

MEIKLES

— L I M I T E D —

SHORT-FORM UNAUDITED INTERIM FINANCIAL RESULTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 AUGUST 2025

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This short-form financial results announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

A copy of the full announcement is available on the Zimbabwe Stock Exchange website www.zse.co.zw and the Company website link <https://meiklesltd.com/press-statments.html>. The full announcement is also available on request, at no charge, via email on investorrelations@meikles.com and RMutakwa@zb.co.zw.

6 MONTHS ENDED	INFLATION ADJUSTED			HISTORICAL COST*		
	UNAUDITED	UNAUDITED	%	UNAUDITED	UNAUDITED	%
	31 AUG 2025 ZWG 000	31 AUG 2024 ZWG 000	Change	31 AUG 2025 ZWG 000	31 AUG 2024 ZWG 000	Change
Revenue	6,043,462	5,389,324	12%	5,926,138	2,811,720	111%
Loss for the period	(165,748)	(1,507)	(10,889%)	(108,886)	(14,409)	(656%)
Basic and diluted losses per share (ZWG cents)	(37.75)	(6.60)	(472%)	(27.00)	(8.80)	(207%)
Headline losses per share (ZWG cents)	(37.86)	(16.04)	(136%)	(27.09)	(18.22)	(49%)

PERIOD ENDED	UNAUDITED	AUDITED	%	UNAUDITED	UNAUDITED	%
	31 AUG 2025	28 FEB 2025	Change	31 AUG 2025	28 FEB 2025	Change
	ZWG 000	ZWG 000		ZWG 000	ZWG 000	
Total assets	3,032,693	3,333,416	(9%)	2,610,652	2,753,169	(5%)
Total equity	1,317,330	1,540,649	(14%)	994,256	1,158,792	(14%)
Total liabilities	1,715,363	1,792,767	(4%)	1,616,396	1,594,377	1%

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results.

Interim dividend

Due to the challenging operating environment, the Board has opted not to declare an interim dividend so as to preserve cash and maintain a strong liquidity position.



F. King
Chairman
4 December 2025



MEIKLES

— L I M I T E D —

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2025

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TM PnP Supermarket Village Walk, Harare

FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL COST	
	ZWG 000	% Change Aug 2025 vs Aug 2024	ZWG 000	% Change Aug 2025 vs Aug 2024
Revenue	6,043,462	12%	5,926,138	111%
Gross profit	1,769,046	31%	1,764,044	147%
Net operating costs	(1,868,918)	32%	(1,765,187)	136%
EBITDA	70,749	74%	96,467	303%
Loss for the period	(165,748)	(10,899%)	(108,886)	(656%)
Basic and diluted losses per share (ZWG cents)	(37.75)	(472%)	(27.00)	(207%)
Headline losses per share (ZWG cents)	(37.86)	(136%)	(27.09)	(49%)

CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

The operating environment remained challenging for formal retail businesses during the period under review. Although the repeal of Statutory Instrument (SI) 81A through SI 34 of 2025 enhanced the ability of formal operators to compete on price with their informal counterparts, trading conditions were still constrained. The authorities' tight monetary policy contributed to price stability but simultaneously suppressed consumer demand.

The cost of doing business continues to be prohibitively high for formal enterprises. The Group therefore welcomes the Government's recent pronouncements and its strategic focus on alleviating this burden. Operational difficulties were further compounded by intermittent power supply and persistently elevated operating costs, which intensified the pressures faced throughout the period.

GROUP FINANCIAL RESULTS

Group revenue totalled ZWG 6.0 billion in inflation-adjusted terms, up from ZWG 5.4 billion in the prior year. On a historical cost basis, revenue increased by 111% to ZWG 5.9 billion. The supermarket segment remained the principal contributor, accounting for 98% of total revenue (2024: 99%).

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 74% in inflation-adjusted terms to ZWG 70.7 million. The interest expense of ZWG 33.4 million was primarily attributable to IFRS 16 lease-related interest of ZWG 27.2 million, with the remaining ZWG 6.2 million arising from bank loan interest.

An exchange loss of ZWG 65.1 million was incurred following the remeasurement of USD-denominated trade payables within the supermarket segment. The Group reported an after-tax loss of ZWG 165.7 million, compared to a loss of ZWG 1.5 million in the prior year. This result reflects the challenging macroeconomic conditions impacting the retail sector. Nonetheless, the Group remains committed to navigating these headwinds through strategic adaptation and operational resilience.

Notwithstanding these pressures, the Group's solvency and liquidity positions remain robust, continuing to underpin operations across all business segments.

REVIEW OF OPERATIONS

TM Supermarkets trading as TM Pick n Pay

Inflation-adjusted revenue rose to ZWG 5.9 billion, compared with ZWG 5.3 billion in the prior year, representing an 11% increase. Management estimates that revenue in United States dollar terms amounted to USD 188 million, reflecting a 6% decline on the previous year.

Units sold declined marginally by 1% during the reporting period. A new branch was opened in Shurugwi during the period under review. The proportion of revenue received in US dollars increased to 36%, compared with 25% in the previous year. This upward trajectory was maintained throughout the period, rising from 30% in March to 48% by August 2025. The repeal of SI 81A of 2024 through SI 34 of 2025 has restored and strengthened the competitiveness of formal retail across all currencies.

The gross profit margin declined to 28%, down from 31%, while the operating cost margin rose to 31% from 27%. Profitability was adversely affected by both the contraction in gross margin and the increase in operating expenses, leading to a reduction in operating profit margin. This performance reflects the pressures of an operating environment characterised by rising costs. Operational strategies have been, and continue to be, reviewed. Notably, changes implemented in recent months have begun to yield encouraging trends.

EBITDA increased to ZWG 83.2 million in inflation-adjusted terms, up from ZWG 33 million in the previous year.

CHAIRMAN'S STATEMENT (continued)

REVIEW OF OPERATIONS (continued)

TM Supermarkets trading as TM Pick n Pay (continued)

The segment recorded a loss after tax of ZWG 143.0 million in inflation-adjusted terms, compared to a profit of ZWG 27.0 million in the prior year. On a historical cost basis, the loss was ZWG 84.1 million, versus a profit of ZWG 14.8 million in the previous year.

Despite the loss, the segment effectively managed its working capital without resorting to borrowings. Branches remained adequately stocked throughout the period. Solvency and liquidity positions remain sound and are being closely monitored in light of prevailing economic conditions.

Hospitality

The Board has revised its earlier decision to divest the Group's interest in hospitality operations. Consequently, these operations have been reclassified from discontinued operations and assets held for sale to continuing operations.

The outlook for tourism remains highly encouraging. Notably, Forbes has named Zimbabwe the top global destination to visit in 2025. This prestigious international recognition is expected to elevate the country's tourism profile and drive growth in international arrivals over the coming months.

Revenue for the period rose to ZWG 96.6 million, up from ZWG 44.6 million in the prior year. The segment's functional currency is the USD, and its primary financial statements are denominated accordingly. In USD terms, revenue increased by 10%, supported by a 9% uplift in the average room rate and a one-percentage-point improvement in room occupancy.

Profit after tax amounted to ZWG 12.5 million, compared to ZWG 6.1 million in the previous year. In USD terms, profit grew by 2%, although this was tempered by operating cost increases that outpaced revenue growth.

Properties

Revenue for the period increased to ZWG 21.0 million, compared to ZWG 14.8 million in the prior period. The segment's functional currency was changed to United States Dollars (USD) with effect from 1 March 2025, and its primary financial statements for the period under review are now denominated in USD. In USD terms, revenue rose by 41%. However, as this is the first reporting period following the change in functional currency, prior year comparatives are affected by distortions arising from hyperinflation and multiple exchange rates.

