zimbabwe' for both the local and export markets demand and this reinforces the need for the relevant authorities to discourage imports and support local production which additionally meets the health standards.

The DoP matter remains before the court and updates will be provided as the matter progresses.

Lastly, focus remains on our ESG key milestones to sustain high efficiencies, produce good quality products and maintaining a rigorous customer support for the remaining period and ensuing years.

By Order of the Board

C F Dube
Chairman

T R Masawi
Chief Executive Officer

27 November 2025

Hippo Valley Estates Limited

UNREVIEWED ABRIDGED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30 September 2025 US$'000 Unreviewed	30 September 2024 US$'000 Reviewed
Revenue		**112 939**	**102 630**
Cost of sales		(45 678)	(42 884)
Gross profit		**67 261**	**59 746**
Marketing and selling expenses		(11 370)	(10 546)
Administrative and other expenses		(19 631)	(25 128)
Expected credit losses		(204)	(574)
Fair value adjustment on biological assets		(13 560)	(12 436)
Other operating income		2 034	2 647
Operating profit		**24 530**	**13 709**
Net finance charges		**(531)**	**(2 220)**
Finance costs		(1 193)	(2 688)
Finance income		662	468
		23 999	**11 489**
Share of profit of associates		436	241
Profit before tax		**24 435**	**11 730**
Income tax (expense) /credit	1	(6 909)	6 458
Profit for the period		**17 526**	**18 188**
Other comprehensive (loss)/income net of tax		(451)	176
Actuarial loss on post-retirement provision		(445)	(442)
Exchange (loss) /gain on translation of foreign investments		(6)	618
Total comprehensive income		**17 075**	**18 364**
Number of Ordinary shares in Issue ("000" of shares)		193 021	193 021
Basic and diluted earnings per share (US$ cents)		9	9
Headline and diluted headline earnings per share (US$ cents)		9	9

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	30 September 2025 US$'000 Unreviewed	31 March 2025 US$'000 Audited
ASSETS		
Non-current assets	**48 703**	**47 236**
Property, plant and equipment	46 053	45 113
Intangible assets	22	33
Investments in associated companies	2 339	1 912
Right of use assets	289	178
Current assets	**160 423**	**125 789**
Biological assets	25 409	38 968
Inventories	77 818	42 680
Trade and other receivables	44 291	32 177
Amounts owed by related parties	6 932	7 187
Cash and cash equivalents	5 973	3 607
Current tax asset	-	1170
Total Assets	**209 126**	**173 025**
EQUITY AND LIABILITIES		
Capital and reserves	**114 017**	**96 942**
Issued share capital	5 425	5 425
Other components of equity	(3 488)	(3 482)
Retained earnings	112 080	94 999
Non current liabilities	**27 127**	**26 265**
Deferred tax liabilities	19 119	18 867
Provisions	7 802	7 261
Lease liability	206	137
Current liabilities	**67 982**	**49 818**
Trade and other payables	40 346	30 782
Leave pay provision	2 125	2 035
Lease liability	85	66
Borrowings	16 900	12 492
Amounts owing to group companies	613	1000
Current tax liability	5 164	-
Provisions	2 749	3 443
Total equity and liabilities	**209 126**	**173 025**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	Issued share capital US$'000	Non-distributable reserves US$'000	Retained earnings US$'000	Total US$'000
Balance at 31 March 2024 (Audited and Restated)	**5 425**	**(3 472)**	**81 685**	**83 638**
Total comprehensive income for the period	-	618	17 746	18 364
Profit for the period	-	-	18 188	18 188
Other comprehensive income /(loss) for the period	-	618	(442)	176
Other restatement adjustments	-	-	(413)	(413)
Balance at 30 September 2024 (Reviewed)	**5 425**	**(2 854)**	**99 018**	**101 589**
Balance at 31 March 2025 (Audited)	**5 425**	**(3 482)**	**94 999**	**96 942**
Total comprehensive (loss)/income for the period	-	(6)	17 081	17 075
Profit for the period	-	-	17 526	17 526
Other comprehensive loss for the period	-	(6)	(445)	(451)
Balance at 30 September 2025 (Unreviewed)	**5 425**	**(3 488)**	**112 080**	**114 017**

