



ART Holdings Limited Trading Update

For The First Quarter ended 31 December 2025



CHLORIDE CA



NWCO
National Waste Collections

SOFTEX

EVERSHARP

MUTARE
ESTATES

ART Holdings Limited hereby issues the trading update for the First Quarter ended 31 December 2025.

TRADING ENVIRONMENT

The first quarter of the 2026 financial year was characterized by continued stability and consistent monetary policy measures enabling strategic responses sufficient time to impact performance. Liquidity remained constrained and high borrowing costs persisted. Power availability improved however production was affected by working capital gaps.

Turnover at US\$7million was 4% below prior year as focus remained on margin improvement and cash generation following the value protection decision to scale down the paper business. The Group's overall sales volumes were 1% below prior year. Market demand for Exide batteries and EverSharp pens was firmer however the cumulative impact of working capital induced production disruptions and logistical delays affected volumes during the period.

Export volumes declined by 2% from the prior year as we continued to selectively tighten credit terms in the region.

ENERGY

Battery volumes were marginally ahead of the prior year in the local market as changes in the sales channels and concerted marketing efforts began to bear fruit. Gross margin improvement was underpinned by favourable product mix and cost containment initiatives. The Exide brand equity remains strong with management working to eliminate recurring product shortages.

STATIONERY AND PAPER

Pen volumes declined by 14% compared to the prior year. Turnover reduced by 12%, reflecting improved pricing and stocking by traditional channel partners. Significant back to school orders were supplied in January 2026.

Tissue converting was deferred further to allow for adequate raw material planning as working capital deployment necessitated that we preserve the option to the second half of the year.

MUTARE ESTATES

Timber volumes increased by 40% compared to the prior year as the customer base was widened. The business however experienced margin compression due to increased harvesting and milling costs.

KEY STRATEGIC ACTIONS

The Group continued to execute strategic intervention measures outlined in the 2025 full year results which include active engagement of creditors, settlement of restructuring obligations, cost control and tight management of working capital.

The Group has made some progress on property disposals with proceeds expected in the second quarter at market reflective prices.

OUTLOOK

The Group's recovery strategy will continue to prioritise margins, liquidity and operational resilience. We recognise stakeholder concern on pace of recovery given the difficulties the business has faced and are confident that ongoing initiatives with sufficient time will deliver consistent improved financial performance.

The business requires recapitalisation and is presently focused on internal funding through improved cash generation, working capital discipline and asset disposals. Future capital decisions will be guided by shareholder value considerations and prevailing economic conditions.


M. MACHEKA
CHIEF EXECUTIVE OFFICER
13 February 2026

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