The segment recorded a profit after tax of ZWG 3.3 million, compared to a profit of ZWG 6.5 million in the previous year, primarily due to bank interest charges. Last year's profitability was significantly enhanced by a gain of ZWG 24 million from the disposal of property.

The refurbishment of the flagship property in Bulawayo has recently been completed, with tenants now taking occupation. It is anticipated that revenue from this building will contribute meaningfully to the entity's profitability and overall value.

OUTLOOK

Supermarkets are preparing for the festive season, traditionally a peak period for revenue generation. Trading results for September and October 2025 showed an overall improvement compared to the preceding months. From a working capital perspective, the segment is well-positioned to fully stock up in anticipation of elevated demand. The Group remains optimistic about its performance across all segments for the remainder of the financial year and beyond.

DIRECTORATE

There were no changes to the Board of Directors during the period under review.

INTERIM DIVIDEND

Due to the challenging operating environment, the Board has opted not to declare an interim dividend so as to preserve cash and maintain a strong liquidity position.

APPRECIATION

I wish to extend my sincere appreciation to our valued customers, suppliers, shareholders, and regulatory authorities for their continued support. I also express my gratitude to the Board of Directors, management, and staff for their unwavering dedication and commitment.



F. King
Chairman

4 December 2025

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 AUGUST 2025**

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
Revenue	4.1	6,043,462	5,389,324	5,926,138	2,811,720
Cost of sales	5	(4,274,416)	(4,036,981)	(4,162,094)	(2,098,445)
Net operating costs	6	(1,868,918)	(1,419,264)	(1,765,187)	(746,741)
Operating loss	4.1	(99,872)	(66,921)	(1,143)	(33,466)
Investment income	7.1	6,277	2,748	6,249	2,580
Finance costs	7.2	(33,384)	(19,029)	(33,058)	(10,382)
Net exchange losses		(65,124)	(126,209)	(66,028)	(18,186)
Net monetary adjustment		26,653	111,799	-	-
Loss before tax		(165,450)	(97,612)	(93,980)	(59,454)
Income tax (expense) / credit	8.1	(298)	96,105	(14,906)	45,045
Loss for the period from continuing operations		(165,748)	(1,507)	(108,886)	(14,409)
DISCONTINUED OPERATIONS					
Profit for the period from discontinued operations	9	-	-	-	-
LOSS FOR THE PERIOD		(165,748)	(1,507)	(108,886)	(14,409)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translation of foreign operations		3,501	12,122	5,319	12,122
Other comprehensive income for the period, net of tax		3,501	12,122	5,319	12,122
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(162,247)	10,615	(103,567)	(2,287)
Loss for the period attributable to:					
Owners of the parent		(98,542)	(17,225)	(70,480)	(22,971)
Non-controlling interests		(67,206)	15,718	(38,406)	8,562
		(165,748)	(1,507)	(108,886)	(14,409)
Total comprehensive (loss) / income attributable to:					
Owners of the parent		(95,041)	(5,103)	(65,161)	(10,849)
Non-controlling interests		(67,206)	15,718	(38,406)	8,562
		(162,247)	10,615	(103,567)	(2,287)
Losses per share (cents)					
Basic and diluted losses per share		(37.75)	(6.60)	(27.00)	(8.80)

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2025

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
ASSETS					
Non-current assets					
Property, plant and equipment	11	571,019	568,620	367,275	320,975
Investment property	12	110,723	74,102	86,439	49,812
Right of use assets	13	549,235	601,810	327,501	352,844
Other financial assets	14	296,489	287,623	296,489	287,360
Deferred tax	8.2	5,481	6,030	37,655	6,372
Total non-current assets		1,532,947	1,538,185	1,115,359	1,017,363
Current assets					
Inventories	15	858,150	886,766	854,757	850,226
Trade and other receivables	16	192,785	231,339	191,725	221,560
Other financial assets	14	4,465	1,950	4,465	1,879
Cash and bank balances		444,346	617,473	444,346	604,438
		1,499,746	1,737,528	1,495,293	1,678,103
Assets held for sale	9	-	57,703	-	57,703
Total current assets		1,499,746	1,795,231	1,495,293	1,735,806
Total assets		3,032,693	3,333,416	2,610,652	2,753,169
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		12,855	12,855	2,611	2,611
Share premium		16,042	16,042	8,690	8,690
Other reserves		674,632	671,131	406,990	401,671
Retained earnings		188,269	342,786	311,608	438,063
Equity attributable to equity holders of the parent		891,798	1,042,814	729,899	851,035
Non-controlling interests		425,532	497,835	264,357	307,757
Total equity		1,317,330	1,540,649	994,256	1,158,792
Non-current liabilities					
Deferred tax	8.2	184,063	225,476	85,096	79,471
Lease liabilities	17	178,454	148,303	178,454	143,478
Total non-current liabilities		362,517	373,779	263,550	222,949
Current liabilities					
Trade and other payables	18	1,184,166	1,229,957	1,184,166	1,185,804
Borrowings	19	132,521	82,496	132,521	82,496
Lease liabilities	17	36,159	79,676	36,159	76,269
		1,352,846	1,392,129	1,352,846	1,344,569
Liabilities relating to assets classified as held for sale		-	26,859	-	26,859
Total current liabilities		1,352,846	1,418,988	1,352,846	1,371,428
Total liabilities		1,715,363	1,792,767	1,616,396	1,594,377
Total equity and liabilities		3,032,693	3,333,416	2,610,652	2,753,169

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results.



F. King
Chairman

4 December 2025



T. Muzvagwandonga
Finance Director

4 December 2025

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 AUGUST 2025**

INFLATION ADJUSTED	Share capital ZWG 000	Share premium ZWG 000	Other reserves ZWG 000	Retained earnings ZWG 000	Attributable to owners of parent ZWG 000	Non-controlling interests ZWG 000	Total ZWG 000
2025 – Unaudited							
Balance at 1 March 2025	12,855	16,042	671,131	342,786	1,042,814	497,835	1,540,649
Loss for the period	-	-	-	(98,542)	(98,542)	(67,206)	(165,748)
Other comprehensive income for the period	-	-	3,501	-	3,501	-	3,501
Dividend declared – ordinary shareholders	-	-	-	(55,975)	(55,975)	-	(55,975)
Dividend declared – non-controlling interests	-	-	-	-	-	(5,097)	(5,097)
Balance at 31 August 2025	12,855	16,042	674,632	188,269	891,798	425,532	1,317,330

	Share capital ZWG 000	Share premium ZWG 000	Other reserves ZWG 000	Retained earnings ZWG 000	Attributable to owners of parent ZWG 000	Non-controlling interests ZWG 000	Total ZWG 000
2024 – Unaudited							
Balance at 1 March 2024	12,855	16,042	382,028	344,534	755,459	606,444	1,361,903
(Loss) / profit for the period	-	-	-	(17,225)	(17,225)	15,718	(1,507)
Other comprehensive income for the period	-	-	12,122	-	12,122	-	12,122
Dividend declared – ordinary shareholders	-	-	-	(50,319)	(50,319)	-	(50,319)
Dividend declared – non-controlling interests	-	-	-	-	-	(4,497)	(4,497)
Balance at 31 August 2024	12,855	16,042	394,150	276,990	700,037	617,665	1,317,702