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Notes	30 September 2025 US$'000 Unreviewed	30 September 2024 US$'000 Reviewed
Cash flows from operating activities			
Profit before tax		24 435	11 730
Depreciation and amortisation	2	3 268	2 824
Exchange (gain)/loss		(1 910)	1 462
Net finance charges		531	2 221
Other non-cash gain		-	(11)
Share of profits from associates		(436)	(241)
Net movements in provisions		**(940)**	**577**
- Gross movements in provisions		45	1 667
- Movement attributable to revenue reserves		(985)	(1 090)
Fair value adjustment on biological assets		13 560	12 436
Cash generated from operations		**38 508**	**30 998**
Changes in working capital		(35 579)	(23 769)
Net cash generated from operations		**2 929**	**7 229**
Tax paid		(170)	(2 449)
Finance income received		170	468
Finance cost paid		(808)	(846)
Net cash inflow from operating activities		**2 121**	**4 402**
Cash flows from investing activities			
Loans advanced to related parties		(3 666)	(4 000)
Repayments by related parties		3 687	3 943
Additions to property, plant and equipment		**(4 138)**	**(2 525)**
- Other property, plant and equipment		(2 357)	(1 618)
- Cane roots		(1 781)	(907)
Proceeds on disposal of fixed assets		5	17
Net cash outflow from investing activities		**(4 112)**	**(2 565)**
Net cash (outflow)/inflow before financing activities		**(1 991)**	**1 837**
Cash flows from financing activities			
Proceeds from borrowings		21 251	6 416
Repayment of borrowings		(16 842)	(5 024)
Lease financing paid		(88)	(38)
Net cash inflow from financing activities		**4 321**	**1 354**
Net increase in cash and cash equivalents		**2 330**	**3 191**
Net cash and cash equivalents at the beginning of the period		3 607	1 314
Net foreign exchange differences		36	(1 347)
Net cash and cash equivalents at end of period		**5 973**	**3 158**

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UNREVIEWED ABRIDGED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS

	30 September 2025 US$'000 Unreviewed	30 September 2024 US$'000 Reviewed
1. Income tax (expense)/credit		
Normal tax	(6 501)	(1 765)
Deferred tax	(1 606)	(684)
Effects of currency translation	1 198	8 907
Charged to profit and loss	**(6 909)**	**6 458**
2. Depreciation and amortisation		
Depreciation of property, plant and equipment	982	744
Amortisation of intangible assets	11	14
Depreciation of roots	2 275	2 066
	3 268	**2 824**
3. Capital expenditure commitments		
Contracted and orders placed	922	974
Authorized by Directors but not contracted	4 434	2 977
	5 356	**3 951**

4. Statement of compliance

The abridged consolidated interim financial statements of the Company for the six months ended 30 September 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards as issued by the International Accounting Standards Board(IASB®) Accounting Standards (hereafter referred to as IFRS), and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC®) and in a manner required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE), the Zimbabwe Stock Exchange regulations, and as a minimum contain the information required by IAS 34 - Interim Financial Reporting (IAS 34).

The abridged consolidated interim financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the IASB. Accordingly, these statements are to be read in conjunction with the annual financial statements for the year ended 31 March 2025 and any public announcements made by the Company during the interim reporting period.

5. Basis of preparation

The financial statements are based on statutory records that are maintained under the historical cost convention except for the valuation at fair value at the end of each reporting period for certain assets. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of the transaction.

The abridged interim financial statements are presented in United States dollars (US$), which is the Company's functional currency.

6. Impact of Tongaat Hulett South Africa Business Rescue

The business rescue plan for Tongaat Hulett South Africa is still ongoing in terms of finalising Equity Subscription by the Vision Partners, that is to complete the alternative transaction which is the sale of THL's operations and assets to Vision. Vision Investments 155 (Pty) Ltd paid the full remaining amount owed to the Lender Group and this means that Vision has now formally replaced the Lender Group and is now the sole lender to Tongaat Hulett Limited (THL).

