

Hippo Valley Estates Limited



Est 1892

INTEGRATED REPORT 2025

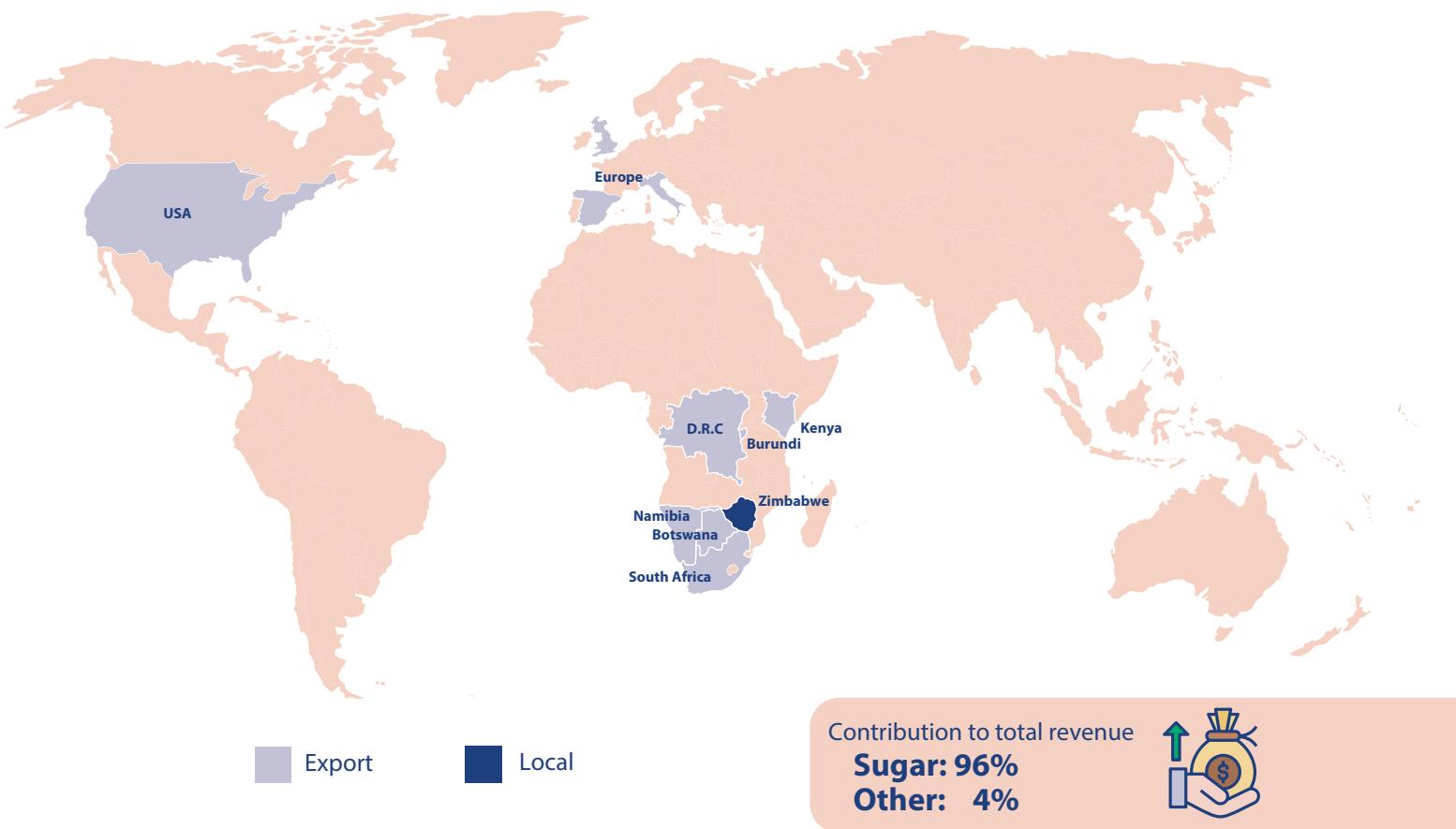
A Tongaat Hulett Company



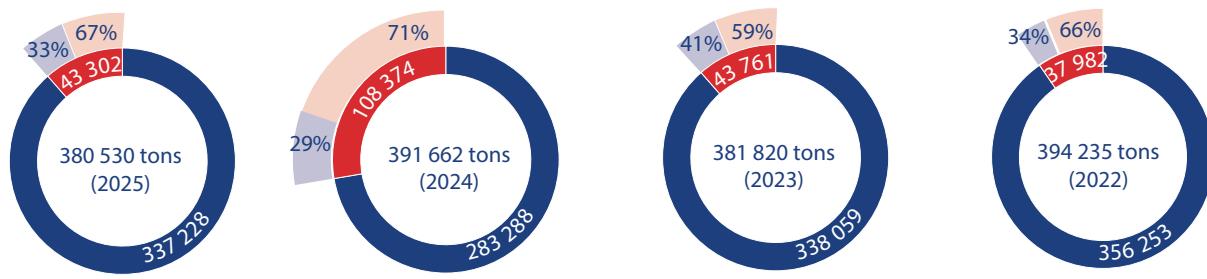
TongaatHulett®

OUR FOOTPRINT

In addition to our presence in the local market, we are also trading regionally in Africa and as far as the United States of America (USA) and European markets.



Industry Sugar Sales and Distribution



■ Local Market (tons) ■ Export Market (tons) ■ Regional ■ International

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About Our Integrated Report

This report encompasses the integrated financial and non-financial performance of Hippo Valley Estates (the Company) and its subsidiaries (collectively the Group) for the year ended 31 March 2025. It provides relevant comparisons to previous years and includes a concise review of how we have created, preserved, or eroded value over time. Additionally, the report aims to inform our stakeholders about the environment, economic, social, and governance performance of the Company.

Materiality
We determine the information to be included in this report by identifying the financial aspects that affect our value creation and our impact on environment and society.

Frameworks and guidelines
Hippo Valley Estates adheres to the following in compiling its integrated report:

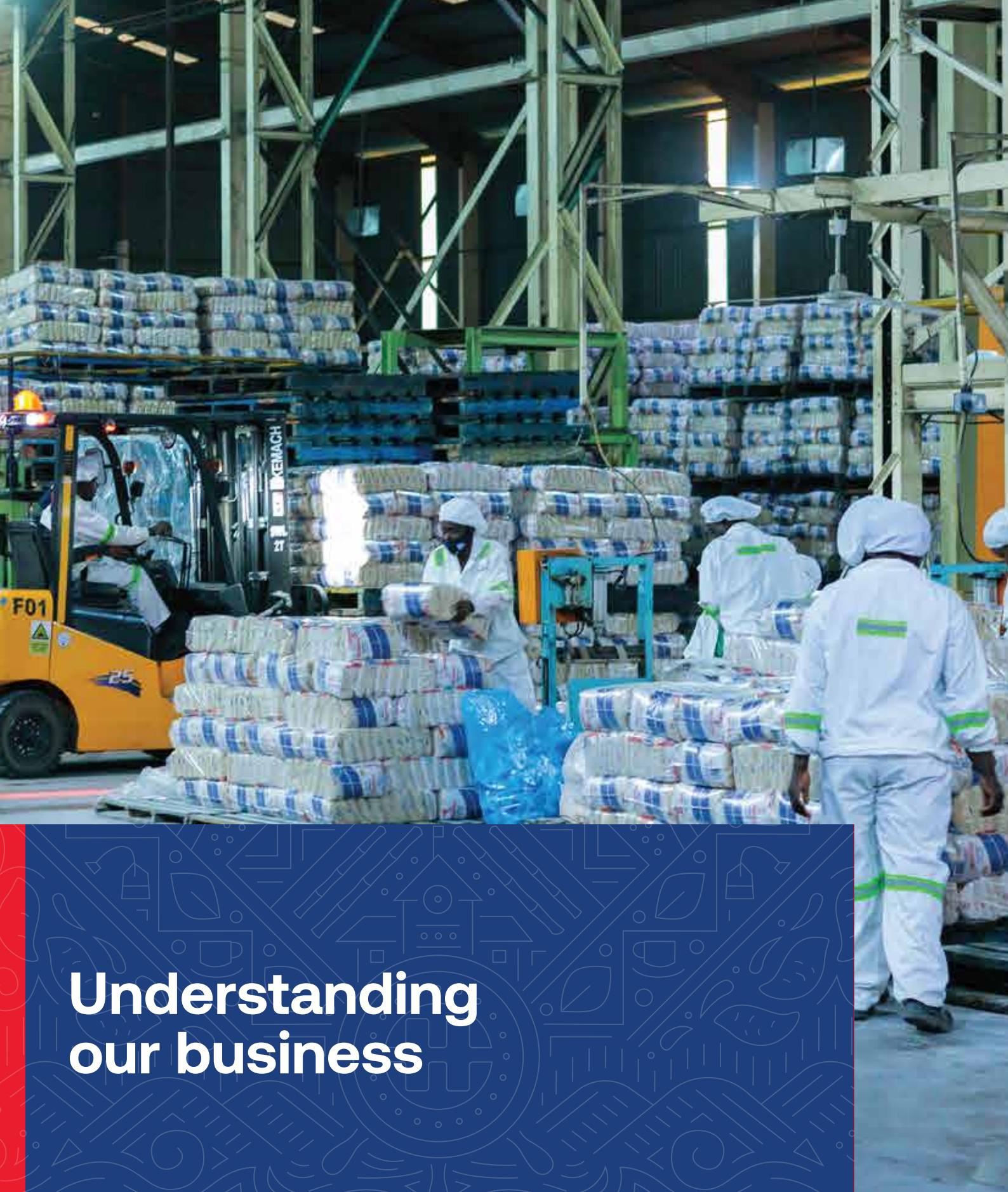
- International Financial Reporting Standards (IFRS)
- International Accounting Standards (IAS)
- Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019
- Companies and Other Business Entities Act [Chapter 24:31]
- National Code of Corporate Governance in Zimbabwe.
- The Integrated Reporting Framework
- Global Reporting Initiative standards
- King IV Report on Corporate Governance

All references to a year refer to the Company's financial year which covers the period 01 April to 31 March.

Forward looking information
This report contains forward-looking statements reflecting the perspectives of Hippo Valley Estates Board and Management regarding the potential future performance and financial position of the Company. These statements are subject to uncertainties and are based on assumptions about events and circumstances that may or may not materialise in the future. We do not commit to updating the forward-looking statements outlined in this report.

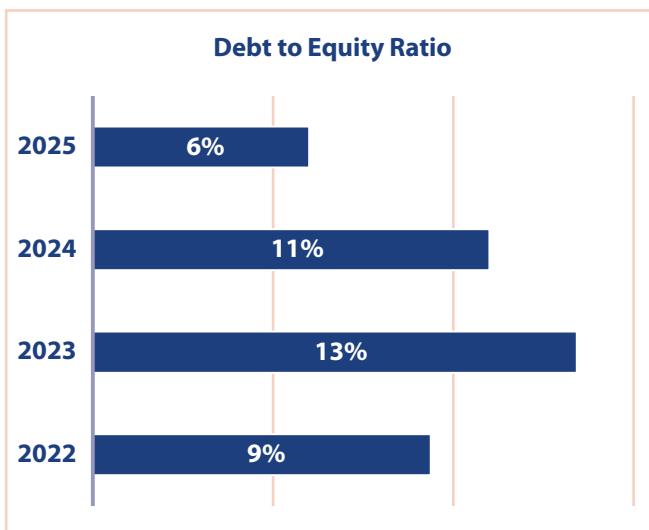
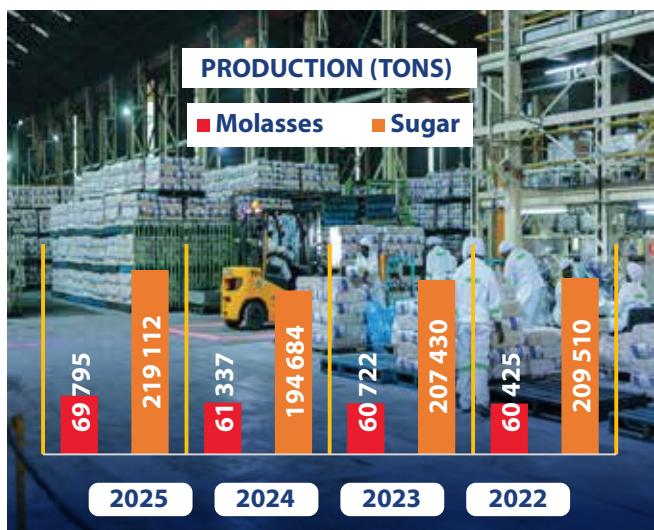
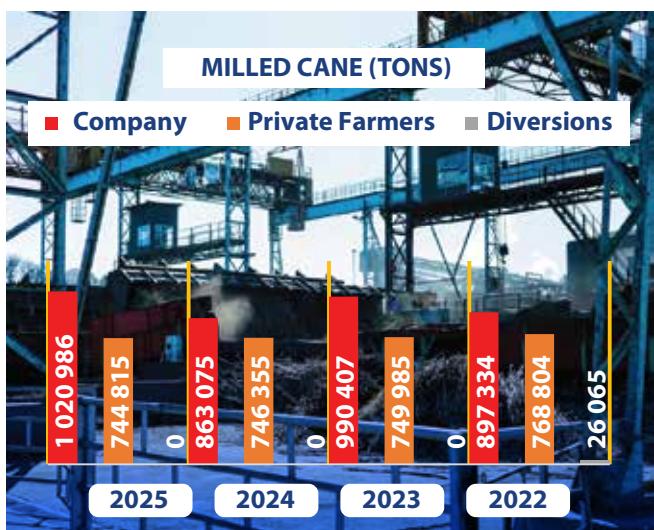
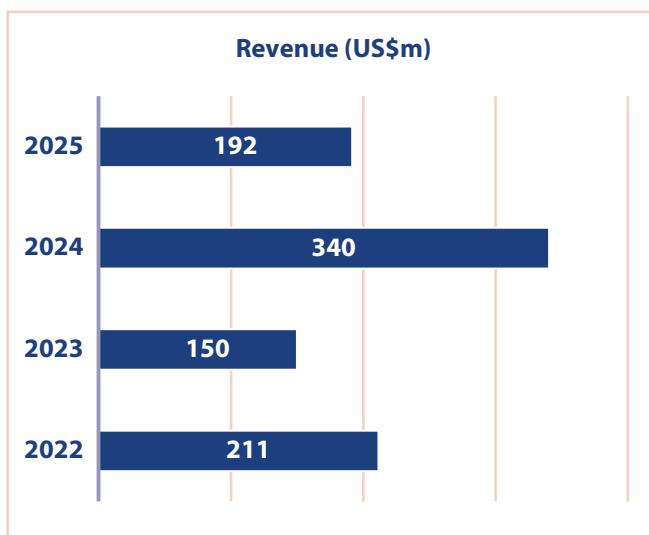
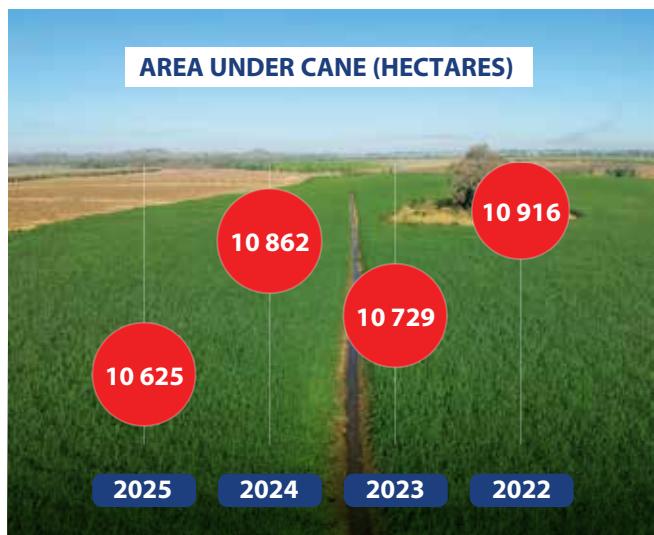
Data and Assurance
Our annual financial statements were audited by Messrs Ernst & Young Chartered Accountants (Zimbabwe) in accordance with International Standards on Auditing ("ISA"). The independent auditor's report on the financial statements is contained on pages 79 to 82.

Feedback
All our reports are available online on the Company's investor relations website at <https://www.tongaat.com/hippo-valley-estates/shareholder-information/>
We are dedicated to ongoing engagement with all stakeholders, striving for continual enhancement of our external integrated reporting with each passing year. For more information about this report or to provide feedback, please email our Company Secretary, Pauline Kadembo on Pauline.Kadembo@tongaat.com



Understanding our business

Hippo Valley Estates At A Glance



6 581
Total employees

1 030
Female employees

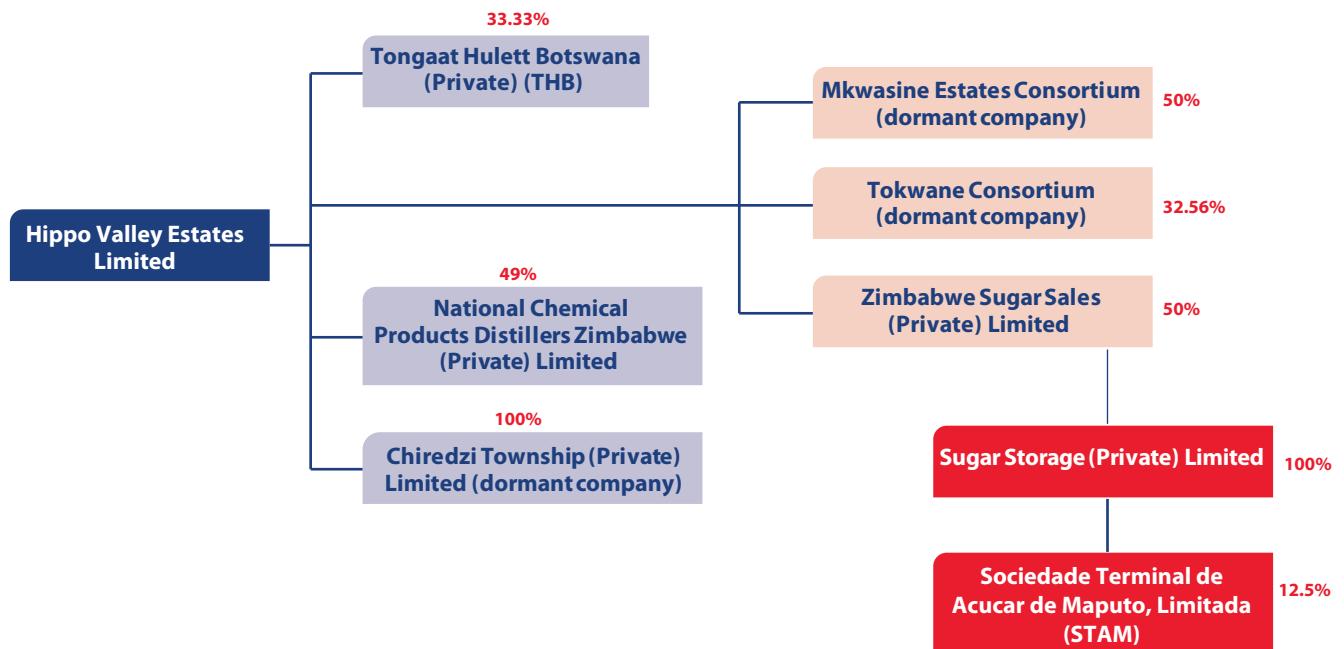
5 551
Male employees

Debt is defined as long-term and short-term borrowings and lease liabilities

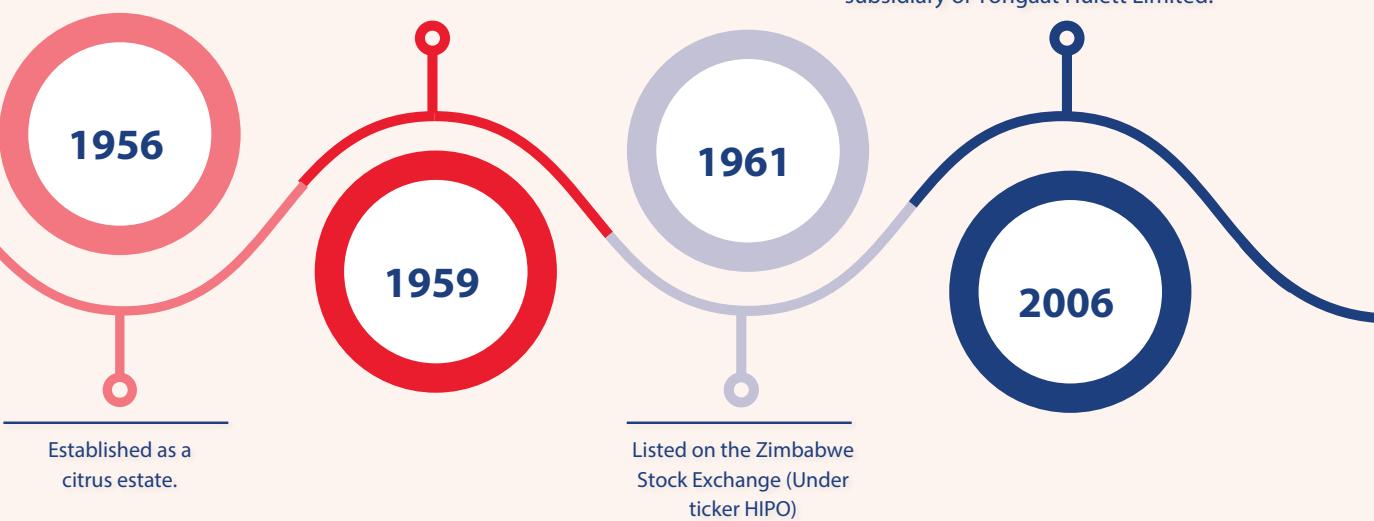
Equity includes all capital and reserves of the Company that are managed as capital

About Hippo Valley Estates Limited

Company Structure



Our history



About Hippo Valley Estates Limited

Hippo Valley Estates Limited

Date Established

13 May 1956

Head Office Address

Hippo Valley Estates
1 Inyati Road Extension
Chiredzi

 +263 231 231 5151/6

 +263 779 559 966

 Pauline.Kadembo@tongaat.com

Transfer Secretaries

First Transfer Secretaries (Private) Limited

 1 Armagh Road
Eastlea, Harare

Independent Auditors

Ernst & Young Chartered Accountants (Zimbabwe)

 Angwa City Cnr J Nyerere and Kwame Nkrumah Avenue
Harare

Bankers

Stanbic Bank Zimbabwe Limited

First Capital Bank Zimbabwe Limited

African Banking Corporation of Zimbabwe Limited (BancABC)

CBZ Bank Limited

Central Africa Building Society (CABS)

Legal Practitioners

Scanlen and Holderness

CABS Centre

 74 Jason Moyo Avenue
Harare

Gill, Godlonton & Gerrans

Beverly Court

 100 Nelson Mandela Avenue
Harare



Our Vision, Mission, Purpose and Values



Our Vision

To be the most trusted partner in all we do



Our Mission

Build our future by creating sustainable value for all stakeholders



Our Purpose

The primary purpose for our existence:

- Build capacity in our people and processes
- Drive efficiencies within our business
- Right size and fix the fundamentals of our business
- Create a platform for sustainable and profitable growth

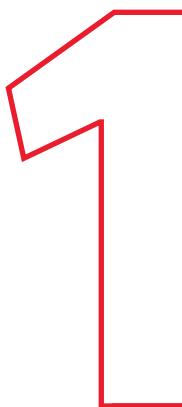


Our Values

Our values embody the core beliefs and ideals that underpin our actions and decisions:

- We succeed through excellence and innovation
- We grow and win in teams
- We take accountability
- Integrity and ethics guide our way
- We care and we do our best
- Safely home every day

Overview of Our Business



AGRICULTURE

With over 12 000 hectares of land, coupled with favourable topography, soil quality, climate conditions, and efficient conveyance systems for irrigation, sugar cane farming assumes a pivotal role at Hippo Valley Estates serving as the primary source of the essential raw materials required for our sugar milling operations.

Water

- Sugar cane is a perennial crop, requiring consistent access to water for year-round cultivation. However, challenges arise, particularly during drought conditions.
- Rainfall season typically spans from mid-November to the end of March.
- We rely on a network of dams, with major systems being Tugwi-Mukosi and Lake Mutirikwi. Other smaller dams include Mteri, Bangala and Muzhwi.
- We are experiencing illegal water abstractions by third parties without water rights from the Company's canal systems and actively engaging in ongoing discussions with land developers to address this.
- Reliability on electricity poses a concern, as power outages impact our irrigation capacity.



Planting and maintenance



- Sugar cane planted constitute cane roots which have a productive life currently estimated at 7 ratoon cycles.
- Standing cane represent growing crops to be harvested at an average age of 12 months.
- The maintenance of both cane roots and standing cane is dependent on the availability of water, agrochemicals and appropriate crop husbandry practices.
- Yield performances forms one of the major determinants of the need to replant certain fields.

Overview of Our Business

Harvesting and haulage



- Activity is linked to the mill crushing season.
- Supported by deployment of seasonal employees.

Agriculture equipment



- The Company makes use of and maintains a huge fleet of yellow equipment for planting, harvesting and haulage.
- In certain instances, equipment can be outsourced through procurement tenders to compliment own equipment.
- However, the business recently embarked on a retooling exercise which saw the acquisition of new cane haulage fleet.

2025 performance (compared to 2024)

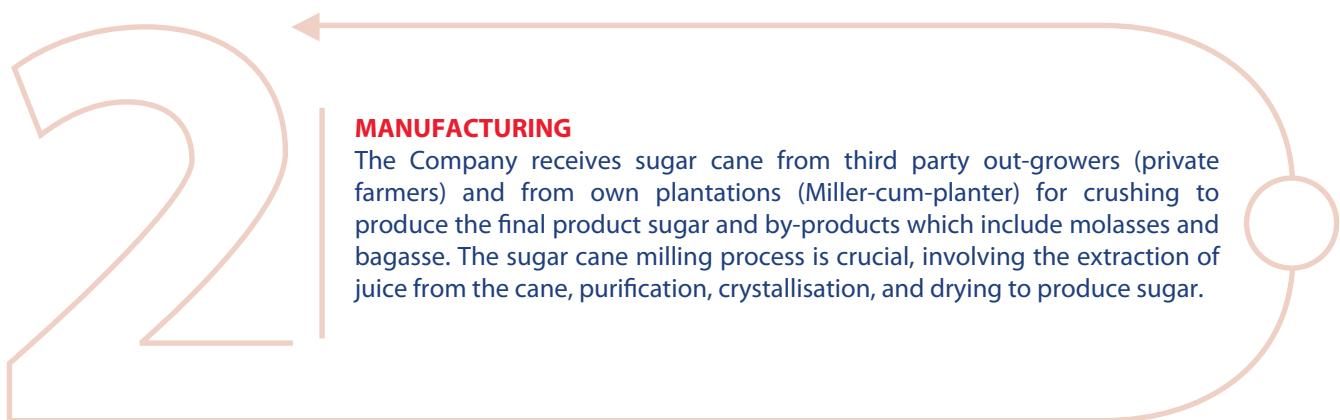
Sugarcane production:	1 765 801 tons	10% ↑
Company:	1 020 986 tons	18% ↑
Private farmers:	744 815 tons	0.2% ↓

Overview of Our Business

Outlook



- Improved water conveyancing system - drip and centre-pivot irrigation
- Implementation of mechanised harvesting and precision farming
- Total cane production is expected to be around 1.6m tonnes in 2026
- Continue to pursue solar solution as an alternative power source



Cane milling

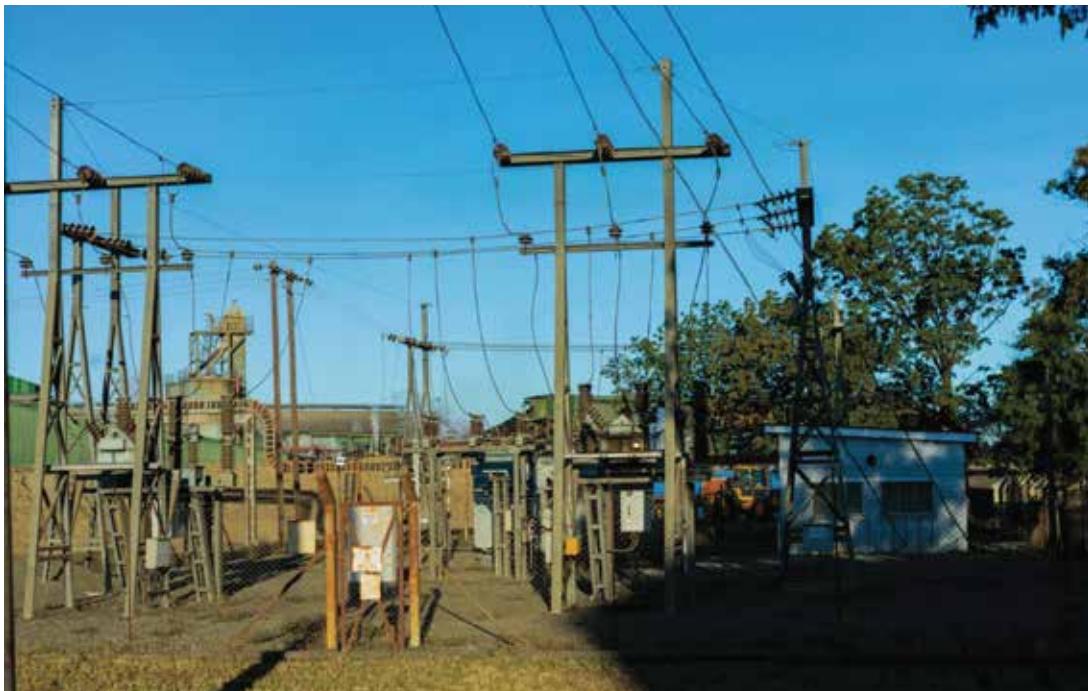


- Sugar extraction typically occurs from April/May to December when sucrose concentration in the cane is highest.
- Sugar cane is transported to the Hippo Valley Estates mill via road, national rail or Company (own) light rail.

Overview of Our Business

Power generation

- The operation is powered by electricity generated through use of bagasse, a by-product of the milling process and coal. Bagasse is carbon-neutral and minimally contributes to global warming.
- We additionally import from the national grid particularly during off-crop period (December to March) when our boilers are under annual maintenance with generators as alternatives.



Packing

The Company packs sugar for the industry and the process adheres to required safety standards.



Overview of Our Business

Annual maintenance

- The Company performs a critical off-crop (annual) maintenance programme between December and March.
- The maintenance programme ensures more plant reliability in the coming season with the mill optimally running with good crush rates and meeting production targets.



2025 performance (compared to 2024)

Sugarcane production:	219 112 tons	13% ↑
Molasses production:	69 795 tons	14% ↑
Cane to sugar ratio:	8.06	3% ↑

Outlook



- Increasing power efficiency and utilisation
- Sugar production expected to be above 200 000 tons
- Molasses production expected to be close to 60 000 tons
- Replacement and modernisation of assets such as diffuser chains, head shafts and turbines
- Expansion of the locally generated power distribution network to all agricultural areas or estates to mitigate electricity outages on the national grid
- Automation of sugar packaging process

Overview of Our Business

3

ANCILLARY SERVICES, GAME & OTHER FARMING ACTIVITIES

Through its strategic focus to promote positive employment relationship, Hippo Valley Estates offers additional employment benefits to its employees via its own established social and welfare facilities.

Hippo Valley Estates manages a total of 14 158 hectares of land for wildlife conservation purposes. This land is utilised for the management of game reserves, safari experiences, and hunting activities.

The Company operates a country club with a golf course, restaurant, villas and other sporting facilities aimed at providing recreational facilities within the lowveld.



The Company operates a private hospital aimed at providing the necessary health services to all employees and surrounding community.



The Company established schools, aimed at ensuring employees' dependents and the community have access to both primary and secondary education.



The Company established employee houses across the estate and within the main CBD of Chiredzi, aimed at ensuring employees are housed within the Lowveld.



Overview of Our Business

4

SALES AND MARKETING

The Company's sales and marketing arm is housed as an industry commercial function under Zimbabwe Sugar Sales (Private) Limited (ZSS). ZSS assumes the responsibility to market, sale and distribute sugar locally and into the export markets, with proceeds distributed to the mills both Hippo Valley Estates and Triangle based on each company's production contribution.



Pricing

Our pricing strategy focuses on issues around cost recovery, competitiveness and affordability of our product by the general populace locally, while aligned to the existing statutory policies.

Division of proceeds (DoP) with private farmers

ZSS operates with the objective of aligning both the miller and private farmers expectations. While private farmer payments are settled through two different options of agreements namely, the Cane Milling Agreement (an agreement under which private farmers participate in the value chain) and the Cane Purchase Agreement, both have interest in the generation of revenue by ZSS which is also pivotal for private farmer settlements.

Areas of differentiation

What sets us apart

While competition remains fierce, our goal is not only to be recognised for our performances in sugar production but also for our unwavering dedication to fostering community and national development. Furthermore, we aim to conduct business in a sustainable manner for the benefit of a wider range of stakeholders who benefit from the Company's existence (namely: employees, suppliers, communities, government, and shareholders / lenders as the providers of capital).

1. As a **large private sector employer**, we distinguish ourselves through our significant impact on employment opportunities and economic growth. With a workforce spanning from diverse backgrounds and skills sets, we foster an inclusive and dynamic workplace culture that values talent, innovation and collaboration.

Headcount FTE 2022 Permanent Employees: 3 719 Contracted Employees: 2 641	Headcount FTE 2023 Permanent Employees: 4 201 Contracted Employees: 1 852
Headcount FTE 2024 Permanent Employees: 4 102 Contracted Employees: 2 532	Headcount FTE 2025 Permanent Employees: 3 951 Contracted Employees: 2 630

2. **Exporter in the nation and significantly contributing to foreign currency inflows** with decades of experience in sugar cane cultivation and processing, we have honed our operations to consistently deliver high-quality sugar that meets the diverse needs of our global clientele. Through strategic market insights and responsive customer service, we have built strong enduring relationships with buyers worldwide, positioning us as a preferred supplier in the competitive sugar market.

3. In an era where corporate responsibility and employee well-being are paramount, we stand proud of our commitment to supporting the holistic needs of our employees and their families. At the heart of this commitment are our onsite facilities, **dedicated schools for employees' children and a fully equipped hospital catering to the health needs of our workforce**. Through this initiative we strive to create a workplace environment where our employees feel valued and empowered.

Refer to page 17 for more information on our initiatives and performance in the realm of Environment, Social and Governance (ESG).

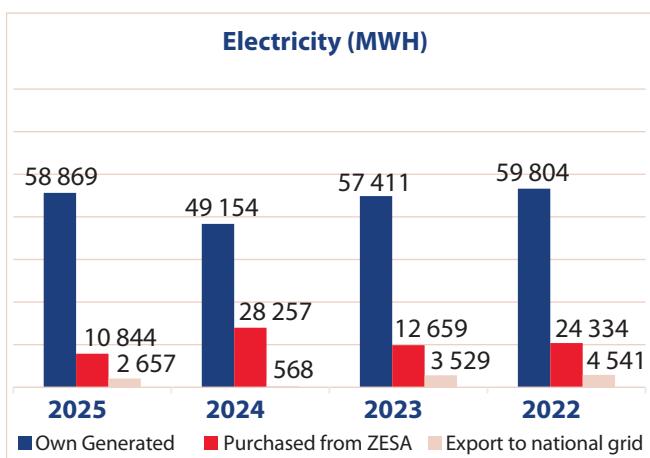
4. We take pride through the development of a **leading household sugar brand** that resonates with consumers' preferences and expectations. Our commitment to delivering quality sugar products extends beyond industrial clients to the households of our local customers. By offering a trusted and recognisable household sugar brand, Hippo Valley Estates reinforces its position as a leading player in the sugar industry, fostering consumer loyalty and driving sustainable growth in both domestic and international markets.

5. We have a **steadfast commitment to sound governance practices**, which prioritise transparency, accountability, and ethical conduct. Led by a diverse board of directors, we uphold rigorous internal controls and risk management frameworks to safeguard stakeholder interests and ensure compliance with regulatory requirements. Through transparent communication channels and stakeholder engagement, we foster a culture of openness and responsiveness, promoting stakeholder confidence and long-term sustainability. Our dedication to sound governance principles sets us apart as a trusted and responsible corporate citizen, committed to creating enduring value for all stakeholders.

Refer to pages 44 to 49 for more information about our governance

6. As the national grid heavily relies on coal-based thermal power plants resulting in a high carbon emission level, we endeavour to actively **contribute surplus electricity to the national grid** where feasible, thereby lessening the reliance on thermal power sources and advancing sustainability initiatives.

Refer to pages 25 to 27 for more information on our initiatives and performance in the realm of ESG.





**Facilitating value creation
through good
sustainability practices**

Six Capitals

OUR APPROACH TO SUSTAINABILITY

As Hippo Valley Estates, we take responsibility for how we manage the land we own, lease, and/or cultivate in partnership with small holder cane-growers in an economically, environmentally, and socially sustainable way. Our farming and processing practices have direct and indirect impacts on ecosystems, natural landscapes, and biodiversity. Our local communities also rely on the same ecosystems for the provision of water, food production, and employment opportunities.

While the business seeks to optimise yields and productivity, we do so in a responsible manner that sustains biodiversity and ecosystem. Our overall sustainability strategy is largely aligned with efforts made on the global front for addressing environmental, social, and governance issues. Our approach recognises the fact that our farming and processing operations require sustainable stewardship of energy inputs, land, air, and freshwater ecosystems. This responsibility is not just bestowed on us but also on our third-party supplying farmers. Our engagements with parties along the whole value chain are at the centre of our approach.

Responsible Business Practices

The Company has a strong commitment to promoting the highest ethical standards among employees. All employees are required to maintain the utmost ethical behaviour and company values. Hippo Valley Estates has a comprehensive ethics management program that promote upholding the highest standards of conduct. This program includes a confidential whistle-blowing service that allows stakeholders including employees, suppliers and customers to report any suspected ethical violations or misconduct.

Additionally, there are well-defined processes for employees to report issues of non-compliance with the Company's ethical policies and procedures. The ethics management programme also features mechanisms for identifying, disclosing, and managing potential conflicts of interest that could arise among employees or within business relationships. These procedures are designed to maintain transparency and ensure decisions are made objectively and in the best interests of the Company. Furthermore, the programme incorporates rigorous internal audit reviews that analyse emerging trends, investigate root causes, and assess the financial implications of any ethics breaches that occur. These audits provide valuable insights for continuous improvements and upholding ethical behaviour.

SPEAK UP
• WE TAKE ACCOUNTABILITY
• WE GROW & WIN IN TEAMS

INTEGRITY
• INTEGRITY & ETHICS GUIDE OUR WAY

RESPECT
• WE CARE & DO OUR BEST
• SAFELY HOME EVERY DAY

RESPONSIBILITY
• WE SUCCEED THROUGH EXCELLENCE & INNOVATION

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WHISTLEBLOWERS PRIVATE & CONFIDENTIAL 024 27 999 46

Six Capitals *(continued)*

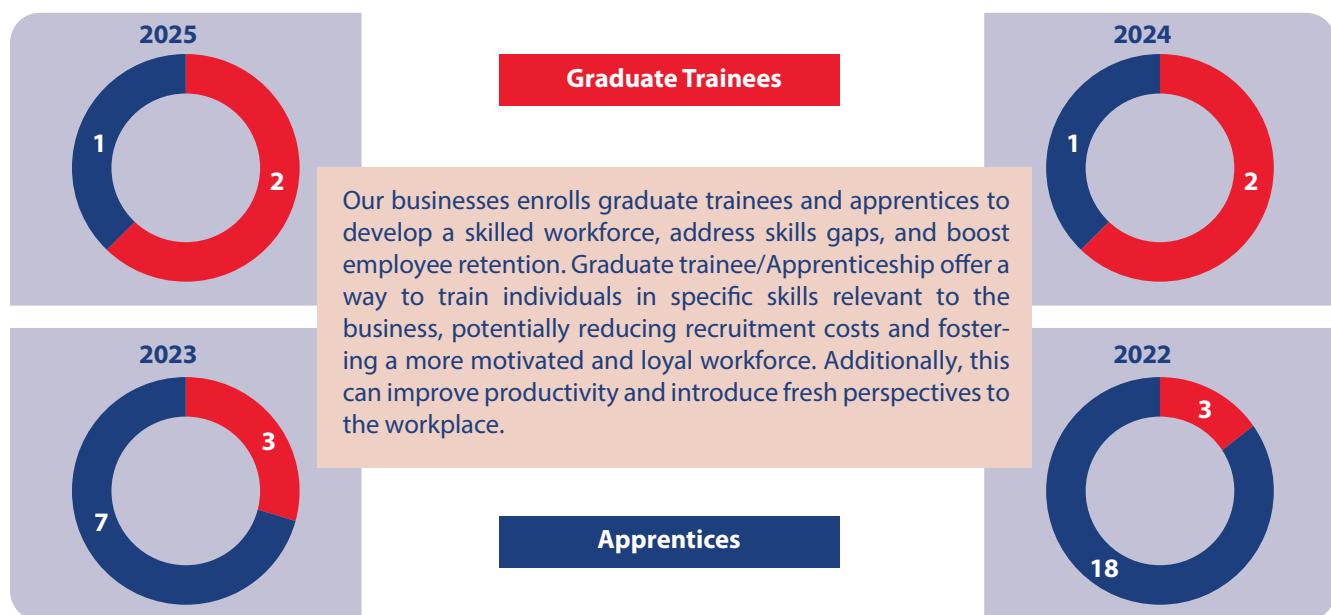
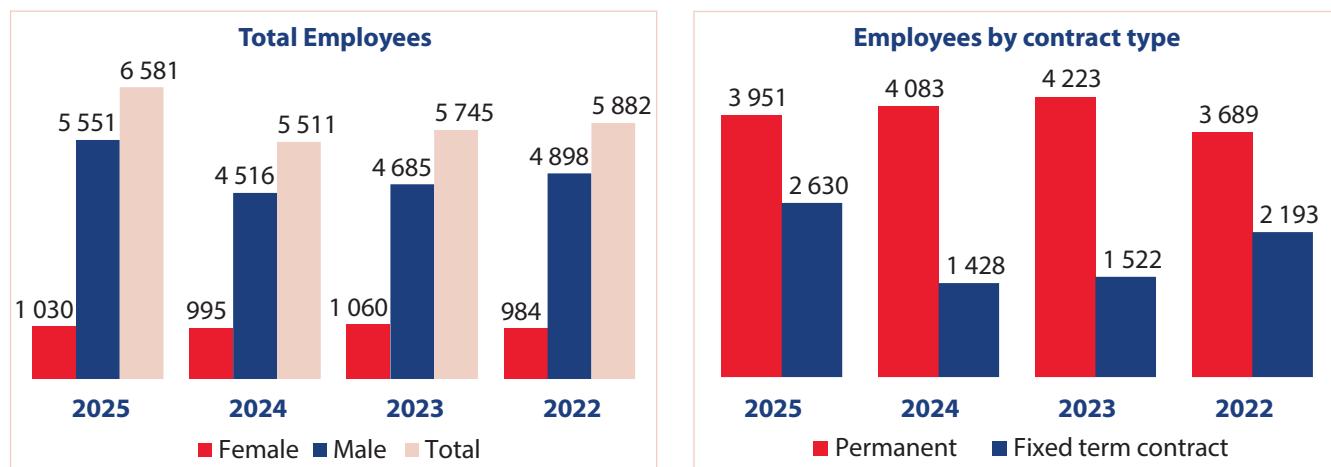
SUSTAINABILITY IN OUR PRODUCTION AND OPERATIONS – SIX CAPITALS

Hippo Valley Estates relies on key inputs such as land, a skilled workforce, machinery and financial resources to sustain its operations in the sugar industry. The Company leverages its land holdings for sugar cane cultivation, supported by favourable topography, soil conditions, and irrigation infrastructure. With a skilled and diverse workforce, Hippo Valley Estates ensures efficient operations from cultivation to milling. Investment in machinery enhance productivity and quality, while financial resources facilitate growth and competitiveness in the agricultural sector.