HISTORICAL COST*	Share capital ZWG 000	Share premium ZWG 000	Other reserves ZWG 000	Retained earnings ZWG 000	Attributable to owners of parent ZWG 000	Non-controlling interests ZWG 000	Total ZWG 000
2025 – Unaudited							
Balance at 1 March 2025	2,611	8,690	401,671	438,063	851,035	307,757	1,158,792
Loss for the period	-	-	-	(70,480)	(70,480)	(38,406)	(108,886)
Other comprehensive income for the period	-	-	5,319	-	5,319	-	5,319
Dividend declared – ordinary shareholders	-	-	-	(55,975)	(55,975)	-	(55,975)
Dividend declared – non-controlling interests	-	-	-	-	-	(4,994)	(4,994)
Balance at 31 August 2025	2,611	8,690	406,990	311,608	729,899	264,357	994,256

	Share capital ZWG 000	Share premium ZWG 000	Other reserves ZWG 000	Retained earnings ZWG 000	Attributable to owners of parent ZWG 000	Non-controlling interests ZWG 000	Total ZWG 000
2024 – Unaudited							
Balance at 1 March 2024	2,611	8,690	117,385	512,577	641,263	316,064	957,327
(Loss) / profit for the period	-	-	-	(22,971)	(22,971)	8,562	(14,409)
Other comprehensive income for the period	-	-	12,122	-	12,122	-	12,122
Dividend declared – ordinary shareholders	-	-	-	(50,319)	(50,319)	-	(50,319)
Dividend declared – non-controlling interests	-	-	-	-	-	(2,321)	(2,321)
Balance at 31 August 2024	2,611	8,690	129,507	439,287	580,095	322,305	902,400

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 AUGUST 2025

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
Net cash (used in) / generated from operating activities	10.1	(15,309)	445,056	13,331	(21,191)
Cash flows from investing activities					
Payment for property, plant and equipment and investment property	11 ; 12	(116,239)	(93,806)	(114,696)	(49,083)
Proceeds from disposal of property, plant and equipment and investment property		297	24,752	251	13,075
Net movement in service assets	11	153	(97)	153	(97)
Additions to other financial assets	14	(10,110)	(4,753)	(9,953)	(2,458)
Disposal of other financial assets	14	162	53	162	29
Investment income		4,693	2,400	4,691	2,406
Net cash used in investing activities		(121,044)	(71,451)	(119,392)	(36,128)
Cash flows from financing activities					
Proceeds from interest-bearing borrowings	19	48,159	-	48,159	-
Repayment of interest-bearing borrowings	19	(4,931)	-	(4,931)	-
Finance costs; other		(10)	(2,760)	(10)	(499)
Lease rental payments; principal	17	(20,722)	(8,633)	(20,461)	(4,536)
Lease rental payments; finance costs	17	(27,175)	(18,000)	(26,849)	(9,335)
Dividend paid – ordinary shareholders		(55,942)	(42,587)	(55,942)	(46,177)
Dividend paid – non-controlling interests		(5,097)	(4,497)	(4,994)	(2,321)
Net cash used in financing activities		(65,718)	(76,477)	(65,028)	(62,868)
Net (decrease) / increase in cash and bank balances		(202,071)	297,128	(171,089)	(120,187)
Cash and bank balances at the beginning of the period		630,238	315,778	617,203	259,578
Effects of currency translation on cash and bank balances - foreign operations		(2,808)	7,437	(3,610)	106,830
Net effect of exchange rate changes on cash and bank balances		70	(68,890)	1,842	37,025
Effects of inflation adjustments		18,917	(164,892)	-	-
Cash and bank balances at the end of the period		444,346	386,561	444,346	283,246

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Meikles Limited, (the Company), is a limited liability company incorporated in Zimbabwe and is listed on the Zimbabwe and London Stock Exchanges. The address of the Company's registered office and principal place of business is disclosed on page 25. The principal activity of the Company is investments holding and the principal activities of its operating subsidiaries are disclosed below:

Entity	Holding	Principal activity	Country of incorporation
Meikles Hospitality (Private) Limited	100%	Hotels	Zimbabwe
Cape Grace Investments Limited	100%	Investment Company	British Virgin Islands
Thomas Meikle Properties (Private) Limited	100%	Property owning	Zimbabwe
Meikles Guard Services (Private) Limited	100%	Security services	Zimbabwe
TM Supermarkets (Private) Limited	51%	Retail	Zimbabwe

The interim condensed consolidated financial statements of Meikles Limited and its subsidiaries were authorised for issue by the directors on 4 December 2025.

2. Basis of preparation and Group accounting policies

2.1 Basis of preparation

These interim condensed consolidated inflation adjusted financial statements have been prepared from statutory records that are maintained under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The historical costs have been adjusted for the effects of restatements arising from the application of IAS® Standards ("IAS"), specifically IAS 29 – "Financial Reporting in Hyperinflationary Economies". Refer to note 2.5 for further details.

These interim condensed consolidated inflation adjusted financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – "Interim Financial Reporting", the Zimbabwe Stock Exchange Listings Requirements and the Companies and Other Business Entities Act [Chapter 24:31].

The interim condensed consolidated inflation adjusted financial statements were prepared under the supervision of Thempsom Muzvagwandoga CA (Z), the Group Finance Director, and registered public accountant PAAB Number 2724.

2.2 Accounting policies

Accounting policies and methods of computation applied in preparing these interim condensed consolidated financial statements are consistent, in all material respects, with those used in preparing the Group's financial statements for the year ended 28 February 2025. New applicable standards and improvements that became effective in the current period have been complied with and have had no material impact on these interim condensed consolidated inflation adjusted financial statements.

2.3 Presentation currency

These interim condensed consolidated inflation adjusted financial statements are presented in Zimbabwe Gold (ZWG), which remains the Group's presentation currency. TM Supermarkets (Private) Limited is the sole component within the Group that continues to apply ZWG as its functional currency. Due to the supermarket segment's pervasive impact on the Group's consolidated financial statements, the presentation currency has been retained as ZWG.

Foreign operations, the parent company, and subsidiaries with a functional currency other than Zimbabwe Gold (ZWG), as well as transactions and balances denominated in foreign currencies, have been translated into ZWG in accordance with International Accounting Standard 21 ("IAS 21") – The Effects of Changes in Foreign Exchange Rates. Translation was performed using the interbank exchange rate prevailing on the respective transaction dates. The use of the interbank rate as the spot rate represents a management judgement, and the Directors are satisfied that this approach is appropriate under the circumstances. Refer to note 2.6 for further details.

2.4 Restatement

Effective 1 March 2025, the functional currency of the parent entity, Meikles Limited, and its subsidiaries - Thomas Meikle Properties (Private) Limited and Meikles Guard Services (Private) Limited—was reassessed and changed from Zimbabwe Gold (ZWG) to United States Dollars (USD). This reassessment was undertaken in accordance with the requirements of International Financial Reporting Standards (IFRS).

Given that the Public Accountants and Auditors Board (PAAB) continue to classify ZWG as a hyperinflationary currency, the change in functional currency necessitated the restatement of comparative financial information. Accordingly, the prior year's inflation-adjusted financial results, presented in ZWG as at 28 February 2025, were translated into USD using the exchange rate prevailing on the date of the functional currency change. These translated figures now serve as the opening balances under the historical cost convention in USD for the parent and the two subsidiaries.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Basis of preparation and Group accounting policies (continued)

2.5 Hyperinflation

The inflation adjusted interim condensed consolidated financial statements have been prepared and presented in accordance with the requirements of IAS 29, as guided by the PAAB during the current financial year.