While the international businesses which include Hippo Valley Estates are not in business rescue, Vision Sugar Holdings (Mauritius) acquired Triangle Sugar Corporation which is the Company's majority shareholder.

7. Provision for an adjustment in the Division of Proceeds (DoP) ratio

Private farmers who deliver cane to the mills are paid using either a fixed price per ton of sugarcane or a price related to the sugar proceeds through the ruling Division of Proceeds (DoP). The DoP refers to the share of sugar sales proceeds between the farmer and the miller for each ton of sugar sold. On 07 October 2024, the Group became aware of a potential liability arising from the 2016 DoP validation exercise carried out by a consultant and overseen by the Ministry of Industry and Commerce. The Ministry announced an increase in DoP from 77% to 80.5% in favour of the farmers with effect from the financial year beginning April 2022. The Group challenged the process and results of the validation exercise in the High Court and the court upheld the determination by the Ministry of Industry and Commerce, following which an appeal was filed at the Supreme Court. The court case remains unresolved after it was heard in the Supreme Court on 12 June 2025 and referred back to the High Court where it is scheduled for 12 of November 2025. Further updates will be provided as the matter progresses.

8. Subsequent events

There were no material subsequent events affecting financial information for the half year ended 30 September 2025.

9. Going concern

The IFRS Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements of the Company. The financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting are required.

In terms of IAS 1 Presentation of Financial Statements (IAS 1), management is required to make an assessment of the Group's ability to continue as a going concern. To this extent, IAS 1 states that when management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, such uncertainties should be disclosed. Below were major highlights in the going concern assessment.

- Water required for sugar cane farming is adequately supported by our four major supplying dams (Tugwi-Mukosi, Lake Mutirikwi, Manjirenji and Siya) which are currently holding water levels above 70%.
- The Company locally holds a significant market share of the 'Huletts' sugar brand following the repeal of the statutory instrument that allowed duty free non-fortified sugar imports.
- Engagements with relevant stakeholders (Private farmers, Suppliers, Customers and Statutory Authorities) continues to ensure the business operate sustainably.
- The business continues with good operational performances after commencing the year with adequate sugar stocks and progressing the year with key metrics above targets and prior year performances.
- While the business continues to operate at a high cost of production due to the expensive cane from private farmers and a significant minimum wage, the Company has benefited from 'Project Zambuko' strategies, which have offered initiatives to reduce the cost of doing business and enhance revenue opportunities with the current year revenue having surpassed prior year.

Accordingly, the Directors believe that as of the date of this report, the going concern presumption is still appropriate after having assessed the ability of the Company to continue as a going concern. Management and the Directors are not aware of any such material uncertainties.

10. Borrowings

The borrowings are unsecured and are at an average finance cost of 11% per annum (2025: 11%).

11. Interim Results Conclusion

The financial statements for the 6 months ending 30 September 2025 have not been reviewed in line with the waiver of section 38 (1) (a) of the Securities and Exchange rules by statutory instrument 134/19 granted by the Zimbabwe Stock Exchange.

By order of the Board
Hippo Valley Estates Limited
Registration No. 371/1956
Registered Office: Hippo Valley Estates Limited, Chiredzi

Pauline Kadembo
Company Secretary

27 November 2025

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Hippo Valley Estates Limited

UNREVIEWED ABRIDGED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

SPECIAL PURPOSE FINANCIAL INFORMATION: ZWG FINANCIAL STATEMENTS

The following abridged financial information has been provided as supplementary information to comply with the Reserve Bank of Zimbabwe (RBZ) directive, which was issued through the 2025 monetary policy statement.