HUMAN CAPITAL



At Hippo Valley Estates, our people are the cornerstone of our success. We are deeply committed to building a workforce that reflects excellence, integrity, and inclusivity. Our talent acquisition strategy is designed to attract individuals whose skills, experience, and values resonate with our corporate vision and strategic objectives.



Diversity

We uphold a recruitment practice guided by the principles of fairness, transparency, and equal opportunity, in full alignment with labour laws. Our inclusive hiring practices are not only a reflection of our values but also a catalyst for sustainable business transformation. We actively seek to mirror the diversity of the communities we serve, ensuring that our workplace is representative, equitable, and empowering. Recognising our role in addressing national employment challenges, we prioritise the creation of meaningful job opportunities that contribute to reducing unemployment and advancing economic empowerment.

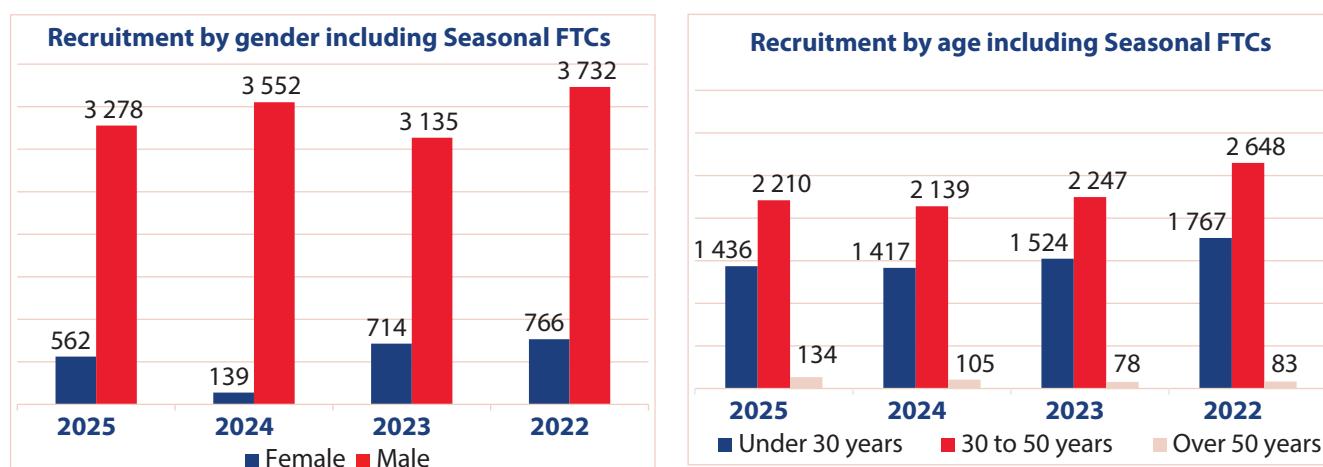
Six Capitals *(continued)*

HUMAN CAPITAL (CONTINUED)

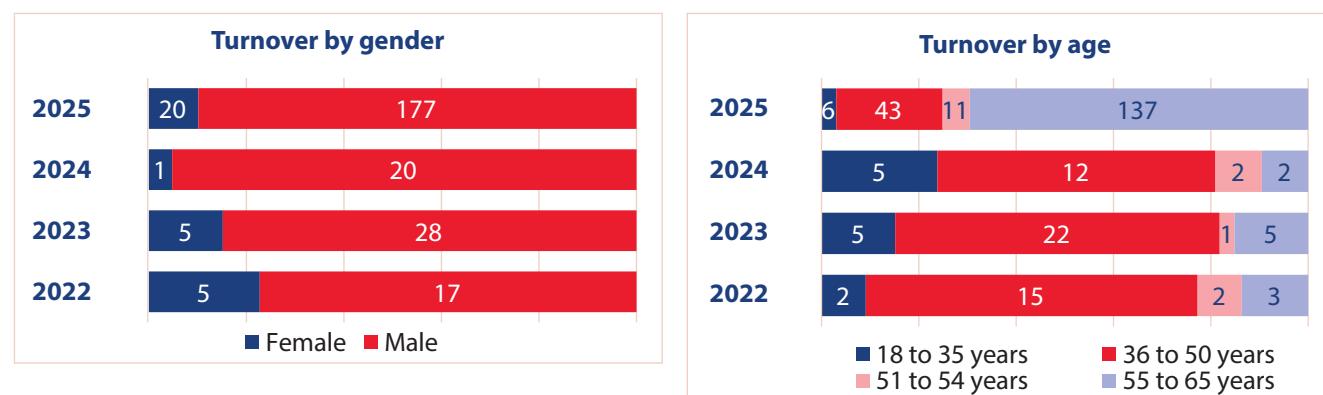
Diversity (CONTINUED)

Our manpower planning is both strategic and socially conscious, guided by a robust policy framework. This includes the Talent Management Policy, which steers the attraction, development, and retention of top talent; the Code of Conduct, which upholds ethical and professional behaviour; and the Grievance Handling Procedure, which ensures a respectful, transparent, and responsive workplace culture.

In line with our commitment to gender equity, female representation in external appointments for administrative, technical, and professional roles reached our target of 33%. This milestone underscores our dedication to inclusive growth and stakeholder value creation.

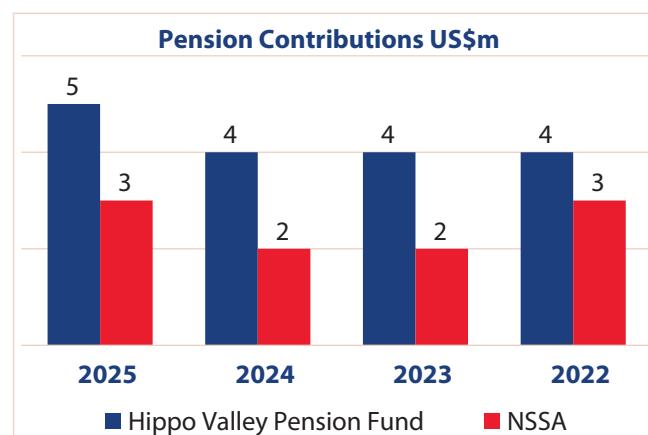


Seasonal FTC refers to fixed term contract employees, who are recruited seasonally and are mainly employed in Agriculture and for Sugar Packing.



Welfare

The Company has a defined contribution pension scheme to cater for the employees' welfare after retirement. Contributions are made monthly to the Hippo Valley Pension Fund (a private pension fund) and to the National Social Security Authority (NSSA) (a statutory pension fund).



Six Capitals *(continued)*

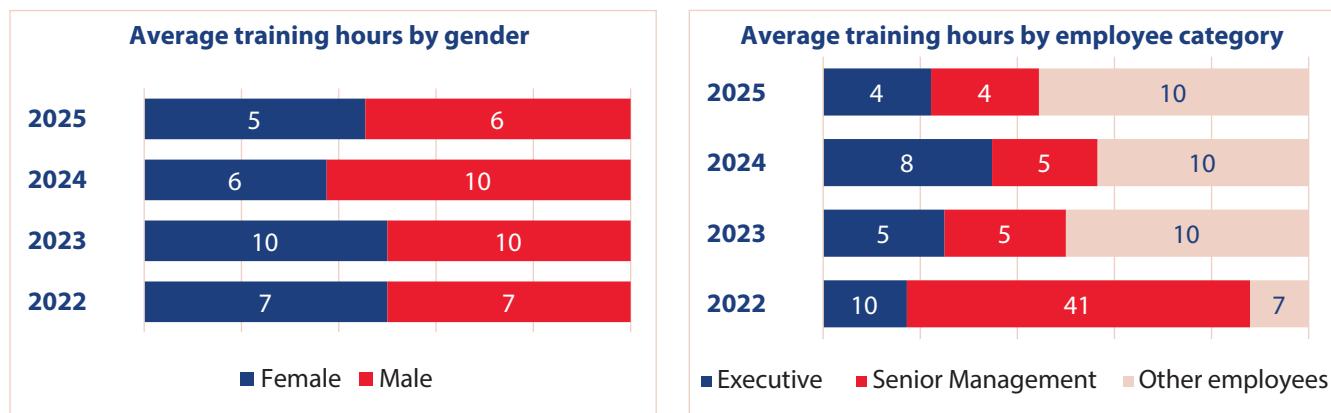
HUMAN CAPITAL (CONTINUED)

Employees' Education and Training

At Hippo Valley Estates, training is not just an initiative- it's a strategic promise to equip our people with the tools to thrive in a dynamic and competitive environment. We believe that empowering our people through continuous learning is key to driving performance, innovation, and long-term success. Our training and development efforts are strategically aligned with business needs and employee aspirations, ensuring a future-ready workforce.

Training needs are identified through structured processes such as the Skills Care Audit, Talent Reviews, Success Management and supervisor insights. Guided by the 70/20/10 learning model, we deliver targeted development through a blended approach-leveraging SAP SuccessFactors LMS, LinkedIn Learning, and specialized off-site programs to build both technical and leadership capabilities.

Our policies, training, education and talent management, anchor our commitment to skill enhancement, succession planning, and employee engagement. By aligning learning with strategic goals, we foster a culture of growth, agility, and excellence.



At Hippo Valley Estates, capability development remains a strategic priority, even amid financial constraints. While training hours have fluctuated in recent years due to cash flow management, the Company remained committed to building a resilient and skilled workforce by prioritizing critical interventions.



These focused programs ensured continuity in capability building and supported key business functions. Looking ahead, Hippo Valley Estates continues to refine its training strategy to balance financial realities with the imperative of developing a future-ready workforce.

Six Capitals *(continued)*

HUMAN CAPITAL (CONTINUED)

Occupational Health and Safety (OHS)

As an employer of choice, Hippo Valley Estates prioritizes the health and safety of its employees and the surrounding community. As such it has implemented an elaborate Occupational Health and Safety Management system that ensures effective management of hazards and risks in and outside the workplace. The system is subjected to biannual checks, through internal audits, to ensure that it is still effective. In addition to these internal checks, the system is certified to ISO 45001:2018 Management system. The organisation also employed Safety, Health and Environment Practitioners who advise and assist management to ensure that the system is adequate, effective and suitable to the nature of the organisation.

Third Parties On-Boarding

Third party companies bring significant SHE risks to the business as they bring in a different SHE Culture and working practices that may not be in line with Hippo Valley Estates practices. To manage this risk in 2025, all companies engaged to conduct activities on behalf of Hippo Valley Estates were inducted on the Company's Safety, Health and Environmental requirements. In addition to this induction, their equipment was inspected to ensure that it complies with national and internal safety requirements. Regular inspections and audits of contractor activities were done and SHE performance review meetings were held with the contractors on a monthly basis.

Induction Processes

The induction process entails exposing the new contractor to Hippo Valley Estates' SHE Management System. The contractor is made aware of the Hazard Identification and Risk Assessment process, the incident management process, the Behaviour Based and Environmental Management systems, Emergency preparedness and response plans, critical hazards and risk management plans.

On-Boarding Process

The onboarding process involves checking for:

- compliance with NSSA registration
- competence of the employees
- safety and functionality of equipment to be used
- method statements for the activities to be embarked on; recognition of the contractor Point Person, SHE Practitioners and Line Manager, issuing of weekly and monthly report templates, amongst other things.

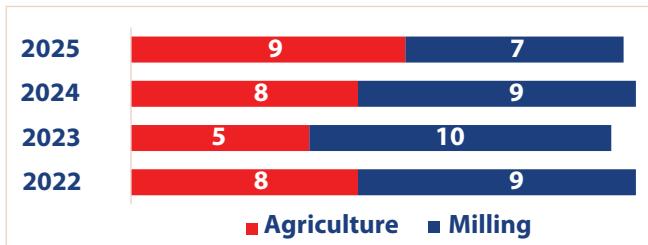


Six Capitals *(continued)*

HUMAN CAPITAL (CONTINUED)

Safety, Health, and Environment Committee Meetings

Divisions conducted meetings to review issues concerning SHE and to come up with interventions meant to improve their employee's occupational safety and health. Additionally, discussions were held on preventing pollution whilst promoting environmental conservation. The following table shows the number of meetings that have been held over the past 4 years.



In addition to the above, a companywide SHE Management Systems Review meeting was held to assess the adequacy, suitability and effectiveness of the system and action plans were developed which are being implemented to enhance the system's effectiveness.

Work-related Injuries

Regrettably, one fatal incident was recorded during the period under review. This occurred when a crane operator working for a contracted company was using a 10-ton mobile lifting crane to load cane bundles on a haulage truck at Hippo Valley Estates' Section 20 Loading zone B, disembarked from the mobile crane leaving it idling. Following this, the mobile crane rolled backwards and, in an attempt to stop the runaway crane, the now deceased operator tried to climb on to the machine that was picking up speed down the slope towards the edge of the zone. Upon getting to the edge of the zone the crane fell into a depression thrusting the late into the path way of the front left wheel which ultimately ran over the crane operator, inflicting a fatal crush-injury to the head.

A number of actions were implemented to address the root causes of the incident and thus prevent future recurrence of similar incidents and these included:

- Termination of the contracted company's contract with Hippo Valley Estates for the serious violations that directly resulted in the loss of life to one of the contractor's employees.
- All Cane Haulage operations were audited against the findings of the incident investigation to ensure compliance.
- A phased service insourcing plan that led to the gradual termination of all contracted services was developed and is being implemented.
- Review of the 2 X12 hour shift cycle at Cane Haulage with a view to come up with an optimal configuration that would ensure employee safety at optimal cost to the business. As a result, a 3 X 8-hour shift was put in place.

By the end of the financial year, a total of thirty (30) work related injuries were recorded 1 Fatality (F), 3 Lost Time Injuries (LTIs), 24 Medical Treatment Cases (MTCs), 2 First Aid Cases (FACs) and 3 High Fatality Risk Incidents (HFRI), resulting in a LTIFR of 0,028.



Six Capitals (continued)

HUMAN CAPITAL (CONTINUED)

The table below gives a breakdown of the incidents by the various operational divisions:

Division	F 2025	F 2024	LTI 2025	LTI 2024	MTC 2025	MTC 2024	FAC 2025	FAC 2024	HFRI 2025	LTI FR 2025	LTI FR 2024	LIMIT	TI 2025	TI 2024
Agriculture	0	0	2	0	13	8	2	2	0	0.03	0.000	0.033	17	10
Manufacturing Ops	0	0	0	1	7	4	0	0	1	0.000	0.03	0.033	7	5
Infrastructure and Support Services	0	0	1	0	1	4	0	1	0	0.21	0.000	0.033	2	5
Zimbabwe Sugar Sales	0	0	0	1	0	0	0	0	0	0.000	0.000	0.033	0	1
Human Resources	0	0	0	0	0	0	0	0	0	0.000	0.000	0.033	0	0
Finance & Inventories	0	0	0	0	0	0	0	0	0	0.000	0.000	0.033	0	0
Supply Chain	0	0	0	0	0	0	0	0	0	0.000	0.000	0.033	0	0
Corporate Affairs	0	0	0	0	0	0	0	0	0	0.000	0.000	0.033	0	0
Projects and Technical Services	0	0	0	1	1	1	0	0	0	0.000	0.23	0.033	1	2
Contractors	1	0	0	0	2	7	0	0	2	0.000	0.000	0.033	3	7
Total	1	0	3	3	24	24	2	3	3	0.028	0.028	0.033	30	30

Key and the abbreviations:

F - Fatality

LTI - Lost Time Injuries

MTCs - Medical Treatment Cases

FACs - First Aid Cases

HFRI - High Fatality Risk Incidents

LTI FR - Lost Time Injury Frequency Rate

Six Capitals *(continued)*



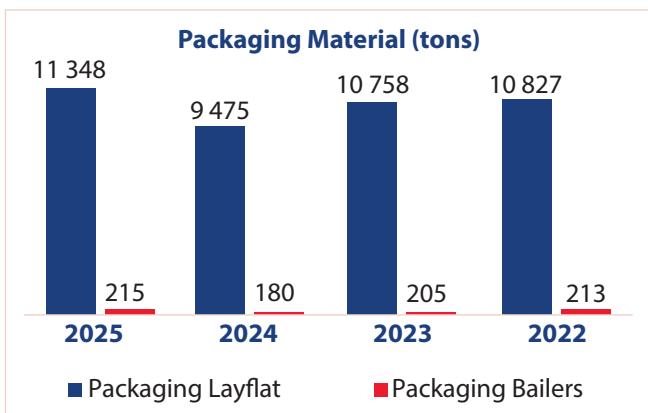
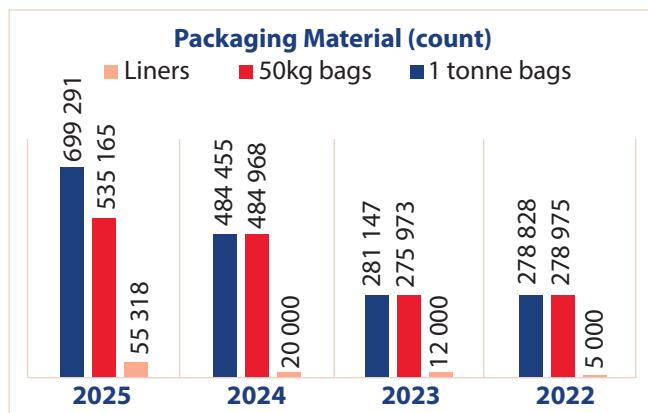
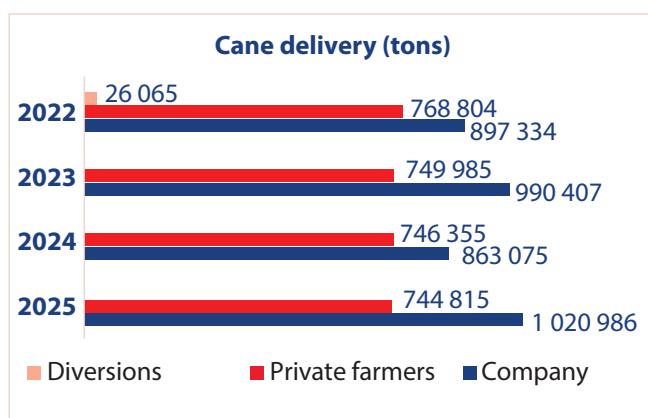
NATURAL CAPITAL

Raw Materials

Raw materials such as sugar cane are crucial to produce our primary product which is sugar. As such, the more sugarcane we use, the more sugar we produce, which has a direct correlation to our revenue and waste generated. Our production value chain rely on packaging materials to deliver the final sugar product to consumers. The packaging protects the sugar and enables it to be transported and sold safely. The Company ensures that procurement, storage, and disposal of packaging materials is done in a responsible manner with minimum negative environmental impacts.

To manage these material-related impacts, Hippo Valley Estates implemented daily reporting and monitoring of cane crushing and general production. This allows tracking material usage and production in real-time. We invested in research and development to improve sugarcane varieties, cane transportation, and plant maintenance to optimise efficiency.

Our raw materials were as follows:



Six Capitals *(continued)*

Natural Capital (Continued)

Energy

Energy is critical for Hippo Valley Estates, directly impacting our productivity and environmental footprint. The Electrical Department monitors electrical energy usage and installs energy-efficient appliances to minimise our impact on the environment. Additionally, our Stores Department ensures responsible management of fuels, and our transport team repairs vehicles to optimise their efficiency.



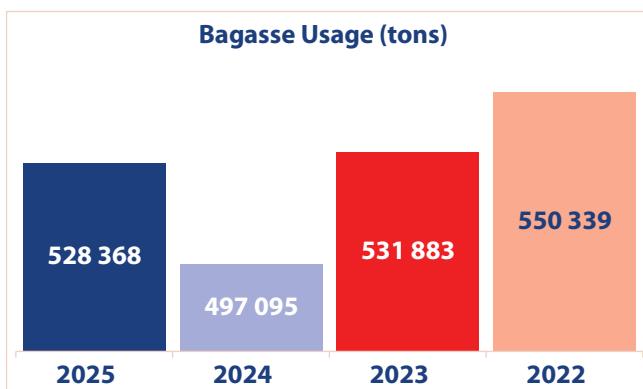
However, we acknowledge that our reliance on non-renewable fuels contribute to greenhouse gas emissions, climate change, and global warming. Therefore, we are committed to climate change mitigation. Our policies include Safety, Health and Environment (SHE) Policy and Climate Change Policy which guides our efforts in managing our carbon footprint. We invested in monitoring energy utilisation and cleaner energy sources.

In our sugar production process, bagasse availability directly affects electricity production. As production increases, so does bagasse availability, leading to more electricity generation. Conversely, lower production volumes result in less energy generated. While our electricity purchases from the grid have been decreasing due to limited supply, we remain committed to efficient production.

Energy Consumption inside the Company

As a commitment to sustainable business practices, the Company generates electricity from bagasse a by-product from sugar production. Below is the data on electricity generated and consumed:

Bagasse Usage



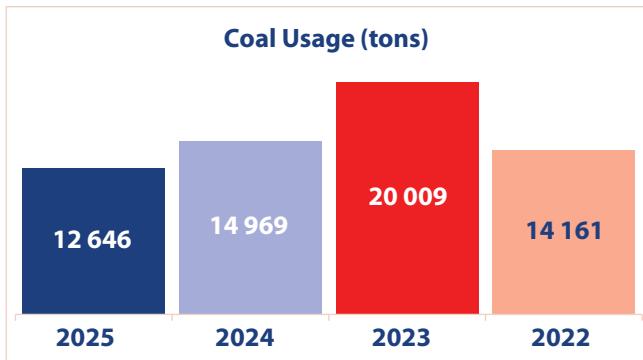
In the current year, slightly less bagasse (9 tons) was combusted to generate 1MWH (2024:10 tons). This improvement in efficiency was mainly due to bagasse availability and plant stability/availability. The aim is to make use of more bagasse, which is environmentally friendly when compared to coal.



Other energy sources used within the Company are below:

Coal Consumption

Hippo Valley Estates used a total of 12 646 tons of coal during the year (2024:14 969 tons), thus burning an average of 0.06 tons for every ton of sugar produced (2024: 0.07 tons). Reduced coal usage is attributed to improved cane availability and plant stability. The plan is to reduce coal usage by more than 2.5% from 2025 level in 2026. The graph below shows coal usage in the past four years.

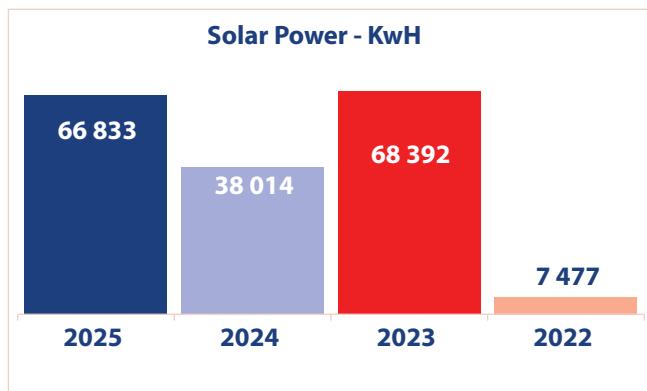


Six Capitals *(continued)*

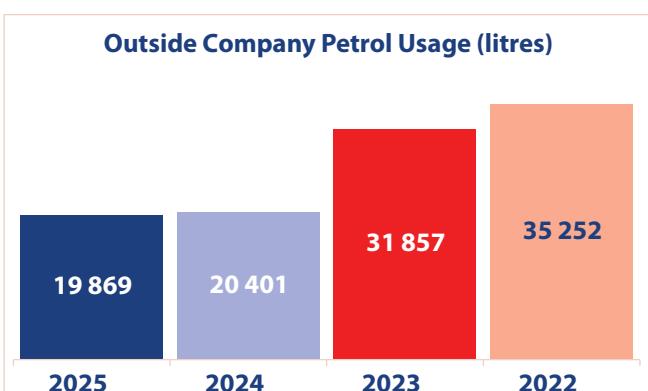
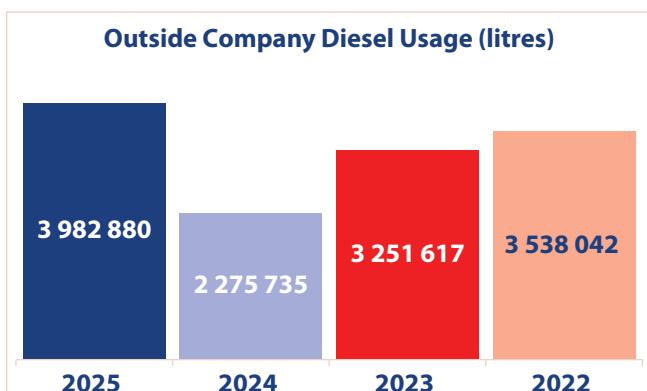
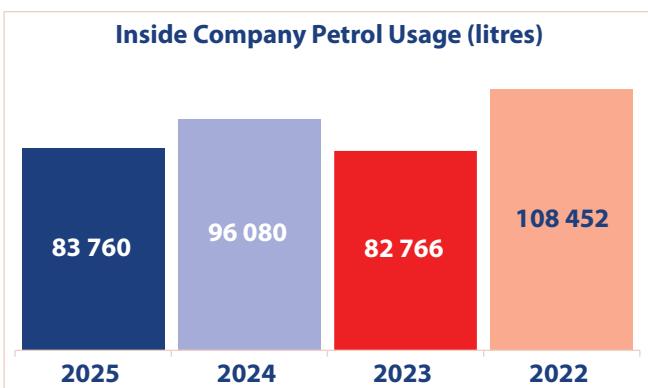
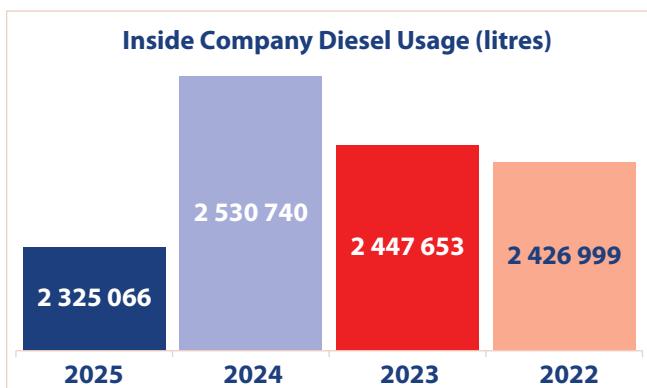
Natural Capital (Continued)

Other energy sources used within the Company are below:

Solar Energy Usage



Diesel and Petrol Own Consumption



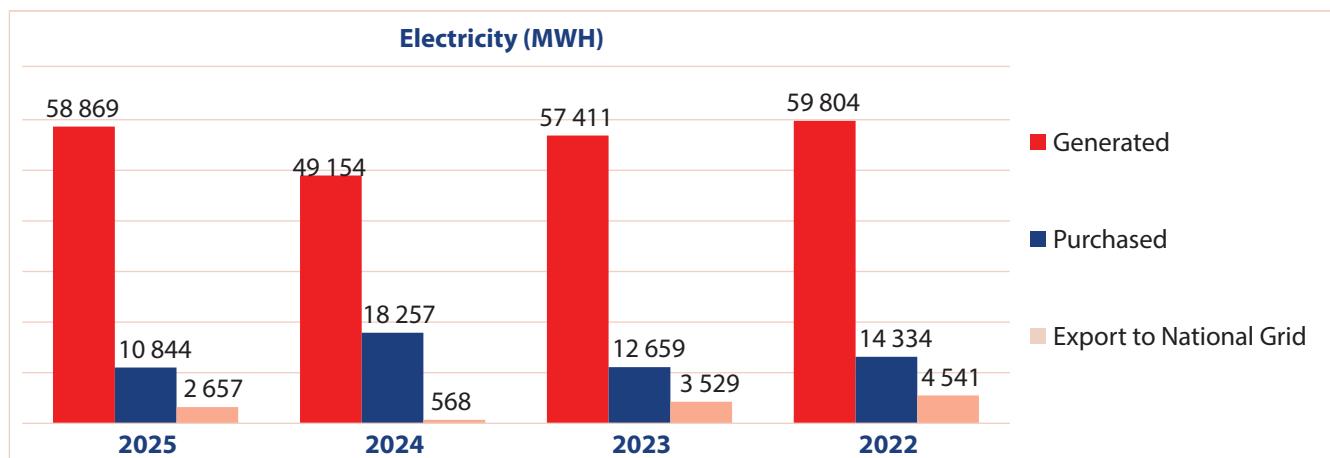
At Hippo Valley Estates, fuel usage is monitored for company, contractors, out growers and ZSS vehicles and appliances. On average, the Company used about 2.35L of diesel per ton of sugarcane produced in 2025 (2024:3.05L). Petrol is mainly used for small generators and motorbikes, hence the low volumes on usage. In order to manage efficiencies, vehicles go through regular maintenance with aged vehicles and equipment replaced in line with the business retooling strategy.

Electricity Usage

A total of 58 869MWH electricity was generated in the current year (2024:49 154MWH), 10 844MWH was purchased (2024:18 257MWH) and 2 657MWH was exported to the grid (2024:568MWH). This improvement was due to better plant availability, production efficiencies and cane availability in 2025 compared to 2024. On average, the Company used about 0.30MWH of electricity for every ton of sugar produced, a slight improvement from 2024 0.32MWH per ton of sugar produced.

Six Capitals *(continued)*

Natural Capital (Continued)



Water and Waste Management

As a major agricultural producer, we rely heavily on irrigation, making efficient water usage a critical priority for our sustained operations. To address this, we implemented a structured approach to water management. On the positive side, this approach allows us to monitor our water abstraction in coordination with the Irrigation Department and the Zimbabwe National Water Authority (ZINWA). This regulatory oversight helps ensure our responsible utilisation of the shared water resource. However, managing water usage also presents challenges, as we must balance production needs with environmental considerations and the interests of other local stakeholders who depend on the sources of water.



We take proactive measures to promote water conservation within our own operations. Regular training programs educate our irrigators on best practices for efficient water use. We regularly maintain our irrigation infrastructure, repairing canals to minimise losses through leakage. These efforts complement the broader regulatory framework, demonstrating our commitment to sustainable water stewardship.

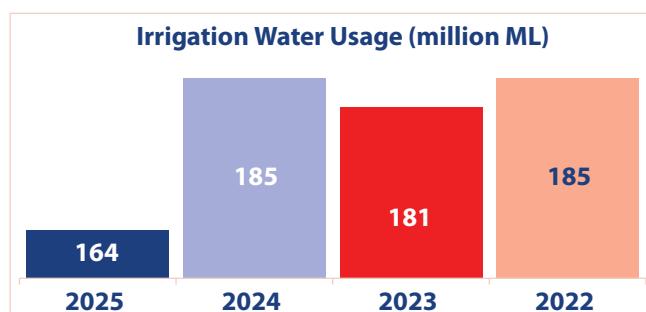
Underpinning our practical water management initiatives are supportive policies and systems. We implemented a Sustainable Sugar Production Policy that incorporates efficient water use practices. We withdraw our water from Tugwi-Mukosi and Mutirikwi dams and we target to utilise 16 mega litres for every hectare of cane. However, this target is not being achieved due to increased water abstractions upstream of Hippo Valley Estates.

Waste management is critical for Hippo Valley Estate's operations, directly impacting the environment and public health. The Company is committed to minimising waste generation, maximising recycling, reuse, and ensuring responsible disposal of non-recyclable materials. To achieve this, Hippo Valley Estates implemented a comprehensive waste management approach that encompasses waste reduction, segregation, recycling, and disposal.

We conduct regular waste reduction training for employees, promoting waste minimisation practices. Color-coded bins are provided for waste segregation at source, enabling the separation of recyclables, organic waste, and hazardous materials. Recyclable waste is sold to registered recyclers, diverting it from landfills and promoting a circular economy. Non-recyclable waste is disposed of at licensed waste disposal sites, ensuring compliance with local and national regulations. This practice minimises the risk of leachate contamination of groundwater and protects public health.

Our water and waste management for the reporting period was as follows:

Water usage

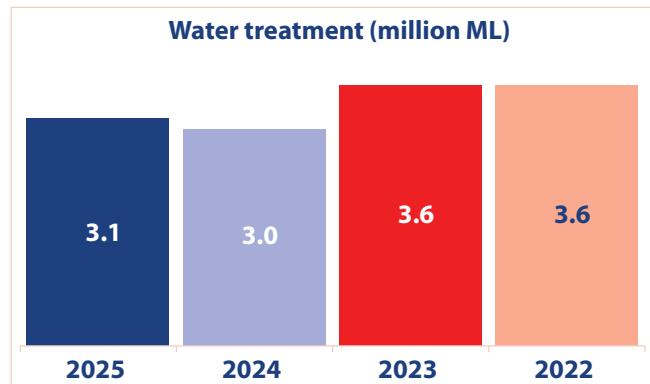


Hippo Valley Estates abstracts raw water from Runde, Mutirikwi and Tokwe-Mukosi systems to irrigate its sugar cane. Both flood and overhead (centre-pivot systems) are used to irrigate the crops. About 164 million ML of water was used to irrigate the crop during the period under review, compared to 185 million ML during last year. On average, about 1 285ML were used to irrigate 1 ha of land in 2025 (2024:1 494ML/Ha)

Six Capitals *(continued)*

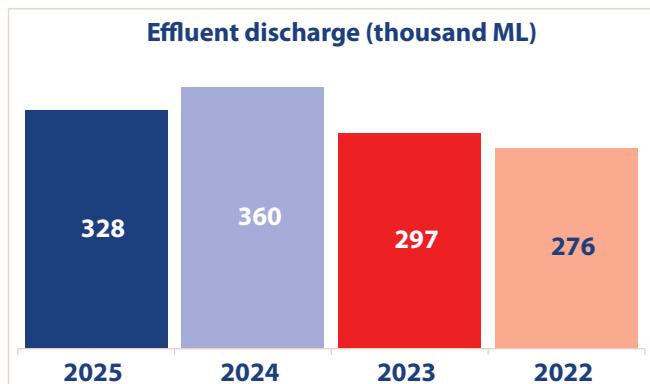
Natural Capital (Continued)

Water treatment on behalf of Chiredzi Town Council



The Company treats water for Chiredzi Town Council under a set off arrangement with rates charged by Town Council. The operation treated a total of 3 149 092 ML of water for Chiredzi Town Council in 2025 (2024: 2 981 000ML). Increase was mainly due to electricity availability.

Effluent discharged



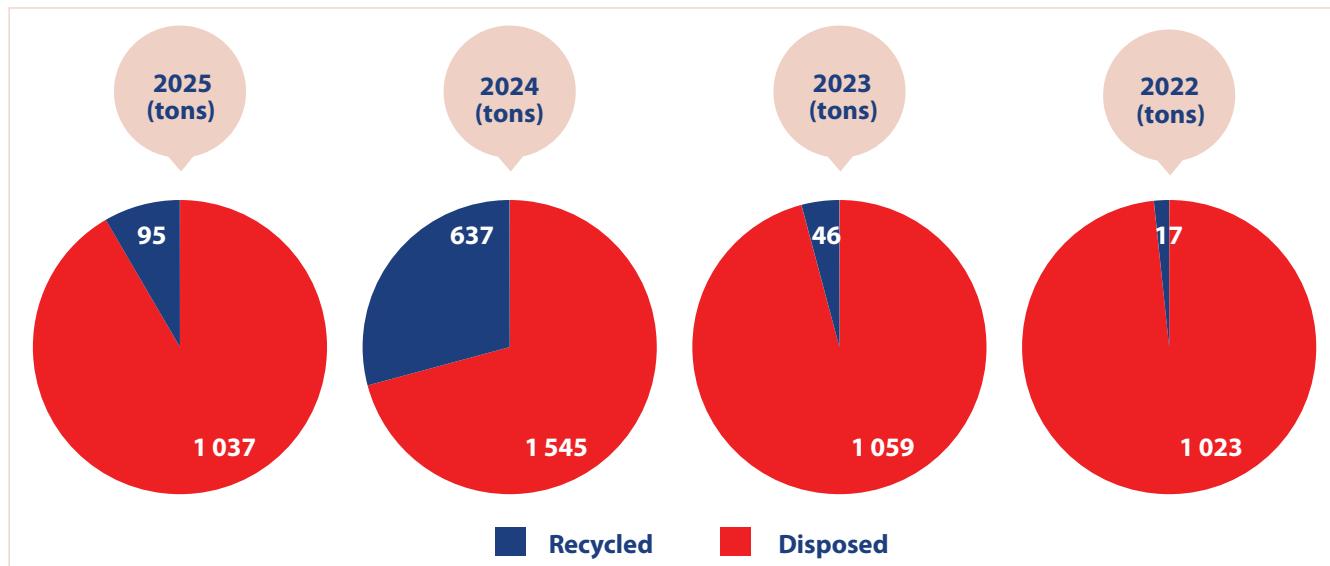
The sugar milling process results in generation of effluent that has traces of sugar and molasses. This effluent is mixed with raw water and used for irrigation. In 2025, about 328 000ML of effluent was discharged from the mills and used for irrigation (2024: 360 644 ML).



Six Capitals *(continued)*

Natural Capital (Continued)

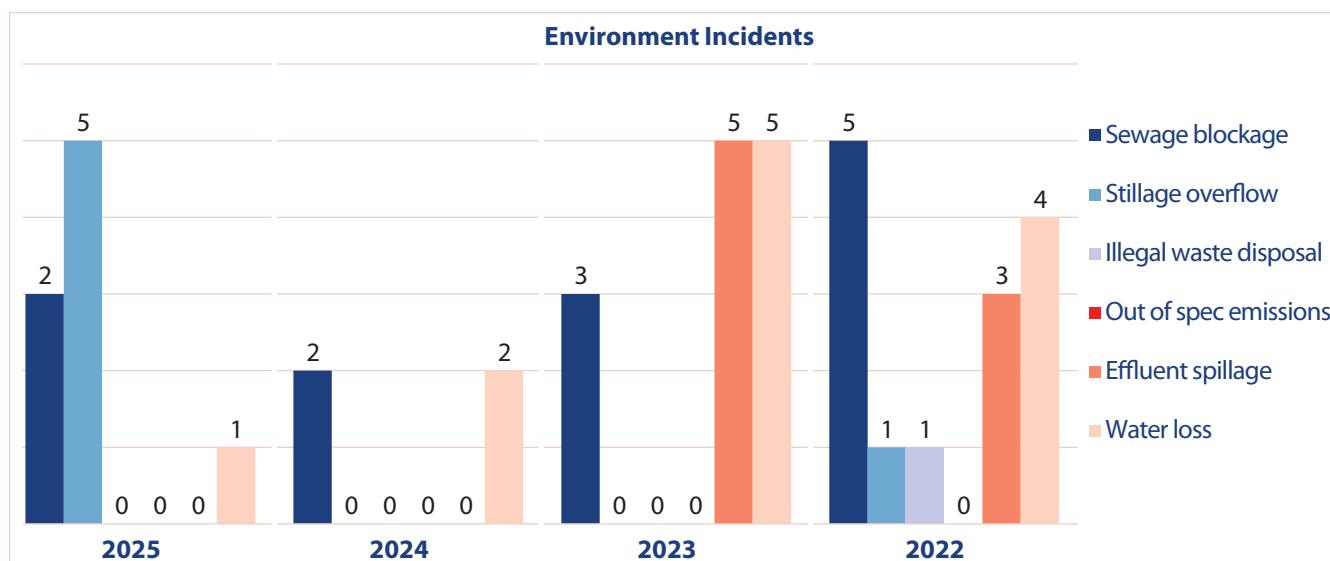
Recycled waste in relation to disposed waste (excl. Boiler Ash)



In 2025, less waste was recycled (95 tons) compared to 2024 (637 tons), due to challenges faced on recyclable waste sales. Though plastics, used batteries and used oil sales resumed, recyclable metal sales remained suspended in 2025. More companies are being engaged to collect as much recyclable material as is possible both from the operations and from the disposal sites. Awareness campaigns are being instituted to promote reporting.

Environmental Incidents

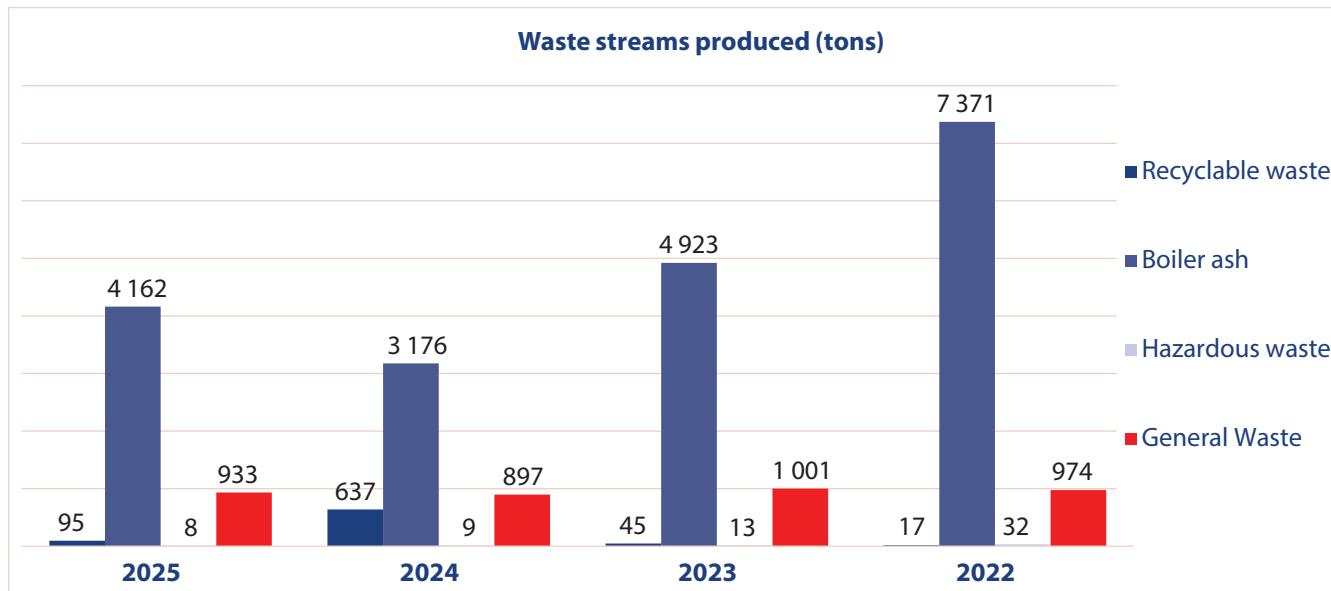
Eight minor (level 1) environmental incidents were recorded in the current year, (2024:4) . All these were investigated, actions developed and implemented to prevent recurrence.