The Directors have made appropriate adjustments to reflect the changes in the general purchasing power on the ZWG and for the purposes of fair presentation in accordance with IAS 29, these changes have been made on the historical cost financial information. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group. The historical cost financial statements are provided as supplementary information to enhance understandability for all the users. The Group has used the Consumer Price Index ("CPI") as published by the Zimbabwe National Statistical Agency ("Zimstat") which is considered a reliable index.

Below are the indices and adjustment factors used up to 31 August 2025:

	Indices (ZWG)	Adjustment Factor
CPI as at 31 August 2025	191.65	1
CPI as at 28 February 2025	184.60	1.04
CPI as at 31 August 2024	98.90	1.94
Average CPI 31 August 2025	98.60	1.94
Average CPI 31 August 2024	180.01	1.02

Restatement procedures in accordance with IAS 29 have been applied solely to the financial results and statement of financial position of the supermarket segment, whose functional currency is the Zimbabwean Gold (ZWG), a currency classified as hyperinflationary.

The remaining components of the Group operate with the United States dollar (USD) as their functional currency, which is not subject to hyperinflation. The USD-denominated financial results and statements of financial position of these entities have been translated into ZWG in accordance with IAS 21 and incorporated into the interim abridged consolidated financial statements.

The main procedures applied to restate the financial results and financial position of the subsidiary whose functional currency is ZWG and was subject to hyperinflation at 31 August 2025 are:-

- 1) Monetary assets and liabilities at the reporting date are not restated because they are expressed in terms of the monetary unit current at the reporting date.
- 2) Non-monetary assets and liabilities that are not carried at amounts current at the reporting date as well as components of shareholders' equity are restated by applying the change in the index from the date of transaction to 31 August 2025. Depreciation of plant, property, equipment and the right of use asset are calculated based on the restated amounts.
- 3) Profit or loss items, except for depreciation, are restated by applying the change in the index from the transaction date to 31 August 2025.
- 4) Deferred tax is calculated based on the restated amounts.
- 5) The effect of inflation on the net monetary position of the Group is included in the statement of profit or loss as a loss or gain on monetary position.

2.6 Critical judgements in applying accounting policies

2.6.1 Determination of spot exchange rates

The interbank exchange rates, as determined by the Reserve Bank of Zimbabwe, are utilised by the Holding Company and its subsidiaries—whose functional currency is the United States Dollar (USD)—as spot rates for translating transactions and balances into the Group's presentation currency, the Zimbabwe Gold (ZWG).

Throughout the reporting period, the Group maintained sufficient foreign currency resources to support its operations. The application of both the interbank rate and an entity-specific estimated rate, in the case of TM Supermarkets, reflects a matter of management judgement. The Directors are satisfied that this approach is appropriate.

The exchange rates used to translate the financial statements of components with a USD functional currency into ZWG, the presentation currency, are as follows:

Interbank spot rates as at:	USD:ZWG
31 August 2025	26.75
28 February 2025	26.56
Average interbank rates for the six months ended:	USD:ZWG
31 August 2025	26.83
31 August 2024	13.61

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Going concern

The Directors have prepared these interim condensed consolidated inflation adjusted financial statements on a going concern basis. This assessment was made after evaluating the impact of key risks associated with the prevailing economic instability on the Group's financial performance for the six-month period ended 31 August 2025.

Management continues to closely monitor developments in the operating environment and is actively implementing strategies to mitigate potential adverse effects on profitability and cash flow generation. Although the economic outlook remains uncertain and presents challenges to forward planning, the Group maintains sufficient cash reserves to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these interim condensed consolidated financial statements.

4. Segment information

4.1 Segment financial performance

	INFLATION ADJUSTED						
	Supermarkets	Hotels	Properties	Security Services	Corporate*	Eliminations	Group
	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000
31 August 2025							
Sale of goods	5,919,019	23,232	-	-	-	-	5,942,251
Sale of services	-	73,380	20,862	35,582	-	-	129,824
Total segment revenue	5,919,019	96,612	20,862	35,582	-	-	6,072,075
Intersegment revenue	-	-	(2,939)	(25,674)	-	-	(28,613)
External revenue	5,919,019	96,612	17,923	9,908	-	-	6,043,462
Operating (loss) / profit	(78,946)	19,368	(3,260)	1,475	(36,750)	(1,759)	(99,872)
Investment income	1,638	106	-	-	4,533	-	6,277
Finance costs	(26,798)	(139)	(4,931)	-	(1,518)	2	(33,384)
Net exchange (losses) / gains	(61,547)	(1,373)	(28)	423	(591)	(2,008)	(65,124)
Net monetary adjustment	26,653	-	-	-	-	-	26,653
Income tax (expense) / credit	(3,960)	(5,490)	11,544	249	(2,641)	-	(298)
(Loss) / profit for the period	(142,960)	12,472	3,325	2,147	(36,967)	(3,765)	(165,748)
31 August 2024							
Sale of goods	5,326,285	10,795	-	-	-	-	5,337,080
Sale of services	-	33,784	14,767	28,648	-	-	77,199
Total segment revenue	5,326,285	44,579	14,767	28,648	-	-	5,414,279
Intersegment revenue	-	-	(4,122)	(20,833)	-	-	(24,955)
External revenue	5,326,285	44,579	10,645	7,815	-	-	5,389,324
Operating (loss) / profit	(68,812)	9,976	21,503	(1,662)	(11,731)	(16,195)	(66,921)
Investment income	347	114	-	-	2,287	-	2,748
Finance costs	(17,871)	(93)	-	-	(1,070)	5	(19,029)
Net exchange (losses) / gains	(103,999)	(890)	(4,854)	777	(17,657)	414	(126,209)
Net monetary adjustment	111,799	-	-	-	-	-	111,799
Income tax credit / (expense)	105,510	(2,933)	(10,178)	261	3,445	-	96,105
Profit / (loss) for the period	26,974	6,174	6,471	(624)	(24,726)	(15,776)	(1,507)

*Corporate has been aggregated with immaterial, non-operational segments which did not warrant separate disclosures.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Segment information (continued)

4.1 Segment financial performance (continued)

HISTORICAL COST							
	Supermarkets	Hotels	Properties	Security Services	Corporate*	Eliminations	Group
31 August 2025	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Sale of goods	5,801,695	23,232	-	-	-	-	5,824,927
Sale of services	-	73,380	20,862	35,582	-	-	129,824
Total segment revenue	5,801,695	96,612	20,862	35,582	-	-	5,954,751
Intersegment revenue	-	-	(2,939)	(25,674)	-	-	(28,613)
External revenue	5,801,695	96,612	17,923	9,908	-	-	5,926,138
Operating profit / (loss)	19,812	19,368	(3,260)	1,475	(36,750)	(1,788)	(1,143)
Investment income	1,610	106	-	-	4,533	-	6,249
Finance costs	(26,472)	(139)	(4,931)	-	(1,518)	2	(33,058)
Net exchange (losses) / gains	(60,458)	(1,373)	(28)	423	(591)	(4,001)	(66,028)
Income tax (expense) / credit	(18,568)	(5,490)	11,544	249	(2,641)	-	(14,906)
(Loss) / profit / for the period	(84,076)	12,472	3,325	2,147	(36,967)	(5,786)	(108,886)
31 August 2024							
Sale of goods	2,748,681	10,795	-	-	-	-	2,759,476
Sale of services	-	33,784	14,767	28,648	-	-	77,199
Total segment revenue	2,748,681	44,579	14,767	28,648	-	-	2,836,675
Intersegment revenue	-	-	(4,122)	(20,833)	-	-	(24,955)
External revenue	2,748,681	44,579	10,645	7,815	-	-	2,811,720
Operating (loss) / profit	(34,593)	9,976	21,503	(1,662)	(12,107)	(16,583)	(33,466)
Investment income	179	114	-	-	2,287	-	2,580
Finance costs	(9,222)	(93)	-	-	(1,070)	3	(10,382)
Net exchange (losses) / gains	4,025	(890)	(4,854)	777	(17,658)	414	(18,186)
Income tax credit / (expense)	54,450	(2,933)	(10,178)	261	3,445	-	45,045
Profit / (loss) for the period	14,839	6,714	6,471	(624)	(25,103)	(16,166)	(14,409)