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30 September 2025 ZWG'000 Unreviewed	30 September 2024 ZWG'000 Unreviewed
Revenue		3 009 132	2 553 753
Cost of sales		(1 217 024)	(1 067 087)
Gross profit		**1 792 108**	**1 486 666**
Marketing and selling expenses		(302 942)	(262 417)
Administrative and other expenses		(523 047)	(625 263)
Expected credit losses		(5 448)	(14 283)
Fair value adjustment on biological assets		(361 283)	(309 446)
Other operating income		54 194	65 866
Operating profit		**653 582**	**341 123**
Net monetary gain			
Net finance charges		**(14 154)**	**(55 241)**
Finance costs		(31 788)	(66 886)
Finance income		17 634	11 645
		639 428	**285 882**
Share of profit of associates		11 604	5 997
Profit before tax		**651 032**	**291 879**
Income tax (expense)/credit	1	(184 084)	160 695
Profit for the period		**466 948**	**452 574**
Other comprehensive (loss)/gain net of tax		(23 808)	951 298
Actuarial loss on post-retirement provision		(11 867)	(10 998)
Exchange (loss) /gain on translation of foreign investments		(163)	15 378
Translation effects		(11 778)	946 918
Total comprehensive income		**443 140**	**1 403 872**
Number of Ordinary shares in Issue ("000" of shares)		193 021	193 021
Basic and diluted earnings per share (ZWG cents)		242	235
Headline and diluted headline earnings per share (ZWG cents)		242	235

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	30 September 2025 ZWG'000 Unreviewed	31 March 2025 ZWG'000 Audited
ASSETS		
Non-current assets	**1 297 650**	**1 264 282**
Property, plant and equipment	1 227 023	1 207 455
Intangible assets	598	894
Investments in associated companies	62 340	51 173
Right of use assets	7 689	4 760
Current assets	**4 274 281**	**3 366 787**
Biological assets	676 982	1 043 000
Inventories	2 073 380	1 142 351
Trade and other receivables	1 180 073	861 226
Amounts owed by related parties	184 702	192 376
Cash and cash equivalents	159 144	96 530
Current tax assets	-	31 304
Total Assets	**5 571 931**	**4 631 069**
EQUITY AND LIABILITIES		
Capital and reserves	**3 037 837**	**2 594 697**
Issued share capital	144 541	145 200
Other components of equity	(92 932)	(93 192)
Retained earnings	2 986 228	2 542 689
Non current liabilities	**722 781**	**703 003**
Deferred tax liabilities	509 409	504 988
Provisions	207 876	194 350
Lease liability	5 496	3 665
Current liabilities	**1 811 313**	**1 333 369**
Trade and other payables	1 074 956	823 857
Leave pay provision	56 627	54 479
Lease liability	2 272	1 766
Borrowings	450 292	334 341
Current tax liability	137 595	-
Provisions	73 249	92 161
Amounts owing to group companies	16 322	26 765
Total equity and liabilities	**5 571 931**	**4 631 069**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	Issued share capital ZWG'000	Non-distributable reserves ZWG'000	Retained earnings ZWG'000	Total ZWG'000
Balance at 31 March 2024 (Unaudited)	**73 571**	**(47 083)**	**1 107 782**	**1 134 270**
Total comprehensive income/(loss) for the period	61 418	(23 927)	1 366 381	1 403 872
Profit for the period	-	-	452 574	452 574
Other comprehensive income /(loss) for the period	-	15 378	(10 998)	4 380
Translation effects	61 418	(39 305)	924 805	946 918
Other restatement adjustments	-	-	(10 292)	(10 292)
Balance at 30 September 2024 (Unreviewed)	**134 989**	**(71 010)**	**2 463 871**	**2 527 850**
Balance at 31 March 2025 (Audited)	**145 200**	**(93 192)**	**2 542 689**	**2 594 697**
Total comprehensive (loss)/income for the period	(659)	260	443 539	443 140
Profit for the period	-	-	466 948	466 948
Other comprehensive loss for the period	-	(163)	(11 867)	(12 030)
Translation effects	(659)	423	(11 542)	(11 778)
Balance at 30 September 2025 (Unreviewed)	**144 541**	**(92 932)**	**2 986 228**	**3 037 837**

