

GB Holdings Limited

Abridged Audited Financial Results

For the year ended 31 December 2024



CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction
The results for the year ended 31 December 2024 are hereby presented to you. Commentary is on inflation adjusted figures.

Despite the relentless efforts to quell the geopolitical conflicts in Europe and the Middle East in the year, the protagonists remained defiant upsetting flow of commodities from countries of origin. Inevitably the costs of extraction and delivery increased to primary processors of raw materials setting forth price increases downstream as adaptive strategies to circumvent channel constraints in the value chain evolved. In an effort to fund the conflict, mineral ore reserves were drawn down culminating in a prolonged bearish market for platinum in the global market.

Locally, the concerted effort by the authorities to tame the twin challenges of exchange rate volatility and the attendant hyperinflation shaped the greater part of the operating environment following the adoption of the ZWG in April 2024. The subsequent devaluation of the ZWG currency by 43% in September 2024 further cemented the resolve to stabilise prices and stimulate growth in the economy. The enforcement of the exchange control measures reduced pricing flexibility and compromised business viability. The informal sector presented formidable price competition on the products the company supplied due to relatively liberalised enforcement.

In response to the policy changes, the company focused on delivering a commensurate value proposition to its customers through innovative pricing models leveraging on the diversity of customer’s profiles and enhanced its competitive market positioning. The rubber division commissioned the second boiler further improving internal process efficiencies. Cernol Chemicals volumes grew on the back of market recovery in the traditional markets and consolidation in its niche markets .

Group Performance
The total volumes at 812 metric tonnes were 12% lower than the comparable period's 922 due to reduced aggregate demand in the economy.

Total turnover at ZWG 77 million decreased by 49% when compared with the prior year same period's ZWG 150 million in tandem with reduced volumes and the effects of currency conversion in the year. Gross profit margin

Auditor’s Statement

These abridged financial statements derived from the audited financial statements of GB Holdings Limited, for the financial year ended 31 December 2024, should be read together with the complete set of audited financial statements of the Company, for the year ended 31 December 2024, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe), and the auditor's report signed by Trevor Mungwazi, Registered Public Auditor 0622. An adverse opinion has been issued on the audited financial statements regarding the non-compliance with International Accounting Standard (IAS) 21 – The Effects of Changes in Foreign Exchange Rates.


The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the financial statements. The key audit matters were with respect to the appropriateness of the revenue recognition criteria and adequacy of allowance for credit losses on trade receivables. The auditor's report on the financial statements and the full set of the audited financial statements is available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Company's full year abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Company's full year abridged financial statements fairly present the state of affairs of the Company as at the end of the year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

Abridged Statement of financial position as at 31 December 2024

	Notes	Inflation Adjusted		Historical cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
ASSETS					
Non-current assets					
Property, plant and equipment	8	108 304 508	115 664 752	64 874 263	69 549 920
Current assets					
Inventories	9	4 791 811	19 672 262	4 592 101	11 829 051
Trade and other receivables	10	21 069 668	26 559 915	21 069 668	15 970 639
Cash and cash equivalents	11	662 227	2 344 247	662 227	1 409 610
		26 523 706	48 576 424	26 323 996	29 209 300
Total assets		134 828 214	164 241 176	91 198 259	98 759 220
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		2 464 813	2 464 813	1 482 107	1 482 107
Share options reserve		88 195	88 195	53 032	53 032
Non distributable reserve		(34 841 300)	-	(20 950 286)	-
Revaluation reserve		61 718 833	61 718 833	37 111 910	37 111 910
Retained earnings		57 392 938	30 833 238	35 252 945	18 540 214
		86 823 479	95 105 079	52 949 708	57 187 263
Non-current liabilities					
Deferred tax		24 857 168	24 470 359	15 100 984	14 714 175
Current liabilities					
Trade and other payables	12	20 128 927	39 645 600	20 128 927	23 839 142
Corporate tax payable		3 018 640	5 020 138	3 018 640	3 018 640
		23 147 567	44 665 738	23 147 567	26 857 782
Total liabilities		48 004 735	69 136 097	38 248 551	41 571 957
Total equity and liabilities		134 828 214	164 241 176	91 198 259	98 759 220