4.2 Segment assets and liabilities

INFLATION ADJUSTED							
	Supermarkets	Hotels	Properties	Security Services	Corporate*	Eliminations	Group
31 August 2025	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Segment assets	2,274,579	117,445	239,745	14,326	848,680	(462,082)	3,032,693
Segment liabilities	(1,469,535)	(33,324)	(145,237)	(9,655)	(206,365)	148,753	(1,715,363)
28 February 2025							
Segment assets	2,555,111	97,624	197,057	9,713	990,700	(516,789)	3,333,416
Segment liabilities	(1,602,010)	(26,443)	(106,607)	(7,203)	(258,969)	208,465	(1,792,767)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Segment information (continued)

4.2 Segment assets and liabilities (continued)

	HISTORICAL COST						Group
	Supermarkets	Hotels	Properties	Security Services	Corporate*	Eliminations	
31 August 2025	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Segment assets	1,876,562	117,445	239,745	14,326	848,680	(486,106)	2,610,652
Segment liabilities	(1,370,568)	(33,324)	(145,237)	(9,655)	(206,365)	148,753	(1,616,396)
28 February 2025							
Segment assets	2,030,513	97,624	133,483	9,305	871,222	(388,978)	2,753,169
Segment liabilities	(1,435,449)	(26,443)	(76,390)	(7,202)	(257,353)	208,460	(1,594,377)

*Corporate has been aggregated with immaterial, non-operational segments which did not warrant separate disclosures.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
5. Cost of sales					
Retail cost of sales		(4,257,394)	(4,006,265)	(4,144,456)	(2,067,473)
Supplier recoveries and rebates		38,239	14,642	37,225	7,556
Shrinkage and wastage		(14,994)	(14,112)	(14,596)	(7,282)
Wages and other related costs		(27,725)	(22,853)	(27,725)	(22,853)
Property utilities and maintenance		(4,914)	(3,692)	(4,914)	(3,692)
Depreciation for investment properties		(464)	(302)	(464)	(302)
Food and Beverages		(6,560)	(2,974)	(6,560)	(2,974)
Other		(604)	(1,425)	(604)	(1,425)
		(4,274,416)	(4,036,981)	(4,162,094)	(2,098,445)
6. Net operating costs					
<u>Net operating costs are arrived at after (charging) / crediting the following:</u>					
Other income	6.1	47,109	60,889	46,308	44,126
Employee costs	6.2	(1,001,024)	(735,669)	(983,515)	(400,379)
Occupancy costs	6.3	(481,472)	(372,242)	(446,045)	(194,470)
Other operating costs	6.4	(433,531)	(372,242)	(381,935)	(196,018)
		(1,868,918)	(1,419,264)	(1,765,187)	(746,741)
6.1 Other income					
<u>Trading income</u>					
Rental income		24,836	18,376	24,413	9,711
Interest received on trade receivables		71	155	70	80
Hotels ancillary services		20	11	20	11
Commission income		16,223	14,074	10,623	7,083
		41,150	32,616	35,126	16,885
<u>Non trading income</u>					
Profit on disposal of property, plant and equipment		297	24,642	251	24,588
Sundry income*		5,662	3,631	10,931	2,653
		47,109	60,889	46,308	44,126

*Due to the nature of the Group's diversified operations in multiple industries, sundry income includes several line items that are not significant enough to be reasonably disaggregated. Examples include waste recovery income, car park fines and other agency fees.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Net operating costs (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
6.2 Employee costs				
Wages and salaries	(815,351)	(592,917)	(801,204)	(324,134)
Social security costs	(78,466)	(57,657)	(77,035)	(29,837)
Retirement benefits – defined contribution plan	(104,138)	(81,685)	(102,207)	(42,997)
Directors' fees	(3,069)	(3,410)	(3,069)	(3,411)
	(1,001,024)	(735,669)	(983,515)	(400,379)
6.3 Occupancy costs				
<u>Included in occupancy costs are the following:</u>				
Lease rentals for property	(64,800)	(60,953)	(63,718)	(32,504)
Depreciation of right of use assets and property	(68,021)	(13,560)	(40,490)	(6,683)
Electricity and water	(208,635)	(184,702)	(204,496)	(96,329)
Cleaning and fumigation	(70,112)	(54,048)	(68,751)	(27,990)
Rates	(41,565)	(34,962)	(40,805)	(18,313)
Premises repairs and maintenance	(27,584)	(23,723)	(27,030)	(12,357)
Other	(755)	(294)	(755)	(294)
	(481,472)	(372,242)	(446,045)	(194,470)
6.4 Other operating costs				
<u>Included in other operating costs are the following:</u>				
2% IMT Tax	(107,464)	(96,614)	(105,434)	(50,295)
Depreciation of plant and equipment	(102,136)	(93,717)	(56,686)	(50,407)
Repairs and maintenance – other assets	(46,115)	(40,224)	(45,209)	(21,246)
Bank charges	(23,893)	(26,805)	(23,476)	(14,361)
Packaging and wrapping	(22,780)	(19,391)	(22,279)	(9,605)
Transport, motor vehicle and communication costs	(17,590)	(12,278)	(17,283)	(6,741)
Information and technology	(14,597)	(15,456)	(14,306)	(8,208)
Insurance	(14,221)	(8,241)	(13,925)	(4,262)
Printing and stationery	(13,039)	(12,492)	(12,803)	(6,909)
Legal and professional fees	(9,796)	(5,303)	(9,706)	(3,331)
Licenses	(8,255)	(2,777)	(8,105)	(1,547)
Security	(7,763)	(5,067)	(7,196)	(3,445)
Auditors' remuneration and expenses	(6,913)	(5,689)	(6,862)	(4,651)
Travel expenses	(5,568)	(3,907)	(5,502)	(2,173)
Secretarial and listing fees	(4,282)	(1,819)	(4,282)	(1,819)
Provision for expected credit losses	(1,689)	(683)	(1,689)	(1,070)
Guest supplies and entertainment	(1,643)	(847)	(1,643)	(847)
Marketing and advertising	(1,291)	(3,645)	(1,360)	(2,831)
Impairment of property and equipment	-	(57)	-	(57)
Donations	(433)	(384)	(433)	(384)
Other*	(24,063)	(16,846)	(23,756)	(1,829)
	(433,531)	(372,242)	(381,935)	(196,018)