Six Capitals *(continued)*

Natural Capital (Continued)

Environmental Incidents (Continued)



The bulk of the waste produced by Hippo Valley Estates is boiler ash. In 2025, 4 162 tonnes of boiler ash were produced (2024: 3 176 tons). Boiler ash is used to rehabilitate disused gravel pits. Improved productivity resulted in more boiler ash being generated in 2025 when compared to 2024.



Six Capitals *(continued)*

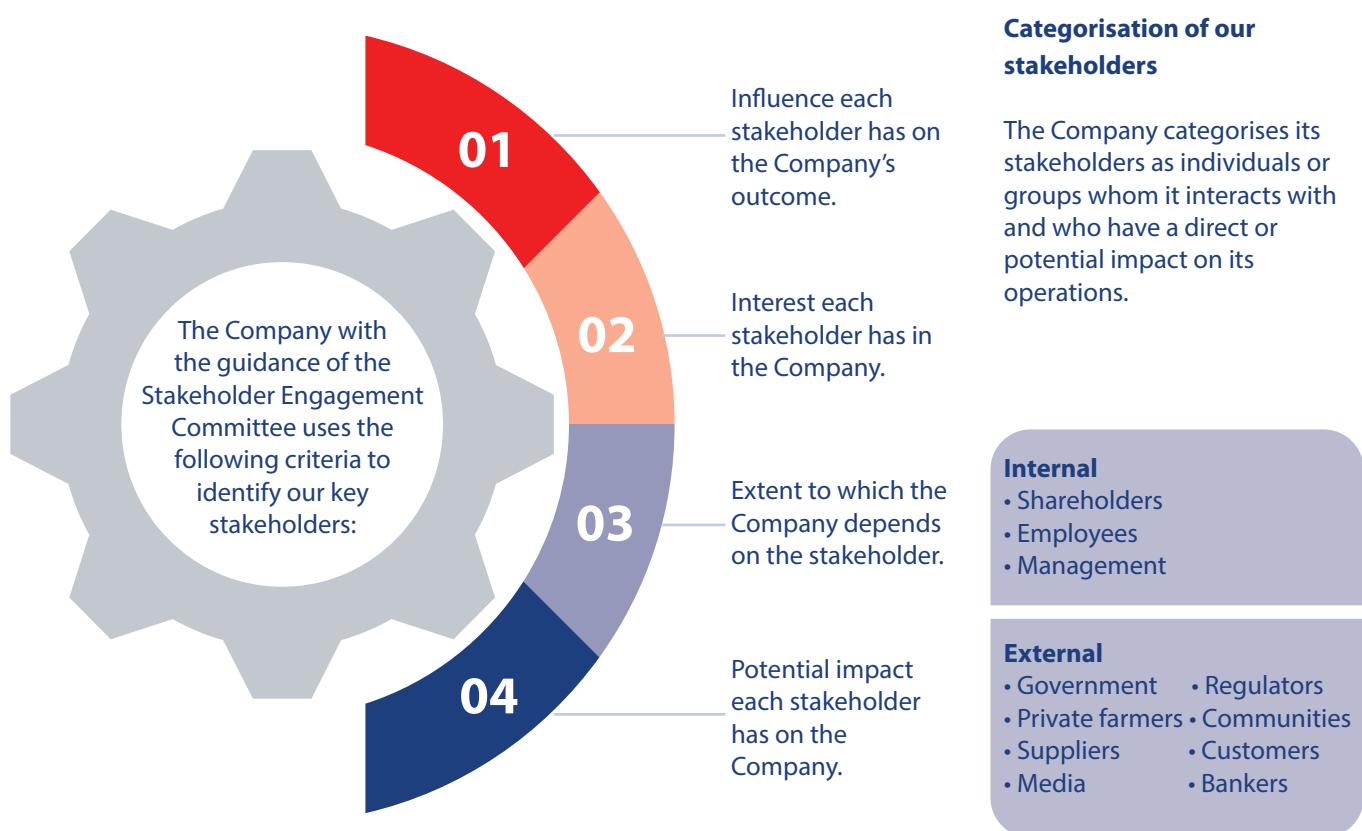


SOCIAL AND RELATIONSHIP CAPITAL

Establishing and nurturing trusted relationships with our stakeholders is essential for fulfilling our mission of building our future by creating sustainable value for all stakeholders.

Stakeholders, with their diverse perspectives, interests, and influence, are vital in shaping the outcomes and success of a company or organisation, including value creation. Hippo Valley Estates recognises this and actively engages with stakeholders to foster mutually beneficial relationships and interventions that align with their expectations. These efforts facilitate transparent dialogues, knowledge sharing, and discussions on impact areas, ultimately fostering collaboration and understanding to enhance overall value creation.

Hippo Valley Estates implemented a strategy of proactive stakeholder engagement to promote mutual interests and execute interventions that improve alignment with value-adding relationships. Through clear and transparent communication, Hippo Valley Estates establishes trust, manages risks, and enhances decision-making, thus cultivating mutually beneficial relationships and ensuring the alignment of interests among stakeholders.



Integrated thinking enables us to create and preserve value to the benefit of individuals, communities and businesses, as well as Hippo Valley Estates. The report provides stakeholders with a balanced and integrated view of our business ongoing abilities and challenges in the short, medium and long term.

Understanding and effectively managing the influence of each stakeholder of the Company is critical for achieving sustainable growth, mitigating risks, and creating long-term value for all stakeholders involved. Management continuously evaluates the strength of these relationships to ensure it comprehensively understands, considers, and addresses the legitimate needs and interests of its stakeholders.

Six Capitals *(continued)*

SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

An internal rating scale is utilised by management for rating stakeholder relationships as follows:

Excellent

Performing

Falling short

Six capitals

Key

F = Finance

SR = Social Responsibility

M = Manufactured

H = Human

N = Natural

I = Intellectual

Our stakeholder engagement was as follows:

Stakeholder	Expectations and issues raised	Mitigating measures	Engagement method	Frequency of engagement	Capitals impacted
Shareholders and Potential Investors  Our shareholders continue to provide important checks and balances on the Governance and Decision-Making which has shaped our business to what it is today. Relationship with shareholders is strengthened through various means, including enhancing financial performance and providing attractive dividend payments.	<ul style="list-style-type: none">•Direction and profitability of the Company•Share price appreciation and attractive dividend Stream•Capable and seasoned Leadership	<ul style="list-style-type: none">•Frequent business updates•Aligning business strategy and sustainability through robust performance and risk management systems	<ul style="list-style-type: none">•Meetings•Letters•Strategy sessions	<ul style="list-style-type: none">•Quarterly•Ad hoc•Annual	<ul style="list-style-type: none">•F•SR



Six Capitals (*continued*)

SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

Our stakeholder engagement was as follows:

Stakeholder	Expectations and issues raised	Mitigating measures	Engagement method	Frequency of engagement	Capitals impacted
Employees  Employees contribute their talent and skills to ensure the efficient and sustainable operation of the business. Engagement occurs at all levels, including with contractors, and can take various forms, both formal and informal.	<ul style="list-style-type: none"> Employee retention Equitable compensation including bonuses, efficient performance evaluation, acknowledgement of achievement Career development and advancement opportunities Embracing diversity 	<ul style="list-style-type: none"> Reviewing and enhancing employee compensation, benefits, and work-life balance policies to ensure competitiveness and employee satisfaction Ensuring safety management systems are aligned with global best practices 	<ul style="list-style-type: none"> Newsletters Townhall meetings Employee experience surveys Performance and development reviews Emails 	<ul style="list-style-type: none"> Bi-monthly Annual and Ad hoc Bi-annual Bi-annual Continuous 	<ul style="list-style-type: none"> H SR
Farmers  Farmers are fundamental to our business, as they are the backbone of our operations. Cultivating strong relationships with farmers is essential, and during our financial year, we prioritised fostering collaborative and supportive partnerships with them. Our commitment to listening to their needs and providing assistance informs the quality of these relationships, ensuring mutual success.	<ul style="list-style-type: none"> Regular communication Timeous payments Technical assistance and Training Fair division of proceeds 	<ul style="list-style-type: none"> Utilise the Mills update platform to enhance communication with farmers Review and streamline the payment processes to minimise delays Farmer awards for yields and quality following assistance provided 	<ul style="list-style-type: none"> Meetings Help desk WhatsApp Letters Farmer survey Report 	<ul style="list-style-type: none"> Continuous Continuous Continuous Continuous Annual 	<ul style="list-style-type: none"> N SR

Rating

Six Capitals (*continued*)

SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

Our stakeholder engagement was as follows:

Stakeholder	Expectations and issues raised	Mitigating measures	Engagement method	Frequency of engagement	Capitals impacted
Customers Maintaining a win-win with customers	<ul style="list-style-type: none"> • Product availability • Product quality • Fair pricing • Continued engagement 	<ul style="list-style-type: none"> • Comprehensive maintenance of mills • Costs maintenance 	<ul style="list-style-type: none"> • Emails • Phone calls • Letters • Customer visits 	<ul style="list-style-type: none"> • Continuous • Continuous • Continuous • Continuous 	• SR
Suppliers Maintaining win win position with suppliers is key to ensure sustainability		<ul style="list-style-type: none"> • Timeous payments • Advanced notice regarding payment delays 	<ul style="list-style-type: none"> • Emails • Letters • Phone calls • Supplier visits 	<ul style="list-style-type: none"> • Continuous • Continuous • Continuous • Annual 	• SR
Government In navigating the dynamic regulatory landscape, fostering a strong relationship with the government is crucial. We are committed to aligning with evolving regulatory requirements and taking necessary remedial actions, including addressing potential fines.	<ul style="list-style-type: none"> • Contribution to economic development • Compliance with laws and regulations • Transparency and accountability 	<ul style="list-style-type: none"> • Profitability and functionality of Company 	<ul style="list-style-type: none"> • Meetings • Letters • Strategy sessions 	<ul style="list-style-type: none"> • Quarterly • Ad hoc • Annual 	• N • SR

Six Capitals (*continued*)

SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

Our stakeholder engagement was as follows:

Stakeholder	Expectations and issues raised	Mitigating measures	Engagement method	Frequency of engagement	Capitals impacted
Communities  <p>Supporting the communities around the Estate remains a key objective.</p>	<ul style="list-style-type: none"> Continued support to the communities surrounding operations e.g. financial support 	<ul style="list-style-type: none"> Structured material and financial support to communities 	<ul style="list-style-type: none"> Emails Letters Phone calls 	<ul style="list-style-type: none"> Continuous Continuous Continuous 	•SR
Rating					
Media  <p>This stakeholder is necessary to keep all Stakeholders informed on matters pertaining to the Company.</p>	<ul style="list-style-type: none"> Timeous and complete responses to media inquiries 	<ul style="list-style-type: none"> Train spokes-persons to handle inquiries effectively Regularly review and update response strategies 	<ul style="list-style-type: none"> Press statements Conferences Telephone calls Letters and emails 	<ul style="list-style-type: none"> Continuous Annual Continuous Continuous 	•SR
Rating					



Six Capitals *(continued)*



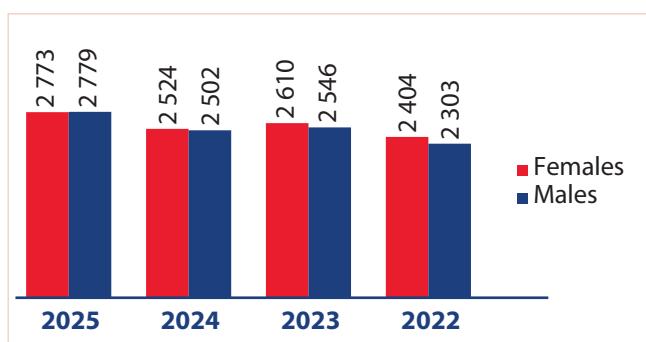
SOCIAL AND RELATIONSHIP CAPITAL (Continued)

Corporate Social Responsibility

As Hippo Valley Estates, corporate social responsibility (CSR) is a strategic priority and corporate citizenship value. Our comprehensive CSR approach is centred on environmental sustainability, social impact, and ethical governance. By consistently delivering on these core commitments, we strive to create value for our stakeholders while positively contributing to the communities around us.

Education

The business through its support services established specific goals and targets related to education access by all employees' dependents. The Company has built 9 primary schools and one secondary school in Hippo Valley Estates, offering quality education and achieving equity for all students. While the schools mostly cater for the children of employees, access is also extended to the surrounding communities. Below is the attendance for all the schools:



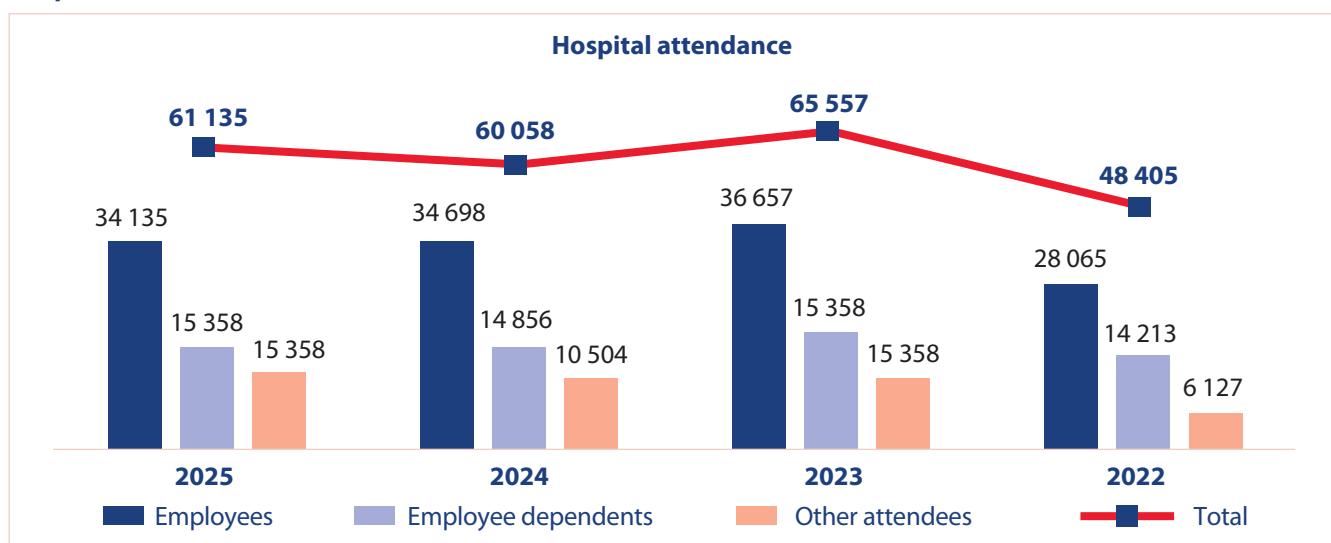
Health and Well being

Hippo Valley Estates firmly believes that employee health and well-being is a key business component whose management is vital in building a sustainable work environment. This health investment will have positive consequences on the livelihood of employees, the surrounding communities and company productivity.



Health Services are provided at the Hippo Valley Estates Medical Centre, a 50-bed hospital, served by a complement of 155 permanent health staff that includes 5 doctors and 52 specialised medical support staff. Notable achievements over the past year were the capacitation and reopening of the inhouse pharmacy, replacement of hospital beds and installation of the new Electrocardiogram (ECG) machine.

Hospital attendees



Six Capitals *(continued)*

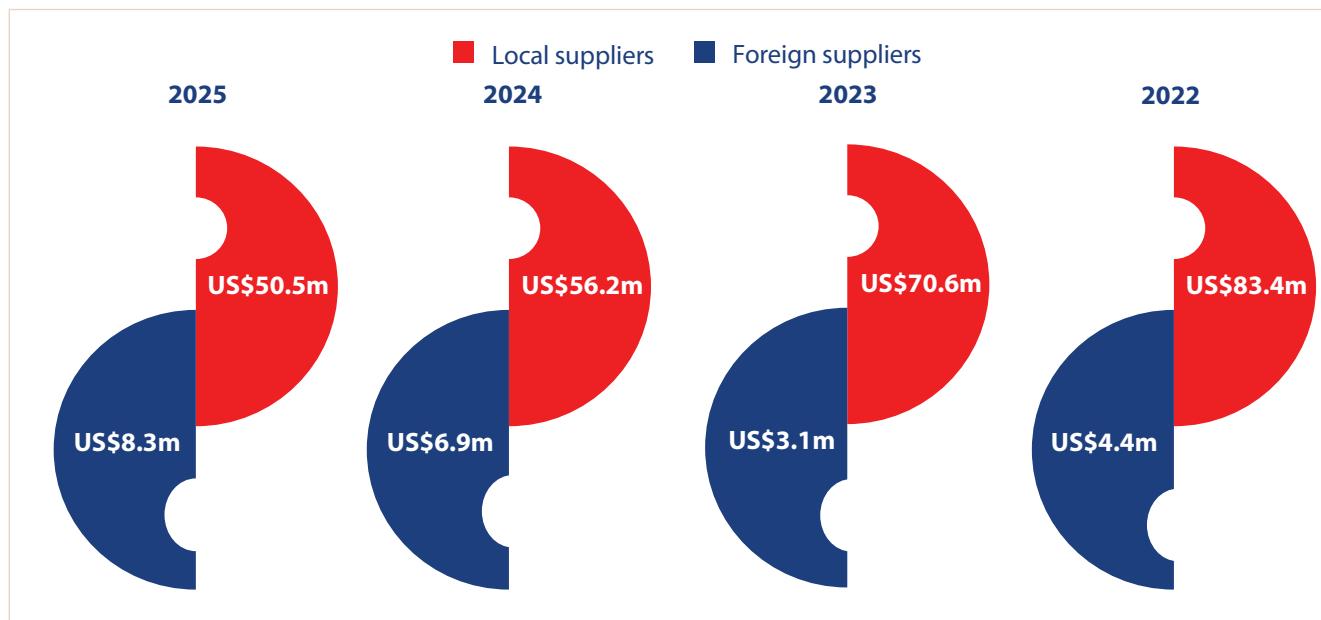
SOCIAL AND RELATIONSHIP CAPITAL (Continued)

Relationship with suppliers

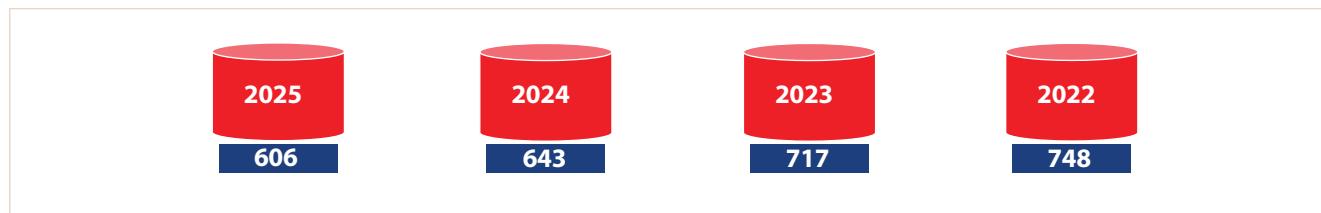
Hippo Valley Estates recognises the importance of strategic procurement management to address the expectations and interests of its diverse stakeholders. The company extended to its contractors and suppliers its standards on Safety, Health and Environment, Anti bribery and Corruption, Supplier Code of Conduct, Human rights standards in a bid to underpin governance, mitigate risk and share the company's values.

The Company implemented a comprehensive approach that includes fair procurement practices, on all competitive bidding processes in accordance with the internal delegation of authority including a transparent tendering process presided by the Tender Committee. Supporting these practices, Hippo Valley Estates has a procurement and tender policy which provides a framework for consistency, accountability, and compliance. Through this approach, the Company demonstrates its commitment to meeting stakeholder needs while supporting its overall business objectives.

Below is our procurement spent.



Number of suppliers the business has engaged with are shown below.

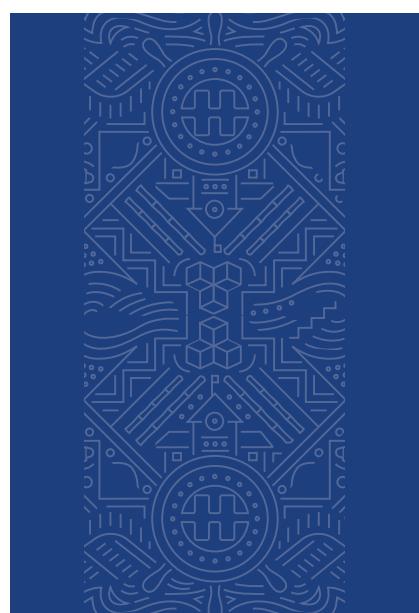
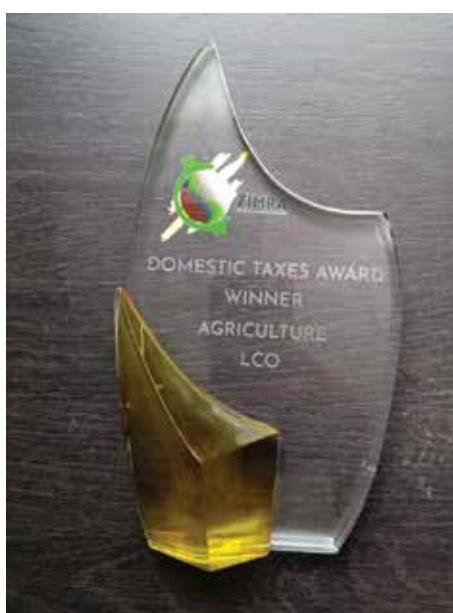
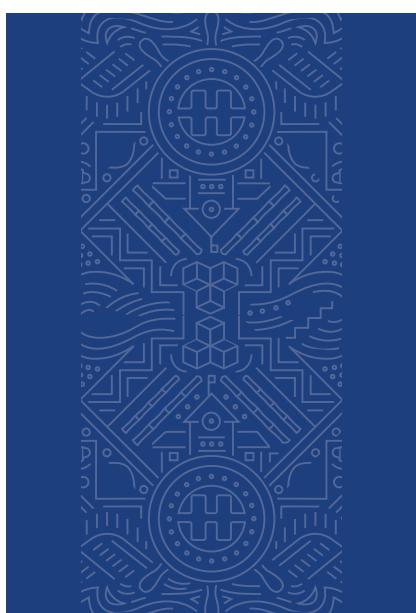


Six Capitals *(continued)*

SOCIAL AND RELATIONSHIP CAPITAL (Continued)

Payments to Government

Paying taxes is a crucial contribution to a country's socio-economic development, as it provides the government with the necessary finances to fund various initiatives. Hippo Valley Estates has a dedicated Tax Manager responsible for overseeing tax compliance-related matters. The Company maintains a regular dialogue with tax authorities, engaging in routine meetings and consultations as needed. Hippo Valley Estates is committed to fulfilling its tax obligations, contributing to various tax types and complying with tax business systems like TaRMS and Fiscalisation as required. The Company's goal is to achieve 100% compliance with all its tax obligations. This is evidenced by the recognition it got from ZIMRA when it scooped the Domestic Taxes Award in the category of Agricultural sector Large Clients last year.



Six Capitals *(continued)*



INTELLECTUAL CAPITAL

Our brand, reputation, research and development capabilities, knowledge, expertise, and strategic partnerships play a vital role in driving the growth of our business.

Employees' Education and Training

Please refer to Employees Education and Training section under Human Capital.



MANUFACTURED CAPITAL

Our business structure and operational processes, supported by our fixed assets, form the backbone of our operations, enabling us to efficiently conduct business and generate value.



FINANCIAL CAPITAL

Capital base and borrowing facilities from financial institutions are utilised to bolster our operations and growth initiatives.

Please refer to the Chairman and Chief Executive Officer, as well as the Group Finance Director's report for detailed utilisation of financial capital in the value creation.



Other Sustainable Practices

SUSTAINABILITY REPORTING MANAGEMENT

As Hippo Valley Estates, we are dedicated to improving our sustainability reporting by implementing robust internal controls. As part of our commitment to Economic, Environment, Social and Governance (ESG), we recently initiated the implementation process. To oversee this crucial aspect of our operations, we appointed a dedicated Executive Committee (EXCO) member responsible for sustainability. This structured approach will ensure that we are accountable and transparent in our sustainability efforts, contributing to our overall mission of responsible and ethical business practices. The quarterly board reports have also been tailor-made to report in a format consistent and enabling full coverage of the ESG parameters and visibility at Board level.

SUSTAINABILITY-RELATED RISK MANAGEMENT

Hippo Valley Estates takes a comprehensive approach to manage sustainability risks, which involves a thorough assessment of potential ESG risks. We identify and assess the potential risks associated with our processes, supply chain, and stakeholder relations. The Company developed and implemented strategies to mitigate the identified sustainability-related risks. This involved setting sustainability targets and goals, ensuring compliance with relevant regulations and standards, and integrating sustainability considerations into our decision-making processes.



Climate Change

IMPACT OF CLIMATE CHANGE ON OUR BUSINESS

Climate Change

Hippo Valley Estates is highly susceptible to the impacts of climate change. Changing weather patterns, increasing temperatures, and more frequent extreme weather events can all directly threaten the company's operations and viability. To address these challenges, Hippo Valley Estates implemented a comprehensive approach that includes closely monitoring fuel usage across the operation, maintaining natural greenhouse gas sinks like forests and wetlands on the Company's land, and making significant investments in energy efficient equipment and machinery, as well as transitioning to cleaner, renewable energy sources where possible.

A key focus of Hippo Valley Estates' climate change management is addressing the expectations and interests of its diverse stakeholders. The company recognises the importance of water conservation and equitable water sharing, especially as drought conditions become more common. Additionally, we are focused on building climate resilience, ensuring that production and employment can be maintained regardless of the impacts of climate change. To achieve this, the Company developed business continuity plans, intends to move to more efficient irrigation schemes over time and is exploring opportunities to diversify its operations and product mix.

We implemented a comprehensive strategy that focuses on mitigating our environmental impact. This includes enhancing natural carbon sinks through large-scale tree planting, transitioning to cleaner bagasse fuel in boiler systems, and installing energy-efficient solar geysers and solar-powered irrigation systems, including centre pivot pumps. Hippo Valley Estates provided employees with LPG stoves and cylinders to phase out the use of firewood. These proactive measures not only reduce the company's carbon footprint, but also enhance its ability to withstand the impacts of climate change and maintain production and livelihoods even as the effects of global warming intensify.

We are guided by a comprehensive Climate Change Policy that outlines the company's commitments, goals, and targets. This policy is supported by various internal systems and procedures, including greenhouse gas accounting, energy management systems, and disaster preparedness plans. By taking a proactive and holistic approach, Hippo Valley Estates aims to not only mitigate its environmental impact, but also to safeguard the long-term sustainability and resilience of its business in the face of a climate change.

Climate-Related Risks

Risk	Description	Mitigation Measures
Climate change	The risk of uncertainties and extreme weather patterns, including excessive or reduced precipitation, drought, heat, pests, and diseases that could adversely impact business operations.	<ul style="list-style-type: none">Product and market diversification to reduce the overall exposure to climate-related risks like supply chain disruptions, and demand fluctuations.
Water	Increased water demand exacerbated by unplanned settlements along water canal systems makes irrigation water easily accessible. This poses a risk of overuse and potential depletion of water resources, especially in areas where settlements are concentrated.	<ul style="list-style-type: none">Partnering with the Government in the development on new dams in the catchment area.Recycling and treatment of process water for production usage.
Environmental	The risk of unsustainable land use could lead to overreliance on cane production, limiting income diversity. Failing to maximise the use of non-cane land could result in missed opportunities for additional revenue streams.	<ul style="list-style-type: none">Explore leasing or co-investing in land with external partners for diversified agricultural ventures or conservation projects that generate revenue while preserving natural ecosystems.
Compliance	Potential legal penalties resulting from breaching environmental laws and regulations.	<ul style="list-style-type: none">Regularly review and update environmental practices to align with legal requirements.

Climate Change

Climate change mitigation measures

The Company embarked on tree planting, LPG gas use for domestic purposes (cooking) and replacement of electrical geysers.



Tree Planting

A total of 22 200 trees were planted in and around the Lowveld in 2025, against a target of 20 000 with the target for 2026 planned at 30 000 trees.



LPG Gas

A total of 141 408 kgs of LPG was distributed to employees in 2025 (2024:123 676 kgs). LPG distribution helps in alleviating pressure on the use of firewood, thus maintaining biodiversity in the fight against global warming.



Solar

The Company is in the process of replacing electricity powered geysers with solar powered ones as part of its efforts on using green energy and reducing reliance on grid power. Since 2021, 104 solar geysers have been installed at Hippo Valley Estates.

A total of 22 X 3Kva solar systems were installed in Section offices across Hippo Valley Estates to reduce the operations reliance on grid power. These 22 solar systems will generate a combined 224 – 300 kilowatt-hours (kWh) of electricity per day, and a combined annual average of 96,360kWh.

Greenhouse Gases (GHG) Emissions

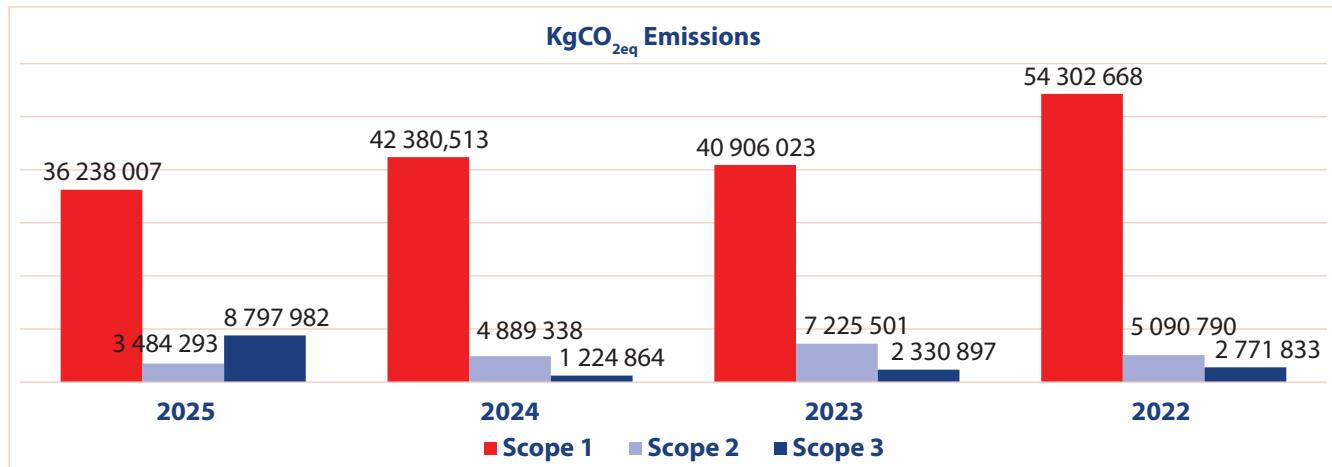
Hippo Valley Estates understands the importance of managing GHG emissions to mitigate negative effect on climate change. As a responsible business, we implemented a comprehensive approach to minimise our carbon footprint and contribute to a sustainable future. Our approach focuses on measuring, reducing, and offsetting emissions across our operations and properties.

We calculate our carbon footprint by converting energy consumption into carbon dioxide equivalency (CO₂e) using internationally accepted conversion factors. We calculate Scope 1: direct emissions based on our consumption of liquid biofuels and coal, by applying United Kingdom (UK) Government GHG Conversion Factors. Our Scope 2: Indirect Emissions is calculated by converting electricity consumption to emissions equivalency using the Southern African Power Pool 2015 factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Our emissions statistics for 2025 were as follows:

Climate Change

Carbon Emissions



The decrease in emissions was largely due to better accounting for contractor fuels (Scope 3). Bulk of the emissions came from the operation's scope 1 (direct) activities. Scope 2 is from purchased electricity. Scope 3 activities now include the company's direct contractors, ZSS and farmers who drew fuel from the company-controlled fuel dispensing points. Previously, only direct contractors were accounted for.





A large, high-angle aerial photograph of a rural landscape, showing numerous green agricultural fields separated by a network of brown irrigation canals. The fields are arranged in a grid-like pattern, creating a sense of order and structure. The sky above is clear and blue.

Facilitating Value through good corporate governance

Corporate Governance Report

Governance Approach

The Company is committed to promoting the highest standards of ethical behaviour amongst all its employees. The Board of Directors plays a pivotal role in setting the moral tone and determining the ethical standards. It recognises the importance of establishing a comprehensive Board Charter, in alignment with the guidelines stipulated by Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019 ("ZSE Rules"), National Code on Corporate Governance Zimbabwe, 2014, and the recommended practices of King IV most relevant to the Company. During the year the board revamped its internal reports in line with sustainability practices and reporting.

Our Board of Directors



Canaan F Dube ♂ 🇿🇼
Board Chairman
LLBS and MBA

Independent

Tenure on the board:
4 years 7 months
(appointed August 2020)

Skills:
Legal, environment, social and governance (ESG), leadership, strategy and public relations

Other Directorships:
Edgars Ltd, Bata Shoe Company and Old Mutual Life Assurance Company.



Tendai R Masawi ♂ 🇿🇼
Chief Executive Officer
MSC Chemical Engineering (Sugar Technology)

Executive

Tenure on the board:
3 years 3 months (appointed December 2021 as non-independent director and March 2024 as Chief Executive Officer)

Skills:
Engineering, operations, technical and leadership

Other Directorships:
Triangle Limited, Triangle Sugar Corporation Limited, High Syringa (Private) Limited, Lowveld Development Company Limited, Mutirikwi Sugar Company Limited, Mwenezi Development Company Limited, Fuel Ethanol Company of Zimbabwe, Chiredzi Township (Private) Limited and Lowveld Sugarcane Development Trust.



Robert D Aitken ♂ 🇸🇿
Non-Executive Director
BCom Accounting (Honours), CA (SA)

Non-Independent

Tenure on the board:
6 years 1 month
(appointed February 2019)

Skills:
Finance, accounting, reporting and strategy

Other Directorships:
Tongaat Hulett Limited, Tongaat Hulett Acucar Limitada, Sociedad De Asistencia A Agricultura E Industria, Tongaat Hulett Acucareira de Xinavane SA, Tongaat Hulett Acucareira de Mozambique SA, Triangle Limited, Triangle Sugar Corporation Limited, Tongaat Hulett Developments (Proprietary) Limited, Tongaat Hulett Pension Fund, Tongaat Hulett Sugar SA Ltd and Tongaat Hulett Estates (Proprietary) Ltd.



Tapera Masarakufa ♂ 🇿🇼
Group Finance Director
BAcc, BCompt Hons, CA (Z)

Executive

Tenure on the board:
3 years (appointed April 2022)

Skills:
Finance, accounting, multinational experience and operations

Other Directorships:
Triangle Limited, High Syringa (Private) Limited, Lowveld Development Company Limited, Mutirikwi Sugar Company Limited, Mwenezi Development Company Limited, Zimbabwe Sugar Sales (Pvt) Ltd, Fuel Ethanol Company of Zimbabwe, Chiredzi Township (Private) Limited, National Chemical Products Distillers Zimbabwe (Private) Limited and Lowveld Sugarcane Development Trust.

Corporate Governance Report (continued)

Our Board of Directors (continued)



Rutenhuro J Moyo ♂ 🇿🇼

Non-Executive Director
BSc Psych & M. Phil Industrial & Occupational Psychology;
Post Grad Business & Finance

Non-Independent

Tenure on the board:
4 years 7 months
(appointed August 2020)

Skills:
Strategy, business development, management development, human capital, governance and regional experience

Other Directorships:
OK Zimbabwe Limited, FBC Holdings, National Tyre Services, Servcor Group and Fedex.



Godwin Sweto ♂ 🇿🇼

Non-Executive Director
BSc Engineering, MBA

Independent

Tenure on the board:
4 years 7 months
(appointed August 2020)

Skills:
Engineering, technical and leadership, strategy, risk, and environment, social and governance (ESG).

Other Directorships: Encore (Private) Ltd and One Gas Resources (Private) Ltd.



Duduzile K Shinya ♀ 🇿🇼

Non-Executive Director
BCompt Hons, CA(Z), MBL

Independent

Tenure on the board:
3 years (appointed April 2022)

Skills:
Technical skills in finance, accounting, strategy and operational exposure.

Other Directorships: Zimbabwe Foreign Services Institute, Innscor Africa Limited, Deuce Advisory Services (Private) Limited and CABS Zimbabwe



Pfungwa G Serima ♂ 🇿🇼

Non-Executive Director
Bachelor of Business Studies and Computer Science

Independent

Tenure on the board:
1 year 8 months (appointed July 2023)

Skills:
Innovation and technology, strategy, operations, organisational leadership and program/solution development experience.

Other Directorships:
Metrofile Holdings Limited



Nyasha JJ Mangwiza ♀ 🇿🇼

Non-Executive Director
B. Comm. Accounting, Commercial Law, M.Sc. Psychology

Independent

Tenure on the board:
3 years (appointed April 2022)

Skills:
Strategic human capital management, accounting and transformation.

Other Directorships:
July 28 Group



Johannes J van Rooyen ♂ 🇿🇼

Non-Executive Director
B PROC, Master's Degree Business Administration (MBA)

Non-Independent

Tenure on the board:
10 months (appointed 15 May 2024)

Skills:
Legal, environment, social and governance (ESG), leadership, risk and sugar industry knowledge

Other Directorships:
Tongaat Hulett Pension Fund, Tongaat Hulett Acucareira de Xinavane SA, Tongaat Hulett Acucareira de Mozambique SA, Triangle Limited, and Tongaat Hulett Developments (Proprietary) Limited.



Tafadzwa Chigumbu ♂ 🇿🇼

Non-Executive Director
Chartered Institute of Management Accountants (CIMA)

Non-Independent

Tenure on the board:
2 years (appointed March 2023)

Skills: Accounting, petrochemicals, logistics, construction and industrial manufacturing

Other Directorships:
Puma Energy Zimbabwe, KFC Zimbabwe, Datlabs, Willowtown Zimbabwe, Redan Coupon (Private) Limited and Cape Canary Limited

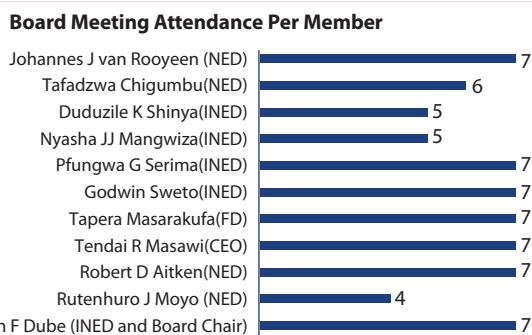
Corporate Governance Report *(continued)*

Role of the Board

The primary mission of the Board of Directors is to uphold a standard of responsible and entrepreneurial business leadership within the industry and market it serves. The mission is pursued through a strategic approach that harmonises the interests of shareholders. By conscientiously balancing the objectives of profitability and sustainability, the Board endeavours to foster long-term value creation while nurturing mutually beneficial relationships with regulators, employees, customers, suppliers, communities, and other relevant parties. The board holds the mandate of defining the Company's strategic trajectory, ensuring the requisite organisational frameworks and procedures are in place to realise these strategic aims, and establishing performance metrics to gauge progress against strategic objectives.

While maintaining ultimate accountability, the Board has entrusted the Chief Executive Officer with the authority to oversee the Company's day to day operations. Additionally, the Board bears the ultimate responsibility for restoring stakeholder confidence and safeguarding the Company's license to operate.

Board Attendance



Number of meetings held: 7

Appointment and retirement of Directors

The Remuneration and Nominations Committee proposes the appointment of new directors for approval by the Board, adhering to the strategy and succession plan endorsed by the Board. All Directors except for the Chief Executive Officer are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Company's Articles of Association. Tafadzwa Chigumbu, Pfungwa G Serima, Tapera Masarakufa and Robert D. Aitken retire by rotation in terms of Article 100 of the Articles of Association. Tafadzwa Chigumbu, Pfungwa G Serima, Tapera Masarakufa and Robert D Aitken being eligible, offer themselves for re-election.

Discharge of duties

The Board has implemented a policy allowing any director to seek independent professional advice, covered by the Company's expenses. Additionally, all directors have

access to the Company Secretary for guidance on governance matters and compliance with relevant legislation and procedures. Furthermore, directors have unrestricted access to both Hippo Valley Estates' external and internal auditors, as well as members of the executive management team, whenever needed.

Board evaluation

Board evaluation is a vital process aimed at gauging the effectiveness and performance of the Company Board of Directors. The Board is fully committed to a formal evaluation process of the Board, its Committees and its Directors and has established processes to undertake formal evaluations.

Share Dealings

In line with the Zimbabwe Stock Exchange Listing Requirements, the Company operates a "closed period" prior to the publication of year-end financial results during which period Directors, officers and employees of the Company may not deal in the shares of the Company. The Directors, officers and employees of the Company are informed of the closed period by the Company Secretary.

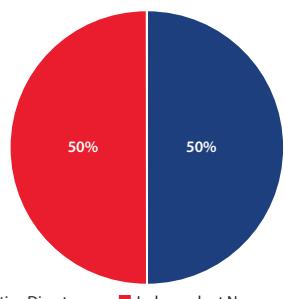
Board Committees

The Board has delegated certain functions to four well-structured and established committees without abdicating its own responsibilities namely the Audit and Compliance Committee, Risk Management and Sustainability Committee, Remuneration and Nominations Committee, and Stakeholder Engagement Committee. Each committee consists of a minimum of three members. While the Board holds the ultimate responsibility for upholding good corporate governance, the committees within the Company also play a vital role in maintaining integrity. Strong corporate governance serves as the foundation for safeguarding stakeholder value and driving the Company's strategic goals forward. Independent oversight from the Board is essential for ensuring compliance and promoting integrity and transparency throughout Company operations.