T. Mabeza
Chairman


J. Gunda
Managing Director

Abridged Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	Inflation Adjusted		Historical cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Revenue	13	77 130 998	150 076 170	54 321 065	90 241 715
Cost of sales		(41 159 652)	(89 214 796)	(30 375 782)	(53 645 400)
Gross profit		35 971 346	60 861 374	23 945 283	36 596 315
Other income	14	39 097 917	29 070 063	25 872 416	17 480 006
Operating expenses		(46 280 763)	(80 569 766)	(32 718 159)	(54 679 662)
Profit/ (loss) from operations		28 788 500	9 361 671	17 099 540	(603 341)
Finance costs	15	-	(10 555)	-	(6 347)
Profit/ (loss) before tax and monetary loss		28 788 500	9 351 116	17 099 540	(609 688)
Monetary loss		(1 841 991)	(10 365 056)	-	-
Profit/ (loss) before tax		26 946 509	(1 013 940)	17 099 540	(609 688)
Income tax (expense)/credit	16	(386 809)	447 099	(386 809)	268 843
Profit/(loss) for the year		26 559 700	(566 841)	16 712 731	(340 845)
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income / (loss) for the year		26 559 700	(566 841)	16 712 731	(340 845)
Basic earnings / (loss) per share (cents)		0.049	(0.001)	0.031	(0.001)
Diluted earnings / (loss) per share (cents)		0.049	(0.001)	0.031	(0.001)
Headline earnings / (loss) per share (cents)		0.049	(0.001)	0.031	(0.001)

declined by 41% from the comparable period due to reduced throughput and increased dollarisation in the economy. Operating costs at ZWG 46 million were 43% lower than the comparable period's ZWG 81 million due to cost reduction efforts .
A resultant operating profit of ZWG 29 million was 322% above the comparable period's ZWG 9 million.

Divisional performance

General Beltings

Total volumes at the rubber division at 238 metric tonnes declined by 37% from the comparable period's 379 metric tonnes due to the reduced product demand. Turnover at ZWG 42 million was 61% lower than the comparable period's ZWG 107 million due to reduced volumes and limited pricing opportunities.

Cernol Chemicals

Cernol Chemicals volumes at 574 metric tonnes were 5% above the comparable period's 543 metric tonnes as it regained its traditional markets and etched new markets niches. However the turnover at ZWG 35 million was 19 % lower than the comparable period's ZWG 43 million due to increased price competition.

Environmental Social Sustainability & Governance

The company regularly reviews its comprehensive waste water treatment procedures which are aimed at ensuring that discharges are not harmful to the downstream ecosystem and aquatic life. The company collaborates and cooperates with the Environmental Management Agency (EMA) and complies with all regulations in this regard.

Raw materials for both divisions are sourced from environmentally conscious partners. Formulations strive to eliminate any substances that have been shown to harm the environment.

Dividend

At their meeting on 10 April 2025, the Board considered the going concern status of the business and resolved not to declare a dividend.

Abridged Statement of changes in equity for the year ended 31 December 2024

	Inflation Adjusted					
	Share capital ZWG	Share options reserve ZWG	Non Distributable reserve ZWG	Revaluation reserve ZWG	Retained earnings ZWG	Total ZWG
Balance at 1 January 2023	2 464 813	88 195	-	61 718 833	31 400 079	95 671 920
Total comprehensive loss for the year	-	-	-	(566 841)	(566 841)	(566 841)
Balance at 31 December 2023	2 464 813	88 195	-	61 718 833	30 833 238	95 105 079
Effects of changes in functional currency	-	-	(34 841 300)	-	-	(34 841 300)
Total comprehensive income for the year	-	-	-	-	26 559 700	26 559 700
Balance at 31 December 2024	2 464 813	88 195	(34 841 300)	61 718 833	57 392 938	86 823 479

	Historical cost				
	Balance at 1 January 2023	1 482 107	53 032	-	37 111 910
Total comprehensive income for the year	-	-	-	(340 845)	(340 845)
Balance at 31 December 2023	1 482 107	53 032	-	37 111 910	18 540 214
Effects of changes in functional currency	-	-	(20 950 286)	-	(20 950 286)
Total comprehensive income for the year	-	-	-	-	16 712 731
Balance at 31 December 2024	1 482 107	53 032	(20 950 286)	37 111 910	35 252 945

Abridged Statement of cash flows for the year ended 31 December 2024

	Notes	Inflation Adjusted		Historical Cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit / (loss) before tax		26 946 509	(1 013 940)	17 099 540	(609 688)
Adjusted for:					
Depreciation charge for the year	8	7 790 968	2 485 613	4 935 611	1 494 614
Interest expense	15	-	10 555	-	6 347
Profit on disposal of assets		(177 572)	(1 450 094)	(111 706)	(871 950)
Monetary loss		1 841 991	10 365 056	-	-
Operating cash inflows before working capital changes		36 401 896	10 397 190	21 923 445	19 323
Changes in working capital					
Decrease / (increase) in inventories		14 880 451	(9 494 643)	7 236 950	(5 709 189)
Decrease / (increase) in trade and other receivables		5 490 247	(11 618 088)	(5 099 029)	(6 986 027)
(Decrease)/ Increase in trade and other payables		(19 516 673)	19 779 349	(3 710 215)	11 893 443
Cash generated / (utilised) from operating activities		37 255 921	9 063 808	20 351 151	(510 450)
Income tax paid		-	(190 801)	-	(114 730)
Net cash generated / (utilised) from operating activities		37 255 921	8 873 007	20 351 151	(625 180)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of vehicles		178 356	2 568 611	112 199	1 544 521
Purchase of equipment	8	(431 508)	(414 274)	(260 447)	(249 105)
Net cash (utilised) /generated in investing activities		(253 152)	2 154 337	(148 248)	1 295 416
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid	15	-	(10 555)	-	(6 347)
Effects of foreign currency translation		(34 841 300)	-	(20 950 286)	-
Net cash (outflows) from financing activities		(34 841 300)	(10 555)	(20 950 286)	(6 347)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2 161 469	11 016 789	(747 383)	663 889
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2 344 247	1 240 171	1 409 610	745 721
Effects of inflation on cash and cash equivalents		(3 843 489)	(9 912 713)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	662 227	2 344 247	662 227	1 409 610