*Due to the nature of the Group's diversified operations in multiple industries, other expenses include several line items that are not material enough to be reasonably disaggregated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
7. Investment income / finance costs				
7.1 Investment income	4,626	2,401	4,626	2,399
Interest on bank deposits	1,584	347	1,558	181
Interest on staff loans	67	-	65	-
Interest on other	6,277	2,748	6,249	2,580
7.2 Finance costs				
<u>Comprising interest payable on:</u>				
Lease liability	(27,175)	(18,001)	(26,849)	(9,354)
Overdrafts and short-term borrowings	(6,199)	(1,028)	(6,199)	(1,028)
Other finance costs	(10)	-	(10)	-
	(33,384)	(19,029)	(33,058)	(10,382)
8.1 Income tax recognised in profit for the period				
<u>Tax expense comprising the following:</u>				
Current tax expense in respect of the current period	(40,012)	(106,180)	(39,414)	(55,051)
Deferred tax arising from temporary differences	39,714	203,512	24,508	101,323
Capital gains tax	-	(1,227)	-	(1,227)
Total tax (expense) / credit	(298)	96,105	(14,906)	45,045
8.2 Deferred tax balances				
Balance at the beginning of the period	219,446	401,179	73,099	205,585
Recognised in profit or loss – continuing operations	(39,714)	(183,722)	(24,508)	(134,475)
Recognised in profit or loss – discontinued operations	-	839	-	839
(Reversal of classification as held of sale) / classified as held for sale	(1,150)	1,150	(1,150)	1,150
Balance at the end of the period	178,582	219,446	47,441	73,099
Comprising:				
Assessed losses	(6,672)	(7,575)	(6,170)	(7,073)
Property, plant, equipment and investment property	111,972	137,793	43,073	58,418
Exchange differences	(465)	(435)	(1,611)	(1,523)
Provisions	(28,242)	(22,654)	(25,103)	(19,240)
Receivables and prepayments	(586)	(492)	(94)	-
Inventory	873	1,042	-	-
Right of use assets and lease liabilities	88,189	98,254	31,375	36,546
Deferred capital gains tax on land and investments	10,878	10,875	5,859	5,857
Other	2,635	2,638	112	114
	178,582	219,446	47,441	73,099
Deferred tax asset	(5,481)	(6,030)	(37,655)	(6,372)
Deferred tax liability	184,063	225,476	85,096	79,471
Deferred tax liability	178,582	219,446	47,441	73,099

9. Discontinued operations

Interest in joint operations:

Prior to 28 February 2025, the Board of Directors resolved to dispose of the Group's 50% interest in the Victoria Falls Hotel Partnership, which operates The Victoria Falls Hotel under a lease arrangement. This decision followed the disposal of the Group's other hospitality operations in previous years, after concluding that it no longer possessed the critical mass or market synergy required to maintain a competitive position in the hospitality sector. The proposed disposal was subject to the consent of the joint venture partner and the landlord, as well as shareholder approval.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Discontinued operations (continued)

Subsequently, the Board revised its earlier decision and resolved to retain the Group's interest in hospitality operations. As a result, the Victoria Falls Hotel Partnership has been reclassified from discontinued operations and assets held for sale to continuing operations. Accordingly, the financial results relating to the Group's 50% interest in the Victoria Falls Hotel Partnership are no longer presented as a discontinued operation in these financial statements, and the associated assets and liabilities have not been classified as held for sale.

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Analysis of assets and liabilities classified as held for sale				
Assets				
Cash and bank balances	-	12,765	-	12,765
Trade and other receivables	-	9,530	-	9,530
Inventories	-	7,212	-	7,212
Property, plant and equipment	-	25,164	-	25,164
Right of use assets	-	1,882	-	1,882
Deferred tax	-	1,150	-	1,150
Total assets	-	57,703	-	57,703
Liabilities				
Trade and other payables	-	(24,820)	-	(24,820)
Lease liabilities	-	(2,039)	-	(2,039)
Total liabilities	-	(26,859)	-	(26,859)
Net assets classified held for sale	-	30,844	-	30,844

10. Cash flow information

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
10.1 Net cash generated from operating activities					
Cash flows from operating activities					
Loss before tax		(165,450)	(97,612)	(93,980)	(59,454)
Adjustments for:					
- Depreciation and impairment of property, plant and equipment; investment property and right-of-use assets		170,621	107,579	97,640	57,392
- Net interest		27,107	16,281	26,809	7,802
- Net exchange losses		65,124	126,209	66,028	18,186
- Net monetary adjustment	6.1	(26,653)	(111,799)	-	-
- Profit on disposal of property, plant and equipment and investment property	6.1	(297)	(24,642)	(251)	(24,588)
- Provision for expected credit losses		1,689	683	1,689	1,070
- Mark to market loss	14	1,713	1,104	1,675	570
Operating cash flow before working capital changes		73,854	17,803	99,610	978
Decrease / (increase) in inventories		35,828	26,939	2,680	(177,435)
Decrease in trade and other receivables		47,314	12,234	38,595	17,833
(Decrease) / increase in trade and other payables		(125,282)	421,160	(81,604)	157,348
Cash generated from / (used in) operations		31,714	478,136	59,281	1,276
Income taxes paid	10.2	(47,023)	(33,080)	(45,950)	(19,915)
Net cash (used in) / generated from operating activities		(15,309)	445,056	13,331	(21,191)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Cashflow information (continued)

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
10.2 Income taxes paid					
Balance at the beginning of the period		(15,261)	(8,994)	(14,786)	(5,319)
Current and capital gains taxes:					
- current tax	8.1	(40,012)	(106,180)	(39,414)	(55,051)
- capital gains tax	8.1	-	(1,227)	-	(1,227)
- translation differences		-	(13,574)	-	(9,019)
Balance at the end of the period		8,250	96,895	8,250	50,701
Income taxes paid		(47,023)	(33,080)	(45,950)	(19,915)

11. Property, plant and equipment

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Movement in the property, plant and equipment balance for the period:				
Balance at the beginning of the period	568,620	629,553	320,975	335,500
Additions	80,047	136,991	78,504	95,319
Net movement in service assets	(153)	272	(153)	272
Disposals	-	(40)	-	(40)
Depreciation and impairment	(103,142)	(185,164)	(57,698)	(97,084)
Translation differences	483	12,172	483	12,172
Reversal of classification as held of sale / (classified as held for sale)	25,164	(25,164)	25,164	(25,164)
Balance at the end of the period	571,019	568,620	367,275	320,975
At cost	1,612,380	1,488,063	933,702	810,862
Accumulated depreciation and impairment	(1,041,361)	(919,443)	(566,427)	(489,887)
Balance at the end of the period	571,019	568,620	367,275	320,975

No freehold land and buildings have been pledged to secure loans of the Group under mortgages.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Investment property

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Opening carrying value	74,102	33,047	49,812	17,880
Additions	36,192	41,688	36,192	32,358
Disposals	-	(53)	-	(53)
Depreciation and impairment	(477)	(580)	(471)	(373)
Translation differences	906	-	906	-
Closing carrying value	110,723	74,102	86,439	49,812
Comprising				
Land and buildings - cost	140,561	103,463	102,853	65,755
Accumulated depreciation	(22,969)	(22,492)	(12,697)	(12,226)
Accumulated impairment	(6,869)	(6,869)	(3,717)	(3,717)
	110,723	74,102	86,439	49,812

	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
Rental income from investment properties (included in revenue and other income)	21,232	15,043	21,225	14,910
Related expenses (included in cost of sales and operating expenses)	(8,664)	(6,830)	(8,664)	(6,838)
Profit arising from investment properties carried at cost	12,568	8,213	12,561	8,072

The Group owns the investment properties through its subsidiaries, TM Supermarkets (Private) Limited ("TM") and Thomas Meikle Properties (Private) Limited ("TMP"). Market valuations and impairment assessment are performed at the end of each financial year.