Corporate Governance Report *(continued)*

Audit and Compliance Committee

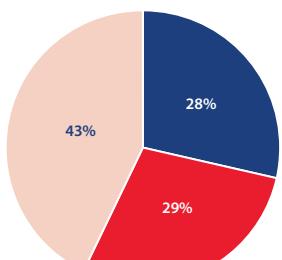
Audit & Compliance Committee



■ Non-executive Directors ■ Independent Non-executive Directors

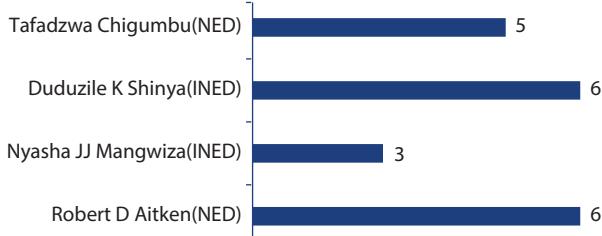
Risk Management & Sustainability Committee

Risk Management & Sustainability Committee



■ Executive Directors ■ Non-executive Directors ■ Independent Non-executive Directors

Audit and Compliance Committee meeting attendance per member



Number of meetings held: **6**

The Audit and Compliance Committee oversees the company's compliance with legal and regulatory requirements including but not limited to its compliance with generally accepted accounting practices. Further information on the activities of the Audit and Compliance Committee is contained in the Audit and Compliance Committee Report on pages 77 to 78.

The Audit and Compliance Committee is comprised of two Independent Non-Executive Directors and two Non-Executive Directors. The Audit and Compliance Committee is chaired by Duduzile Shinya (an Independent Non-Executive Director) and is responsible for monitoring the adequacy of the Company's internal controls and reporting, including reviewing the audit plans of the Internal and External Auditors, ascertaining the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls and ensuring that year-end financial reporting meet acceptable accounting standards. The reports to the Committee were improved to include procurement related matters which is overseen by the Committee.

Risk Management & Sustainability Committee attendance per member



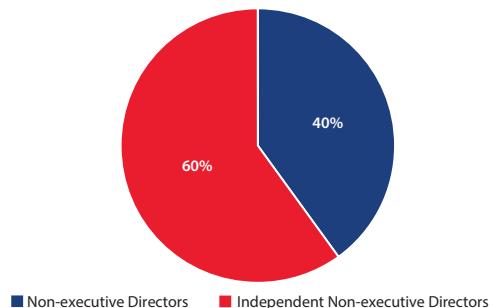
Number of meetings held: **3**

The Risk Management Committee comprises of three Independent Non-Executive Directors, one Non-Executive Director and two Executive Directors. The Risk Management Committee is chaired by Godwin Sweto (an Independent Non-Executive Director) and has been delegated with the responsibility to monitor, among others, risk governance. The Company's enterprise risk management process identifies, assesses and responds to threats and opportunities, considering the impact on its people, reputation, financial position, and performance, as well as its ability to create long-term value for its stakeholders. Through the guidance of the Risk Management Committee the Company pursues prudent risks that it believes will generate sustainable performance and value while avoiding intolerable risks. In doing so, it aims to respond effectively by managing residual risk within defined levels and by capitalising on attractive opportunities that present themselves. During the year the scope of the Committee was extended to cover sustainability issues.

Corporate Governance Report *(continued)*

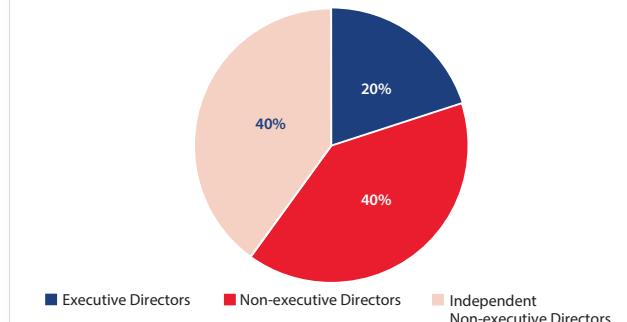
Remunerations and Nominations Committee

Remuneration and Nominations Committee



Stakeholder Engagement Committee

Stakeholder Engagement Committee



Remuneration and Nominations Committee attendance per member

Johannes J van Rooyen(NED)	2
Nyasha JJ Mangwiza(INED)	2
Godwin Sweto(INED)	2
Rutenhuro J Moyo(NED)	1
Canaan F Dube(INED)	1

Number of meetings held: **2**

The Remuneration and Nominations Committee consists of three Independent Non-Executive Directors, including its Chairperson (Nyasha Mangwiza) and two Non-Executive Directors. The Remuneration and Nominations Committee is responsible for assisting the Board in fulfilling its corporate governance responsibilities which include review of the remuneration structure and policy, making recommendations to the Board on the composition of the Board and Board committees. In terms of its remuneration policy, the Company seeks to provide rewards and incentives for the remuneration of Directors performing executive duties, senior executives and employees that reflect performance aligned to the objectives of the Company.

The Directors are appointed to the Board to bring appropriate management, direction, skills and experience to the Company. They are, accordingly, remunerated on terms commensurate with market rates that recognise their responsibilities to shareholders for the performance of the Company. These rates are reviewed at least annually utilising independent consultants.

Stakeholder Engagement Committee meeting attendance per member

Duduzile K Shinya(INED)	3
Tendai R Masawi(CEO)	3
Rutenhuro J Moyo(NED)	3
Canaan F Dube(INED)	3

Number of meetings held: **3**

The Stakeholder Engagement Committee is an ad hoc committee established to deal with a broad spectrum of stakeholders of strategic significance. The Stakeholder Engagement Committee consists of two Independent Non-Executive Directors, one Non-Executive Director and the Chief Executive Officer and is chaired by Rutenhuro J Moyo. The responsibility of the Committee is to assist the Board to oversee the implementation of an effective policy and plan for stakeholder engagement that will enhance the Company's ability to achieve its strategic objectives and to ensure that the Company manages stakeholder related risk, reputation, legitimacy, and relationship building to create a sustainable future for all stakeholders.



Strategic Innovations to enhance business performance

Executive Committee

Hippo Valley Estates is composed of a diverse and seasoned management team involved in the Company's day-to-day operations. Its responsibilities include:

- Implementing corporate policies and strategy as approved by the Board
- Prioritising capital expenditure allocations
- Establishing and overseeing best management practices
- Making senior managerial appointments
- Monitoring and evaluating managerial performance
- Stakeholder engagement and crisis management



Tendai R Masawi ♂ 🇿🇼

Chief Executive Officer
MSC Chemical Engineering
(Sugar Technology)



Gilbert Handara ♂ 🇿🇼

Operations Director
MBA General, BSC Mechanical Engineering



Sylvester Mangani ♂ 🇿🇼

Commercial Director
MBA, Bachelor of Science degree Honours in Mechanical Engineering, Institute of Chartered Secretaries and Administrators (ICSA)



Tapera Masarakufa ♂ 🇿🇼

Group Finance Director
BAcc, BCompt Hons, CA (Z)



Pauline Kadembo ♀ 🇿🇼

Company Secretary and Legal Counsel
Bachelor of Laws Honours Degree - UZ



Aaron Mugadhi ♂ 🇿🇼

Technical Projects Executive
EMBA, MSC Chemical Engineering



Betty Chimbera ♀ 🇿🇼

Head of People
Bachelor of Science Honours-Politics and Administration, Diploma in Labour Relations, Diploma in Personnel Management



Dr. Dahlia Garwe ♀ 🇿🇼

Head of Corporate and Industry Affairs
PhD - Molecular Biology, Master of Science in Biotechnology, Bachelor of Science (Hons) in Biochemistry, Executive Business Leadership



Jubilence Ndlovu ♀ 🇿🇼

Chief Risk Officer
Masters in Business Administration, Bachelor of Business Studies Hons, Certified Internal Auditor, Certified in Risk Management

Our strategy

Our strategy provides long-term, actionable plans that define our overarching approach to achieving sustainable goals and gaining a competitive advantage. We value it as a roadmap, guiding decision-making across our business by identifying market opportunities, allocating resources effectively, and outlining the steps to be taken to create value for our customers, employees, and other stakeholders.

With a strong strategy, we ensure all departments align with the company's vision, leading to consistent progress and sustainable growth. In a rapidly changing world, our well-crafted strategy allows us to adapt to market shifts and unexpected changes while keeping our ultimate goals in sight.

While we remain aware of macroeconomic challenges that have impacted our business for a number of years due to instability around exchange rates, currencies and prices, our strategy is supported by themes below that guide the Hippo Valley Estates management in selecting strategic initiatives:

1

Cost optimisation

We strive to be a low-cost sugar producer focusing on unit cost reduction through efficient, cost-effective and innovative production of agricultural products using land and water as our base assets.

2

New markets and diversification

Our business is continuing to pursue new markets amidst the shift in global trade policies which have slowed down international business and reduced margins from exports, primarily looking at vertical integration from our existing products, while exploring other new product opportunities.

3

Organisational culture

Hippo Valley Estates aims to enhance an organisational culture based on strong motivation and innovation as we hold each other accountable to exceed individual and organisational goals.

At the onset of every year business goals are successfully implemented with initiatives set in line with the overall sustainability framework.

However, challenges persist in terms of cost of production due to:

1

Cane purchases which are currently procured at uncompetitive DoP arrangements and cane prices.

2

An exorbitantly high minimum wage, outside the range of regional benchmarks and other local agricultural entities.

3

Inflationary pressures on key inputs which include fertilizers, chemicals and major spares.

In response to these complexities, the business continued to trust that the initiatives coming through Project Zambuko will put the business at the right margin levels and promote the generation of positive cashflows.

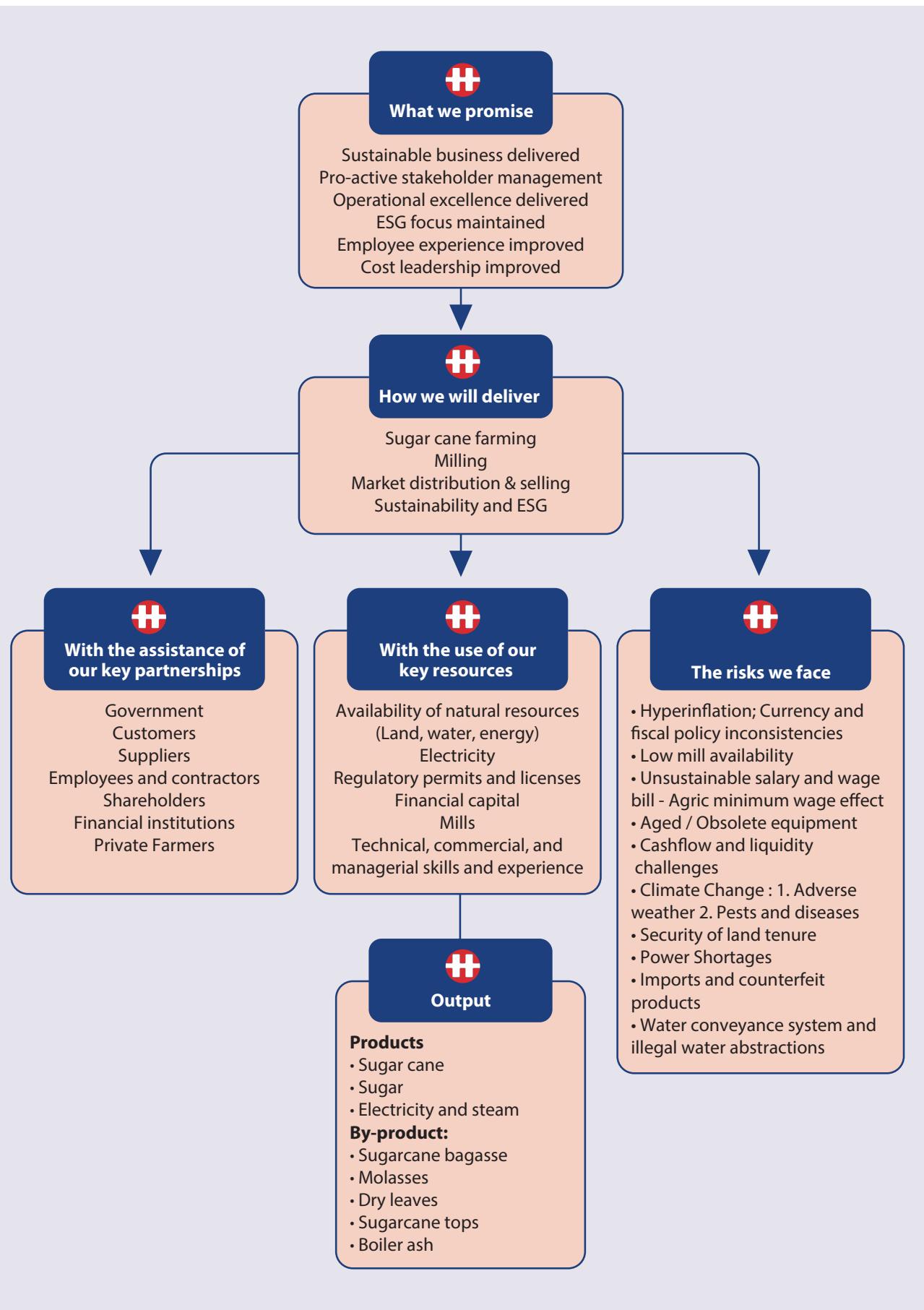
Our strategy

Our strategic objectives

	Strategic Initiatives	Output
	Agriculture Increased use of value-add technology	Improved yield, cane quality and efficient cane delivery
	Milling Retooling and asset care	Improved recovery efficiencies
	Marketing Improved research and marketing capacity	Product availability and competitive pricing
	Support services Improved good governance practices	Improved productivity

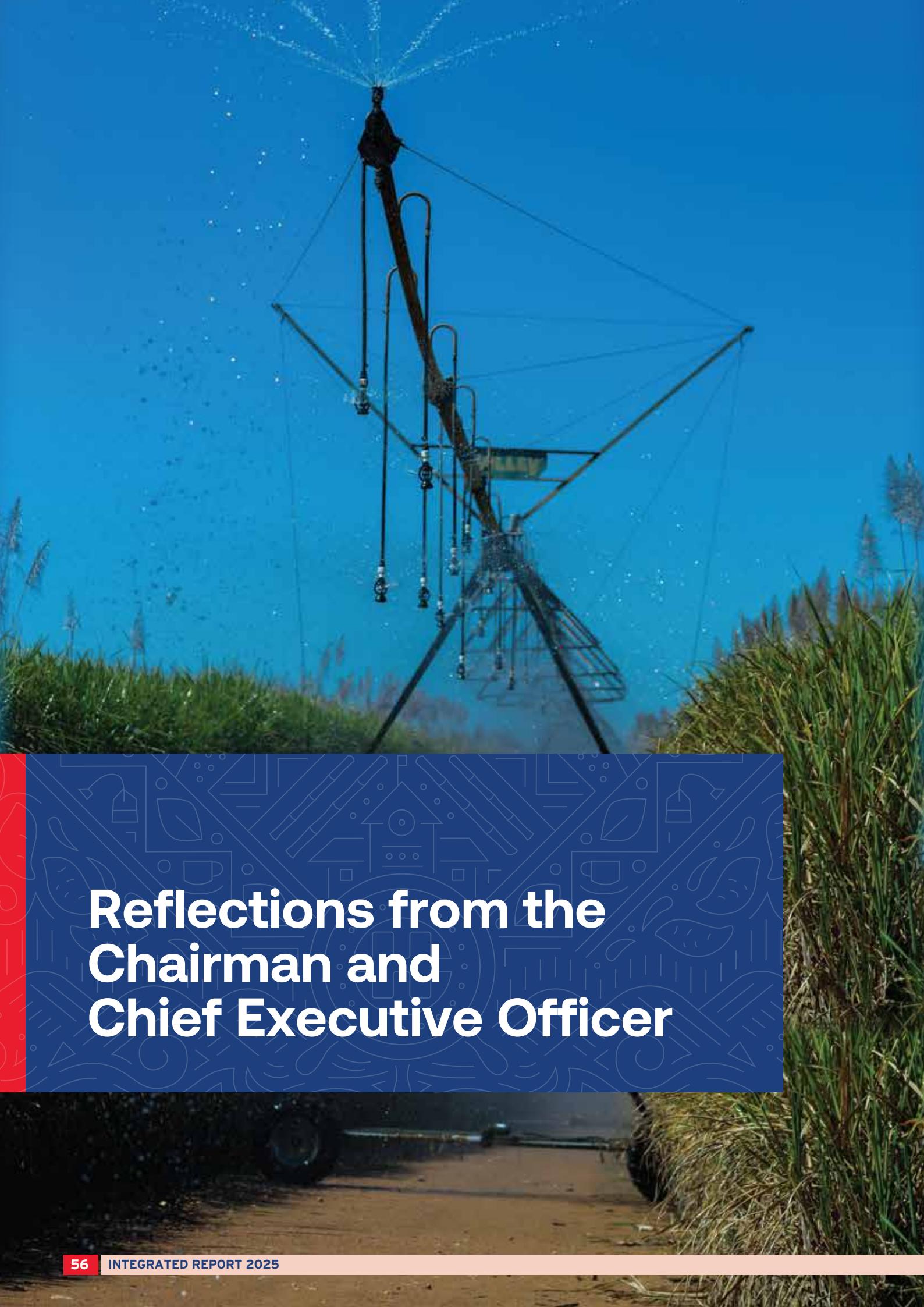


Business Model





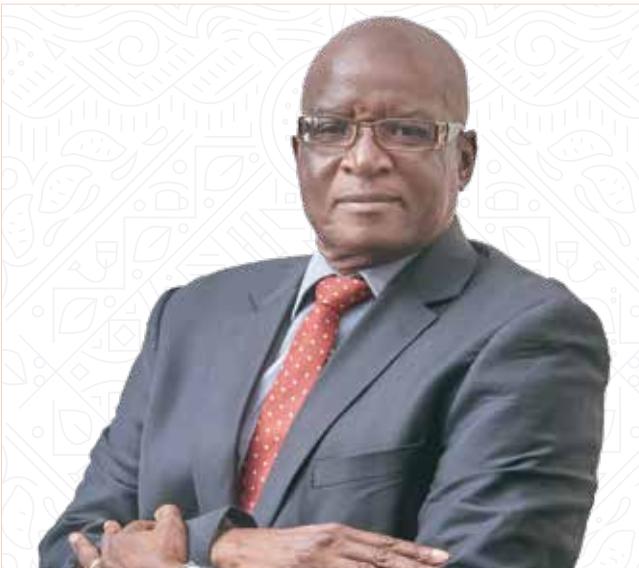
Our Performance



Reflections from the Chairman and Chief Executive Officer

Reflections from the Chairman and Chief Executive Officer

Chairman's Statement and Chief Executive's Review



Canaan F Dube
Chairman



Tendai R Masawi
Chief Executive Officer

Message from Chairman

FY25 has been a momentous year in many respects with new and different business environmental forces having come our way.

Despite the increasing cost of doing business which the Company is grappling with and all other macroeconomic challenges outside our control, we have delivered positive production outcomes and have set a good tone and emphasis for the ensuing years;

- Thanking our shareholders for placing trust in the leadership and all Company employees for their hard work as the year ends with positive performances.
- Thanking all stakeholders for the long-standing relationships and the ongoing trust of our business partners.

Message from CEO

After a challenging prior year, the current year comes with improved production despite the high cost of production which continues to erode the Company profits;

- Thanking our Agriculture unit for improved yields and efficiently delivering the cane.
- Thanking our Manufacturing unit for a reliable plant as we enjoyed good mill recoveries and minimum downtime.
- Thanking our Sales and Distribution unit for generating better returns and satisfying the local market after regaining market share.
- Thanking our supporting functions for demonstrating commitment and resilience in the everchanging business environment.

Salient features

Statistical highlights

	Year ended 31.03.25	Year ended 31.03.24	Change
Sugar production (tons)	219 112	194 684	↑ 13%
Total industry sugar sales (tons)	380 530	391 662	↓ -3%
Hippo share of industry sugar (%)	49.78%	52.54%	↓ -5%

Financial highlights

Revenue (US\$'000)	Year ended 31.03.25	Year ended 31.03.24	Change
Operating profit/ (loss) (US\$'000)	US\$'000	US\$'000	
191 596	340 478	↓ -44%	
7 676	(57 752)	↑ 113%	
13 716	(19 502)	↑ 170%	
13 445	24 263	↓ -45%	

Year ended 31.03.25	Year ended 31.03.24	Change
US\$'000	US\$'000	
191 596	340 478	↓ -44%
7 676	(57 752)	↑ 113%
13 716	(19 502)	↑ 170%
13 445	24 263	↓ -45%

Year ended 31.03.25	Year ended 31.03.24	Change
US\$'000	US\$'000	
191 596	340 478	↓ -44%
7 676	(57 752)	↑ 113%
13 716	(19 502)	↑ 170%
13 445	24 263	↓ -45%

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

Reflections from the Chairman and Chief Executive Officer (cont)

Cautionary - Reliance on the translation of hyperinflation adjusted financial statements to determine US\$ equivalent opening balances and comparative financial statements.

The consolidated financial results of Hippo Valley Estates Limited (the Group) have been prepared in accordance with the requirements of International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates (IAS 21) in determining the US\$ opening balances and comparative information. At the beginning of the current financial year, the Company adopted the US\$ as its functional and presentation currency, and will continue assessing and monitoring the level of its dominance for further guidance and implementation. With this development, the Company therefore did not apply the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) in the period under audit. The comparative financial statements, which were previously reported in Zimbabwe Dollars (ZWL) after applying IAS 29, have been restated and presented in US\$ after applying the relevant translations detailed in note 3 under material accounting policies.

Users are therefore cautioned that:

- The financial statements for the year ending 31 March 2025 have opening balances and comparative information derived from translating hyperinflation balances and transactions that existed in a hyperinflationary environment where inherent economic distortions may have impacted these balances.
- The comparative financial information does not provide reasonable performance assessment of the Company between FY24 and FY25. See further analysis below:

	Year ended 31.03.25	Year ended 31.03.24	Change	Year ended 31.03.25	Year ended 31.03.24	Change
	Per Management Best Estimate*	US\$'000	Per IFRS US\$'000	US\$'000	US\$'000	Per Management Best Estimate*
Revenue	191 596	340 478	-44% ↓	191 596	178 698	7% ↑
Cost of sales	(124 724)	(275 137)	121% ↓	(124 724)	(126 767)	2% ↓
Gross profit	66 871	65 341	2% ↑	66 871	51 931	29% ↑
Adjusted EBITDA	13 716	(19 502)	170% ↑	13 716	11 648	18% ↑

* Management best estimate of prior year financial statements refers to transactions and balances accounted for without using the hyperinflation indices as per IFRS. Rather the transactions and balances are accounted for as straight US\$ for those that happened in foreign currency and those transactions in local currency were converted using the underlying exchange rates influencing the prices of goods and services.

- The purpose of disclosing management best estimate financial result is to aid users of financial statements in decision making.

Revenue per best estimate financial results:

Overall sales volumes decreased marginally by 3% while revenue grew by 7% driven by strong recovery of the local market which generated higher returns. The Company deliberately prioritised the local market with the export market volumes going down by 60%.

Cost of sales per best estimate financial results:

Cost of sales went down by 2% attributable to the Company's cane 'Miller cum Planter' (McP), which was cheaper than cane from Private Farmers. Efforts were also made to reduce the cost of production, through project 'Zambuko'.

However, improvement on cost of sales was still limited by

the increase in other production costs which moved in tandem with local inflationary pressures and other global price influences on key inputs.

Additionally, the sugar industry was negatively affected by changes in the Value Added Tax (VAT) category (an indirect consumption tax levied on the value added at each stage in the value chain), when sugar was moved from a zero-rated supply to an exempt supply impacting the business to the tune of US\$7m of unclaimable VAT in the current year.

Intermediary Money Transaction Tax (IMTT) for US\$ denominated transactions grew to 2% from 1% same period prior year furthering up the cost of doing business.

Adjusted EBITDA per best estimate financial results:

Resultantly, adjusted EBITDA increased by 18% supported by increased production and local brown sugar market share recovery and contribution versus export sales which are negatively impacted by high cost of purchasing sugar cane from out-growers.

- The Directors therefore advise users of the financial statements to exercise caution in relation to the reported comparative information due to the financial results coming out with a different logic compared to the financial results per management best estimate.

Reflections from the Chairman and Chief Executive Officer (cont)

Operating Environment Overview

The operating environment remained constrained throughout the year, with persistent inflationary pressures and exchange rate volatility driven by unresolved structural challenges in the economy. On 5 April 2024, the Zimbabwe Gold ("ZWG") was introduced as the new local currency, as part of efforts to curb inflation and reduce reliance on the US\$. The ZWG initially remained stable but began weakening from late September 2024, ultimately closing the financial year at ZWG28.1 : US\$1.

While the tight monetary policy supported a degree of exchange rate stability in the second half of the year, liquidity in the formal sector of the economy deteriorated. Dual currency trading created imbalances, with significant ZWG cash holdings proving difficult to utilise, as most suppliers required settlement in US\$, a currency the Company was unable to generate in sufficient quantities through normal trade. The reduction in the foreign currency retention threshold from 75% to 70% towards the year end is expected to further reduce the Company's US\$ export inflows in the year ahead, constraining funding for essential raw material imports and capital expenditure.

The El Niño climatic conditions did not materially affect sugar cane farming, as the major dams supplying irrigation water ended the reporting period with water levels ranging from 77% to 100%, including dams servicing private farmers in the Mkwashine area, where water levels had previously fallen below 50%. However, the El Niño-induced drought severely constrained national hydro-power generation, resulting in persistent power outages. Investment in long-term energy alternatives, including solar, remains a strategic priority for the Company.

Business Performance

Production Operations:

	Area under cane (hectares)			Sugar cane yield per hectare (tons)		Sugar cane production (tons)			Sugar production (tons)		Cane to Sugar ratio*
Change	2% ↓	1% ↓	2% ↓	7% ↑	3% ↓	18% ↑	0.2% ↓	10% ↑	13% ↑	19% ↑	3% ↑
March-25	10 625	11 977	22 602	95.40	66.67	1 020 986	744 815	1 765 801	219 112	440 172	8.06
March-24	10 862	12 117	22 979	89.20	68.82	863 075	746 355	1 609 430	194 684	370 562	8.27
Company	Private Farmers	Total	Company	Private Farmers	Company	Private Farmers	Total	Company	Industry	Company	

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

Agriculture

Our Agriculture division delivered their strongest performance to date, with cane supplied from the Company's own estates ("Miller-Cum-Planter") exceeding one million tons for the first time, representing an 18% increase from the prior year. This was supported by a 7% improvement in cane yields, and more consistent cane haulage operations, underpinned by a successful off-crop maintenance programme for Company owned agricultural vehicles and equipment.

While this record performance reflects improved operational execution, the unit cost of production remains unsustainably high and continues to erode profit margins. Several structural and cost-related challenges persisted during the year, including:

(1) Labour cost pressures

The Agriculture division accounts for approximately 72% of the Company's full-time equivalent headcount, equating to 4 772 of its 6 628 employees, and bears the largest share of the wage bill. The revision to the minimum wage structure applicable to the Company has placed it at a significant disadvantage relative to other sectors within the agriculture industry.

The current minimum wage is US\$280 per month, with US\$224 payable in foreign currency. In contrast, private cane farmers supplying cane to the mill pay US\$130 per

month, with only US\$125 in foreign currency (Source: NEC for Agriculture agreements with respective sectors). This differential continues to place pressure on the Company's cost base and operating margins.

The Agriculture division generates its profit based on internal cane sales to the Milling division, using the 77% Division of Proceeds (Dop), aligned to the rate paid to private farmers. While the division remains profitable, its ability to offset losses in the Milling division has diminished compared to prior years.

(2) Water security and infrastructure constraints

Water availability remains a concern. Despite the Company's support for the development of the Tugwi-Mukosi Dam, illegal abstractions along the water conveyance route have negatively affected irrigation supply to the Company's cane fields. In addition, new cane developments by private farmers have not been matched with increased water allocations or supporting infrastructure, compounding pressure on the system, including the Company's own private canals. The public authority responsible for managing and distributing irrigation water also lacks adequate infrastructure to ensure consistent delivery, posing a risk to the reliability of agricultural output. If these constraints are not addressed, they may lead to reduced cane yields in future years.

Reflections from the Chairman and Chief Executive Officer (cont)

(3) Replanting and input procurement challenges

The Company's crop husbandry programme includes the routine replanting of cane roots after the seventh ratoon, or earlier where necessary, to sustain high yields and maintain field productivity. This process has become increasingly constrained by limited access to working capital, with existing facilities unable to accommodate the higher seasonal funding requirements associated with the cane purchase arrangements. In the year under review, only 793 hectares were replanted, significantly below the target of 1 238 hectares. The shortfall was primarily due to pricing pressures from contracted services providers and difficulties in meeting their US\$ payment expectations. Although the Company generates revenue in both US\$ and ZWG, the volume of US\$ inflows was insufficient to meet all operational requirements.

(4) Cane haulage logistics

During the year, the Company remained reliant on outsourced cane haulage services, which increased operating costs due to the high rates charged by contractors. While efforts to internalise logistics were limited by cashflow constraints, new cane haulage equipment was procured towards the end of the reporting period to reduce this dependency in future seasons.

(5) Power supply instability

Extended power outages disrupted irrigation operations, particularly in areas reliant on electric pumps and overhead irrigation systems, which adversely affected crop water availability and placed downward pressure on yields. The Company is progressing work on alternative energy solutions, including solar, but full implementation will require further capital investment.

(6) Cane supply mix and value chain exposure

The loss of Company-owned agricultural land in prior years has led to a shift in the cane supply mix, with a reduced proportion of cane now originating from the Miller-Cum-Planter operations. This has increased reliance on private farmer cane, which is supplied at a higher cost than the Company's own cane, and continues to place strain on the value chain.

While sugar prices are subject to affordability considerations, the prices of goods and services supplied to the Agriculture division have continued to escalate in response to inflationary pressures. This imbalance between revenue and input costs remains a key risk to margin sustainability.

Private farmers

Private farmers recorded a marginal decline in cane deliveries, driven by a 2% reduction in area under cane and a 3% decrease in yield per hectare.

Milling

Following a difficult production season in the prior year,

the Milling division recorded a 13% increase in sugar production, reflecting improved plant uptime and overall processing efficiency. These gains were enabled by a successful off-crop maintenance programme completed ahead of the crushing season, despite tight funding constraints arising from the competitive pressures resulting from low-cost, non-fortified sugar imports in the prior year.

While operational performance improved, the division continues to face structural cost pressures that undermine profitability. The key challenges include:

(1) Cane price and input cost pressures

The cost of cane under the Cane Purchase Agreement (CPA) remains a significant driver of losses in the division. At US\$71 per ton of cane, the input cost is materially higher than regional benchmarks. In Kenya, which also operates under a CPA model, the cane price was US\$38 per ton during the past season and has recently increased to around US\$41 per ton. This comparison underscores the substantial cost gap undermining Zimbabwe's competitiveness.

When the proportion of cane supplied by private farmers increases relative to that from the Company's own estates, the impact of this high input cost intensifies, further reducing milling margins. This cost imbalance is a key reason why the division remains loss-making.

(2) Division of proceeds

The DoP under the Cane Milling Agreement (CMA) also significantly affects the cost structure of the division. The prevailing 77% DoP for most private farmers is high by regional standards. According to data published by the National Competitive Commission, DoP levels in Zimbabwe exceed those in neighbouring sugar-producing countries, which range from 59% in Zambia to 68% in Eswatini.

This results in lower milling margins for the division relative to regional peers, particularly when sourcing cane from private growers. Although the Company continues to benefit from internal cane supply arrangements, these are no longer sufficient to absorb the full impact of Milling-related losses. As a result, overall profitability remains under pressure.

Sales and Marketing:

Industry Sugar Sales (tons)

	31 March 25	31 March 24	Change
Local	337 227	283 288	19%
Export	43 303	108 374	-60%
Total	380 530	391 662	-3%

Reflections from the Chairman and Chief Executive Officer (cont)

Local Market

Following sustained industry engagement, the Government revoked Statutory Instrument (SI) 80 of May 2023 with effect from 31 January 2024. The reinstatement of duty on sugar imports addressed the unfair competitive advantage previously enjoyed by non-fortified regional sugar brands, which had landed in Zimbabwe at prices lower than locally produced sugar, and in some cases below prices prevailing in their countries of origin.

The reinstatement of import duty led to a significant recovery in the Huletts sugar brand's local market share, which was sustained above 86% (by sales volume) during the reporting period. SI 80 had enabled the influx of lower-priced, non-fortified table sugar brands, resulting in a loss of nearly 24% market share (by sales volume).

With a more level playing field reinstated, demand for Huletts brown sugar rose by 19% compared to the prior year. This recovery was supported by targeted marketing initiatives at both trade and consumer levels, which helped defend brand equity and drive volume growth across key customer segments.

Export Market

Industry export sales, of which the Company accounted for 49.8% (2024: 52.5%) declined by 60% compared to the prior year. This was largely due to delays in fulfilling export orders following post-election civil unrest and associated logistical disruptions in Mozambique and the Democratic Republic of Congo.

In addition, the United States Tariff-Rate Quota (USTRQ) allocation was reduced by 7 983 tons, while exports to the United Kingdom declined due to the deliberate prioritisation of the local market, which continues to offer stronger returns relative to currently depressed world market prices.

Financial Results:

Despite the strong operational recovery, the cost of doing business remained elevated, primarily due to the high costs of both cane and manpower. These material input costs continued to erode margins and limit the full benefit of production gains. Key financial indicators are outlined below:

Revenue: 44% ↓

While overall industry sales volumes declined by only 3%, revenue decreased by 44%. This variance was primarily due to a distortion in the prior year's reported revenue, caused by inflationary adjustments and currency effects under IAS 29. These adjustments were translated into US\$ following the change in functional currency, inflating the comparative base.

In the current year, the Company deliberately prioritised the local market over lower-priced export markets, supporting stronger average price realisations.

Profit for the year: 45% ↓

Operating profit improved significantly to US\$7.9 million (2024: loss of US\$57.8 million), reflecting the reversal of prior year CPI and currency effects embedded in cost of sales, the movement in the fair value of biological assets and administration expenses, before these transactions and balances were translated to US\$.

Despite this improvement, profit for the year declined by 45% to US\$13.7 million (2024: US\$24.3 million), mainly due to the inclusion of a non-monetary gain in the prior year relating to the hyperinflationary restatement process.

Adjusted EBITDA: 170% ↑

Adjusted EBITDA, which excludes non-cash movements in the fair value of biological assets, increased to US\$13.7 million from a negative US\$19.5 million. While the prior year comparative was distorted by hyperinflation adjustments, the current year results reflect improved cost control.

The benefit of the increased sales volumes was not fully realised due to:

- A high proportion of goods and services which were priced in US\$;
- Cane purchases from private farmers at US\$71 per ton of cane – equivalent to US\$575 per ton of sugar – exceeded the revenue realised from the sale of the sugar produced into more marginal export markets; and
- A minimum wage of US\$280 per month, significantly higher than comparable rates across the agricultural sector, including private farmers.

Cost reduction initiatives

In response to continued cost pressure, the Company launched "Project Zambuko", a margin improvement initiative focussed on cost containment and a revenue optimisation. As part of this, and in line with applicable labour legislation, an employee rationalisation process is underway to align labour costs with operational requirements. The first phase of the retrenchment programme was initiated in February 2025 and ongoing in terms of finalising the labour law requirements, with the next phase to be scheduled in FY26.

Cashflows ↑

Operating cash flows after interest, tax, and working capital changes increased to US\$10.7 million by US\$8.7 million (2024: US\$2.0 million outflow). The improvement was largely driven by working capital gains following the recovery of local market share, which generates stronger margins than export markets.

Capital expenditure for the year totalled US\$4.8million (2024: US\$7.5 million), including US\$1.7 million (2024: US\$5.0 million) spent on replanting cane roots. Although cash outflows were lower due to liquidity constraints, the

Reflections from the Chairman and Chief Executive Officer (cont)

Company has identified key retooling priorities for the next financial year, with plans in place to reduce reliance on outsourced services.

At 31 March 2025, the Company's net borrowings stood at US\$8.9 million, down from US\$11.1 million at 31 March 2024. This reduction reflects the improved local sales performance and a move towards more sustainable borrowing levels, creating headroom within the Company's facilities for potential future operating or capital expenditure requirements.

During the season, the Company's borrowing facilities remained under pressure and were not sufficient to meet the peak working capital requirements. With over 90% of private farmers now supplying cane under the CPA, the Company is required to pay for cane on delivery to the mill. This differs from the CMA where payments are made only once the sugar is sold. The resultant timing mismatch, where cash outflows are concentrated between April and December while revenue is recognised throughout the year, continues to strain liquidity. The shift by private farmers from CMA to CPA has significantly increased peak funding requirements. However, the Company's borrowing facilities have not yet been adjusted to reflect this change. Efforts are underway to secure new arrangements that are better aligned with the seasonal nature of the business.

Dividend:

Following the improvement in working capital, supported by a strong local market recovery, the business was able to normalise supplier obligations and reduce borrowings to more sustainable levels. As a result, the Company closed the year with sufficient headroom to meet the first quarter working capital requirements in the next financial year. Additionally, adequate sugar stocks were available at the commencement of FY26, and a successful off-crop maintenance campaign was completed to support improved milling reliability in the new season.

However, in light of ongoing liquidity demands associated with the CPA, elevated cost pressures, and the broader macroeconomic uncertainty, the Directors have resolved not to declare a dividend for the year ended 31 March 2025. This decision reflects the Company's prioritisation of financial stability and will be reviewed once its funding structure and cash flow generation are better aligned with its capital and operational requirements.

Environmental, Sustainability and Governance:

A total of three Lost Time Injuries (LTIs) were recorded during the reporting period, unchanged from the prior year. This resulted in a Lost Time Injury Frequency Rate (LTIFR) of 0.028 (2024: 0.028). One fatal accident occurred involving an employee of a contractor engaged by the Company. A comprehensive corrective action plan was implemented to address the findings of the investigation,

and all actions identified have since been closed. The contractor management framework was also reviewed and strengthened to enhance oversight and supervision of third-party contractor teams.

The Company's Occupational Health and Safety and Environmental Management Systems were successfully recertified to ISO 45001 and ISO 14001, following an audit by the Standards Association of Zimbabwe.

Under the Reforestation Programme, which has been in place for the past 15 years, approximately 10 000 trees have been planted in and around Chiredzi. To support ground-water protection efforts, ten community sewage treatment ponds were rehabilitated to improve waste processing efficiency.

The Company experienced an unusually low malaria burden of 18 cases in 2025 compared to 379 in the prior year in 2024, potentially linked to colder winter conditions and low rainfall.

Voluntary Counselling and Testing (VCT) uptake reached 95% among the Company's permanent employees. Fourteen new Human Immunodeficiency Virus (HIV) infections were recorded, with all affected employees receiving treatment and demonstrating effective viral suppression. HIV prevalence among the Company's employees stands at 29%.

In Zimbabwe, the Tuberculosis (TB), Malaria and HIV care programmes – covering prevention, testing, and treatment – have historically benefited from funding provided through the United States President's Emergency Plan for AIDS Relief (PEPFAR), implemented by US Agency for International Development (USAID). The temporary suspension of USAID funding following an executive order by the US government poses a risk to the continued delivery of these health services, which are vital to the workforce. Management has developed a mitigation plan to reduce the impact of this disruption and preserve the health outcomes achieved to date.

Cane growing projects and other industry matters:

Efforts to progress the implementation of Project Kilimanjaro, a 4000-hectare new cane development, continued during the year. 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. Following the government's allocation of institutional offer letters to 116 additional beneficiary farmers and the establishment of a project company, a board of directors was constituted comprising representatives from government departments, parastatals, private farmers and Tongaat Hulett Zimbabwe (Hippo Valley Estates and its sister company Triangle Limited). The board is now overseeing

Reflections from the Chairman and Chief Executive Officer (cont)

the development of the remaining 3 300 hectares, and is currently considering funding options to complete the project.

Separately, the Company continues to support Triangle Limited in other cane development initiatives intended for third-party farmers, including the Pezulu Project in Western Triangle (approximately 1 000 hectares benefitting 28 new farmers) and Chiredzi River North (1 000 hectares). While project planning has been completed for both, progress has been limited due to prevailing liquidity constraints in the economy.

These initiatives are intended to expand cane supply and support greater utilisation of the industry's installed milling capacity. 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 for the current season have yet to be finalised, pending the Ministry of Industry and Commerce's determination of the cane price under the CPA. In the interim, farmers under the CPA continue to supply cane in accordance with the previous agreement, while those under the CMA are supplying cane under the current agreement, which remains in effect until the 2026/27 season.

Land tenure:

Considerable progress has been made on the signing of the 99-year leases by the Minister of Lands, Agriculture, Fisheries, Water and Rural Development. The total surveyed land area for the Company has now been confirmed at 17 644 hectares, down from the original estimate of 23 979 hectares. Of this confirmed area, leases covering 16 802 hectares (approximately 95%) have been signed by the Minister, with 842 hectares remaining outstanding. Engagements with the Ministry are ongoing to finalise the remaining lease approvals.

Outlook

The Company remains focused on advancing its strategic growth plans, with priorities centred on increasing sugar production, expanding the revenue portfolio, containing costs, and generating positive cash flows. However, significant challenges persist in the form of water availability, electricity supply interruptions, and a complex operating environment.

As the new season commences, the Company holds adequate sugar stocks to meet local market requirements. Sugar availability is expected to remain stable throughout the season, supported by substantial opening stock levels and the encouraging plant start-up performance. As a result, the Company does not anticipate a recurrence of sugar import pressures in the short term.

The drought conditions experienced in the previous season are not expected to materially impact the industry's performance in the current year. This includes the Mkwashine area, farmed by private growers, where water rationalisation measures had previously been implemented. Water levels in the Company's supply dams support this outlook, with the photographs below reflecting dam levels at 7 May 2025.



Tugwi-Mukosi
Dam Level - 100.0%

Lake Mutirikwi
Dam Level - 100.0%

Manjirenji
Dam Level - 90.9%

Siya
Dam Level - 77.8%

Through its business continuity framework, the Company has completed a successful off-crop maintenance programme and has commenced retooling its Agriculture operations with adequate harvesting and haulage equipment. These initiatives are expected to support improved milling uptime and operational efficiency in the coming season.

Following developments in the DoP arrangement under the CMA, an increase in favour of private farmers is being challenged by the Company and the matter is still before the courts.

Project Zambuko will continue in the coming financial year, with further phases planned to support ongoing efficiency and cost management efforts across the Company.

In a context where several formal sector participants have reduced operations or exited the market altogether, the Company remains focused on maintaining relevance in the local sugar market, growing its footprint, and upholding Environmental, Social and Governance (ESG) standards as part of its long-term sustainability agenda.