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Notes	30 September 2025 ZWG'000 Unreviewed	30 September 2024 ZWG'000 Unreviewed
Cash flows from operating activities			
Profit before tax		651 032	291 879
Depreciation and amortisation	2	87 094	70 270
Exchange (gain)/loss		(50 827)	36 379
Net finance charges		14 154	55 265
Other non-cash gain		(3)	(274)
Share of profits from associates		(11 604)	(5 997)
Net movements in provisions		**(25 057)**	**14 358**
- Gross movements in provisions		1 200	41 480
- Movement attributable to revenue reserves		(26 257)	(27 122)
Fair value adjustment on biological assets		361 283	309 446
Cash generated from operations		**1 026 072**	**771 326**
Changes in working capital		(947 974)	(591 446)
Net cash generated from operations		**78 098**	**179 880**
Tax paid		(4 534)	(60 939)
Finance income received		4 516	11 645
Finance cost paid		(21 528)	(21 051)
Net cash inflow from operating activities		**56 552**	**109 535**
Cash flows from investing activities			
Loans advanced to related parties		(97 673)	(99 532)
Repayments by related parties		98 227	98 114
Additions to property, plant and equipment		**(110 266)**	**(62 830)**
- Other property, plant and equipment		(62 801)	(40 261)
- Cane roots		(47 465)	(22 569)
Proceeds on disposal of fixed assets		126	423
Net cash outflow from investing activities		**(109 586)**	**(63 825)**
Net cash (outflow)/inflow before financing activities		**(53 034)**	**45 710**
Cash flows from financing activities			
Proceeds from borrowings		566 211	159 638
Repayment of borrowings		(448 742)	(125 001)
Lease financing paid		(2 346)	(944)
Net cash inflow from financing activities		**115 123**	**33 693**
Net increase in cash and cash equivalents		**62 089**	**79 403**
Net cash and cash equivalents at the beginning of the period		96 530	17 827
Net foreign exchange differences		963	(33 524)
Translation effects		(438)	14 882
Net cash and cash equivalents at end of period		**159 144**	**78 588**

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Hippo Valley Estates Limited

UNREVIEWED ABRIDGED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS

	30 September 2025 ZWG'000 Unreviewed	30 September 2024 ZWG'000 Unreviewed
1. Income tax (expense)/credit		
Normal tax	(173 214)	(43 919)
Deferred tax	(42 783)	(17 020)
Effects of currency translation	31 913	221 634
Charged to profit and loss	**(184 084)**	**160 695**
2. Depreciation and amortisation		
Depreciation of property, plant and equipment	26 178	18 514
Amortisation of intangible assets	292	348
Depreciation of roots	60 624	51 408
	87 094	**70 270**
3. Capital expenditure commitments		
Contracted and orders placed	24 571	24 240
Authorized by Directors but not contracted	118 143	74 067
	142 714	**98 307**

4. Statement of compliance

The Group's abridged unreviewed special purpose financial statements have been prepared in accordance with the requirements of the RBZ directive to present financial statements in a common presentation currency, (ZWG). The financial statements also comply with the Monetary Policy Statement (MPS) of 6 February 2025 in the manner required by the Zimbabwe Stock Exchange Notice of 12 March 2025.

5. Basis of preparation

The financial statements are based on US$ statutory records that are maintained under the historical cost convention except for the valuation at fair value at the end of each reporting period for certain assets. Historical cost is based on US$ statutory records that have been translated to ZWG in line with the RBZ directive, to present financial statements in a common presentation currency (ZWG).

For the purpose of preparing special purpose abridged financial statements, the Group translated US$ financial statements as below:

- Statement of Financial Position balances were translated from USD to ZWG using the exchange rate as at 30 September 2025 of US$1: ZWG26.64
- Statement of Comprehensive Income and Statement of Cashflows transactions were translated from USD to ZWG using the closing exchange rate as at 30 September 2025 of US$1: ZWG26.64
- Comparative Statement of Financial Position balances were translated from USD to ZWG using the exchange rate as at 31March 2025 of US$1: ZWG26.77
- Comparative Statement of Comprehensive Income and Statement of Cashflows were translated from USD to ZWG using the exchange rate as at 30 September 2024 of US$1: ZWG24.88