The carrying value of investment properties was assessed for impairment at 28 February 2025 and no impairment was identified. The Group owns the investment properties through its subsidiaries, TM Supermarkets (Private) Limited ("TM") and Thomas Meikle Properties (Private) Limited ("TMP"). No market valuation was performed during the period for investment properties of TM and TMP as there were no significant changes in the market, to warrant a valuation during the interim period. Investment properties with a carrying value of ZWG 109.7 million (2025: ZWG 73.1 million) belonging to TMP were valued at ZWG 336.8 million (2025: ZWG 334.4 million) based on valuations performed on 28 February 2025. The remaining properties with a carrying value of ZWG 1 million (2025: ZWG 1 million) are owned by TM Supermarkets and were valued at ZWG 28.8 million (2025: ZWG 28.6 million) based on valuations performed on 28 February 2025. The fair values were determined by an independent, certified valuer with a recognised and relevant professional qualification. The valuation was performed using the Income Approach, specifically the Direct Income Capitalisation method, since these properties are being used as an income-producing investments.

This technique is based on significant inputs that are not directly observable in the market and therefore represents a Level 3 measurement. A description of the valuation process and significant unobservable inputs is as follows:

- **Annualised Net Rental Income:** The valuation considers the net annual income generated by the properties. This is based on the estimated rental value per square metre, which is derived from analysing comparable data for similar properties in the same locality. Adjustments were made for the specific size, use, and quality of the Group's properties.
- **Capitalisation factor:** A capitalisation factor was applied to the net annual rental income to determine the fair value. This rate is derived from analysing market yields for comparable properties and is adjusted to reflect the specific characteristics and risks of the Group's assets, such as tenant quality and condition of the properties.

An increase in the Net Annual Rental Income would lead to an increase in the property's fair value. Conversely, an increase in the Capitalisation factor (reflecting higher risk or lower growth prospects) would lead to a decrease in its fair value. The Group has determined that the highest and best use of the investment properties is their current use as income-producing commercial rental properties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Opening carrying value	601,810	403,168	352,844	210,819
Additions	-	5,832	-	5,165
Lease modifications	12,495	325,822	12,196	215,044
Depreciation	(67,002)	(131,823)	(39,471)	(76,995)
Translation difference	50	693	50	693
Reversal of classification as held of sale / (classified as held for sale)	1,882	(1,882)	1,882	(1,882)
Closing carrying value	549,235	601,810	327,501	352,844
Comprising				
Cost	831,269	815,930	491,042	476,002
Accumulated depreciation	(282,034)	(214,120)	(163,541)	(123,158)
	549,235	601,810	327,501	352,844

The Group's leases include those of offices, retail stores and residential property in Zimbabwe. The corresponding lease liability for the above right of use assets is disclosed on note 17.

14. Other financial assets

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Opening carrying value (short term and long-term portions)	289,573	144,522	289,239	143,834
Interest accrual	1,584	906	1,558	663
Additions	10,110	11,738	9,953	8,777
Exchange rate gain on foreign translations	2,039	137,144	2,039	136,970
Disposals and repayments	(162)	(88)	(162)	(61)
Mark to market loss on initial recognition of staff loans ²	(1,713)	(1,239)	(1,675)	(944)
Monetary adjustment	(479)	(3,410)	-	-
Translation differences	2	-	2	-
	300,954	289,573	300,954	289,239
Less: Short term portion in current assets	(4,465)	(1,950)	(4,465)	(1,879)
Non-current closing carrying value	296,489	287,623	296,489	287,360
Comprising:				
Carried at amortised cost:				
Funds due from MCH ¹	314,023	311,754	314,023	311,754
Staff loans ²	18,679	9,337	18,679	9,003
Provision for credit losses	(31,748)	(31,518)	(31,748)	(31,518)
	300,954	289,573	300,954	289,239

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Other financial assets (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Movement in provision for credit losses:				
Opening balance	(31,518)	(16,092)	(31,518)	(16,092)
Exchange rate adjustment – provision for credit losses on funds due from MCH ¹	(230)	(15,426)	(230)	(15,426)
	(31,748)	(31,518)	(31,748)	(31,518)

¹Meikles Consolidated Holdings Private Limited (“MCH”), a shareholder entity, owes the Group ZWG 314.0 million.

²Management recognised a provision for credit losses on funds due from MCH based on the lifetime expected credit losses model in-line with the requirements of IFRS 9. In determining the provision for credit losses, management considered the security on this balance and was satisfied that it adequately covers the amount receivable to the Group. This balance is denominated in US\$ and hence the provision amount is subject to exchange rate adjustments at each reporting date.

³Staff loans relate to amounts advanced to employees for the purchase of motor vehicles at a concessionary interest rate. The loans have been discounted to present value using market interest rates, resulting in the recognition of a mark to market loss on initial recognition. The mark to market loss has been included in employee costs per note 6.2. The loans are secured against the vehicles.

15. Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Inventories comprise:				
Raw materials and consumables	79,308	93,346	79,024	89,481
Merchandise and manufactured goods	778,842	793,420	775,733	760,745
	858,150	886,766	854,757	850,226

Cost of inventories recognised as an expense was ZWG 4.3 billion (31 August 2024: ZWG 3.7 billion). This includes ZWG 2.9 million (31 August 2024: ZWG 3.0 million) in respect of write-offs of inventory due to shrinkage.

16. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Trade receivables	20,524	9,896	20,524	9,849
Expected credit loss allowance	(3,861)	(1,742)	(3,861)	(1,695)
Net trade receivables	16,663	8,154	16,663	8,154
Prepayments and deposits	70,585	105,612	69,525	99,303
Receivables from leased premises	90,748	91,714	90,748	88,341
Other receivables*	14,789	25,859	14,789	25,762
	192,785	231,339	191,725	221,560

* Due to the nature of the Group’s diversified operations in multiple industries, other receivables include multiple line items that are not material enough to be reasonably disaggregated. Examples include fees for payroll services provided to related parties not within the Group and suspense accounts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Lease liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Opening balance	227,979	38,860	219,747	20,730
Additions	-	5,832	-	5,165
Interest expense	27,175	41,366	26,849	29,764
Rental payments	(47,897)	(74,366)	(47,310)	(52,138)
Lease modifications	12,495	325,822	12,196	215,044
Exchange differences arising from translations	1,034	2,682	1,092	3,221
Monetary adjustments	(8,212)	(110,178)	-	-
(Reversal of classification as held of sale) / classified as held for sale	2,039	(2,039)	2,039	(2,039)
	214,613	227,979	214,613	219,747
Less current portion	(36,159)	(79,676)	(36,159)	(76,269)
Non-current portion	178,454	148,303	178,454	143,478
Maturity profile – Gross	36,159	78,450	36,159	76,269
Between zero and one year	28,435	63,651	28,435	60,597
Between one and two years	24,042	55,895	24,042	53,839
Between two and three years	21,489	49,960	21,489	48,122
Between three and four years	18,243	42,412	18,243	40,852
Between four and five years	87,298	203,028	87,298	195,558
After five years	215,666	493,396	215,666	475,237

18. Trade, other payables, and provisions

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Trade payables	853,265	961,088	853,265	925,784
Accruals and other payables	285,795	223,372	285,795	215,763
Current tax payable	8,250	15,261	8,250	14,786
Provisions – note 18.1	36,856	30,236	36,856	29,471
	1,184,166	1,229,957	1,184,166	1,185,804

The credit period on purchases ranges from 7 to 60 days (28 February 2025: 7 to 60 days) from the statement date. Foreign suppliers are paid predominantly on a prepayment or cash basis. Certain but not all suppliers charge interest on overdue payables.