By Order of the Board

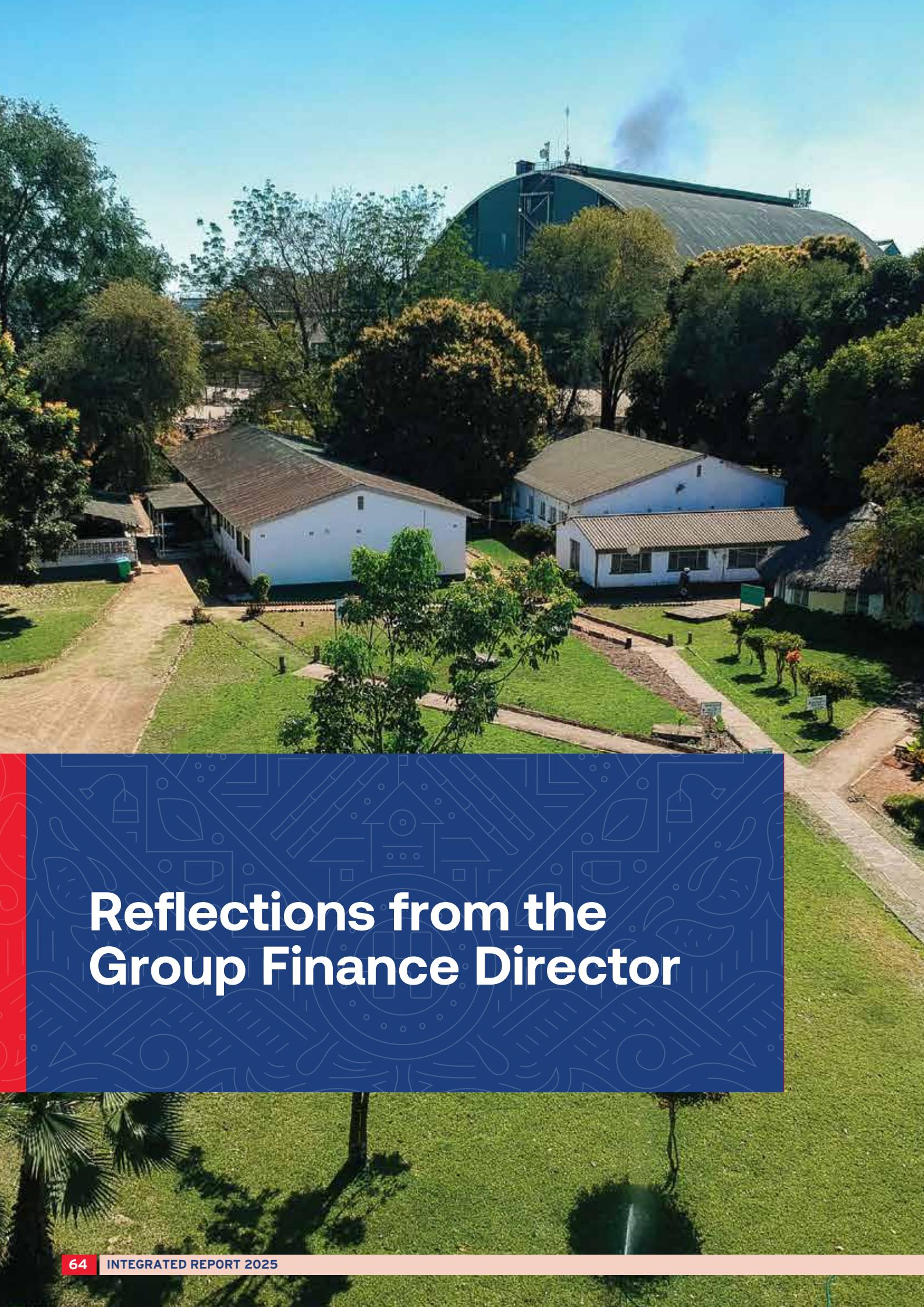
The signature of CF Dube, Chairman.

CF Dube
Chairman

The signature of T R Masawi, Chief Executive Officer.

T R Masawi
Chief Executive Officer

26 June 2025



Reflections from the Group Finance Director

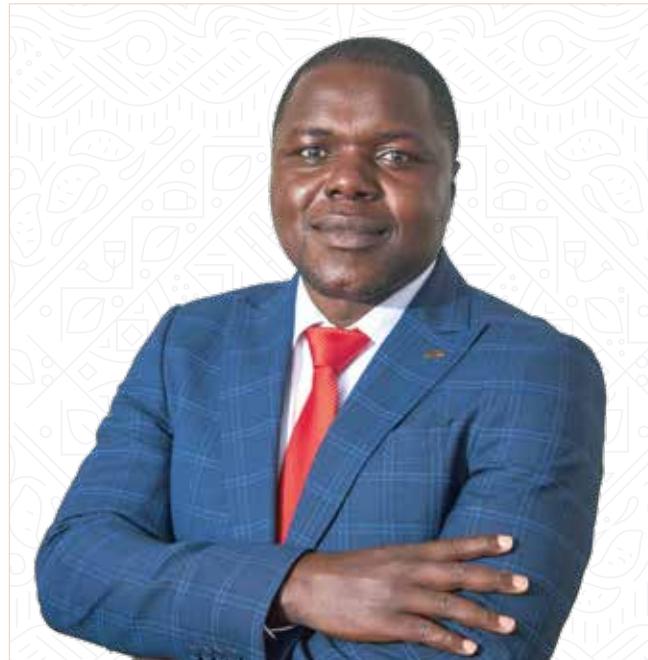
Reflections from the Group Finance Director (cont)

Our business stood the test of a difficult operating environment but we remained focused on our strategies to help navigate the terrain. In the midst of that, our financial performance presents a positive outturn regarding increased revenues, reduction in cost of sales and resultantly improved Adjusted EBITDA and cashflows. This was supported by our good operational performances in Agriculture, Manufacturing and in the Sales and Distribution of our finished products. However, we continue to battle with a high cost of production which is necessary to tackle to achieve the right margins level.

Cautionary: Users are cautioned that the performance compared to prior year IFRS compliant financial statements is distorted by a change in the functional currency and does not provide reasonable performance measurement of the Company between FY24 and FY25, due to opening balances and comparative information being derived from translating hyperinflation balances and transactions that existed in a hyperinflationary environment where inherent economic distortions may have impacted these balances.

To provide a more reasonable and practical analysis, current year performance from the Group Finance Director's reflections has been compared with management best estimate for the prior years. The purpose of disclosing management best estimate financial result is to aid users of financial statements in decision making.

Management best estimate of prior year financial statements refers to transactions and balances accounted for without using the hyperinflation indices as per IFRS. Rather, the transactions and balances are accounted for as straight USD for those that were primarily denominated in foreign currency while those denominated in local currency were converted using the underlying exchange rates influencing the prices of goods and services.



Tapera Masarakufa
Group Finance Director

'The operating environment in FY25 was difficult and volatile, although we saw some stability in exchange rate in the last half of the year. However, liquidity remained a challenge and currency mix between ZWG and US\$ impacted the ability to trade efficiently. With a high cost of production on manpower costs and cane purchases, the benefit in sales could not be realised in full.'

Financial Performance Highlights

31 March 2025		Change	Per IFRS	
	US\$'000		31 March 2024	US\$'000
Revenue	191 596	44% ↓	Revenue	340 478
Cost of sales	124 724	55% ↓	Cost of sales	275 137
Adjusted EBITDA	13 716	170% ↑	Adjusted EBITDA	(19 502)
Headline Earnings	13	75% ↓	Headline Earnings	24

31 March 2025		Change	31 March 2024	
	US\$'000		31 March 2024	US\$'000
Cash and cash equivalents	3 607	175% ↑	Cash and cash equivalents	1 314
Trade and other receivables	32 177	23% ↓	Trade and other receivables	41 976
Inventory	42 680	32% ↑	Inventory	32 241
Trade and other payables	30 782	5% ↓	Trade and other payables	32 474
Borrowings	12 492	0.3% ↑	Borrowings	12 456

Reflections from the Group Finance Director

Financial Performance Highlights

31 March 2025		Change	Per Management best estimate	
	US\$'000		31 March 2024	US\$'000
Revenue	191 596	7%	Revenue	178 698
Cost of sales	124 724	2%	Cost of sales	126 767
Adjusted EBITDA	13 716	18%	Adjusted EBITDA	11 648
Headline Earnings	13 440	298%	Headline Earnings	(6 797)
<hr/>				
	US\$'000			US\$'000
Cash and cash equivalents	3 607	343%	Cash and cash equivalents	815
Trade and other receivables	32 177	23%	Trade and other receivables	26 160
Inventory	42 680	13%	Inventory	37 849
Trade and other payables	30 782	14%	Trade and other payables	35 895
Borrowings	12 492	0.3%	Borrowings	12 456

Our business performance in FY25 was largely characterised by;

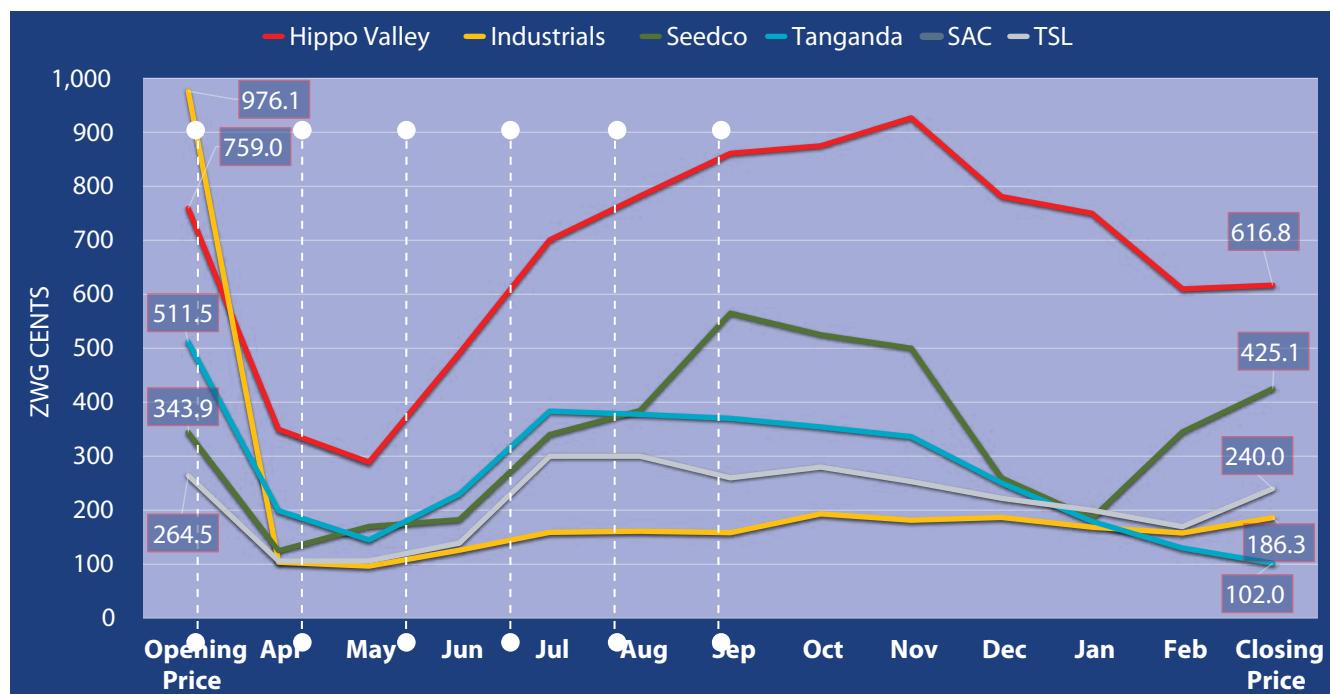
- ▲ Improved liquidity at the onset, with normalised supplier obligations and a suitable headroom, critical to cover first quarter cashflow requirements for cane purchased from private farmers and other related inputs to support production.
- ▲ Strong commercial momentum upon regaining the local market share, following the repeal of SI 80 which allowed cheaper unfortified sugar imports into the country. Resultantly, sales volumes in the local market shoot up by 19% and margins increased at the back of better price realisations than low priced export markets.
- ▲ In line with increased production, the business closed the year with huge sugar stocks, adequate to meet sales requirements prior to the start of the next season and ensuring cover for the first quarter.
- ▼ Introduction of a new currency the ZWG on 05 April 2024, which suffered significant devaluation at the end of September 2024 with the premiums between the official and unofficial market rates remaining widened despite the relative stability witnessed in the second half of the year.
- Additionally, dual currency trading became prominent as we cashed in on both the US\$ and ZWG currencies, with challenges remaining on the usage on the ZWG due to suppliers preferring settlement in US\$.
- ▼ High cost of production particularly on manpower and cane purchases. The minimum wage of US\$280 is way above regional industry benchmarks in the agriculture sector including the cane price of US\$71 per ton of cane which is exorbitantly high compared to other regional private farmers in similar arrangements.
- ▼ The cost of borrowing also went up from 7.5% p.a to 11% p.a, and Intermediated Money Transfer Tax (IMTT) was pushed up from 1% to 2%, further reducing our bottom line.



Reflections from the Group Finance Director (cont)

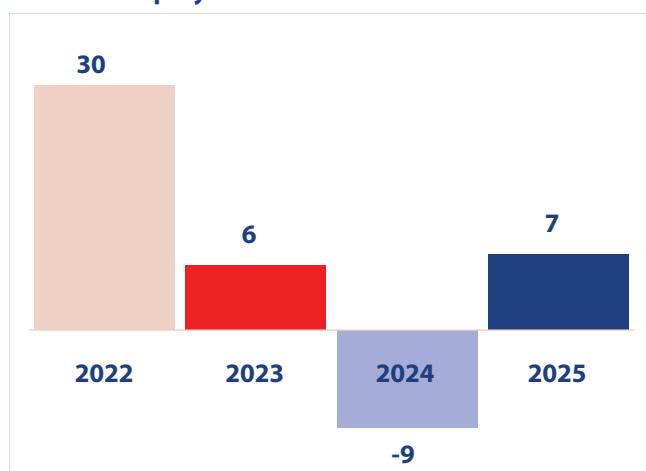
Value Creation for Shareholders

Consistent with some other ZSE counters, the Company share price dropped by 19% from an opening price of 759 ZWG cents per share, closing at 617 ZWG cents per share on 31 March 2025. The Company remains a competent player in the industry supported by its market capitalisation size. In light of the ongoing liquidity demands associated with the cane purchases, manpower costs, efforts to re-tool the business and the broader macroeconomic uncertainty, the Directors have resolved not to declare a dividend for the year ended 31 March 2025.

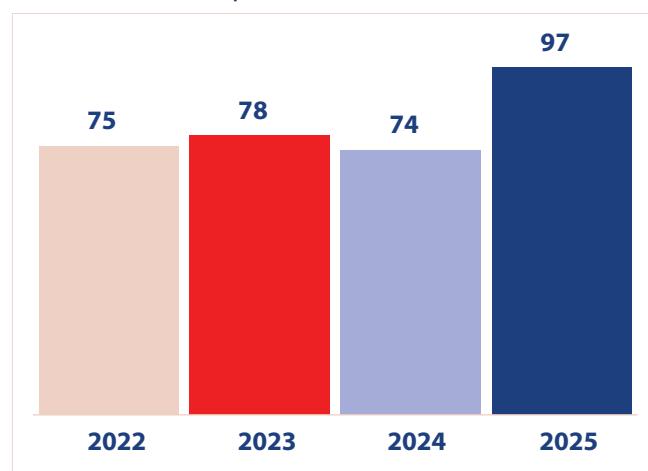


With the transition to Vision Group in motion, the business continues to monitor its share performance which has to date shown marginal peaks and troughs and the Company anticipates improvements supported by good production performances which will translate to better revenues and positive cashflows.

Return on equity %



Net asset value US\$ m



Our return on equity (ROE) increased to 7% and net asset value rose by 31%, signifying an improvement in the investment, all driven by positive production performances and better sales returns.

Reflections from the Group Finance Director (cont)

Key highlights;

- Despite sales volumes marginally dropping by 3% from prior year, the business generated better returns due to a sales mix skewed towards the local market where prices are much higher than selling into the world market.
- Despite the high cost of production emanating from cane purchases and manpower costs, the business has remained solvent following a climb in production by 13%, owing to better yields and good milling recoveries. This resulted in the business holding significant stocks of sugar, enough to satisfy demand in both the local and export market.
- Improved liquidity has seen the business normalising supplier obligation at the start of the year and support from the banks through short term loans, helped funding liquidity gaps in line with the seasonality nature of our business.

Additionally, cash and cash equivalents improved, supported by the local market recovery, which was previously lost to unfortified cheap sugar imports.

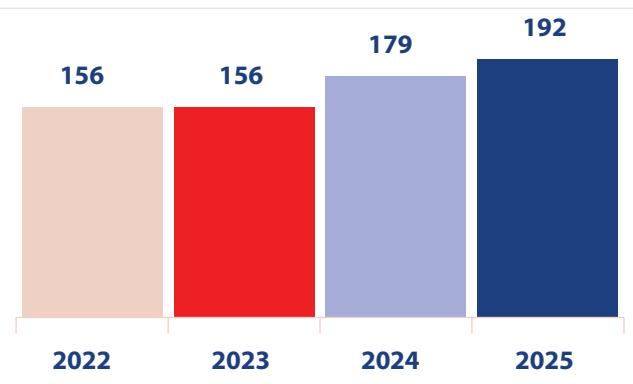
In summary, the business enjoyed having the product available and the local market recovered despite other macroeconomic complexities and the related costs which the business continues to deal with.

In an effort to improve ROE, the business has engaged in a number of strategies to reduce the cost of production and enhance revenue generation, particularly under project 'Zambuko' through which to date an employee retrenchment process has been initiated and currently ongoing in line with the business requirements and the labour laws.



Financial Performance Analysis

Revenue US\$ m

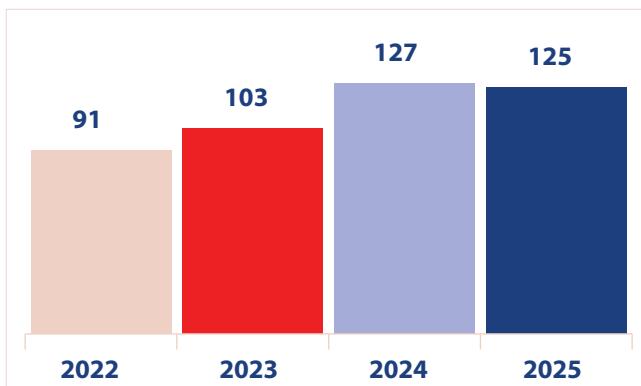


Revenue improved by 7%, while sales volumes dropped marginally by 3%.

Key highlights;

- Further insights into the analysis indicate that the business generated better sales returns compared to prior year after regaining local market share and the deliberate prioritisation of the local market in place of low-priced export markets.

Cost of Sales US\$ m



The cost of goods sold was reduced by 2% from prior year.

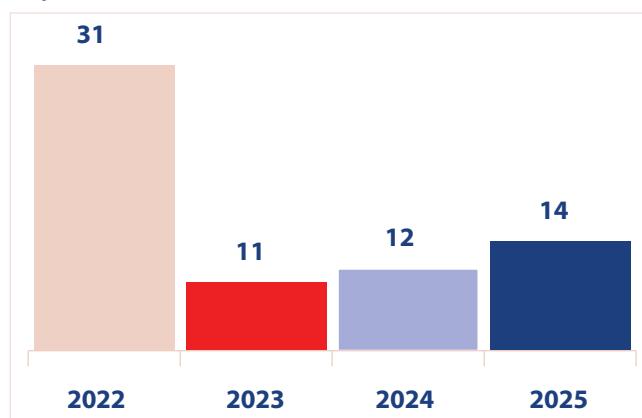
Key highlights;

- Despite the marginal drop in cost of sales, the business is battling with a high minimum wage of US\$280 and a cane price of US\$71 per ton of cane purchased from private farmers under the Cane Purchase Agreement arrangement, with both prices way above regional benchmarks, including the Division of Proceeds at 77% which is currently being pushed to 80.5%, although the Company lodged an appeal to avoid further erosion in the already squeezed margins.
- Also, the business encountered a tax position change on sugar, from a zero-rated supply to an exempt supply, thereby increasing costs for the sugar industry with the business having to incur unclaimable VAT to the tune of US\$7m in the current year.

Reflections from the Group Finance Director (cont)

In addition to this, the general inflationary pressures in the economy and global price influences did not spare the sugar industry, with costs of key inputs continuing to rise including the difficulty in trading locally with suppliers of goods and services when the business is settling obligations using a mix of US\$ and ZWG currencies. The currency mix dilemma resultantly sometimes caused pricing misalignments between our sales and what the business is charged by suppliers of goods and services.

Adjusted EBITDA US\$ m

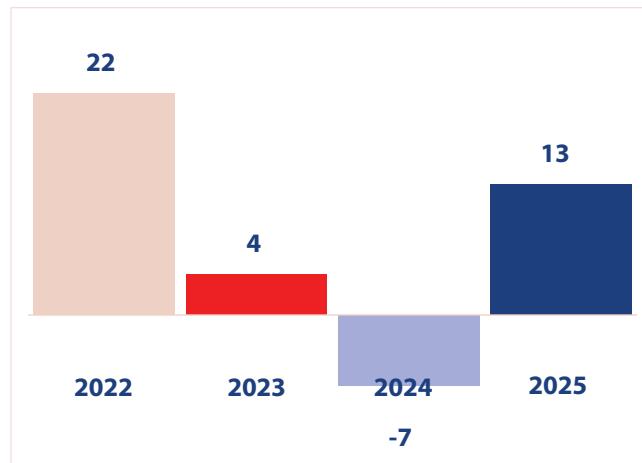


Adjusted EBITDA, which excludes the distortion from non-cash movements in the fair value of biological assets, increased by 18%.

Key highlights:

- Increases in the cost of doing business did not bring adjusted EBITDA to the right levels despite good performances in production and sales, with EBITDA margin remaining at 7% (2024:7%).

Headline Earnings US\$ m



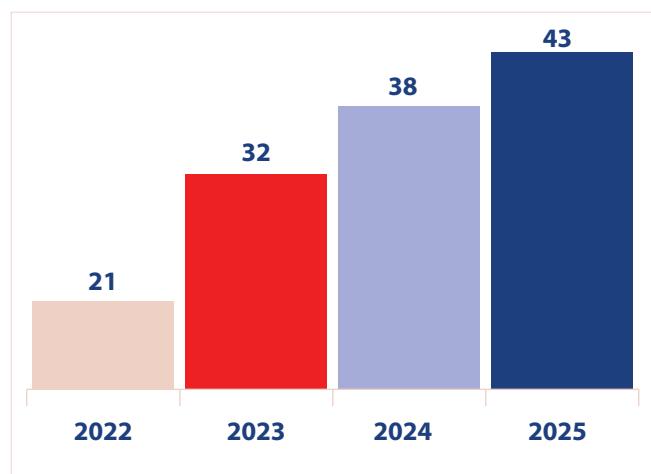
Headline earnings increased by 298% from prior year.

Key highlights:

- Improvement was driven by sales and positive production performances; however, the following are the pain points which are negatively impacting margins.

1. Inflationary pressures on the price of goods and services, which are also purchased largely in US\$ while the business battled to generate enough US\$ from normal trading sales.
 2. Global price influences impacted the business on key agriculture inputs which include fuel, fertilisers and chemicals.
 3. Additionally, the surge in power outages pushed the business into expensive alternative energy sources.
 4. Expensive cane from private farmers and a high minimum wage as explained earlier also contributes heavily to the increase in operating expenditure.
- Despite the above, headline earnings include fair value adjustments on growing crops which may distort year on year performance analysis due to complexities impacting fair value estimates.

Inventories US\$ m



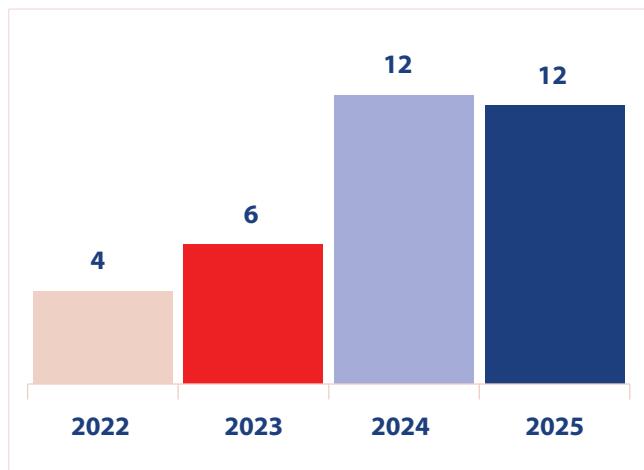
Inventories which include finished goods (Sugar and molasses) and consumables, increased by 13% from prior year, with the upswing coming from improved sugar production by 24 428 tons.

Key highlights:

- Following better yields on sugar cane harvested per hectare, improved milling up time and good recoveries in the production lines, the business enjoyed positive production performances in the current year unlike the challenges encountered in the prior year.
- In light of the above the business started FY26 with a significant level of sugar stocks which guaranteed sugar supply in the market prior to commencement of FY26.

Reflections from the Group Finance Director (cont)

Borrowings US\$ m

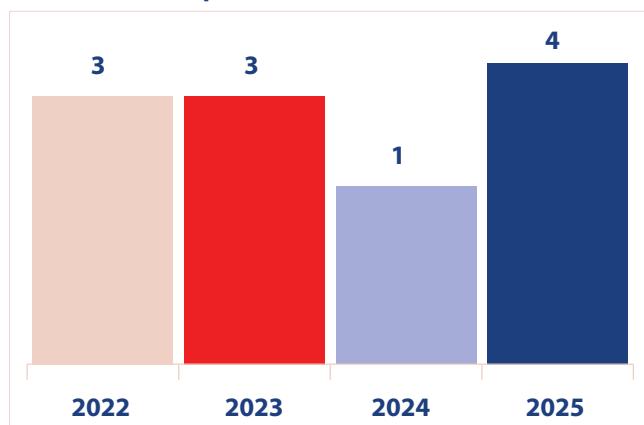


Notwithstanding closing borrowings fairly remaining at the same level as prior year, the Company closed with a net debt position of US\$8.9m (2024:US\$11.6m).

Key highlights:

- Following the improvement in sales after regaining the local market share, the Company improved on liquidity.
- While reliance on borrowings may have remained, the business saw no need to increase the level of borrowings and most of the inflows at the early start were utilised to normalise long outstanding supplier obligations.
- During the year, proceeds from borrowings amounted to US\$14.4m and repayments of US\$14.4 were made without disrupting the business working capital requirements.
- It should be noted that due to the business cycle loan drawdowns increase during the on-crop period (usually April to December) with working capital demands largely around private farmer cane payments, higher seasonal employees, purchase of agriculture inputs and fuel for both private farmers and Company usages.

Cash and cash equivalents US\$ m

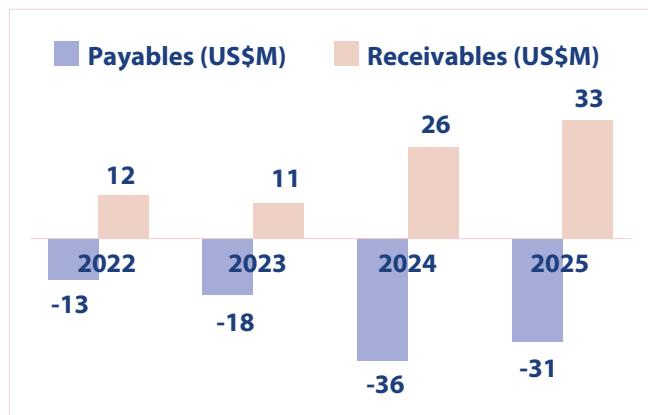


The Company closed the period with US\$4m in cash and cash equivalents, made up of US\$3m denominated in US\$ and US\$1m denominated in ZWG. Compared to prior year, our cash and cash equivalents increased by US\$3m.

Key highlights:

- The year ended with improved liquidity supported by the increase in sales in the local market, which attracted better returns.
- At the onset, the business was in receipt of significant export inflows which helped normalising long outstanding obligations, following which the Company was able to meet all current obligations using both cash generated from trading sales during the year and utilising the same level of borrowings from last year.
- In light of this, the business managed to maintain a stable debt level.

Payables/Receivables



Payables and receivables are largely denominated in US\$ in line with the currency mix on sales and expenditure.

Key highlights:

- Payables:**
The business had adequate working capital during the year with liquidity gaps due to cashflow pressures around private farmer payments and other business requirements demanding cash during the crushing period having been settled on time through use of short-term loans from our banks.
- Receivables:**
Receivables largely relate to sugar sales and unlike in the prior year, the business saw better cash collections, although the general economy still faces liquidity challenges and this is the hurdle impacting the opportunity to improve sales.

Reflections from the Group Finance Director (cont)

Overall, the Company net working capital in the current year improved judging from the quantum of near cash assets created and the capacity that the business has in meeting short term obligations as they fall due.

Key financial risk factors affecting performance

The Group and Company continue to maintain a strong risk culture and has implemented adequate and effective internal financial controls to confirm the integrity and reliability of the business and its financial statements presented to the wider stakeholders.

These controls safeguard, verify and maintain accountability of our assets based on established policies and procedures and are implemented by trained and skilled employees, whose duties are duly segregated.

The primary financial risks to which the Company is exposed are:

- | | | |
|------------|------------------|------------------------|
| • Credit | • Liquidity | • Fair value |
| • Currency | • Interest rates | • Pricing market risks |

Refer to note 27 for additional information on financial risk management. These risks are rigorously monitored by management according to the risk management framework, with the board overseeing the process.

Looking ahead

Our outlook for FY26 and beyond is centred on the opportunities ahead and risks the business needs to manage upfront.

Production;

Our production plans are set to achieve better yields, good cane quality and resultantly improved recoveries in line with the quantum of cane delivered and to demonstrate improved productivity. Additionally, product mix between sunsweet (which generates higher returns) and raw sugar will remain critical as these impact on profitability with greater part of the production costs being fixed.

Commercial;

In the commercial space, the business is anticipating to hold onto the local market share supported by product availability, the fact that our sugar meets the fortification requirements and the general affordability judging from the disposable incomes in the economy. In light of the geo-political global influences, the Company has been conservative in terms of sales planned for exports, with alternative markets in place.

Additionally, our procurement plans aim to procure at competitive prices including making strong negotiations on the acceptance of the ZWG currency when settling

obligations, as cash inflows are projected to tilt towards the ZWG currency from US\$ per latest observed trading deals.

Cost containment through project 'Zambuko' will continue to unpack and interrogate all business costs in order to foster a culture of responsibility in spending. The retrenchment exercise remains in force as planned to address unstable wage bill and come up with a fit for purpose headcount.

The Company is not yet out of the woods regarding cashflows despite regaining the local market share. Cane price/DoP is also exorbitantly high and during the crushing period the business is projecting to have borrowing facilities stretched close to the full capacity due to cane payments and other supporting inputs which will be sold to private farmers while recoveries will mostly not match on timing with cash outflows in the same year.

Key to note is:

1. The miller solely carries market risk due to a high number of private farmers opting for the CPA arrangement.
2. While the CPA price of US\$71 per ton and the DoP of 77% are already on the high side, a court process is already underway pushing for raising the DoP from 77% to 80.5% which is effectively 83% considering the value added tax element being argued to be within the milling charge and currently being settled by the miller on behalf of farmers.

These burdens put the miller at high risks in running a manufacturing plant with limited margins and cash is squeezed throughout the year.

The business operating environment is expected to provide the stability needed to ensure the Company does not derail from planned performances.

The safety, health and wellbeing of our people remain paramount as we continue to focus on operational excellence and cost optimisation. Hence, our investments in the Environment, Sustainability and Governance areas continue to play an essential role for the overall sustainability of Hippo Valley Estates.

Acknowledgement

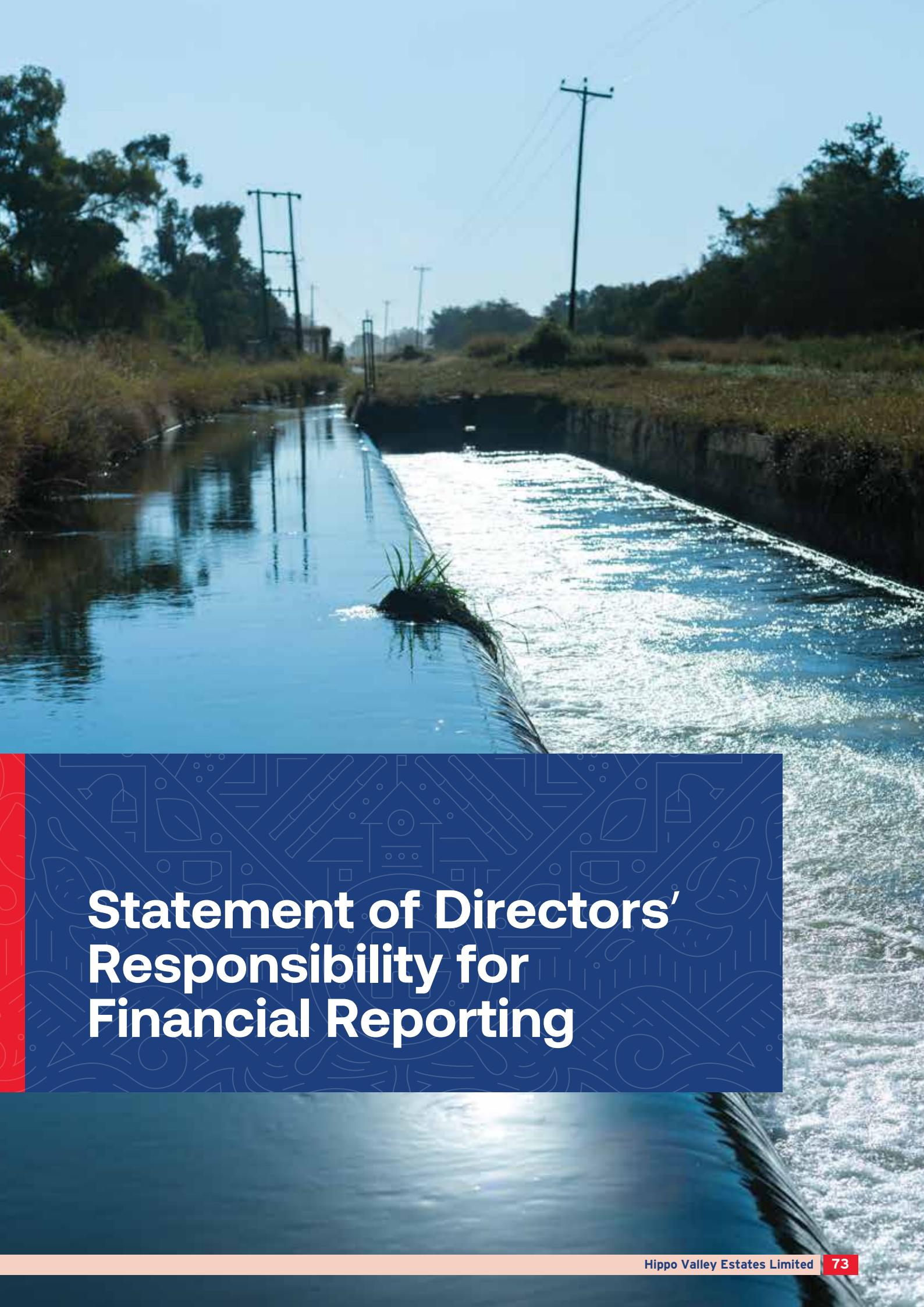
Our results, delivered under continued economic pressure, have proven the robustness of our strategy, our dedication to our stakeholders, and our track record of execution. We continue to maintain the levels of diligence and performance necessary to meet the expectations of our stakeholders.

Reflections from the Group Finance Director (cont)

Thank you to all our stakeholders for your interest, investment and support in Hippo Valley Estates. Also, my sincere appreciation to fellow Board members and colleagues on the Executive Committee for the hard work and outstanding contribution. I would like to acknowledge our teams in Finance and across the business for delivering on our strategic priority of cost optimisation. This has ensured that we continued to unlock value and deliver sustainable stakeholder returns.



T. Masarakufa
Group Finance Director



Statement of Directors' Responsibility for Financial Reporting

Statement of Directors' Responsibility for Financial Reporting

In terms of the Companies and Other Business Entities Act [Chapter 24:31], the Directors are responsible for ensuring that the Group and Company keeps adequate accounting records and prepares financial statements that fairly present the financial position, results of operations and cash flows of the Group and Company and that these are in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards as issued by International Accounting Standards Board (IASB®). The auditors are responsible for reporting on the fair presentation of the financial statements. The Group and Company's independent auditors, Ernst & Young, have audited the financial statements and their report appears on pages 79 to 82. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards as issued by the International Accounting Standards Board (IASB®) (hereafter referred to as IFRS Accounting Standards), 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 Directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the consolidated and separate financial statements, to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. There was no material break down in the functioning of these control procedures and systems identified during the year under review.

The annual consolidated and separate financial statements are prepared on the going concern basis. The Directors have reviewed the budgets and cash flow forecasts for the year to 31 March 2026 and in light of this review and the current financial position, they are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the foreseeable future.

The consolidated and separate financial statements set out on pages 83 to 151 were approved by the Board of Directors on 26 June 2025 and signed on its behalf by:



C F Dube
Chairman



T.R. Masawi
Chief Executive Officer

26 June 2025

Preparer of financial statements

The Group and Company's financial statements have been prepared under the supervision of T Masarakufa, CA (Z).



T Masarakufa

Registered Public Accountant number 848

Directors' Report

The Directors have pleasure in submitting their report and the financial statements of the Group and Company for the year ended 31 March 2025. The Group and Company's Independent Auditors, Ernst & Young, have audited the financial statements and their report appears on pages 79 to 82.

Share capital and reserves

During the year there was no change in the authorised and issued share capital of the Company. At 31 March 2025 the number of authorised shares amounted to 200 million ordinary shares of which 193 020 564 were in issue.

The movement in other components of equity of the Group is as follows:

	31.03.25 US\$'000	31.03.24 US\$'000
Balance at the beginning of the year	(3 472)	(770)
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	(10)	(2 702)
Balance at the end of the year	(3 482)	(3 472)

Group profit or loss account for the year ended 31 March

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Profit before tax	6 144	35 415
Income tax expense	7 301	(11 152)
Profit for the year	13 445	24 263
Retained earnings brought forward	81 685	105 154
Actuarial loss on post retirement provision	(95)	(47 732)
Other restatement adjustments	(36)	-
Retained earnings carried forward	94 999	81 685

Directors' Report (cont)

Dividend

Following the improvement in working capital, supported by a strong local market recovery, the business was able to normalise supplier obligations and reduce borrowings to more sustainable levels. As a result, the Company closed the year with sufficient headroom to meet the first quarter working capital requirements in the next financial year. Additionally, adequate sugar stocks were available at the commencement of FY26, and a successful off-crop maintenance campaign was completed to support improved milling reliability in the new season.

However, in light of ongoing liquidity demands associated with the CPA, elevated cost pressures, and the broader macro-economic uncertainty, the Directors have resolved not to declare a dividend for the year ended 31 March 2025. This decision reflects the Company's prioritisation of financial stability and will be reviewed once its funding structure and cash flow generation are better aligned with its capital and operational requirements.

Directors' fees

At the Annual General Meeting held on 7 October 2024, the members approved that the fees payable to non-executive directors for the year ended 31 March 2025 be fixed at US\$3 087 per quarter and US\$6 174 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee. Further that the fees payable to non-executive directors as members of the committees for the year ended 31 March 2025 be fixed at US\$1 543 per quarter and US\$3 087 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee. The non-executive directors representing Tongaat Hulett Limited's interests do not receive directors fees for both the board and committee meetings, as these services are incorporated in the operational support services agreement.

Independent Auditors

The Board re-appointed Ernst & Young as the Group's external auditors for the current year under audit. Ernst and Young Chartered Accountants was appointed as the Group and Company's external auditors with effect from the beginning of 2022 financial year.

Preparer of financial statements

The Group and Company's financial statements have been prepared under the supervision of T Masarakufa (Registered Public Accountant number 848).

Approval of financial statements

The Group and Company's financial statements for the year ended 31 March 2025 set out on pages 83 to 151 were approved by the Board of Directors on 26 June 2025 and signed on its behalf by Messrs C F Dube and T R Masawi.

Going concern basis

The Directors are satisfied that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going-concern basis in preparing the financial statements (refer also to note 26).

By order of the Board,



C F Dube
Chairman



T Masarakufa
Group Finance Director



P Kademb
Company Secretary

26 June 2025

Audit Committee Report

Oversight and Key Activities

The report is a summary of the principal activities and opinions of the Audit Committee from 1 April 2024 to 31 March 2025 in keeping with the Committee's Terms Of Reference. The Audit Committee is a key component of corporate governance and provides an important source of assurance about the organization's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and other performance.

Financial Reporting

As one of its primary responsibilities the Audit Committee oversaw the integrity of the company's financial reporting, accounting and reporting practices and financial statements to ensure the financial statements are understandable, transparent and prepared in line with the provisions of the following best practice guidelines: International Financial Reporting Standards (IFRS®) Accounting Standards as issued by the International Accounting Standards Board (IASB®), Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE), relevant statutory instruments (SI 33/19 & SI 62/96) as well as the ZSE listing requirements.

External Audit

Ernst & Young provided the external audit services of giving assurance and audit opinion on the financial statements for the financial year ended 31 March 2025.

The Audit Committee effectively monitored Ernst & Young's activity, by requesting oral and written reports, reviewing the external auditor's deliverables and making further inquiries before signing-off financial statements; to ensure reliance on the external auditors' work. Continuous engagement and discussions with the external auditors during the year, kept the Audit Committee briefed on the audit progress and noteworthy audit matters. The Audit Committee is assured that the audit process was conducted objectively and in accordance with the audit plan, with full support from management. The Committee also regularly assesses the external auditor's independence, and any conflicts of interest exposures.

Internal Controls

The Audit Committee also has oversight on the activities of the Internal Auditor to ensure that these are performed in accordance with the standards for the professional practice of internal auditing. The Committee also sees to it that the primary objective of Internal Audit to act as an independent, objective assurance and consulting activity by examining, evaluating and reporting to management on the adequacy and effectiveness of internal controls and risk management systems, is achieved. The scope of the internal audit's work is not restricted to internal control issues; it also covers a review of the operations, corporate governance, risk processes and any ad-hoc investigations into suspected fraud and irregularities. It is the responsibility of management to institute and maintain sound

systems of internal control and risk management. The Audit Committee periodically engages and assesses the Internal Auditors (currently outsourced to KPMG) to ensure that they conduct their activities in line with this stated mandate which is guided by Internal Audit best practice governed by the International Professional Practice Framework (IPPF).