Trade payables comprise outstanding amounts for trade purchases. The Directors consider that the carrying amount of trade payables approximate their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Trade, other payables, and provisions (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
18.1 Provisions				
<u>Employee benefits*</u>				
Balance at the beginning of the period	20,234	14,916	19,639	14,439
Arising during the period	28,816	31,233	28,816	30,299
Utilised during the period	(6,317)	(18,594)	(6,317)	(17,983)
Unused amounts reversed	(13,564)	(5,581)	(13,564)	(5,376)
Monetary adjustments	(595)	-	-	-
Liabilities relating to assets classified as held for sale	1,740	(1,740)	1,740	(1,740)
Balance at the end of the period	30,314	20,234	30,314	19,639
<u>Audit fees</u>				
Balance at the beginning of the period	10,002	3,855	9,832	3,802
Arising during the period	7,251	19,833	7,251	19,632
Utilised during the period	(12,005)	(12,051)	(12,005)	(11,967)
Unused amounts reversed	(171)	-	(171)	-
Monetary adjustments	(170)	-	-	-
Liabilities relating to assets classified as held for sale	1,635	(1,635)	1,635	(1,635)
Balance at the end of the period	6,542	10,002	6,542	9,832
Total provisions at the end of the period	36,856	30,236	36,856	29,471

*The provision for employee benefits represents annual leave entitlements, bonus and gratuities accrued.

19. Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Opening balance	82,496	8,102	82,496	8,102
Additions	48,159	56,472	48,159	56,472
Interest expense	6,199	3,568	6,199	3,568
Repayment	(4,931)	(1,856)	(4,931)	(1,856)
Exchange movements	598	16,210	598	16,210
	132,521	82,496	132,521	82,496
Less current portion	(132,521)	(82,496)	(132,521)	(82,496)
Non-current portion	-	-	-	-
Secured:				
Acceptance credits, loans and overdrafts	107,019	58,435	107,019	58,435
Unsecured:				
Acceptance credits, loans and overdrafts	25,502	24,061	25,502	24,061
Maturity profile				
On demand	132,521	82,496	132,521	82,496

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Borrowings (continued)

Borrowings constitute the following:

- Included in the secured borrowings is a loan of ZWG 107.0 million. Thomas Meikle Properties (Private) Limited obtained a US\$4 million loan from a local bank to finance the refurbishments of some of its commercial properties. The loan is secured by an on-demand bank guarantee of ZWG 107.20 million (US\$4 million) from the bankers of Meikles Limited's foreign subsidiary Cape Grace Investments Limited ("CGI"). The loan attracts interest at 13% per annum payable monthly in arrears. The facility will be repayable as a lump sum on or before 30 June 2026.
- Included in the unsecured borrowings is a loan of ZWG 25.5 million (28 February 2025: ZWG 24.1 million) from Barak Fund SPC Limited (Barak), a structured trade finance segregated portfolio domiciled in South Africa. Barak funded Gretermans Stores (1979) Private Limited (Gretermans) trading stock imports from South Africa in 2016. The trade finance agreement between Barak and Gretermans has suspensive conditions, including the borrower obtaining exchange control approval from the Reserve Bank of Zimbabwe (RBZ). The parties implemented the agreement in the absence of the exchange control approval. In retrospect, the Group applied for the exchange control authority to repay the loan from Barak without success, and as a result, the loan is in default. The loan is denominated in US\$ and attracts interest at 10% per annum, Barak is in the process of winding down following financial difficulties.
- Included in the unsecured borrowings is a loan from Afghan African Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited. The loan attracted interest of 5% per annum inclusive of an annual management fee. There are no fixed repayment terms.
- Included in the unsecured borrowings is a loan from Mr. Ian Hannam, who is part of Afghan African Holdings Limited. The loan attracts interest at 10% per annum and has no fixed repayment terms.

20. Financial assets and liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 31 August 2025 and 28 February 2025:				
At amortised cost				
Other financial assets (note 14)	300,954	289,573	300,954	289,239
Trade and other receivables – excluding prepayments and other non-qualifying receivables (note 16) *	122,200	125,727	122,200	122,257
Total financial assets	423,154	415,300	423,154	411,496
Total Current	126,665	127,677	126,665	124,136
Total non-current	296,489	287,623	296,489	287,360
Total financial assets	423,154	415,300	423,154	411,496

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Financial assets and liabilities (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Set out below, is an overview of financial liabilities held by the Group as at 31 August 2025 and 28 February 2025:				
At amortised cost				
Unsecured acceptance credits, loans and overdrafts – (note 19)	132,521	82,496	132,521	82,496
Trade and other payables – excluding taxes and provisions (note 18)*	1,139,060	1,184,460	1,139,060	1,141,547
Total financial liabilities	1,271,581	1,266,956	1,271,581	1,224,043
Total current	1,271,581	1,266,956	1,271,581	1,224,043
Total non-current	-	-	-	-
Total financial liabilities	1,271,581	1,266,956	1,271,581	1,224,043

*Balances excluded amounts that do not qualify as financial assets and financial liabilities measured at amortised cost. In the prior year these exclusions were not made, and these amounts are not material to warrant any further adjustments.

21. Related parties

Balances between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below and in note 12.

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 31 Aug 2024 ZWG 000
21.1 Related party transactions				
During the period, group entities entered into the following transactions with related parties that are not members of the Group:				
Rentals – Wingray Properties (Private) Limited	322	256	322	256
Donation expense – Meikles Foundation	423	384	423	384
Cost recoveries – Meikles Consolidated Holdings (Private) Limited	569	413	569	413
Cost recoveries – Tanganda Tea Company	562	376	562	376
Dividend paid to Meikles Consolidated Holdings (Private) Limited	27,065	20,604	27,065	22,340

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
21.2 Related party balances				
The following balances were outstanding at the end of the reporting date:				
Funds due from MCH (before ECL provisions) – see note 14	314,023	311,754	314,023	311,754
African Afghan Holdings Limited – payable	1	1	1	1
Mr. Ian Hannam – payable	1	1	1	1
Current account – MCH	15,820	17,417	15,820	17,417
Current account – Tanganda Tea Company	725	831	725	831
Current account with MCH – receivable	1,449	1,439	1,449	1,439

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Related parties (continued)

- The loan from African Afghan Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited, attracts interest at 5% including an annual management fee of 4% per annum. There are no fixed repayment terms.
- Meikles Consolidated Holdings (Private) Limited ("MCH") is the controlling shareholder of the Company. The current account is unsecured and has no fixed terms of repayment.
- The loan from Mr. Ian Hannam, who is connected with African Afghan Holdings Limited, attracts interest at 10% per annum and is repayable on demand.
- Tanganda Tea Company and Meikles Limited Company are both controlled by MCH.
- Meikles Foundation and Wingray Properties (Private) Limited are affiliated with MCH, the controlling shareholder of the Company.

22. Commitment

	INFLATION ADJUSTED		HISTORICAL COST	
	Unaudited 31 Aug 2025 ZWG 000	Audited 28 Feb 2025 ZWG 000	Unaudited 31 Aug 2025 ZWG 000	Unaudited 28 Feb 2025 ZWG 000
Commitments for the acquisition of property, plant and equipment				
Authorised but not yet contracted for	43,200	439,836	43,200	423,656
Group's share of capital commitments of joint operations	9,600	-	9,600	-

23. Subsequent events

No subsequent events were noted.

CORPORATE INFORMATION

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(Registration No. 1/37)

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Mrs. S. Bwanya - Non-executive Director
Mr. M.J.A. Golding - Non-executive Director
Mr. B. Ward - Non-executive Director
Mr. T. Muzvagwandoga - Finance Director
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