Significant Matters

The Audit Committee assists the Board in fulfilling its oversight responsibilities. It is responsible for monitoring the adequacy of the Group's internal controls and reporting, including reviewing the audit plans of the Internal and External Auditors, ascertaining the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls, and ensuring that annual and interim financial reporting meet acceptable accounting standards. The Audit Committee also reviews the activities of the Procurement function to ensure that procurement of goods and services is to the best advantage of the business.

In addition to the executives and managers responsible for finance, internal controls, compliance and business assurance, the Internal and External Auditors attend meetings of the Audit Committee. Both the Internal and External Auditors also have unrestricted access to the Chairman of the Audit Committee. The Audit Committee meets at least four times a year.

To enable the Directors to discharge their responsibilities, management sets standards and implements systems of internal control aimed at reducing the risk of error or loss in a cost-effective manner. On behalf of the Board, the Group's Internal Auditors independently appraise the Group's internal control systems and report their findings to the Audit Committee. The Audit Committee is accountable to and makes recommendations to the Board for its activities and responsibilities.

Key Activities

The Audit Committee's work for the year under audit entailed reviewing, recommending and approving a wide range of matters including the following:

- Monitoring the quality and accuracy of financial reporting and compliance with IFRS® in respect of financial practices and policies;
- Considered the going concern status of the Group and the Company and recommended the financial statements to the Board for approval;
- Monitoring action taken by management to resolve issues reported by Internal and External Auditors;
- Continuous engagement with the External Auditors to oversee independence and audit quality;
- The Audit and Compliance Committee reviewed various reports from the Internal Audit on the internal audit work undertaken against the agreed work plan,

Audit Committee Report (cont)

- Received reports on identified fraud cases and noted that no major occurrences outside of the scope of management were reported during the year. These included the reports from the 3rd party whistleblowing service and directly from whistleblowers.

Audit Committee's Opinion and Conclusion

There was no material break down in the functioning of control procedures and systems identified during the year under review. The annual consolidated and separate financial statements were prepared on the going concern basis. The Directors reviewed the budgets and cash flow forecasts for the year to 31 March 2026 and in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The Audit Committee reviewed and discussed the key audit matters raised by the External Auditors in their audit opinion for the year ended 31 March 2025 and were satisfied that these did not result in any material misstatements to the financial statements. The key audit matters are detailed in the independent auditor's report.

The Audit Committee is also satisfied that in preparing the financial statements, the Group and the Company used appropriate accounting policies consistently supported by reasonable and prudent judgements and estimates and did comply with all applicable accounting standards. The Audit Committee is of the opinion that the financial statements fairly present the financial position of the Group and the Company at 31 March 2025 and its financial performance for the year ended 31 March 2025.



D K Shinya

Audit Committee Chairman
2025



Independent Auditor's Report



Ernst & Young

Chartered Accountants (Zimbabwe)
Registered Public Auditors
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www.ey.com

To the Shareholders of Hippo Valley Estates Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Hippo Valley Estates Limited and its subsidiaries ('the Group and Company') set out on pages 83 to 151, which comprise of the consolidated and separate statements of financial position as at 31 March 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and other Business Entities Act of Zimbabwe Chapter 24.31.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company and in Zimbabwe. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent Auditor's Report (cont)

Key audit matter description	How the matter was addressed in the audit
<p>Valuation of Sugar Inventory</p> <p>As disclosed on note 8 of the annual financial statements. The Sugar inventory balance is significant amounting to USD 26 475 000 as of 31 March 2025 with a comparative balance of USD 13 901 000. The valuation of this inventory is complex due to the unique steps involved in determining the production costs and the subsequent calculation of the lower of Net Realizable Value (NRV) or cost.</p>	<p>We evaluated the appropriateness of inventory valuation accounting policy implemented by management in accordance with the requirements of IAS 2.</p> <p>We performed a recalculation of the weighted average production costs, compared against the NRV and applied the lower of the two for inventory valuation.</p>
<p>Own cane costs</p> <p>The valuation of sugar inventory includes cane costs which arise from deliveries by out-grower farmers under Cane Milling Agreement (CMA) and Cane Purchase Agreement (CPA) as well as own grown cane. The other costs included in the valuation of inventory are milling costs which is an accumulation of various cost elements of large volume of transactions.</p>	<p>We recalculated own cane costs based on the Estimated Recoverable Crystal (ERC) tonnage derived from the cane delivered for crushing at the mill from the sugar cane fields along with the associated fair value less costs to sell at the point of harvest.</p> <p>We verified the data underpinning the fair value less costs to sell to confirm that the estimate (i) is accurate, (ii) is complete, and (iii) relevant for purposes of IAS 41. This was performed through recalculations, inspection of source documents, and physical inspection of the cane fields.</p>
<p>Incorporation and assessment of cane costs inputs and assumptions into Inventory sugar valuation measurement</p> <p>The determination of cane costs for inventory valuation also refers to the Mill-Door-Price (MDP) which is an estimate affected by subjectivity and complexities in the estimation process. The fair valuation process includes significant judgements, estimates and assumptions relating to the sucrose content, expected yield per hectare, extraction ratios, selling prices and costs to sale, some of which are Level 3 inputs (unobservable)</p>	<p>Incorporation and assessment of cane costs inputs and assumptions into Inventory sugar valuation measurement</p> <p>We independently calculated the inputs that were used in determining the fair value of cane. The following are the inputs that feed into the fair value calculation which we computed and compared against the outputs provided by Management:</p> <ul style="list-style-type: none"> i. Estimated Residual Crystal (ERC) ii. Division of proceeds (DOP) iii. Average Mill-door price (MDP) iv. Average yield per hectare v. Equivalent hectarage of cane <p>We conducted control testing to verify the following non-financial data points that are integral to the determination of cane costs;</p> <ul style="list-style-type: none"> • ERC tonnage • Cane tonnage • Farmers listing.
<p>Evaluation of out-grower cane costs</p> <p>For out-growers, cane purchase costs are based on contractual agreements, with the cost being fixed throughout for CPA and the cost being adjusted monthly until the final price is determined for CMA. In determining the cane cost from out-grower farmers under the CMA, the entity determines the costs for the current year for deliveries based on Mill-Door Price (MDP). Changes in MDP results in top-ups monthly. These top-ups are accounted for in terms of the value of inventory for both the current and prior year deliveries which have not yet been sold. The valuation process is further complicated by the need to account for variable payments (movement in MDP) in the inventory valuation process.</p> <p>Due to the large number of complex cost variables above that are involved in the valuation process, we determined that the valuation of sugar inventory is a Key Audit Matter.</p>	<p>Evaluation of out-grower cane costs We recomputed out grower cane costs at a disaggregated level as outlined below.</p> <ul style="list-style-type: none"> • Recalculated the cane purchases costs based on CPA prices and cane tonnage delivered through the CPA agreement period. • Recalculated the cane purchases costs using MDPs (including the top ups) and ERC tonnage and molasses tonnage obtained from cane delivered through the CMA agreement.

Independent Auditor's Report (cont)

Other Information

The directors are responsible for the other information. The other information comprises the information included in document titled "Hippo Valley Limited Annual Report for the year ended 31 March 2025", which includes the Statement of Director's Responsibility for Financial Reporting, Directors' Report and the Audit Committee's Report as required by the Companies and Other Business Act of Zimbabwe Chapter 24:31. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists,

Independent Auditor's Report (cont)

we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit engagement resulting in this independent auditor's report on the inflation adjusted consolidated and separate financial information is Mr David Marange (PAAB Practicing certificate number 436).



**Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors**

Harare

Date: 27 June 2025



Group and Company Financial Statements

Group Statement of Financial Position

As at 31 March 2025

	Notes	31.03.25 US\$'000 Audited	31.03.24* US\$'000 Audited	31.03.23* US\$'000 Audited
ASSETS				
Non-current assets				
Property, plant and equipment	4.3	47 236	46 241	33 052
Intangible assets	4.6	45 113	44 492	29 609
Investments in associate companies	5	33	34	234
Right of use asset	4.9	1 912	1 697	3 144
		178	18	65
Current assets				
Biological assets	6	125 789	122 904	127 191
Inventories	8	38 968	40 398	59 477
Trade and other receivables	7	42 680	32 241	30 218
Amount owing by group Companies	23.1	32 177	41 976	26 552
Cash and cash equivalents		7 187	6 975	5 740
Current tax assets		3 607	1 314	5 204
		1 170	-	-
Total assets		173 025	169 145	160 243
EQUITY AND LIABILITIES				
Capital and reserves				
Issued share capital	9.1	96 942	83 638	84 651
Other components of equity	9.3	5 425	5 425	4 182
Retained earnings		(3 482)	(3 472)	(593)
		94 999	81 685	81 062
Non-current liabilities				
Deferred tax liabilities	10.1	26 265	32 107	28 308
Provisions	12	18 867	25 221	22 702
Lease liability	13	7 261	6 853	5 515
		137	33	91
Current liabilities				
Trade and other payables	11	49 818	53 400	47 284
Leave pay provision	12.2	30 782	32 474	35 352
Lease liability	13	2 035	2 852	1 029
Borrowings	14.1	66	60	55
Current tax liability		12 492	12 456	9 961
Provisions	12	-	5 296	728
Amount owing to group companies	23.1	3 443	14	159
		1 000	248	-
Total equity and liabilities		173 025	169 145	160 243

*The consolidated Statements of Financial Position as at 31 March 2024 and as at 31 March 2023 were previously reported in ZWL, and have been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.



C F Dube
Chairman



T R Masawi
Chief Executive Officer



T Masarakufa
Group Finance Director

Company Statement of Financial Position

As at 31 March 2025		Notes	31.03.25 US\$'000 Audited	31.03.24* US\$'000 Audited Restated	31.03.23* US\$'000 Audited Restated	
			46 089	45 309	30 497	
ASSETS						
Non-current assets						
Property, plant and equipment	4.3	45 113	44 492	29 609		
Intangible assets	4.6	33	34	233		
Investments in associate companies		765	765	590		
Right of use asset	4.9	178	18	65		
Current assets						
Biological assets	6	38 968	40 398	59 478		
Inventories	8	42 680	32 241	30 218		
Trade and other receivables	7	32 177	41 976	26 552		
Amount owing by group Companies	23.1	7 187	6 975	5 740		
Cash and cash equivalents		3 607	1 314	5 204		
Current tax assets		1 170	-	-		
Total assets		171 878	168 213	157 689		
EQUITY AND LIABILITIES						
Capital and reserves						
Issued capital	9.1	5 425	5 425	4 182		
Other components of equity		(741)	(741)	(571)		
Retained earnings		91 415	78 328	78 741		
Non-current liabilities						
Deferred tax liabilities	10.2	18 563	24 915	22 447		
Provisions	12	7 261	6 853	5 515		
Lease liability	13	137	33	91		
Current liabilities						
Trade and other payables	11	30 782	32 474	35 352		
Leave pay provision	12.2	2 035	2 852	1 029		
Lease Liability	14.1	66	60	55		
Borrowings		12 492	12 456	9 961		
Current tax liability	12	-	5 296	728		
Provisions	23.1	3 443	14	159		
Amount owing to group companies		1 000	248	-		
Total equity and liabilities		171 878	168 213	157 689		

*The company Statements of Financial Position as at 31 March 2024 and as at 31 March 2023 were previously reported in ZWL, and have been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.

C F Dube
Chairman

T R Masawi
Chief Executive Officer

T Masarakufa
Group Finance Director

Group Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	Year ended 31.03.25 US\$'000 Audited	Year ended 31.03.24* US\$'000 Audited Restated
Revenue	24	191 596	340 478
Cost of sales	15	(124 724)	(275 137)
Gross profit		66 872	65 341
Marketing and selling expenses	15	(16 294)	(11 455)
Administrative and other expenses	15	(45 158)	(51 707)
Expected credit losses	7	(2 509)	(683)
Fair value adjustment on biological assets	6	(1430)	(36 756)
Other operating income/(loss)	15	6196	(22 491)
Operating profit/ (loss)	15	7 677	(57 751)
Net Monetary Gain		-	120 025
Net finance charges	16	(1941)	(27 105)
Finance cost		(3 110)	(37 713)
Finance income		1169	10 608
		5 736	35 169
Share of associate companies' profit after tax	19.1	408	246
Profit before tax		6 144	35 415
Income tax credit/ (expense)	17.1	7 301	(11 152)
Profit for the year		13 445	24 263
Other comprehensive income/ (loss)		(105)	(25 276)
Items that may be reclassified subsequently to profit or loss		(12)	(2 408)
- Exchange gain/(loss) on translation of equity in foreign investment		2	(294)
- Tax effect		(128)	(63 406)
Items that will not be classified subsequently to profit or loss		33	15 674
- Actuarial losses on post retirement provision		-	25 158
Effects of changes in presentation currency			
Total comprehensive income for the year		13 340	(1 013)
Basic and diluted earnings per share (US\$cents)	18.1	7	13
Headline earnings per share (US\$cents)	18.1	7	13

*The consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2024 was previously reported in ZWL, and has been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.

Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	Year ended 31.03.25 US\$'000 Audited	Year ended 31.03.24* US\$'000 Audited Restated
Revenue	24	191 596	340 478
Cost of sales	15	(124 724)	(275 137)
Gross profit		66 872	65 341
Marketing and selling expenses	15	(16 294)	(11 455)
Administrative and other expenses	15	(45 158)	(51 707)
Expected credit losses	7	(2 509)	(683)
Fair value adjustment on biological assets	6	(1 430)	(36 756)
Other operating income/(loss)	15	6 196	(22 491)
Operating profit/ (loss)		7 677	(57 751)
Dividends received		181	221
Net Monetary Gain/(loss)		-	120 025
Net finance charges	16	(1 941)	(27 105)
Finance costs		(3 110)	(37 713)
Finance income		1 169	10 608
Profit before tax		5 917	35 390
Income tax credit/ (expense)	17.1	7 301	(11 472)
Profit for the year		13 218	23 918
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Actuarial loss on post retirement provision		(128)	(63 406)
- Tax effect		33	15 674
Effects of changes in presentation currency		-	24 474
Total comprehensive income for the year		13 123	660
Basic and diluted earnings per share (US\$ cents)	18.2	7	12
Headline earnings per share (US\$ cents)	18.2	7	12

*The company Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2024 was previously reported in ZWL, and has been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.

Group Statement of Changes in Equity

For the year ended 31 March 2025	Issued share capital US\$'000	Other components of equity US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 31 March 2023 (Audited, Restated)*	4 182	(593)	81 062	84 651
Total comprehensive income/ (loss) for the year	1 243	(2 879)	623	(1 013)
Profit for the year	-	-	24 263	24 263
Other comprehensive loss for the year	-	(2 702)	(47 732)	(50 434)
Effects of change in presentation currency	1 243	(177)	24 092	25 158
Balance at 31 March 2024 (Audited, Restated)*	5 425	(3 472)	81 685	83 638
Total comprehensive (loss) / income for the year	-	(10)	13 350	13 340
Profit for the year	-	-	13 445	13 445
Other comprehensive loss for the year	-	(10)	(95)	(105)
Other restatement adjustments^	-	-	(36)	(36)
Balance at 31 March 2025 (Audited)	5 425	(3 482)	94 999	96 942

*The consolidated Statements of Changes in Equity for the periods ended 31 March 2023 and 31 March 2024, were previously reported in ZWL, and have been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.

[^]This relates to differences between restated hyperinflation balances from ZWL to US\$ at the closing rate of US\$1: 22 055.47 and conversions of unit assets performed on 1 April 2024 on Property, plant and equipment, intangible assets, right of use, inventory and debtors.

Company Statement of Changes in Equity

For the year ended 31 March 2025	Issued share capital US\$'000	Other components of equity US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 31 March 2023 (Audited, Restated)*	4 182	(571)	78 741	82 352
Comprehensive income/ (loss) for the year	1 243	(170)	(413)	660
Profit for the year	-	-	23 918	23 918
Other comprehensive loss	-	-	(47 732)	(47 732)
Effects of change in presentation currency	1 243	(170)	23 401	24 474
Balance at 31 March 2024 (Audited, Restated)*	5 425	(741)	78 328	83 012
Comprehensive income for the year	-	-	13 123	13 123
Profit for the year	-	-	13 218	13 218
Other comprehensive loss	-	-	(95)	(95)
Other restatement adjustments^	-	-	(36)	(36)
Balance at 31 March 2025 (Audited)	5 425	(741)	91 415	96 099

*The company Statement of Changes in Equity for the periods ended 31 March 2023 and 31 March 2024, was previously reported in ZWL, and has been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.

^This relates to differences between restated hyperinflation balances from ZWL to US\$ at the closing rate of US\$1: 22 055.47 and conversions of unit assets performed on 1 April 2024 on Property, plant and equipment, intangible assets, right of use, inventory and debtors.

Group Statement of Cash Flows

For the year ended 31 March 2025

	Notes	Year ended 31.03.25 US\$'000 Audited	Year ended 31.03.24* US\$'000 Audited Restated
Cash flows from operating activities			
Cash generated from operations	19.1	19 681	12 909
Changes in working capital	19.1.1	(4 778)	(13 142)
Net cash generated by/ (utilized in) operations		14 903	(233)
Net finance costs (paid)/ income received		(951)	411
Interest paid		(1 315)	(1 710)
Interest received		364	2 121
Tax paid		(5 211)	(2 221)
Net cash inflow / (outflow) from operating activities		8 741	(2 043)
Cash flows from investing activities			
Additions to property, plant, equipment and intangible assets		(4 835)	(7 465)
- Other property, plant, equipment and intangible assets		(3 174)	(2 422)
- Cane roots		(1 661)	(5 043)
Loan advances to related parties		(2 911)	(7 962)
Loan repayments by related parties		2 487	5 480
Proceeds on disposal of property, plant and equipment	19.3	17	68
Dividends received from associated companies	19.2	181	221
Net cash outflow from investing activities		(5 061)	(9 658)
Net cash inflow/ (outflow) before financing activities		3 680	(11 701)
Cash flows from financing activities			
Repayment of borrowings		(14 369)	(54 499)
Proceeds from borrowings		14 405	60 863
Lease paid		(87)	(77)
Net cash (outflow) /inflow from financing activities		(51)	6 287
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of year		1 314	5 204
Net cash inflow/(outflow) from operating activities		8 741	(2 043)
Net cash outflow from investing activities		(5 061)	(9 658)
Net cash (outflow)/inflow from financing activities		(51)	6 287
Inflation effects on cash and cash equivalents		-	(8 509)
Net foreign exchange difference		(1 336)	8 486
Effects of changes in presentation currency		-	1 547
Cash and cash equivalents at end of year		3 607	1 314
Consisting of:		3 607	1 314
Cash on hand		6	7
Cash at bank		3 601	1 307

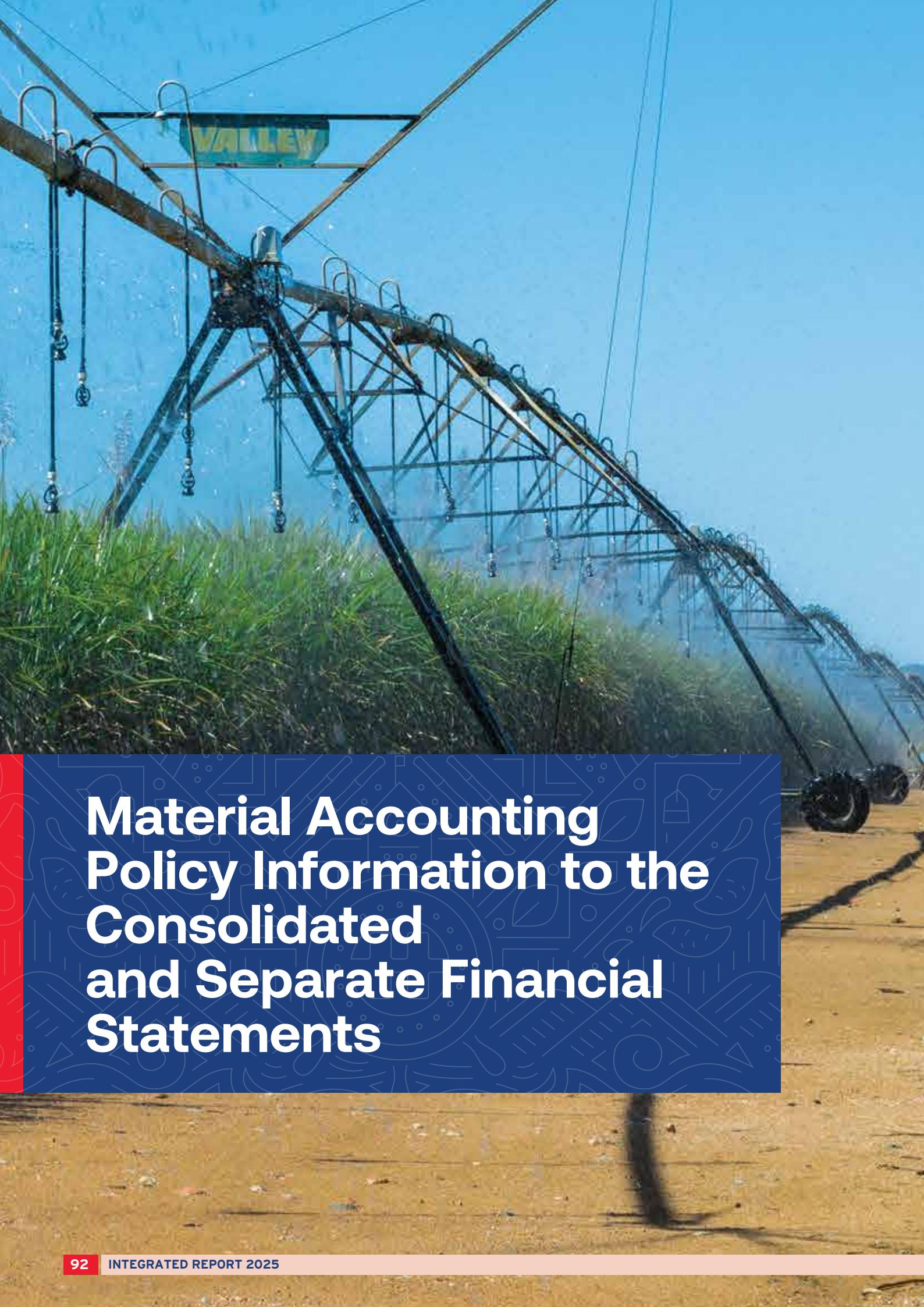
*The consolidated Statement of Cash Flows for the year ended 31 March 2024 was previously reported in ZWL, and has been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.

Company Statement of Cash Flows

For the year ended 31 March 2025

	Notes	Year ended 31.03.25 US\$'000 Audited	Year ended 31.03.24* US\$'000 Audited Restated
Cash flows from operating activities			
Cash generated from operations	19.2	19 681	12 909
Changes in working capital	19.2.1	(4778)	(13 142)
Net cash generated by/ (utilised in) operations		14 093	(233)
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Interest received		364	2 121
Tax paid		(5 211)	(2 221)
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Net cash outflow from investing activities		(5 061)	(9 658)
Net cash inflow/ (outflow) before financing activities		3 680	(11 701)
Cash flows from financing activities			
Repayment of borrowings		(14 369)	(54 499)
Proceeds from borrowings		14 405	60 863
Lease financing		(87)	(77)
Net cash (outflow) /inflow from financing activities		(51)	6 287
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of year		1 314	5 204
Net cash inflow/(outflow) from operating activities		8 741	(2 043)
Net cash outflow from investing activities		(5 061)	(9 658)
Net cash (outflow)/inflow from financing activities		(51)	6 287
Inflation effects on cash and cash equivalents		-	(8 509)
Net foreign exchange difference		(1 336)	8 486
Effects of changes in presentation currency		-	1 547
Cash and cash equivalents at end of year		3 607	1 314
Comprising of:		3 607	1 314
Cash on hand		6	7
Cash at bank		3 601	1 307

*The company Statement of Cash Flows for the year ended 31 March 2024 was previously reported in ZWL, and has been restated and re-presented in US\$, being the Group's new Presentation Currency, following the change in Functional and Presentation Currency by the Group's Significant Entity, Hippo Valley Estates (HVE). Refer to note 3 under material accounting policies for details of the change in the functional and presentation currencies.



Material Accounting Policy Information to the Consolidated and Separate Financial Statements

Material Accounting Policy Information to the Consolidated and Separate Financial Statements

1. Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards as issued by the International Accounting Standards Board (IASB®) (hereafter referred to as IFRS Accounting Standards), 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).

2. 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.

3. Change in functional and presentation currency

The annual financial statements are presented in US\$ following the change in functional and presentation currency by the Group's significant entity Hippo Valley Estates (hereafter referred to as the Company) from 1 April 2024. The entity ceased the application of IAS 29: Financial Reporting in Hyperinflationary Economies from 1 April 2024. Comparative financial statements for the year ended 31 March 2024, were initially prepared in ZWL under the inflation-adjusted accounting basis in line with the provisions of IAS 29 and thereafter converted to US\$ using the spot rate as at 31 March 2024.

Following the Company's change in functional currency on 1 April 2024, the Group's annual financial statements have since been prepared based on the statutory records that are maintained under the US\$ historical cost basis.

According to IAS 21, entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their presentation currency.

The following exchange rates were used in the conversion of comparative statements:

Date	Exchange rate
31 March 2023	US\$1: ZWL 929.86
31 March 2024	US\$1: ZWL 22 055.47

3.1 Functional currency

In June 2022, the Government of Zimbabwe Promulgated SI 118A of 2022 which enacted the multi-currency into law until 31 December 2025. Furthermore, the use of multi-currency was extended to 31 December 2030 through SI 218 of 2023, assuring business regarding the continuity of the multi-currency regime. Resultantly, the Company witnessed a steady increase in the use of foreign currency in its operations. This prompted management to relook into its functional currency as guided by IAS 21 ("The effects of Changes in Foreign Exchange Rates").

The following primary and secondary factors were considered in assessing the functional currency of the business:

- the currency that mainly influences the sales prices for the goods and services (the currency in which sales prices for its goods and services are denominated and settled);
- the currency that mainly influences labour, material and other costs of providing goods or services;
- the currency in which funds from financing activities are generated;
- the currency in which receipts from operating activities are usually retained; and
- The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.

The Directors concluded based on the above factors, that there has been a change in the Company's functional currency including the appropriateness to present the financial statements in US\$. The change in functional currency was with effect from 1 April 2024.

Following the Company's change in functional currency, the Group's comparative annual financial statements which were previously reported in Zimbabwe Dollars (ZWL) after applying IAS 29, have been restated and presented in US\$ after applying the following translations:

- For the purposes of determining the US\$ opening balances at 1 April 2024 (that were used to determine the Statement of Financial Position), the closing ZWL hyperinflation balances as at 31 March 2024 were converted from ZWL to US\$ using the closing exchange rate at 31 March 2024 of US\$1 : ZWL22 055.
- For the purposes of determining the US\$ annual comparative information, the closing ZWL hyperinflation balances at 31 March 2023 (that were used to determine the comparative Statement of financial position and Statement of Cashflows) have been converted from ZWL to US\$ using the closing exchange rate at 31 March 2023 of US\$1 : ZWL 929.86.

Material Accounting Policy Information to the Consolidated and Separate Financial Statements

4. Material accounting policy information

The annual financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements and applicable amendments to IFRS® except for change in functional and presentation currency from ZWL to US\$ in the current period and also the cessation of IAS 29 in the current period.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates and joint operations as at 31 March 2025.

4.2 Interests in joint operations

The Group holds interests in joint operations namely Zimbabwe Sugar Sales (Private) Limited (ZSS) and Mkwashine Estates. Mkwashine is now a dormant joint operation since the beginning of the financial year 2023 therefore no transactions and balances were recorded in the consortium's statement of financial position and income statement in the current year. The financial statements of ZSS are prepared for the same reporting period as the Group. The accounting policies of ZSS are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of ZSS after the date of acquisition.

4.3 Investment in associates

The Group holds interests in two associates which are National Chemical Products Distillers Zimbabwe (Private) Limited (NCPDZ) and Tongaat Hulett (Botswana) (Proprietary) Limited (THB). NCPDZ's financial year end is 31 December which is contrary to the Group's year end of 31 March. For the purposes of applying the equity method of accounting, the financial results for the 9 months to December 2024 are extracted from the audited financial statements and added to unaudited financial results for the 3 months to 31 March 2025. The financial year end of THB is 31 March. No adjustments are made when measuring and recognising the Group's share of profit or loss. The accounting policies of NCPDZ and of THB are aligned with those of the Group.

4.4 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group and Company become party to the contractual provisions of the instruments.

4.4.1 Financial assets

4.4.1.1 Financial assets at amortised cost and the effective interest method

The financial assets of the Group and Company are measured at amortised cost if both of the following conditions are met:

- the asset is held with the objective of collecting contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method less any impairment (see note 7.1.3), with interest revenue recognised on an effective yield basis in interest received.

Subsequent to initial recognition, the Group and Company are required to reclassify such instruments from amortised cost to fair value through profit or loss (FVTPL) if the objective of holding the asset changes so that the amortised cost criteria are no longer met.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group and Company may irrevocably elect at initial recognition to classify a financial asset that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

The Group and Company have two main financial assets measured at amortised cost which are trade and other receivables and loans to related parties. The objective of the business models of these financial assets is to collect amounts due from trade and other receivables and to earn interest income on the amounts owed by related parties.

Material Accounting Policy Information to the Consolidated and Separate Financial Statements

4.4.1.2 Impairment of financial assets

The Group and Company applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

i) Definition of default

The Group and Company always recognises lifetime expected credit losses ("ECL") for trade and other receivables and have adopted the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group and Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group and Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

ii) Write off policy

The Group and Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group and Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

iii) Measurement and recognition of expected credit losses

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group and Company's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the agro-manufacturing

sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group and Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and Company in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at the original effective interest rate.

The Group and Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4.4.2 Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

4.4.2.1 Derecognition of financial liabilities

The Group and Company derecognise financial liabilities when, and only when, the Group and Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.5 Revenue recognition

Revenue represents the net proceeds after VAT in respect of the Group and Company's trading activities and comprises principally of sugar sales and sales of other biological assets such as citrus fruits. Revenue is measured based on the consideration to which the Group and Company expect to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

A receivable is recognised by the Group and Company when the goods are delivered to the customer as this

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represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. For some customers payment of the transaction price is due immediately at the point the customer purchases the goods.

4.6 Property, plant, equipment and intangible assets

4.6.1 Property, plant and equipment are carried at original or deemed cost less accumulated depreciation and any recognised impairment.

4.6.2 To the extent to which the carrying amounts exceed the residual values, the following assets are depreciated on a straight line basis so as to write-off the cost or valuation of such assets over their expected useful lives which generally are as follows:

Land improvements, irrigation canals, dams, roads and bridges	50 - 99 years
Sugar factory buildings and Plant	5 - 50 years
Buildings and permanent improvements	50 years
Estate electrification and railway line	35 - 45 years
Rolling stock, plant, equipment, furniture and fittings	8 - 30 years
Tractors, trailers, dumpers and heavy equipment	8 - 15 years
Motor vehicles	5 - 10 years
Cane roots (7 ratoon cycles)	8 years
IT software	4 - 20 years

4.6.3 Major spare parts, stand-by equipment and servicing equipment

Management makes use of judgement in the recognition of major spare parts, stand-by equipment and servicing equipment as property, plant and equipment including the supposed purpose of the items, the estimated period of use, materiality and significance. Small spares and tools are generally accounted for as inventories and expensed in the profit or loss at point of use. The depreciation of spare parts, stand-by equipment and servicing equipment will depend on the underlying nature of the spare part. Capital spares used as replacement parts at a future point in time are depreciated over their useful lives from the date they are put into use, rather than when they are acquired. Critical spares or stand-by equipment are depreciated over the lesser of their useful life or the remaining expected useful life of the equipment to which they are associated from the time they become available for use which is the date on which they are acquired.

4.7 Impairment of tangible and intangible assets

At the end of each reporting period, management assesses if there are any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In determining value in use, the Group and Company's agricultural and milling activities are considered as a single cash-generating unit (CGU). The calculations use cash flow projections based on financial budgets approved by management and Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. There were no indicators of impairment as at 31 March 2025 (2024: no impairment indicators).

An impairment is recognised immediately in the statement of profit or loss and comprehensive income.

4.8 Inventories

4.8.1 Stores

Stores inventory is valued at the lower of weighted average cost and net realisable value (NRV). Initially the consumable stock is initially recognised and measured at cost. Write downs to net realisable value and inventory losses are expensed in the period in which they occur. Obsolete and slow-moving inventories are identified and written down to their estimated economic or realisable value.

4.8.2 Sugar and by-products

Inventory of sugar and its by-products is valued at the lower of cost or NRV. Cost is determined by reference to the cost of production including all relevant production overheads and where applicable, the fair value component of biological assets. The cost estimation technique employed for the financial reporting period ended 31 March 2025 and 31 March 2024 made use of weighted averages of inventory over the entire year. NRV represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. An annual assessment is carried out for purposes of write downs in the statement of profit or loss and other comprehensive income.

4.8.3 Cost of sales

The cost of sales comprises of raw materials and other direct production and handling costs incurred and the cost of rendering services.

4.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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4.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated and separate statement of profit or loss and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are not taxable or deductible. The Group and Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in associates and interests in jointly controlled operations. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

4.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income such as actuarial losses on the post retirement provision and exchange differences on the translation of equity in the foreign investment, Tongaat Hulett Botswana, in which case, the current and deferred tax are also recognised in other comprehensive income.

4.10 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4.11 Employee benefits

4.11.1 Retirement benefits

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Service costs and the net interest expense or income is recognised in profit or loss. Actuarial gains and losses are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

4.11.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cashflows expected to be made by the Group and Company in respect of services provided by employees up to the reporting date.

4.12 Agricultural activities

Agricultural activities comprise the growing of cane and milling it into sugar. They also include the growing of various fruits for sale on the open market.

4.12.1 Growing crops

Growing crops comprise standing cane and fruit orchards. The carrying value is determined as follows (see note 6):

- standing cane at the estimated cane price and sucrose content less harvesting, transport and over the weighbridge costs; and
- fruit orchards at estimated future sales proceeds less harvesting and transport costs. Future sales proceeds and costs to sell are discounted to present values at valuation date using the average borrowing cost which was 11% (2024:75%) at current year end. Borrowing costs changed from 75% in prior year to 11% in current year due to change in local currency from ZWL to ZWG effective 8 April 2024.

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4.12.2 Agricultural produce

Agricultural produce comprises the harvested product of the Group and Company's biological assets. This is measured at its fair value less estimated point of sale costs at the point of harvest. The consumption of the Group and Company's agricultural produce is charged to production costs at fair value.

4.12.3 Changes in the fair value of biological assets

Changes in the fair value of biological assets are recognized in the Statement of Profit or Loss in accordance with IAS 41 "Agriculture" which is also consistent with the treatment in prior years. Fair value of biological assets is determined as described in 6.2 below. The Group and Company have provided an analysis of the change in the fair value of biological assets as encouraged by IAS 41 in note 6 to the consolidated and separate financial statements.

4.13 Provisions

Provisions are recognised when the Group and Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group and Company's accounting policies, which are described above, the directors of the Group and Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.14.1 Interest in Joint Operations

Hippo Valley Estates Limited owns 50% shareholding in the ordinary shares of Zimbabwe Sugar Sales (Private) Limited (ZSS), alongside Triangle Limited. In determining whether ZSS is a Joint Arrangement, the Group and Company ascertained the below and as guided by IFRS 11:

- there is a contractual agreement specifying the two as shareholders; and

- relevant activities that require unanimous decisions were identified as, pricing of sugar, budget approval and sale of sugar to customers.

In view of the above it was determined that ZSS is in a Joint Arrangement. It was also determined that ZSS is a Joint Operation mainly due to it having been incorporated for the sole purpose of providing a marketing and distribution service to the parties to the arrangement. In addition, other facts and circumstances that lead to rights to assets and obligations for liabilities being conferred to the parties were considered e.g. rights over cash, trade receivables and inventory, that both parties have.

Furthermore, it was determined in accordance to IFRS 15, that ZSS acts as an agent as it does not have control of the sugar it sells on behalf of its principals before it is transferred to the customers.

4.14.2 Standing cane valuation

Growing crops are required to be measured at fair value less harvesting, transport and over the weigh bridge costs. In determining fair value an estimate is made of the yield of the standing cane as well as the estimated realisable value of the processed sugar. These estimates can vary from the actuals achieved. In the current year, the estimates have been arrived at after considering the following specific factors:

- It is assumed that the growing crops will have sufficient water supply throughout the year, on the back of adequate dam water capacity.
- It is anticipated that the replanting program will continue to contribute to the significant improvement in standing cane yields.
- The estimated realisable value of the processed sugar is calculated on the assumption that the company will be able to compete on the local, regional and international markets and be able to achieve its budgeted volumes, at certain budgeted selling prices, in the different markets.

A standing cane sensitivity analysis based on exposure to yield and the estimated realisable value of the processed sugar, has been included in note 6.1 to the consolidated and separate financial statements.

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4.14.3 Cane roots valuation

A change in the productive life cycle of ratoons is accounted for prospectively as a change in accounting estimate in line with IAS 8 and IAS 16.

Cane roots are valued based on total establishment costs amortised over the period of their productive life which is currently estimated at 7 ratoon cycles grown over an 8-year period. The impact of historical and forecast cane growing conditions is considered in the annual reassessment of the estimated ratoon life. This estimate of the productive life of the cane roots is dependent on the availability of reliable irrigation water supply, relevant agrochemicals and appropriate crop husbandry practices. Unforeseen circumstances such as episodes of drought, disease or crop damage by animals may result in roots in some fields being ploughed out earlier than the estimated ratoon cycles. In such circumstance the carrying value of these roots is depreciated in full in the period that they are ploughed out. A sensitivity analysis showing the potential impact of a variation in the useful life of cane roots has been included in note 6.

Additionally, judgement is required to determine an appropriate cut-off point at which cane roots are deemed to be ready for their intended use. The Group and Company policy is that replant costs, for purposes of cane roots capitalisation shall be up to the point of covering the furrow.

4.14.4 Remaining useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

4.14.5 Impairment of property, plant and equipment (PPE) other than land

Determining whether PPE is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which PPE has been allocated. The value in use computation requires the Group and Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. These calculations require the use of assumptions which are noted in note 4.11 to the consolidated and separate financial statements.

4.14.6 Post-retirement contribution plan obligations

Post-retirement contribution plan obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.

4.14.7 Land and related cane land development assets

In previous years, the Group and Company maintained the full carrying value of land held under two title deeds, namely Hippo Valley North (HVN) and Hippo Valley South (HVS), together with related cane land development assets. HVN land measuring 37 772 hectares, was gazetted for acquisition in August 2003 while HVS land measuring 16 433 hectares has not been gazetted. In determining the accounting treatment of such land, the Directors made various judgements based on legal advice and general interpretation of the prevailing land dynamics in Zimbabwe. In terms of Constitution of Zimbabwe Amendment No. 17 of 2005 and the Land Acquisition Act (Chapter 20:10) hereinafter referred to as "the Constitution" and "the Act", respectively, ownership of land is transferred to government upon such gazetting for acquisition. It is the Directors' judgement therefore that, effective 8 July 2005, ownership of HVN land vested in the Government and legal title thereof. While HVS land has not been gazetted, it is management's judgement that in terms of the constitution, the Act, and related land dynamics within the country, ownership of this land in substance vests with the state. In the event of any allocation of the land to other parties, the Group and Company are compensated only for permanent improvements and not for the value of the land. Consequently, the Directors have concluded that HVN and HVS land do not meet the recognition criteria in terms of IAS 16 together with related cane land development assets such as capitalised bush clearing, drainage and dirt road costs that may be construed as being part of the land in terms of the Act. Other constructed permanent improvements such as buildings, canals and dams have been determined as being subject to compensation and are therefore recognised as assets by the Group and Company.

4.14.8 Major plant maintenance costs

The operational calendar of the sugarcane harvesting and milling operations is split into two seasons, a production period generally running from April to December and a major plant maintenance period from January to March where the plant and key haulage equipment undergo significant refurbishments to prepare them for the subsequent harvesting and milling

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season. Due to the seasonality of the sugar operations, in determining the accounting treatment of such post production maintenance costs, the Directors are required to make judgements on whether such costs are accounted for in the period of expenditure or in the subsequent production period when the economic benefits associated with these costs are generated. The Directors have considered that in order to defer the relevant costs into the subsequent production period, the costs would have to be recognised as an asset at the financial year end date of 31 March. In compliance with the Group and Company's accounting policy, the Directors have determined that despite being incurred during the off-crop season, these costs are part of the mill's normal operating capacity and do not qualify for capitalisation as an asset. Consequently, such costs are charged directly to the statement of profit or loss and other comprehensive income in the financial period in which the costs are incurred.

4.14.9 Game & wildlife

The Group and Company have a total of 14 158 hectares of land that is under wildlife management, comprising the management of game, safari and hunting activities. Directors' judgement is required in determining whether the game should be recognised as biological assets of the Group and Company in terms of the requirements of IAS 41: Agriculture. The Directors have determined that despite costs being incurred towards the welfare and protection of certain game and wildlife, and marginal lease income recognised, the control element of the asset recognition criteria for game is not met given the current unrestricted and free movement of game to areas outside the Company's game park boundaries. Biological assets relating to game are therefore not recognised as biological assets on the statement of financial position.

4.14.10 Inventory valuation

Inventory sugar is valued at the lower of cost or NRV. Included as a key input in the valuation process are the cane costs. Cane is obtained from both that which is grown by the Company (Miller cum Plant) and from that grown by third party out-growers. Third party out-growers (farmers) are paid amounts for the sugar cane delivered throughout the year/season based on the Cane Purchase and Cane Milling agreement. The final amounts paid to farmers at the end of the season are determined based on sugar selling prices and costs for the full season (mill door prices) as determined by Zimbabwe Sugar Sales. However, at the time inventory is recognised from the beginning of the season, such final amounts would not have been determined making the valuation process complex specifically on how the variable payments should be accounted for. Internation-

al Accounting Standard (IAS) 2 - Inventories, which addresses matters to do with inventory is silent on this scenario. Following considerations of other accounting literature and industry practice, management has determined such variable payments made to the farmers to be recognised as part of its inventory. As a result, such inventory to the extent that it relates to cane from farmers takes these variable payments into account as part of the weighted average cost computation. While inventory to the extent it relates to cane grown by the Company is accounted for at fair value less point of sale costs on initial recognition (after harvesting), with subsequent costs incurred capitalised as they are incurred in terms of IAS2. In addition to cane related costs, inventory valuation also includes production costs which are mainly milling costs (including labour) the cost estimation technique for measurement of inventory is based on a monthly weighted moving average method.

4.14.11 Revenue Recognition

Revenue is recognised in accordance with IFRS 15: Revenue from contracts with customers, in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group and Company receive cane milled to produce the final product of sugar from third party out-growers (farmers) and from that which it grows on its own (Miller cum Plant). In determining whether the Company should recognise the revenue of sale of sugar on a gross basis, it considered principles outlined in IFRS15 in order to establish if it acts as principal in the sugar cane milling agreement. In terms of acting as principal, IFRS 15 requires an entity to obtain control of the specified good or service before it is transferred to the end consumer. As part of the key concepts considered in this, it was established that while farmers do have some say in relation to the decision making of ZSS (being the entity that manages the sale of milled sugar), management is of the view that the Company has the ability to direct the use of the milled sugar. Additional indicators as outlined in IFRS 15, including the ability to exercise pricing discretion and the responsibility for fulfilling the promise to supply the sugar to customers, also further identified the Company as principal. As a result, management concluded for revenue to be recognized on a gross basis.

4.14.12 Provision for decommissioning costs

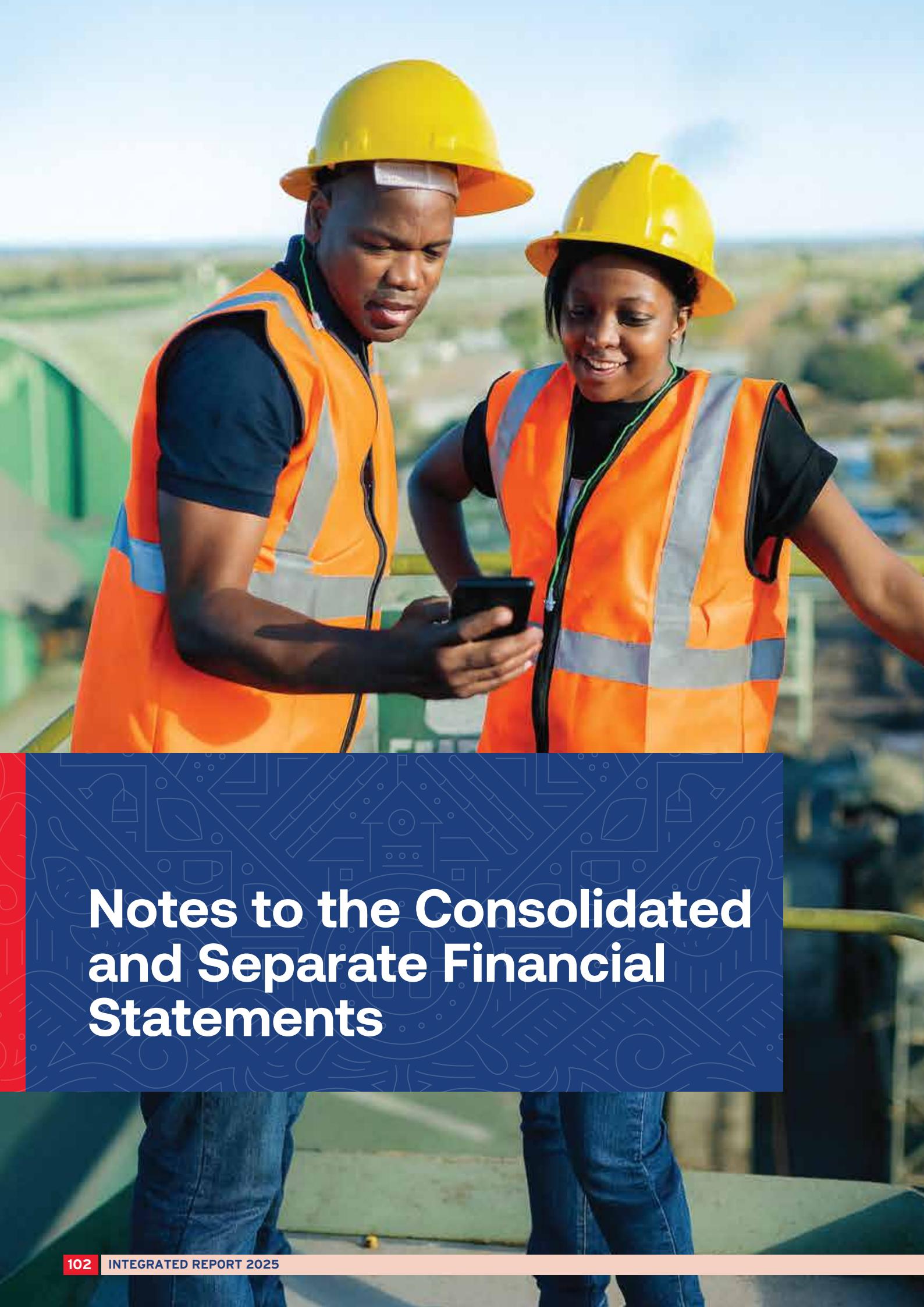
The main resources of the Group and Company are land and its sugar production facilities. The Directors have always pursued a policy of annual planned maintenance and renewal of the sugar production facilities. In addition to this, it is the policy of the Group and Company

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to carry out sound and proven agricultural practices that do not result in the loss of the income generating capability of the land. Accordingly, it is the opinion of the Directors that the Group and Company's resources are completely renewable and do not have a finite life. No provision has therefore been made for decommissioning costs as specified by International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" as this event is unlikely to occur.

4.15 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash at bank and on hand, as defined above. In the prior year, the Group and Company attributed the effect of inflation on operating, investing and financing cash flows to the underlying item and presented the monetary gain or loss on cash and cash equivalents separately. In the current year there are no effects of inflation.



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1. Country of incorporation and main activities

Hippo Valley Estates Limited (The Company) and its wholly owned subsidiary, Chiredzi Township (Private) Limited, joint operations Zimbabwe Sugar Sales (Private) Limited (ZSS), Mkwashine Estates (Mkwashine) and the Tokwane Consortium are incorporated in Zimbabwe. Its parent and ultimate holding company is Tongaat Hulett Limited through its wholly owned subsidiary, Triangle Sugar Corporation Limited. The Company engages in the growing and milling of sugar cane and other farming operations. Chiredzi Township (Private) Limited is a dormant Company which is no longer trading and does not receive any other income. ZSS, in which the Company has a 50% shareholding, is a sugar broking entity for the Company. Mkwashine is a dormant consortium in which the Company has a 50% interest. The Tokwane Consortium is a consortium for the construction and maintenance of the Tokwane barrage and canal in which the Company has 32.56% interest. ZSS, Mkwashine and Tokwane are accounted for as joint operations on a proportionate consolidation basis (see note 3). The Group and Company has investments in associate companies, namely Tongaat Hullet (Botswana) (Proprietary) Limited, a sugar packer and distributor and National Chemical Products Distillers Zimbabwe (Private) Limited that converts molasses into alcohol (see note 5).

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2. Adoption of new and revised standards

2.1 New and amended standards and interpretations

The Group and Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated) which are applicable to the Group and Company. The Group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Key requirements	Impact
2.1.1 Amendments to IFRS 16 – Sale and Lease back: Effective 1 January 2024	
<p>In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).</p> <p>The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.</p> <p>After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right-of-use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.</p> <p>The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.</p>	<p>The new standard had no impact on the Group's consolidated and separate financial statements.</p>

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2.1 New and amendments and improvements issued-effective January 2024	
Key requirements	Impact
2.1.2 Classification of Liabilities as Current or Non-current - Amendments to IAS 1: Effective for annual periods beginning on or after 1 January 2024	
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.	The new standard had no impact on the Group's consolidated and separate financial statements.
2.1.3 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7: Effective 1 January 2024	
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 In May 2023, the IASB® issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.	The new standard had no impact on the Group's consolidated and separate financial statements.

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2.1 New and amendments and improvements issued-effective January 2024	
2.1.4 Amendments to IAS 1 Right to defer settlement: Effective date: 1 January 2024	
Key requirements	Impact
<p>The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B apply only to liabilities arising from loan arrangements.</p> <p>Existence at the end of the reporting period</p> <p>The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.</p> <p>Management expectations</p> <p>IAS 1.75A has been added to clarify that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorized for issuance.</p> <p>Meaning of the term 'settlement'</p> <p>The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception. In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.</p> <p>Disclosures</p> <p>IAS 1.76ZA has been added to require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities.</p>	<p>The new standard had no impact on the Group's consolidated and separate financial statements.</p>

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2.2 New and amendments and improvements issued but not yet effective.	
Key requirements	Impact
2.2.1 Lack of exchangeability – Amendments to IAS 21 Effective for annual periods beginning on or after 1 January 2025.	
The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.	The Directors of the Group and Company anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods should such transactions arise.

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2.2 New and amendments and improvements issued but not yet effective.	
Key requirements	Impact
<p>2.2.2 IFRS 18 Presentation and Disclosure in Financial Statements : Effective for annual periods beginning on or after 1 January 2027</p> <p>In April 2024, the IASB® issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.</p> <p>It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.</p> <p>In addition, there are consequential amendments to several other standards.</p> <p>IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.</p>	<p>The Group will work to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.</p>

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Key requirements	Impact
2.2.3 IFRS 19 Subsidiaries without Public Accountability: Disclosures : Effective on or after 1 January 2027	
<p>In May 2024, the IASB® issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.</p> <p>To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.</p>	<p>IFRS 19 is specifically designed for subsidiaries of a group that do not have public accountability hence it is not applicable to the Group given that Hippo Valley Estates is listed on the Zimbabwe stock Exchange. However it may be applicable in the future if circumstances change.</p>

Notes to the Consolidated and Separate Financial Statements

3 Interest in Consortia

3.1 Mkwashine Estates

The Group and Company has a 50% interest in Mkwashine Estates (Mkwashine) whose year end is 31 March. Mkwashine engaged in the provision of administrative services to sugarcane farmers at Mkwashine up until it was made a dormant joint operation since the beginning of financial year 2023, while the provision of administrative services to sugar cane farmers at Mkwashine continues through the Group and Company. Resultantly, no transactions and balances were recorded in the consortium's statement of financial position and income statement for both prior year and current year.

The Group has no commitments relating to its interest in Mkwashine. The consortium does not generate any revenue.

Notes to the Consolidated and Separate Financial Statements

3. Interest in Consortia (continued)

3.2 Zimbabwe Sugar Sales (Private) Limited

The Group and Company have a 50% interest in Zimbabwe Sugar Sales (Private) Limited (ZSS) whose year end is 31 March. The Company is incorporated in Zimbabwe. ZSS acts as a broker to the sugar millers, and all income and expenditure is for the millers' account. 50% of the assets and liabilities other than inventories, accounts receivable, cash and accounts payable which are included in proportion to sugar produced by each miller at 31 March 2025 are included in the statement of financial position under their respective headings as follows:

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Non-current assets	338	3 062
Property, plant and equipment	322	2 481
Right-of-use asset	16	581
Current assets	38 401	40 969
Inventories	31 704	38 648
Accounts receivable	5 832	1 822
Cash and cash equivalents	865	499
Total assets	38 739	44 031
Current liabilities	(2 365)	(2 801)
Trade and other payable	(2 331)	(2 741)
Lease liability	(34)	(60)
Non current liabilities	-	(32)
Lease liability	-	(32)
Net liabilities / assets	36 374	41 198

The Group and Company entered into contracts with various transporters for local transportation of sugar from the mill, with the costs being recovered from ZSS.

Notes to the Consolidated and Separate Financial Statements

3.3 Tokwane Consortium

The Group and Company has a 32.56% interest in the joint operation whose financial year ends on 31 March. The Group's share of the value of the Tokwane Barrage and Canal included in property, plant and equipment (note 4) is as follows:

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Non-current assets		
Property, plant and equipment	357	30

The Group and Company has no commitments relating to its interest in Tokwane Consortium.

3.4 Chiredzi Township (Private) Limited

The company has a 100% interest in the Chiredzi Township (Private) Limited (incorporated in Zimbabwe) whose year end is 31 December. The Company became dormant at the beginning of the year ending 31 March 2022 following a decision to offer the water treatment services directly from the holding company in order to maximise on efficiencies realised through carrying out services from the holding company. Consequently, the company is no longer trading and does not receive any other income.

	Year ended 31.12.24 US\$'000	Year ended 31.12.23 US\$'000
Share capital issued	17	53
Accumulated loss	(17)	(53)
Capital and reserves	<hr/> -	<hr/> -

The Group has no commitments relating to its interest in Chiredzi Township (Private) Limited.

Notes to the Consolidated and Separate Financial Statements

4. Property, plant, equipment and intangible assets

4.1 Cost - Property, plant and equipment

	Balance 31.03.23 US\$'000	Additions/ transfer In^ US\$'000	Disposals/ transfer out* US\$'000	Effects of change in presenta- tion Currency			Balance 31.03.24 US\$'000	Additions/ transfer In^ US\$'000	Other restate- ment adjust- ments# US\$'000	Disposals/ transfer out* US\$'000	Balance 31.03.25 US\$'000	
				Disposals/	presenta-	Other						
				Balance 31.03.23 US\$'000	Additions/ transfer In^ US\$'000	Disposals/ transfer out* US\$'000	restate- ment adjust- ments# US\$'000	Balance 31.03.24 US\$'000	Additions/ transfer In^ US\$'000	Disposals/ transfer out* US\$'000	restate- ment adjust- ments# US\$'000	Balance 31.03.25 US\$'000
Permanent improvements	1 591	-	-	473	2 064	-	-	-	-	-	-	2 064
Cane roots	16 466	5 043	(1)	4 894	26 402	1 661	-	(856)	-	-	-	27 207
Irrigation canals, dams and equipment	8 728	-	-	2 594	11 322	-	-	-	-	-	-	11 322
Housing and buildings	9 883	-	(65)	2 937	12 755	534	-	-	-	-	-	13 289
Sugar factory buildings and plant	15 978	175	(60)	4 749	20 842	773	315	-	-	-	-	21 930
Other buildings, plant and equipment	907	9	(38)	270	1 148	239	-	-	-	-	-	1 387
Agricultural, haulage and motor vehicles and implements	6 097	192	(613)	1 812	7 488	1 535	-	(68)	-	-	-	8 955
Capital work in progress	4 356	950	(3)	1 294	6 597	2 891	-	(2 191)	-	-	-	7 297
Capital work in progress-strategic spares	681	1 192	(96)	202	1 979	161	-	(768)	-	-	-	1 372
	64 687	7 561	(876)	19 225	90 597	7 794	315	(3 883)				94 823

[^]This amount includes additions of US\$4 834 820 and transfer in of US\$2 959 688 (2024: additions US\$7 464 468, transfer in US\$96 434).

^{*}This amount includes disposals of US\$924 197 and a transfer out of US\$768 431 to sugar factory buildings and plant (2024: disposals US\$776 546 and transfer out of US\$99 007).

[#]This relates to differences between restated hyperinflation balances from ZWL to US\$ at the closing rate of US\$1: 22 055.47 and conversions of unit assets performed on 1 April 2024.

Notes to the Consolidated and Separate Financial Statements

4. Property, plant, equipment and intangible assets (continued)

4.2 Accumulated depreciation and impairment - Property, plant and equipment

	Balance 31.03.23 US\$'000	Charge for the year US\$'000	Disposal US\$'000	Effects of change in presenta- tion Currency US\$'000			Balance 31.03.24 US\$'000	Charge for the year US\$'000	Disposal US\$'000	Balance 31.03.25 US\$'000
Permanent improvements	1 591	-	-	473	2 064	-	-	-	-	2 064
Cane roots	9 430	224	(1)	2 802	12 455	2 856	(856)	-	-	14 455
Irrigation canals, dams and equipment	1 056	156	-	314	1 526	186	-	-	-	1 712
Housing and buildings	3 504	53	(14)	1 042	4 585	366	-	-	-	4 951
Sugar factory buildings and plant	14 082	515	(46)	4 185	18 736	593	-	-	-	19 329
Other buildings, plant and equipment	868	31	(34)	258	1 123	103	-	-	-	1 226
Agricultural, haulage and motor vehicles and implements	4 547	176	(458)	1 351	5 616	414	(57)	-	-	5 973
	35 078	1 155	(553)	10 425	46 105	4 518	(913)			49 710

4.2.1 Cane roots depreciation

		Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Accelerated depreciation		119	1

Included in the cane roots depreciation charge for the year is accelerated depreciation relating to cane roots ploughed out before expiry of the estimated ratoon useful lives of 7 cycles. The Group and Company will continue to reassess useful lives of cane roots at the end of each financial period and if expectations differ from previous estimate, the changes will be accounted for prospectively as a change in estimate in accordance with IAS 8 and IAS 16.

Notes to the Consolidated and Separate Financial Statements

4. Property, plant, equipment and intangible assets (continued)

4.2.2 Ratoon Sensitivity Analysis

Variable Factor	Estimated Useful Life	Decrease in operating profit	
		31.03.25 US\$'000	31.03.24 US\$'000
Ratoon cycles	6 ratoons	(1 102)	(15)
Ratoon cycles	5 ratoons	(2 098)	(35)

4.3 Carrying amounts-Property, plant and Equipment

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Cane roots	12 752	13 947
Irrigation canals, dams and equipment	9 610	9 796
Housing and buildings	8 338	8 170
Sugar factory buildings and plant	2 601	2 106
Other buildings, plant and equipment	161	25
Agricultural, haulage and motor vehicles and implements	2 982	1 872
Capital work in progress	7 297	6 597
Capital work in progress - strategic spares	1 372	1 979
	45 113	44 492

Notes to the Consolidated and Separate Financial Statements

4. Property, plant, equipment and intangible assets (continued)

4.4 Cost - Intangible assets

	Balance 31.03.23 US\$'000	Additions/ transfers in US\$'000	Disposals/ transfers out US\$'000	Effects of change in presentation currency US\$'000	Balance 31.03.24 US\$'000	Other restatement adjust- / transfers US\$'000	Additions in US\$'000	Disposals/ transfers out US\$'000	Balance 31.03.25 US\$'000
ERP System	945	3	-	281	1 229	28	-	-	1 257

There are no intangible assets pledged as security

[^]This relates to differences between restated hyperinflation balances from ZWL to US\$ at the closing rate of US\$1: 22 055.47 and conversions of unit assets performed on 1 April 2024

4.5 Accumulated amortisation - Intangible assets

	Balance 31.03.23 US\$'000	Charge for the year US\$'000	Disposals/ transfers out US\$'000	Effects of change in presentation currency US\$'000	Balance 31.03.24 US\$'000	Charge for the year US\$'000	Disposals/ transfers out US\$'000	Balance 31.03.25 US\$'000
ERP System	712	271	-	212	1 195	29	-	1 224

Amortisation expense is included under administrative and other expenses

4.6 Carrying amounts – Intangible assets

					31.03.25 US\$'000	31.03.24 US\$'000
ERP System					33	34

4.7 Cost – Right of use assets

	Balance 31.03.23 US\$'000	Additions US\$'000	Disposals US\$'000	Effects of change in presentation currency US\$'000	Balance 31.03.24 US\$'000	Other restatement adjust- ments^	Additions US\$'000	Disposals/ transfers out US\$'000	Balance 31.03.25 US\$'000
Buildings	144	1	-	43	188	27	-	-	215
Office equipment	26	-	-	8	34	-	196	(33)	197
	170	1	-	51	222	27	196	(33)	412

[^]This relates to differences between restated hyperinflation balances from ZWL to US\$ at the closing rate of US\$1: 22 055.47 and conversions of unit assets performed on 1 April 2024

4.8 Accumulated Depreciation – Right of use assets

	Balance 31.03.23 US\$'000	Charge for the year US\$'000	Disposals US\$'000	Effects of change in presentation currency US\$'000	Balance 31.03.24 US\$'000	Charge for the year US\$'000	Disposals US\$'000	Balance 31.03.25 US\$'000
Buildings	87	59	-	26	172	30	-	202
Office equipment	18	9	-	5	32	32	(32)	32
	105	68	-	31	204	62	(32)	234

Notes to the Consolidated and Separate Financial Statements

4.9 Carrying amounts – Right-of-use assets

		31.03.25 US\$'000	31.03.24 US\$'000
Buildings		13	16
Office equipment		165	2
		178	18

4.10 Assets pledged as security

The Group and Company does not have any property, plant and equipment, intangible assets and right of use assets pledged as security for any debts.

4.11 Impairment of tangible and intangible assets

At the end of each reporting period, management assesses if there are any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In determining value in use, the Group and Company's agricultural and milling activities are considered as a single cash-generating unit (CGU). The calculations use cash flow projections based on financial budgets approved by management and Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. There were no indicators of impairment as at 31 March 2025 (2024: no impairment indicators).

5. Investments in associate companies

Name of associate company	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	31.03.25	31.03.24
Tongaat Hulett (Botswana) (Proprietary) Limited (i)	Packer and distributor of sugar	Botswana	33.3%	33.3%	33.3%
National Chemical Products Distillers Zimbabwe (Private) Limited (ii)	Conversion of molasses into alcohol	Zimbabwe	49%	49%	49%

The Group's share of net assets of associates is as follows;

		31.03.25 US\$'000	31.03.24 US\$'000
Tongaat Hulett (Botswana) (Proprietary) Limited (i)		1 912	1 674
National Chemical Products Distillers Zimbabwe (Private) Limited (ii)		-	23
		1 912	1 697

Notes to the Consolidated and Separate Financial Statements

(i) The financial year-end is 31 March, and the associate company is equity accounted in consolidated financial statements using the audited year-end accounts. The Group and Company has no commitments relating to its interests in the associate. The associated company has no quoted market price therefore no fair value is disclosed.

Equity Accounting and summarised financial information in respect of the associate company is set out below:

Tongaat Hulett (Botswana) (Proprietary) Limited

Equity Accounting of Associate*	31.03.25 US\$'000	31.03.24 US\$'000
Opening Balance	1 674	1 429
Effects of changes in presentation currency before this description.	-	426
Share of profit of Associate	431	282
Foreign currency translation reserve (FCTR)	(12)	(242)
Dividend Received	(181)	(221)
Closing Balance	1 912	1 674

Summarised financial information	31.03.25 US\$'000	31.03.24 US\$'000
Total Non-current assets	862	867
Total current assets	9 335	6 506
Total Non-current liabilities	(61)	(62)
Total current liabilities	(4 400)	(2 288)
Net Assets	5 736	5 023
Group's share of net assets of associates	1 912	1 674
Total Revenue	41 649	11 688
Total Profit for the period	1 294	847
Dividend received	181	221
Group's share of profit of associates (after tax)	431	282

(ii) The financial year-end for National Chemical Products Distillers Zimbabwe (Private) Limited (NCPDZ) is 31 December. For the purpose of applying the equity method of accounting, financial results for the 9 months to 31 December 2024 have been extracted from the audited financial statements of NCPDZ for the year ended 31 December 2024, and added to unaudited financial results for the 3 months to 31 March 2025. The Group and Company have no commitments relating to its interests in the associate. The associated company has no quoted market price therefore no fair value is disclosed. Equity accounting and summarized financial information in respect of the associate company is set out below:

National Chemical Products Distillers Zimbabwe (Private) Limited

Equity Accounting of Associate	31.03.25 US\$'000	31.03.24 US\$'000
Opening Balance	23	1 715
Effects of changes in presentation currency	-	510
Share of profit of Associate	(23)	(36)
Foreign Currency Translation Reserve (FCTR)	-	(2 166)
Dividend Received	-	-
Closing Balance	-	23

Notes to the Consolidated and Separate Financial Statements

NCPDZ summarised financial information		31.03.25 US\$'000	31.03.24 US\$'000
Total non-current assets	215	313	
Total current assets	202	544	
Total non-current liabilities	-	(756)	
Total current liabilities	(417)	(54)	
Net Assets	-	47	
Group's share of net assets of associates	-	23	
Total Revenue	3 453	1 032	
Total Profit for the period	(47)	(74)	
Group's share of profit of associates (after tax)	(23)	(6)	

6. Biological assets

	Standing cane US\$'000	Fruit orchards US\$'000	Livestock US\$'000	Total US\$'000
Balance at 31 March 2023	58 754	153	570	59 477
Effect of change in presentation currency	17 462	46	169	17 677
Fair value (loss)	(35 860)	(157)	(739)	(36 756)
- Increase due to growth	133 787	-	-	133 787
- Decrease due to harvest	(548 678)	-	-	(548 678)
- Gain / (loss) arising from price changes	378 725	(157)	-	378 568
- Gain due to births	-	-	3	3
- Loss due to death	-	-	(5)	(5)
- Loss due to sales	-	-	(737)	(737)
- Gain due to increased area	306	-	-	306
Balance at 31 March 2024	40 356	42	-	40 398
Fair value loss	(1 398)	(32)	-	(1 430)
- Increase due to growth	60 424	-	-	60 424
- Decrease due to harvest	(61 681)	-	-	(61 681)
- Loss arising from price changes	740	(32)	-	708
- Loss due to decrease in area	(881)	-	-	(881)
Balance at 31 March 2025	38 958	10	-	38 968

Notes to the Consolidated and Separate Financial Statements

Biological assets on hand at year end are as follows:

	31.03.25	31.03.24
Hectares under cane	10 625	10 862
Hectares under fruit orchards	11	11
Net Realisable Value per tonne for standing cane valuation (US\$)	521	541
There are no biological assets pledged as security.		

Management has applied judgement in assessing the components of fair value on biological assets. The judgement considers that physical growth and harvesting are intrinsically linked and impact the fair value movement in biological asset year on year in addition to pricing considerations.

6.1 Standing cane sensitivity analysis

Standing cane, is measured at fair value which is determined using unobservable inputs and is categorised as Level 3 under the fair value hierarchy as shown in note 6.2. The Group and Company apply the market approach on valuation of standing cane. The fair value of standing cane is determined by estimating the expected growth of the cane, the yield of the standing cane, the cane to sugar conversion ratio, selling prices, less costs to harvest and transport, over-the-weighbridge costs and costs into the market as at the end of the reporting period. The assumptions for these key unobservable inputs used in determining fair value of the standing cane are shown below.

	31.03.25	31.03.24
Area under cane (hectares)	10 625	10 862
Yield (tons cane per hectare)	95	89
Average age at harvest (months)	12	12
Net Realisable Value per tonne for standing cane valuation (US\$)	521	541
Cane to sugar ratio	8.06	8.27

The sensitivity analyses below have been determined based on exposure to yield and cane prices for standing cane held at the end of the reporting period. A 5% increase or decrease is used when reporting yield and cane price risk internally to key management personnel and represents management's assessment of the reasonably possible change in yield and cane prices.

Variable factor	% Movement	Increase/(decrease) in profit	
		31.03.25 US\$'000	31.03.24 US\$'000
Price	+5%	2 242	2 429
Price	(-5%)	(2 242)	(2 429)
Yield	+5%	1 846	2 018
Yield	(-5%)	(1 846)	(2 018)
Combined	+5%	4 088	4 447
Combined	(-5%)	(4 088)	(4 447)

Notes to the Consolidated and Separate Financial Statements

6.1 Standing cane sensitivity analysis (continued)

The estimated fair values have been determined using available market information and approximate valuation methodologies.

Net realisable value per tonne used on the valuation of biological assets (US\$)

	Standing cane US\$ Tonne	Fruit orchards US\$ Hectare
Fair value 2025		
Unit of measure		
Fair value 2025	521	0.21
Fair value 2024	541	0.80

6.2 Fair value hierarchy for biological assets

	Valuation with reference to prices quoted in an active market Level 1	Valuation based on observable inputs Level 2	Valuation based on unobservable inputs Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
As at 31 March 2025				
Biological Assets				
Standing cane	-	-	38 957	38 957
Fruit orchards	-	-	11	11
	-	-	38 968	38 968
As at 31 March 2024				
Biological assets				
Standing cane	-	-	40 356	40 356
Fruit orchards	-	-	42	42
	-	-	40 398	40 398

Level 1 – biological assets that are valued according to unadjusted market prices for similar asset. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length basis.

Level 2 – biological assets that are valued using observable inputs, other than the market prices noted in the level 1 methodology. These inputs make reference to pricing of similar assets in an inactive market or by utilising observable prices and market related data.

Level 3 – biological assets that are valued using unobservable data, and require management judgement in determining the fair value.

Notes to the Consolidated and Separate Financial Statements

7. Trade and other receivables

		31.03.25 US\$'000	31.03.24 US\$'000
Trade Receivables			
Sugar receivables		6 691	18 044
Molasses receivables		116	114
Allowance for credit losses		(296)	(253)
		6 511	17 905
Other Receivables			
Prepayments		8 036	7 947
VAT receivable		3 184	5 150
Staff receivables		13	9
Private farmers		1 930	1 449
Amount owing by group companies		10 676	7 982
Sundry (game, safari and citrus)		3 434	2 027
Allowance for credit losses		(1 607)	(493)
		25 666	24 071
Total trade and other receivables		32 177	41 976

The Group and Company does not hold any other collateral or credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group and Company to the counter-party.

Trade and other receivables disclosed above are classified as financial assets measured at amortised cost as disclosed in note 27.3 except for VAT receivable and Prepayments. All the amounts are classified as current assets.

The average credit period for sugar debtors denominated in US\$ is 21 days, (March 2024:21 days) with the average credit period for other debtors being 30 days (March 2024:21 days). There were no ZWG sugar debtors in the current year period (March 2024:21 days). Interest is charged on other receivables which are overdue and no security is held on any of the trade receivables disclosed above. An interest rate of 11% is charged to private farmers in relation to amounts owed in USD (2024: 0%) whereas an interest rate of 37% is charged in relation to amounts owed in ZWG (in ZWL 2024: 22%). Before accepting any new customer, the Group and Company uses an internal credit review system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically by management.

7.1 Risk profile of receivables

The directors always estimate the loss allowance on amounts due from customers at an amount equal to lifetime expected credit loss (ECL), taking into account the historical default experience and the future prospects of the sugar industry.

The Group and Company's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status has been distinguished between the Group and Company's different customer bases. The Group and Company has also taken into account qualitative and quantitative reasonable and supportable forward looking information which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The table below reconciles the movement in the allowance for credit losses:

		As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Balance at the beginning of the year		746	1 483
Effects of changes in presentation currency		-	442
Increase in expected credit losses on receivables		1 165	683
Net Monetary adjustment		-	(1 862)
Bad debts written off		(8)	-
Balance at end of year		1 903	746

Notes to the Consolidated and Separate Financial Statements

8. Inventories

The Group and Company measures inventory at lower of cost and net realisable value.

		As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Stores		16 205	18 340
Sugar and by products		26 475	13 901
		42 680	32 241

The carrying amounts shown above are net of the provision for obsolescence shown below:

		As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Provision for obsolescence		70	62

Molasses stocks, being a by-product from the sugar production process are valued at net realisable value. The value of these stocks was as noted below:

		As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Molasses stock		24	101

- There are no other stocks valued at net realisable value.
- There are no other stocks valued at fair value less cost to sale.
- There were no stock write downs recognized as an expense during the year.
- The amount of inventory recognized as an expense in relation to stock issues during the year 2025:US\$42 675 898 (2024:US\$ 72 544 349).
- During 2025, US\$11 489 433 (2024: US\$9 595 402) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.
- The Group and Company do not have inventories pledged as security for liabilities.

9. Capital and reserves

9.1 Authorised and issued share capital

The Company has an authorised share capital of 200 million shares with a value of US\$0.028 each, of which 193 020 564 shares have been issued, at a total historical cost of US\$ 5 424 915

9.2 Unissued share capital

In terms of an ordinary resolution dated 22 August 1990, the Directors are authorised to issue or dispose of all or any of the unissued share capital of the Company for an indefinite period upon such terms and conditions and with such rights and privileges attached thereto as they may determine, subject to the limitations of the Companies and Business entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange.

Notes to the Consolidated and Separate Financial Statements

9.3 Other components of equity - Group

Other components of equity comprises of foreign currency translation reserve and deferred tax on post acquisition profits of foreign associate Tongaat Hulett Botswana (Proprietary) Limited.

	Foreign currency translation reserve US\$'000	Other US\$'000	Total US\$'000
Balance at 31 March 2023	433	(1 026)	(593)
Effects of changes in presentation currency	129	(306)	(177)
Exchange loss on translation of equity in foreign associated company net of tax	(2 408)	(294)	(2 702)
Deferred tax on post acquisition of foreign associated company	-	(294)	(294)
Foreign operations – foreign currency translation differences	(2 408)	-	(2 408)
Balance at 31 March 2024	(1 846)	(1 626)	(3 472)
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	(12)	2	(10)
Deferred tax on post acquisition of foreign associated company	-	2	2
Foreign operations – foreign currency translation differences	(12)	-	(12)
Balance at 31 March 2025	(1 858)	(1 624)	(3 482)

Notes to the Consolidated and Separate Financial Statements

10.1 Deferred Tax Liability - Group

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Balance at the beginning of the year	25 221	22 702
Effects of changes in presentation currency	-	6 747
Movement through OCI - actuarial gain on post retirement provision	(33)	(15 674)
Movement through OCI - exchange gain on translation of equity in foreign associated company	(2)	294
Movement through profit and loss *	(6 319)	9 925
Income tax rate change	-	1 227
Balance at the end of the year	18 867	25 221
Deferred tax comprises the tax effect of temporary differences arising from:		
Property, plant and equipment, right of use and intangible asset	11 357	9 644
Provisions, prepayments and exchange differences	(2 825)	4 869
Biological assets	10 034	10 403
Accumulated profit of foreign associated company	301	305
Balance at the end of the year	18 867	25 221

* Included in this movement is an amount of US\$ 7 305 997 relating to reversal of temporal differences from last year on critical spares, capital work in progress, prepaid expenses, stocks and revenue received in advance emanating from inflation adjusted accounting.

10.2 Deferred Tax Liability - Company

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Balance at the beginning of the year	24 915	22 447
Effects of changes in presentation currency	-	6 670
Movement through OCI actuarial gain on post retirement provision	(33)	(15 674)
Movement through profit and loss*	(6 319)	10 259
Income tax rate change	-	1 213
Balance at the end of the year	18 563	24 915
Deferred tax comprises the tax effect of temporary differences arising from:		
Property, plant and equipment, right of use and intangible assets	11 355	9 643
Provisions, prepayments and exchange differences	(2 826)	4 869
Biological assets	10 034	10 403
Balance at the end of the year	18 563	24 915

* Included in this movement is an amount of US\$ 8 972 772 relating to reversal of temporal differences from last year on critical spares, capital work in progress, prepaid expenses, stocks and revenue received in advance emanating from inflation adjusted accounting.

Notes to the Consolidated and Separate Financial Statements

11. Trade and other payables

Trade payables comprise amounts outstanding for trade purchases. The average credit period taken to settle trade purchases denominated in the Zimbabwe Gold (ZWG) is 7 days (2024:7 days), while the average credit period for trade purchases denominated in the United States Dollar is 30 days (2024:45 days) due to cashflow constraints emanating from lost sales due to cheap imports. However the aging was normalized post 31 March to regain confidence in the supply chain. The majority of trade payables do not accrue interest. Other payables include accrued cane purchases among others. The Group and Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Directors consider that the carrying amount of accounts payable approximates their fair value.

		As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Financial Liabilities:			
Trade payables		15 928	20 468
Other payables*		9 494	9 044
Payroll creditors		3 460	2 785
Trade and other payables excluding prepaid revenue		28 882	32 297
Non -Financial Liability			
Prepaid revenue		1 900	177
Total trade and other payables		30 782	32 474

*Other payables comprise cane purchases accrual, utilities, creditors accruals, local authority rates and debtors with credit balances.

12. Provisions

		As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Provisions: Current			
Employee benefits provisions		264	14
Retrenchment provision		852	-
Division of proceeds provision		2 327	-
3 443		14	
Provisions: Non - current			
Employee benefits provisions		7 261	6 853
7 261		6 853	

Notes to the Consolidated and Separate Financial Statements

12. Provisions (continued)

12.1 Employee benefit provisions (Defined Benefit Plan)

Employee benefits provisions comprise of benefits, other than pension distributions, paid to employees on and during retirement. The Group and Company recognises Post-retirement medical aid provision relating to a medical benefit which covers medical treatment costs incurred by eligible employees after retirement and a retirement gratuity provision relating to an after-retirement social security benefit, provided to eligible employees by the Group and Company on account of the services provided by them to the establishment. The Group and Company notes that in the past 3 years there have been no plan amendments, curtailments and settlements. The plans are administered by registered actuaries. The liabilities are summarized as follows:

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Post-retirement medical aid provisions (note 12.1.1)	4 318	3 223
Retirement gratuity (note 12.1.2)	3 207	3 644
	7 525	6 867

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Provision- current	264	14
Provision - non-current	7 261	6 853
	7 525	6 867

12.1.1 Post-retirement Medical Aid

The Group and Company recognises a post-retirement medical aid provision relating to a medical benefit which covers medical treatment costs incurred by eligible employees after retirement. This unfunded liability is determined actuarially each year using the projected unit credit method. The most recent actuarial valuation of the obligation was carried out as at 31 March 2025 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Net liability at the beginning of year	3 223	3 004
Effects of changes in presentation currency	-	893
Actuarial loss included in other comprehensive income:	890	28 500
From changes in experience items during the year	890	2 850
Net expense recognized in profit and loss	346	2 886
Current service cost	132	52
Interest cost	214	2 834
Less benefits paid during the year	(141)	(409)
Adjustment due to IAS 29 application	-	(31 651)
Net liability at the end of the year	4 318	3 223

Notes to the Consolidated and Separate Financial Statements

12. Provisions (continued)

12.1.1 Post-retirement Medical Aid (continued)

The principal actuarial assumptions applied are:	31.03.25 US\$'000	31.03.24 US\$'000
Discount rate	6.5%	23%
Health care cost inflation rate	5.0%	21.5%
Weighted average duration of the obligation	17.2 years	16.6 years

Sensitivity analysis (based on varying individual input)

	31.03.25 US\$'000	31.03.24 US\$'000
Sensitivity of discount rates:		
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(40)	(63)
1% increase in trend rate - decrease in the obligation	(331)	(253)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	61	94
1% decrease in trend rate - increase in the obligation	495	377
Sensitivity of healthcare cost trend rates:		
1% increase in trend rate - increase in the aggregate of the service and interest costs	(69)	(106)
1% increase in trend rate - increase in the obligation	(563)	(428)
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	57	88
1% decrease in trend rate - decrease in the obligation	467	354
Estimated contributions payable in the next financial year	50	9

Key risks associated with the post-retirement medical aid obligation:

- i. Higher than expected inflation (to which medical cost/contribution increases are related)
- ii. "Real" future medical aid cost/contribution inflation (i.e. above price inflation) turns out higher than allowed for.
- iii. Longevity – pensioners (and their dependents) living longer than expected in retirement.
- iv. Changes in the prescribed basis (as a result of market conditions) which adversely impact the financial results of the Group.

12.1.2 Retirement gratuity

The Group and Company recognises a retirement gratuity provision relating to an after-retirement social security benefit, provided to eligible employees by the Group and Company on account of the services provided by them to the establishment. This unfunded liability is determined actuarially each year using the projected unit credit method. The most recent actuarial valuation of the obligation was carried out as at 31 March 2025 by qualified actuaries. Below is a reconciliation of the movement in the provision.

Notes to the Consolidated and Separate Financial Statements

12.1.2 Retirement gratuity (continued)

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Net liability at the beginning of year	3 644	2 670
Effects of changes in presentation currency	-	793
Actuarial loss included in other comprehensive income:	(762)	34 906
From changes in experience items during the year	(762)	34 906
Net expense recognized in profit and loss	450	1 531
Current service cost	208	90
Interest cost	242	1 441
Less benefits paid during the year	(125)	(1 103)
Adjustment due to IAS 29 application	(35 153)	
Net liability at the end of the year	3 207	3 644

The principal actuarial assumptions applied are:

Discount rate	7%	23%
Salary inflation rate	4.5%	21%
Weighted average duration of the obligation	12.1 years	13.1 years

Sensitivity analysis (based on varying individual input)

	31.03.25 US\$'000	31.03.24 US\$'000
Sensitivity of discount rates:		
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(46)	(116)
1% increase in trend rate - decrease in the obligation	(329)	(368)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	51	136
1% decrease in trend rate - increase in the obligation	386	433
Sensitivity of salary inflation trend rates:		
1% increase in trend rate - increase in the aggregate of the service and interest costs	51	134
1% increase in trend rate - increase in the obligation	378	423
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	(43)	(115)
1% decrease in trend rate - decrease in the obligation	(328)	(367)
Estimated contributions payable in the next financial year	214	5

Key risks associated with the post-retirement medical aid obligation:

- i. Higher than expected inflation (to which salary increases are related).
- ii. "Real" salary increases (i.e. above price inflation) turns out higher than allowed for.
- iii. Large number of early retirements (normal or ill health) bringing forward gratuity payments.
- iv. Fewer exits prior to retirement than expected (i.e. more people reach retirement than allowed for in terms of current demographic assumptions).
- v. Changes in the prescribed basis (as a result of market conditions) which adversely impact the financial results of the Group.

Notes to the Consolidated and Separate Financial Statements

12.1.2 Retirement gratuity (continued)

Limitations of methods and assumptions used in sensitivity analysis

- i. Sensitivity analysis will provide many impacts on the outcome, but it does not point to the best choice which can have full benefit. It just provides information on the impact which may not happen.
- ii. Sensitivity analysis only tells the effect of variable change. However, it does not show the possibility of those changes.

12.2 Leave pay provisions

The provision for leave pay represents the amount of outstanding annual leave at the end of the year. The liability will be extinguished when employees go on leave, retire or resign from employment. A provision is recognised for benefits accruing to employees in respect of annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Leave Provisions

	31.03.25 US\$'000	31.03.24 US\$'000
Balance at the beginning of the year	2 852	1 029
Effects of changes in presentation currency	-	306
Movement during the year	(817)	2 809
Net Monetary adjustments	-	(1 292)
Balance at the end of the year	2 035	2 852

12.3 Retrenchment provisions

The business initiated an employee retrenchment process based on operational requirements and in terms of the Labour Act of Zimbabwe. The process shall be conducted in three phases, first by end of February in the current year, with May and August following respectively, post the Company's year-end.

	31.03.25 US\$'000	31.03.24 US\$'000
Retrenchment provision - current	852	-
Balance at the end of the year	852	-

12.4 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. The case has been appealed at the Supreme Court where it is awaiting determination.

The Group has estimated the total impact of the change in DoP and, in accordance with IAS37: Provisions, Contingent Liabilities, and Contingent Assets, made a provision amounting to US\$2.3m in the current year financial statements with respect to the probable outflow of resources embodying economic benefits that may be required to settle the obligation.

	31.03.25 US\$'000	31.03.24 US\$'000
Provision for an adjustment in the Division of Proceeds(DoP) Ratio - current	2 327	-
Balance at the end of the year	2 327	-

Notes to the Consolidated and Separate Financial Statements

13. Leases

The Group and Company lease commercial buildings for ZSS, its marketing arm which acts as a broker to the sugar millers, with all income and expenditure to the millers' account. The average lease term is 3 years. The Group and Company does not have an option to purchase the properties at the expiry of the lease periods.

The Group and Company also lease office equipment (office printers) with an average lease term of 5 years. The following table sets out a maturity analysis of the Group and Company's lease payments, showing the undiscounted cash flows to which the Group and Company are exposed in respect of the lease contracts after the reporting date.

	31.03.25 US\$'000	31.03.24 US\$'000
Maturity analysis – contractual undiscounted cash flows		
Due within one year	66	60
Due within one to two years	49	121
Due within two to three years	114	32
Total undiscounted lease liabilities at 31 March	229	213
Lease liabilities included in the statement of financial position	203	93
Analysed as follows:		
Current liability	66	60
Non-current liability	137	33
Amounts recognised in profit or loss		
Interest accrued on lease liabilities	24	25
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	(108)	(102)

14. Borrowings

14.1 Borrowings

	31.03.25 US\$'000	31.03.24 US\$'000
Unsecured		
Loans from: - Stanbic Bank of Zimbabwe *	12 492	12 456
Overdraft from: - Commercial Bank of Zimbabwe ^	10 629	12 456
	1 863	-

Summary of borrowing arrangement

*Hippo Valley pledges, as security to its indebtedness to the lender in respect of the loan facilities, all monies, balances, rights, title and interest (present and future) in and relating or accruing to the Nostro and ZWG account. In the event of breach of terms of agreement, the lender may restricts debits from the Nostro/ZWG account.

*The Stanbic loan consisted of a short term renewable US\$ denominated loan bearing interest of 11% per annum in 2025 and a tenure of 365 days (2024: 9.1% per annum and a tenure of 365 days).

*The Group and Company does not have any property, plant and equipment pledged as security for any debts.

^The CBZ overdraft is a short term US\$ denominated overdraft facility bearing interest of 12% per annum in 2025 and a tenure of 365days. (2024:-)

Notes to the Consolidated and Separate Financial Statements

14.2.1 Current year reconciliation of liabilities arising from financing activities

The information below details changes in the Group and Company's liabilities arising from financing activities, including both cash and non-cash changes where applicable. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group and Company's financial statement of cash flows as cash flows from financing activities.

	Financing cash inflows 31.03.24 US\$'000	Financing cash outflows US\$'000	Non cash changes (i) US\$'000	31.03.25 US\$'000
Lease	93	-	(87)	197
Bank loan	12 456	14 405	(14 369)	-

(i) Lease-non cash changes include accrued interest but not paid of US\$2 182, lease adjustment of US\$29 124 and recognition of new leases US\$192 995.

14.2.2 Comparative year reconciliation of liabilities arising from financing activities

	Effects of changes in presentation currency 31.03.23 US\$'000	Financing cash inflows US\$'000	Financing cash outflows US\$'000	Non cash changes US\$'000	31.03.24 US\$'000
Lease	146	43	-	(77)	93
Bank loan	9 961	2 961	60 863	(54 499)	(19)^ (6 830)*

* Non cash changes on bank loans include forex revaluation of US\$9 005 621 and an impact of inflation (IAS 29) adjustment of (US\$8 528 864).

^ Lease-non cash changes include accrued interest but not paid of US\$191 and gain on forex revaluation of US\$130 407, net monetary loss of US\$49 906 and adjustment of lease period of US\$133 913.

Notes to the Consolidated and Separate Financial Statements

15. Operating Profit

		Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Revenue	24	191 596	340 478
Cost of sales		(124 724)	(275 137)
Agricultural and mill chemicals		(11 118)	(11 944)
Cane purchases		(40 972)	(158 851)
Depreciation and amortisation		(4 148)	(1 149)
Staff costs		(34 302)	(76 404)
Maintenance and other direct production costs		(34 184)	(26 789)
Gross profit		66 872	65 341
Marketing and selling expenses		(16 294)	(11 456)
Administration costs		(45 158)	(51 706)
Audit fees - external		(485)	(631)
- internal		(58)	-
Depreciation and amortisation		(373)	(273)
Depreciation of right of use asset		(62)	(8)
Staff costs		(16 749)	(17 980)
Maintenance and other administration costs*		(27 431)	(32 814)
Expected credit losses	7	(2 509)	(683)
Fair value adjustment on biological assets	6	(1 430)	(36 756)
Other operating income/ (expenses)		6 196	(22 491)
Profit /(Loss) on disposal of property, plant, equipment and intangible assets		5	(157)
Exchange gains /(losses)		10	(31 984)
Other sundry income**		6 181	9 650
Operating profit/(loss)		7 677	(57 751)

*Maintenance and other administration costs includes consultation fees of US\$2 048 539, Insurance US\$3 853 163, general expenses of US\$5 208 432, VAT unclaimed of US\$2 759 306 and other taxes US\$2 771 172.

**The Group and Company generated sundry income from sale of agriculture inputs and fuel to out-growers, rentals, sale of scrap metal, and sale of sundry crops .

Notes to the Consolidated and Separate Financial Statements

15.1 Revenue

The Group and Company have assessed that the disaggregation of revenue by operating segments as detailed in note 25 is appropriate in meeting the revenue disaggregation disclosure requirements of IFRS 15: Revenue from contracts with customers, as this is the information regularly reviewed by the Chief Executive officer (being the chief operating decision maker) in order to evaluate the financial performance of the Group and Company. There are no unsatisfied performance obligations at 31 March 2025 (2024: nil) as all revenues from the sale of the Group and Company's products are considered to be satisfied by a single performance obligation.

16. Net finance charges

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Finance income	1 169	2 121
Finance cost	(2 333)	(4 444)
Foreign Exchange adjustment on cash balances and borrowings	(777)	(24 782)
	(1 941)	(27 105)

Notes to the Consolidated and Separate Financial Statements

17. Group and Company Income tax expense

17.1: Group Income Tax Expense

Income tax expense

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Current year normal tax	(2 544)	-
Prior year over provision	3 526	-
Change in tax rate	-	(1 227)
Movement in current year deferred taxation	6 319	(9 925)
Charged to group statement of profit or loss	7 301	(11 152)

17.1.2 Company Income Tax Expense

Income tax expense

	As at 31.03.25 US\$'000	As at 31.03.24 US\$'000
Current year normal tax	(2 544)	-
Prior year over provision	3 526	-
Change in tax rate	-	(1 213)
Movement in current year deferred taxation	6 319	(10 259)
Charged to company statement of profit or loss	7 301	(11 472)

17.2: Group and Company Tax Rate Reconciliation

Reconciliation of tax rate	%	%
Notional tax rate	25.75	24.72
Tax effect of associate results reported net of tax	(1.71)	(0.17)
Tax effect of prior year tax over provision	(57.39)	-
Tax effect of Income exempt from tax	-	-
The effect of converting tax bases from ZWL to US\$	110.36	-
Tax effect of expenses not deductible for tax purposes	24.71	90.65
Tax effect of inflation adjustment	-	(83.78)
Tax effect of dividend income from associate taxed at 20%	0.17	0.03
Tax effect of rate changes	-	0.04
Effective tax rate (ETR) (%)	(118.83)	31.49

The ETR for the Group is at (118.83%). The difference between the ETR of the Group and Company is immaterial to warrant a separate disclosure.

Notes to the Consolidated and Separate Financial Statements

17.3 Key tax matters

Zimbabwe Revenue Authority (ZIMRA) issued assessments amounting to US\$7.2 million ZWG 458 thousand (US\$ 16 thousand) inclusive of penalty to Zimbabwe Sugar Sales (ZSS), the Group and Company's sugar broking company through which it holds a 50% interest. The point of departure is on how ZIMRA selected to use a court ruling relating to the years from 2011 to 2015, 'Income tax assessments in determination of ZSS commission charged to the millers (the Group and Company including the sister company Triangle Limited) for periods 2019-2021'. The 2011 to 2015 assessments in question were performed under the general tax avoidance sections and during that period ZSS had not charged the millers any commission nor had they remitted any taxes on the notional income. The estimation was done based on 5% of gross sugar sales. ZSS had computed the commission based on the transfer pricing arm's length principal since the period under audit falls after date of implementation of transfer pricing provisions (01.01.2026). ZIMRA's justification is that the annual return was filed before preparation of the Transfer Pricing document hence not in compliance with SI 109 of 2019(contemporaneous principal) although the commission charge fell within the benchmarked range. Per transfer pricing regulations, ZIMRA is supposed to make a corresponding adjustment to the millers and this is still outstanding. Following this, ZSS filed an objection on 14 February 2025. ZSS received a response from the Commissioner on the 13th of May 2025 releasing ZSS from the obligation to pay any of the assessed amounts until the Regional Manager reviews the assessments and issues any further assessments if there is any understatement of income. In light of this, the Group and Company concluded to classify this matter as a contingent liability.

Notes to the Consolidated and Separate Financial Statements

18. Earnings per share

18.1 Earnings per share for the Group

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Profit for the year	13 445	24 263
Adjustments:		
(Profit)/ Loss on disposal of property, plant and equipment	(5)	157
Headline earnings	13 440	24 420
Weighted average number of shares in issue (shares)	193 021	193 021
	US\$ cents	US\$ cents
Basic and diluted earnings per share	7	13
Headline and diluted headline earnings per share	7	13

18.2 Earnings per share for the Company

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Profit for the year	13 218	23 218
Adjustments:		
(Profit)/ Loss on disposal of property, plant and equipment	(5)	157
Headline earnings	13 213	24 075
Weighted average number of shares in issue (shares)	193 021	193 021
	US\$ cents	US\$ cents
Basic and diluted earnings per share	7	12
Headline and diluted headline earnings per share	7	12

Headline earnings

Headline earnings comprise basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group and Company.

Earnings per share is calculated as above. Basic and diluted earnings for the Group and Company are equal.

Notes to the Consolidated and Separate Financial Statements

19. Notes to the Group statement of cash flows

			Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
19.1 Cash generated from operations				
Profit before tax			6 144	35 415
Depreciation and amortisation			4 609	1 493
Exchange loss			200	32 913
Net movement in provisions			5 770	(659)
Gross movement in provisions			6 354	218
Movement attributable to reserves			(584)	(877)
Monetary gain			-	(120 025)
Net finance charges			1 941	27 105
Share of associate companies' profit after tax (note 5)			(408)	(246)
(Profit)/Loss on disposal of property, plant and equipment			(5)	157
Fair value loss on biological assets (Note 6)			1 430	36 756
			19 681	12 909

			Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
19.1.1 Changes in working capital				
(Increase)/ decrease in inventories			(11 205)	6 940
Decrease/ (increase) in accounts receivables			9 438	(8 215)
Increase / (decrease) in accounts payable			(2 194)	(13 385)
(Decrease)/increase in leave pay			(817)	1 518
			(4 778)	(13 142)

19.2 Notes to the Company statement of cash flows

			Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Cash generated from operations				
Profit before tax			5 917	35 390
Depreciation and amortisation			4 609	1 493
Dividend received from associate			(181)	(221)
Exchange loss			200	32 913
Net movement in provisions			5 770	(659)
Gross movement in provisions			6 354	218
Movement attributable to reserves			(584)	(877)
Monetary gain			-	(120 025)
Net finance charges			1 941	27 105
(Profit)/Loss on disposal of property, plant and equipment			(5)	157
Fair value loss on biological assets (Note 6)			1 430	36 756
			19 681	12 909

Notes to the Consolidated and Separate Financial Statements

19.2.1 Changes in working capital

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
(Increase)/ decrease in inventories	(11 205)	6 940
Decrease/ (increase) in accounts receivables	9 438	(8 215)
Increase / (decrease) in accounts payable	(2 194)	(13 385)
(Decrease)/increase in leave pay	(817)	1 518
	(4 778)	(13 142)

19.3 Proceeds on disposal of property, plant, equipment, right of use asset and intangible asset

This note applies to Group and Company property, plant, equipment, right of use asset and intangible assets.

	31.03.25 US\$'000	31.03.24 US\$'000
Carrying amount of property, plant, equipment and intangible assets disposed of	12	225
Profit/ (Loss)on disposal	5	(157)
Proceeds from Disposal	17	68

20. Directors' emoluments

	31.03.25 US\$'000	31.03.24 US\$'000
In respect of services as Directors	181	308
In respect of managerial services	28	53
	209	361

21. Employee benefit expense

	31.03.25 US\$'000	31.03.24 US\$'000
Short-term benefits	56 427	191 806
Post-employment benefits	3 441	11 475
	59 868	203 281

Notes to the Consolidated and Separate Financial Statements

22. Borrowing powers

In terms of Article 89 of the Articles of Association as amended at the extraordinary general meeting held on 20 April 2002, the borrowing power of the Company is limited to a maximum amount equal to half the shareholders' funds comprising issued capital, share premium, non-distributable reserves and distributable reserves.

23. Related party transactions and balances

Sugar revenue which constitutes approximately 96% (2024:96%) of the Group and Company revenue is derived from sales made on behalf of the Group and Company by Zimbabwe Sugar Sales (Private) Limited in which the Group and Company has a 50% shareholding (note 3.2). The following amounts were received from ZSS in respect of sugar sales.

			31.03.25 US\$'000	31.03.24 US\$'000
Sugar revenue			178 330	328 096

23.1 Balances between the Group and related parties as at 31 March are shown below:

			31.03.25 US\$'000	31.03.24 US\$'000
Trade accounts receivables				
Triangle Limited - receivable			10 944	7 541
Tongaat Hulett Botswana (Proprietary) Limited - Associate Company (THB)			734	441
Amounts owing by group Companies			11 678	7 982
 Trade payables				
Lowveld Sugar Development Trust (LSDT)			(1 001)	(747)
Tongaat Hulett Limited (Tongaat Hulett) - Parent Company (TH)			(11 242)	(7 551)
Amounts owing to group companies			(12 243)	(8 298)
 Borrowings: Amounts owing by group companies				
Triangle Limited (i)			626	190
Lowveld Sugar Development Trust (LSDT)(i)			6 562	6 785
Borrowings: Amounts owing to group Companies			7 187	6 975
Triangle Limited (ii)			(1 000)	(248)

(i) Hippo Valley Estates Ltd, Triangle Limited and LSDT are under common control of Triangle Sugar Corporation Limited. The Group and Company has a back to back 365 days unsecured related party loan facility with Triangle and LSDT, which is flexible in terms of currency. The facility is either drawn in Zimbabwean Gold currency or United States Dollars. The advance at 31 March 2025 is denominated in Zimbabwean Gold and United States Dollars, accruing interest at a rate of 37% and 11% per annum respectively. The advance at 31 March 2024 was denominated in Zimbabwean Dollar and United States Dollars, accruing interest at a rate of 75% and 9.1% per annum respectively. In terms of the agreement, borrower shall repay the aggregate principal amount of the loan and accrued interest thereon or setoff the loan payable against intercompany balance receivable by lender. The terms of agreement are at arms' length.

There are no guarantees given or received in respect of the amounts owed to TH and LSDT and on amounts owed by LSDT, Triangle and THB . Expected credit loss amount of US\$1 538 498 (2024: US\$24 414) in respect of these balances was raised and recognized as an expense in the statement of profit or loss and other comprehensive income.

(ii) The advance at 31 March 2025 is denominated in United States Dollars, accruing interest at a rate of 11% per annum. The advance at 31 March 2024 was denominated in United States Dollars, accruing interest at a rate of 9.1% per annum.

Notes to the Consolidated and Separate Financial Statements

23. Related party transactions and balances (continued)

23.2 Transactions between the Group and related parties as at 31 March are shown below:

	Year ended 31.03.25 US\$'000	Year ended 31.03.24 US\$'000
Triangle Limited		
- Sales	5 076	2 090
- Operating expenses	(6 315)	(2 519)
- Interest	141	1 423
	(1 098)	994
Tongaat Hulett Limited		
- Group support service fees	2 731	8 608
NCPDZ		
- Sales	114	305
Tongaat Hulett Botswana (Proprietary) Limited		
- Sugar sales	6 062	1 866
LSDT		
Cane Purchases	4 316	7 770

Notes to the Consolidated and Separate Financial Statements

23.3 Transactions between the Group and related parties are shown below:

Tongaat Hulett provide support services to the Group and Company and these services are conducted at arms' length.

23.4 Compensation to key members of management

The remuneration of Directors and key executives is determined based on the remuneration policy detailed in the Corporate Governance statement.

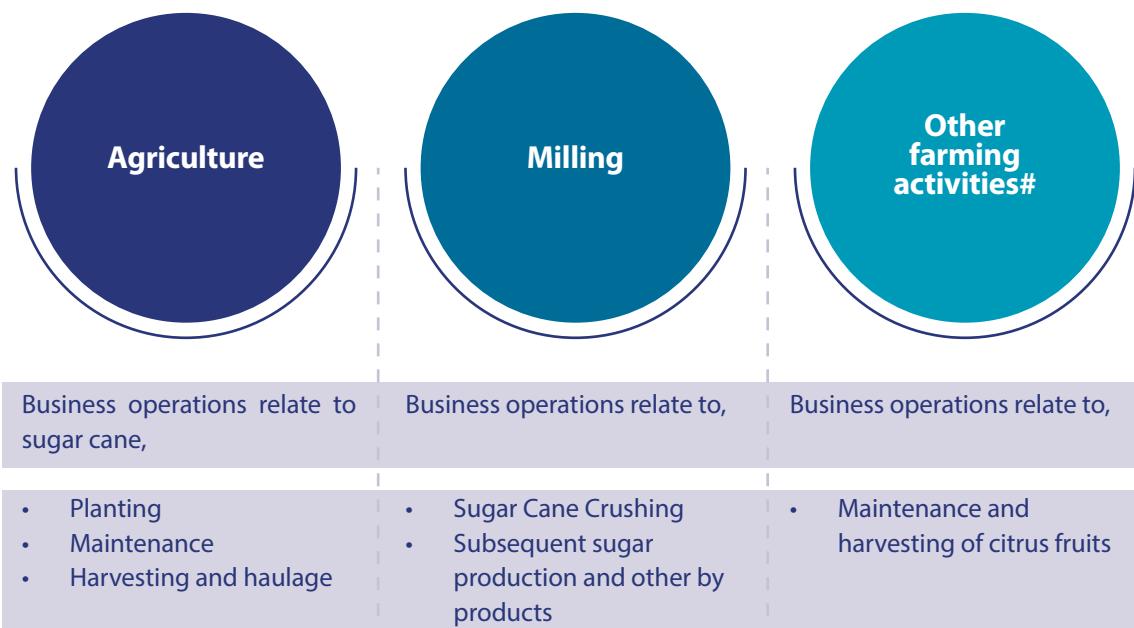
			31.03.25 US\$'000	31.03.24 US\$'000
Short-term benefits			1 233	2 613
Post-employment benefits			131	577
			1 364	3 190

24. Segmental reporting

IFRS 8 "Operating Segments"

The Group and Company has two major operating segments, namely Agriculture and Milling. Other smaller segments which are individually immaterial are aggregated into other farming activities segment. The reportable segments are identified based on the structure of information reported to the Group's Chief Executive Officer (the Chief Operating Decision - Maker) for performance measurement and resource allocation purposes.

The distinct operating segments for the Group are as shown below:



All these segments operate their activities in Chiredzi. The accounting policies of the reportable segments are the same as the Group and Company's accounting policies.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the statement of comprehensive income.

Current assets and total liabilities are not allocated to segments, as working capital and financing are driven by a central treasury function, which manages the cash position of the Group. Information provided regularly to the Chief Executive Officer (Chief Operating Decision - Maker) does not separate these elements into different segments.

Notes to the Consolidated and Separate Financial Statements

24. Segmental reporting (continued)

Other farming activities previously included livestock operations and citrus fair value movement. Livestock division was discontinued during year ended 31 March 2024. Due to the immateriality of the citrus fair value, in the current year it was not disclosed as a standalone operating segment.

Segment information for the reportable segments for the year ended 31 March 2025 is as follows*:

	Agriculture 31.03.25 US\$'000	Milling 31.03.25 US\$'000	Other farming activities # 31.03.25 US\$'000	Total 31.03.25 US\$'000
Total segment revenue	85 240	190 545	-	275 786
Inter segment revenue	(84 190)	-	-	(84 190)
Revenue from external customers	1 051	190 545	-	191 596
Segment Operating profit/(loss)	11 354	(3 677)	-	7 677
Adjust for:				
Fair value adjustment on biological assets	1 430	-	-	1 430
Depreciation and amortisation	3 397	1 212	-	4 609
Segment Adjusted EBITDA	16 181	(2 465)	-	13 716

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.25 US\$'000
Segment non-current assets for reportable segments	45 146
Right - of - use asset	178
Unallocated: Investments in associated companies	1 912
Total non-current assets per statement of financial position	47 236

* The format for the segment reporting table above changed from the format that was previously used in the prior years. This was done to enhance the presentation of the disclosure and understanding to the users of financial statements.

Agriculture:

- The performance of the business unit is focused on sugar cane production which is eventually supplied to Milling.
- Performance is measured by the level of sugar cane yields and quality.

Key financial highlights for the business unit pertain to;

- the business unit is profitable and generates positive EBITDA, benefiting from a high cane price, similarly with other farmers delivering cane to Milling.
- However the business unit suffers a high cost of doing business in terms of labour costs after the minimum wage was increased to US\$280 and this continue to erode profit margins below generally acceptable agriculture margins when comparing with other agriculture operations including other sugar producing companies.

Our business being an agriculture estate should generate higher margins to cushion the business in terms of downturns.

- Additionally, the business unit relies on the use of yellow machines for operational efficiencies and this regularly requires retooling thereby drawing on cash resources.

Notes to the Consolidated and Separate Financial Statements

24. Segmental reporting (continued)

Milling:

- Performance of the business unit is focused on sugar production with the major raw material (sugar cane) supplied by the agriculture business unit and Private farmers. This performance is measured in terms of level of sugar production and related recoveries.
- Key financial highlights;**

 - The business unit cost of production is relatively large due to a high sugar cane price, which is currently at US\$71 per ton of sugar cane delivered under the Cane Purchase Agreement, under which 90% of the private farmers have opted for.
 - Another regional country that operates on the basis of cane supply under a CPA arrangement is Kenya and in this past season they operated on an equivalent cane price of US\$38. Since February 2025, sugar cane price per tonne in Kenya is operating at Kenyan Shillings (Ksh5 300) which is almost equivalent to US\$40.91 and showing a huge contrast to Zimbabwe's US\$71.
 - Excess sugar is sold into the export markets fetching lower returns while the cost of sugar cane is fixed at US\$71 per ton, resulting in reduced margins.

Sugar cane contributions between Company (McP) and Private farmers were 58% and 42% respectively. In the event that the contribution from McP deteriorates, this will result in reduced margins considering the expensive cane from private farmers.

The remaining 10% of the private farmers are subjected to a DoP of 77% which is the highest in the region and a court case is currently ongoing for it to be increased to 80.5% (effectively is 83%).

Segment information for the reportable segments for the year ended 31 March 2024 is presented in new and old format as follows:

Comparative financial statements are distorted through the application of IAS 29 'hyperinflation', due to CPIs and exchange rate dynamics upon translating to US\$.

Refer to the details below the segment financial information.

New format

	Agriculture 31.03.24 US\$'000	Milling 31.03.24 US\$'000	Other farming activities# 31.03.24 US\$'000	Total 31.03.24 US\$'000
Total segment revenue	374 883	337 679	692	713 254
Inter segment revenue	(372 776)	-	-	(372 776)
Revenue from external customers	2 107	337 679	692	340 478
Segment Operating (loss)/ profit	(111 395)	53 662	(19)	(57 752)
Adjust for:				
Fair value adjustment on biological assets	36 768	-	(12)	36 756
Depreciation and amortisation	1 201	292	-	1 493
Segment Adjusted EBITDA	(73 426)	53 954	(31)	(19 503)

Notes to the Consolidated and Separate Financial Statements

24. Segmental reporting (continued)

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.24 US\$'000
Segment non-current assets for reportable segments	44 526
Right - of - use asset	18
Unallocated: Investments in associated companies	1 697
Total non-current assets per statement of financial position	46 241

•Comparative information was derived from translating hyperinflation balances and transactions that existed in a hyperinflationary environment where inherent economic distortions may have impacted these balances. Hence, the information is not suitable to provide a reasonable analysis of the Segments performance.

•Additionally, revenue generated under the agriculture business unit is recognised covering the period which usually starts in April and ending in December of each year while the milling revenue extends to March.

Therefore, distortions arising from CPIs and currency will affect the reported results due to the volatility in these inputs which were used for the prior year hyperinflation accounting.

Old format

	Agriculture 31.03.24 US\$'000	Milling 31.03.24 US\$'000	Gaming and other farming activities 31.03.24 US\$'000	Total 31.03.24 US\$'000
Total segment revenue	374 883	337 679	692	713 254
Inter segment revenue	(372 776)	-	-	(372 776)
Revenue from external customers	2 107	337 679	692	340 478
Adjusted EBITDA	(73 426)	53 954	(31)	(19 503)
Fair value adjustment on biological assets	(36 768)	-	12	(36 756)
Depreciation and amortisation	(1 201)	(292)	-	(1 493)
Operating profit/(loss)	(111 395)	53 662	(19)	(57 752)
Total non-current assets	27 341	16 754	431	44 526

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.24 US\$'000
Segment non-current assets for reportable segments	44 526
Right - of - use asset	18
Unallocated: Investments in associated companies	1 697
Total non-current assets per statement of financial position	46 241

Notes to the Consolidated and Separate Financial Statements

25. Capital expenditure commitments

	31.03.25 US\$'000	31.03.24 US\$'000
Commitments for capital expenditure		
Contracted for	2 676	284
Authorized but not contracted for	3 622	540
	6 298	824

The capital expenditure will be financed from the Group and Company's resources and existing borrowing facilities.

26. Going concern

26.1 Introduction

The consolidated and separate financial statements have been prepared on a going concern basis in accordance with IFRS Conceptual Framework which assumes that the Group and Company will continue in operation into the foreseeable future. Directors have reviewed the Group's performance and major risks, as well as its cash flow forecasts for the next twelve months. Based on this review, and in light of the current financial position, the directors continued to adopt the going concern basis in preparing the consolidated and separate financial statements having taken into the following considerations:

26.1.1 Land acquisition

Engagements with Government regarding the issuance of the balance of the 99-year leases, as well as amendments to the wording of current leases for bankability, transfer-ability and other necessary changes are ongoing. There have not been any significant changes to the reported progress on the signing of the leases by the Minister of Lands, Agriculture, Fisheries, Water and Rural Development. The total surveyed area for Hippo Valley has now been established to be 16 802ha from the original estimate of 23 979ha. Of the 16 802ha about 15 960ha have been signed off (i.e. 95%) by the Minister and only 842ha now remain. Engagements with the Ministry to have the remaining area also signed off are in progress.

Therefore, the Directors are satisfied that the future economic benefits to be derived from the use of the Government acquired land will continue to flow to the company.

26.1.2 Foreign currency dynamics

On April 5, 2024, the Reserve Bank of Zimbabwe (RBZ) unveiled a new currency called Zimbabwe Gold (ZWG) in its 2024 Monetary Policy Statement replacing the ZWL. The ZWG is backed by precious metals, primarily gold, held as reserves by the Reserve Bank of Zimbabwe. This new currency is being circulated alongside other foreign currencies within the economy.

The business continues to face liquidity challenges arising from the currency mix mismatch between the ZWG and US\$ on revenues and expenditures in periods where revenues denominated in ZWG may increase while providers of goods and services mostly prefer settlement more in US\$ than what the Company is able to generate from the normal trading sales.

Negotiations with suppliers is an ongoing daily process, in an effort to ensure purchases are done at affordable and fair prices as well as allowing the flexibility to switch between the US\$ and ZWG currencies when settling obligations as this is depended on what currency mix forms the company's cash balances.

Notably, the volatility of the ZWG/US\$ exchange rate has posed significant challenges. By the end of September, the Zimbabwean dollar experienced a significant devaluation, increasing the risks associated with holding substantial ZWG cash balances. In response to these dynamics, by 31 March 2025, the business had successfully negotiated with several suppliers to settle a portion of its obligations in ZWG thereby running down cash balances. This strategic move helped mitigate exposure to exchange rate fluctuations associated with ZWG cash balances.

Notes to the Consolidated and Separate Financial Statements

26. Going concern (continued)

26.1.3 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. The international businesses which include Hippo Valley Estates are not in business rescue. Note that, Hippo Valley Estates sugar operations are not financially distressed, will not enter business rescue and will continue trading. In addition, with regards intercompany transactions with the South African operations, Hippo Valley Estates is in a net owing position hence exposure due to the development is also minimal. In relation to the processes, there are no key processes with the sister company that would threaten the Company's going concern.

Recent updates relate to the sale of the Tongaat Hullet Limited shares in Triangle Sugar Corporation (Company's majority shareholder) to Vision Sugar Holdings (Mauritius). This means that Vision has now formally replaced the Lender Group and is now the sole lender to Tongaat Hulett Limited (THL). Work is continuing with the Business Rescue Practitioners and Vision Partners to finalise the completion of the alternative transaction which is the sale of THL's operations and assets to Vision.

26.1.4 Geo-political events in Eastern Europe and America

Global commodity prices, such as sugar, can be influenced by geo-political events. Any disruptions in sugar production or transportation routes in Eastern Europe could lead to fluctuations in sugar prices on the global market. Potential disruptions in the European and American sugar supply pose a risk to profitability if alternative markets are not secured by the company. This has the potential to contribute to lower profit margins and cashflow constraints. The company has begun initiatives to eliminate discretionary/non-essential expenditure through project 'Zambuko' an initiative earmarked to enhance revenues and reduce the cost of doing business. The procure to pay committee is also sitting every week reviewing and approving limited expenditure.

Recent pronouncements by the United States of America on increasing import tariffs has become an increasingly pressing issue for businesses, driving up costs and creating new challenges across supply chains. Hippo Valley Estates assessed the potential impact on operations, profitability, and competitive positioning with continuous engagements being pursued with USA customers as well as applying a conservative approach on projected sales.

27. Financial instruments

27.1 Group risk management

The Group and Company manages its capital to ensure that entities in the Group and Company will be able to continue as a going concern while maximizing the return to stakeholders through an appropriate debt and equity balance. The Group's strategy remains relatively unchanged from 2024. The capital structure of the Group and Company consists of debt, which includes leases and borrowings, cash and cash equivalents and equity comprising issued share capital, non-distributable reserves, and retained earnings as disclosed in the financial statements.

27.1.1 Gearing ratio

The Board reviews the capital structure on an ongoing basis depending on the emerging needs of the Group. The borrowing powers are detailed in note 23. The gearing ratios at end of year are as calculated below.

	31.03.25 US\$'000	31.03.24 US\$'000
Debt (i)	12 695	12 549
Cash and bank balances	(3 607)	(1 314)
Net debt	9 088	11 235
Equity (ii)	96 942	83 638
Debt plus Equity	109 637	96 187
Gearing ratio	11.58%	13.05%
Net debt to equity ratio	9.37%	13.43%

- (i) Debt is defined as long-term and short-term borrowings and lease liabilities.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

Notes to the Consolidated and Separate Financial Statements

27. Financial instruments (continued)

27.2 Categories of financial instruments

	31.03.25 US\$'000	31.03.24 US\$'000
Financial assets		
Amortised cost		
Cash and cash equivalents	3 607	1 314
Amount owing by group companies-loan to related parties	7 187	6 975
Financial assets in trade and other receivables	19 753	28 879
Total trade and other receivables (note 7)	32 177	41 976
Less: Prepayments	(8 036)	(7 947)
VAT	(3 184)	(5 150)
ZSS and Mkwashine current account	(1 204)	-
	30 547	37 168
Financial liabilities		
Amortised cost		
Trade and other payables (note 11)	28 882	32 297
Borrowings	12 492	12 456
Amount owing to group companies-loan by related parties	1 000	-
	42 374	44 752

27.3 Fair value of financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The Group and Company currently does not hold any other forms of financial instruments.

27.4 Financial risk management objectives

The Board through the Audit Committee and in conjunction with relevant senior management manages the financial risks relating to the operations of the Group and Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks comprise market risk including currency risk and interest rate risk, credit risk and liquidity risk as well as ancillary risks such as political risk.

In a rapidly changing environment such as Zimbabwe, these risks are managed on an on-going basis. The Group and Company does not enter into or trade in financial instruments for speculative purposes.

27.5 Market risk

The Group and Company's activities expose it primarily to financial risk of interest rates and changes in foreign currency exchange rates.

27.6 Interest rate risk management

The Group and Company is exposed to interest rate risk as entities in the Group and Company borrow funds at fixed interest rates which are however subject to changes in minimum lending rate as gazetted by the authorities. The risk is managed by the Group and Company by optimal borrowing and managing the tenure of various loans. Details of the interest rates on the Group and Company's short term liabilities are provided in note 14.1. Details of the interest rates on the Group and Company's receivables are provided in note 7. Details of the interest rates on the Group and Company's amounts owing by and to group companies are provided in note 23.

27.6.1 Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings. With all other variables held constant, the Group's profit before tax is affected by the impact of changes in the interest rate.

Notes to the Consolidated and Separate Financial Statements

27. Financial instruments (continued)

27.6.1 Interest rate sensitivity analysis (continued)

The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities held at the end of the reporting period. A 10% (2024: 75%) increase or decrease in the current year is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For a 10% decrease in the interest rate there will be a comparable impact on the profit before tax and equity and the balances below would be positive.

	31.03.25 US\$'000	31.03.24 US\$'000
Decrease by 10% (2024:75%)		
Effect on profit before tax	1 249	9 342
Effect of on equity	940	7 033
Increase by 10% (2024:75%)		
Effect on profit before tax	(1 249)	(9 342)
Effect of on equity	(940)	(7 033)

27.7 Foreign currency risk management

The Group and Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group and Company does not use forward exchange contracts to hedge its foreign currency risk. The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Liabilities		Assets	
	31.03.25 US\$'000	31.03.24 US\$'000	31.03.25 US\$'000	31.03.24 US\$'000
Exposure to (payables)/receivables (US\$)	-	(6 483)	-	684
Exposure to (payables)/receivables (ZAR)	(11 416)	(216)	30	-
Exposure to (payables)/receivables (ZWG)	(139)	-	1 167	-
	11 555	(6 699)	1 197	684

27.7.1 Foreign currency sensitivity analysis

The Group and Company is mainly exposed to the currencies of South Africa (ZAR) and the Zimbabwe Gold (ZWG) in the current year given that the functional currency is US\$. In the prior year the Group and company was mainly exposed to the currencies of South Africa (ZAR) and the United States of America (US\$) since the functional currency was the Zimbabwe Dollar (ZWL).

The following table details the Group and Company's sensitivity to a 10% increase and decrease in the US\$ exchange rate against the relevant foreign currencies. Given that the functional currency was ZWL in the prior year, the Group and Company's sensitivity showed the 75% increase and decrease in the ZWL exchange rate against relevant foreign currencies (US\$ and ZAR). 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as where the denomination of the loan is in a currency other than the US\$ (2024: ZWL). For a 10% weakening of the US\$ against the relevant currency (2024: 75% weakening of the ZWL against the relevant currency), there would be a comparable impact on the profit and other equity, and the balances below would be negative.

Notes to the Consolidated and Separate Financial Statements

27. Financial instruments (continued)

27.7.1 Foreign currency sensitivity analysis (continued)

	ZWG Impact	US\$ Impact		ZAR Impact	
	31.03.25 US\$'000	31.03.24* US\$'000	31.03.25 US\$'000	31.03.24 US\$'000	31.03.25 US\$'000
Increase by 10% (2024:75%)					
Statement of comprehensive income	(103)	-	-	(4 349)	(1 139)
Effect on equity	(77)	-	-	(3 274)	(857)
Decrease by 10% (2024:75%)					
Statement of comprehensive income	103	-	-	4 349	1 139
Effect on equity	77	-	-	3 274	857

	ZWG Impact	US\$ Impact		ZAR Impact	
	31.03.25 US\$'000	31.03.24* US\$'000	31.03.25 US\$'000	31.03.24 US\$'000	31.03.25 US\$'000
Increase by 10% (2024:75%)					
Statement of comprehensive income	(103)	-	-	(4 349)	(1 139)
Effect on equity	(77)	-	-	(3 274)	(857)
Decrease by 10% (2024:75%)					
Statement of comprehensive income	103	-	-	4 349	1 139
Effect on equity	77	-	-	3 274	857

* The Zimbabwean currency was changed from Zimbabwe dollars (ZWL) to Zimbabwe Gold (ZWG) by the Reserve Bank of Zimbabwe (RBZ) effective the 5th of April 2024 therefore there are no prior year comparative amounts for the ZWG foreign exchange rate impact.

27.8 Other price risks

The Group does not have exposure to equity price risk as it does not hold shares in any listed securities.

27.9 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. This is managed by a separate marketing arm of the Sugar Industry - Zimbabwe Sugar Sales which largely sells to long established customers.

27.10 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which approves the Group's short, medium and long term funding and liquidity management requirements as recommended by management from time to time. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the Consolidated and Separate Financial Statements

27. Financial instruments (continued)

27.10.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average interest rate %	Less than 1 month US\$'000	1 - 3 months US\$'000	3 months to 1 year US\$'000	1 - 5 years US\$'000	Total US\$'000
31.03.25						
Trade and other payables		28 882	-	-	-	28 882
Amounts owing to group companies [^]		-	-	1 000	-	1 000
Lease liability [^]		-	-	66	137	203
Fixed rate loans						
Stanbic –USD	11%	-	-	10 629	-	10 629
CBZ Overdraft	13%	-	-	1 863	-	1 863
		28 882	-	13 558	137	42 577

	Weighted average interest rate %	Less than 1 month US\$'000	1 - 3 months US\$'000	3 months to 1 year US\$'000	1 - 5 years US\$'000	Total US\$'000
31.03.24						
Trade and other payables		32 297	-	-	-	32 297
Stanbic –USD	7.5%	-	-	12 456	-	12 456
		32 297	-	12 456	-	44 753

[^] Amounts owing by group companies and lease liability were erroneously excluded from the note in the prior year. This was corrected prospectively from the current year. The exclusions had no impact on the main financial statements.

27.10.2 Financial facilities

Unsecured loan facilities with various maturity dates through to 31 March 2025 and which may be extended by mutual agreement.

	31.03.25 US\$'000	31.03.24 US\$'000
CBZ Bank		
-amount used	1 863	-
-amount unused	8 137	2 125
	10 000	2 125
Stanbic Bank		
-amount used	10 629	12 456
-amount unused	4 371	2 544
	15 000	15 000
Total facilities available	25 000	17 125
Analysed as follows:		
-total amount used	12 492	12 456
-total amount unused	12 508	4 669

Definition of Terms

Capital employed

Total capital and reserves plus long-term borrowings.

Current ratio

Current assets divided by current liabilities.

Gearing ratio

Interest bearing debt less cash and bank balances divided by total share capital and reserves.

Earnings per share

Profit for the year divided by the weighted average number of shares in issue at year-end.

Interest cover

Operating profit divided by interest payable.

Market capitalisation

Number of shares in issue at year-end multiplied by the closing price per share.

Net asset value

Total assets minus total liabilities excluding deferred taxation.

Net asset value per share

Net asset value divided by the number of shares in issue at year-end.

Net worth per share

Total capital and reserves divided by the number of shares in issue at year-end.

Operating profit

Profit before interest, dividends received, taxation and share of associate companies' profits.

Return on total capital and reserves

Profit for the year expressed as a percentage of total share capital and reserves.

Shareholders' funds

Issued share capital, share premium, capital reserve, revenue reserves and proposed dividend.

Total liabilities

Long-term borrowings and current liabilities excluding deferred taxation.

Analysis of Shareholders

As at 31 March 2025

	SHAREHOLDERS		SHARES	
	Number	%	Number	%
Shareholders registered with Zimbabwean addresses	1 395	82	167 246 820	87
Shareholders registered with foreign addresses	315	18	25 773 744	13
	1 710	100	193 020 564	100
Shares held by:				
Individuals	1 117	65	9 473 056	5
Pension funds and insurance companies	289	17	49 952 855	26
Other corporate bodies	304	18	133 594 653	69
	1 710	100	193 020 564	100

	Number of shares	%
1 TRIANGLE SUGAR CORPORATION LIMITED,	97 124 027	50.32
2 CAPE CANARY LIMITED	19 314 480	10.01
3 OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	18 257 928	9.46
4 STANBIC NOMINEES (PRIVATE) LIMITED	13 796 753	7.15
5 NATIONAL SOCIAL SECURITY AUTHORITY	12 002 759	6.22
6 MINING INDUSTRY PENSION FUND	2 769 755	1.43
7 STANDARD CHARTERED NOMINEES (PVT)LTD (SCB)	1 390 561	0.72
8 DELTA BEVERAGES PENSION FUND	1 285 627	0.67
9 REDAN COUPON PRIVATE LIMITED	1 255 000	0.65
10 OLD MUTUAL ZIMBABWE LIMITED	1 069 576	0.55
	168 266 466	87.18

Notes

Notes

Notes

This is what Genuine Huletts SunSweet Brown Sugar looks like...



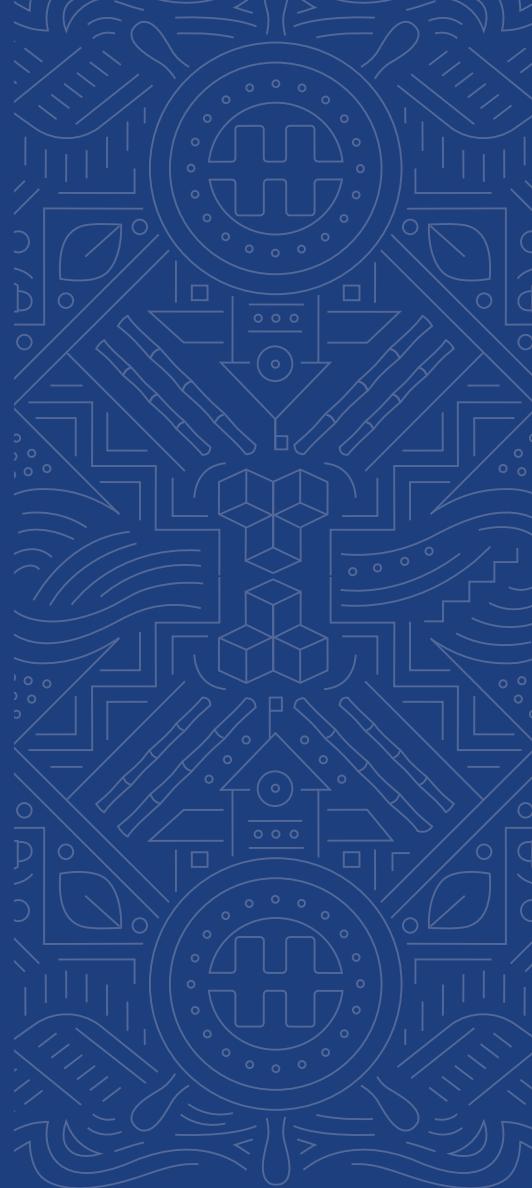
Huletts®
A little Huletts sweetness goes a long way

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Hippo Valley Estates Limited

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