Notes to the financial statements

- Nature of operations**
The main business of the company, which is incorporated in Zimbabwe (Registration Number 510/68), is that of producing rubber and chemical products.
- General information, basis of preparation and statement of compliance with IFRS**
The abridged financial statements are for the year ended ended 31 December 2024 and are presented in Zimbabwe Gold (ZWG), which is the functional currency of the Company and all values are rounded to the nearest dollar. They are based on historical cost approach and restated to take account of inflation in accordance with International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies) - IAS 29. Accordingly the inflation adjusted abridged financial statements represent the principal abridged financial statements of the Company.

In accordance with IAS 29, the abridged financial results and the corresponding figures for the previous period have been restated to take account of the changes in the general purchasing power of the Zimbabwe gold (ZWG) and as a result are stated in terms of the measuring unit current at balance sheet date – 31 December 2024. The restatement is based on conversion factors derived from the Total Consumer Poverty Line (TCPL) compiled by the Zimbabwe Central Statistical Office.

- Conversion from Zimbabwean Dollar to Zimbabwe Gold**
Following the introduction of the Zimbabwe Gold currency by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and the Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwean Dollar (ZWL) balances were converted into ZWG as at that date. The swap rate of ZWG 1 : ZWL 2,498,7242 was used as guided by the closing interbank exchange rate and the price of gold as at that date. The previously reported balances for December 2023 (income statement) and transactions between 1 January 2024 and 31 March 2024 were inflated to the 31st of March 2024. These amounts were converted using the same rate for adoption as the comparative balances and current results in the audited financial results for the period ended 31 December 2024. For the opening balances in the balance sheet, management also inflated to the 31st of March 2024.

Conversion factors as at 31 March 2024:

	Index	Conversion factor
TCPL as at 31 December 2022	31	13.672.91
TCPL as at 31 December 2023	65.703	6.53
TCPL as at 31 March 2024	429.220	1.00

Outlook

The recovery of the global economy and the uptick in mineral commodity prices will stimulate demand from the company's customers. In addition the improved agricultural season will assist in the growth of the agricultural and hospitality sectors that will in turn accelerate Cernol Chemicals recovery efforts.

The company is poised to cope with increased demand of products underpinned by enhanced production capacity and internally generated working capital funding. Strategic partnerships and critical skills retention remain key in the company's ability to remain competitive in its delivery of a commensurate value proposition to its customers.

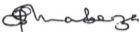
Directorate

A dark cloud hung on the company as it lost two of its long serving Directors Dr. Israel Murefu and Mr. Chamas Dzumbunu in January 2025. Both served the company diligently and participated in its recovery journey. May their souls rest in eternal peace.

I also take this opportunity to welcome three new non-Executive Directors, namely Dr. Tariro Mushuku Mushayavanhu, Mr. Tapiwa Zhou and Mr. Ndimiso Sibanda to the Board. We believe they have the necessary skills that will propel the company further in its endeavour to meet stakeholder expectations.

Appreciation

The company has pulled through a difficult year with the support of employees, management and the Board's wise counsel. I remain grateful for the support in the year and look forward to the same in the ensuing year.



T. MABEZA
Chairman
30 April 2025

4 Inflation adjustment

International Accounting Standards (IAS 29) requires that the financial results prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for the previous period be restated on the same terms. The standard requires the use of a general Price Index of the hyperinflationary currency as the basis for restatement. However, the lack of accessibility to the ZWG inflation data poses a reporting challenge. The inflation rate was therefore estimated using monthly the Total Consumer Poverty Line (TCPL) which is published by ZIMSTAT in ZWG. The following factors were applied in the preparation of the inflation adjusted figures:

	Currency	Indices	Conversion factor
CPI on 5 April 2024	ZWG	100.0	1.66
CPI on 31 December 2024	ZWG	166.3	1.00

5 New standards adopted at 1 January 2024

There are no accounting pronouncements which have become effective from 1 January 2024 that have a significant impact on the Company's abridged financial results.

6 Significant accounting policies

The abridged Financial statements results have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial results for the year ended 31 December 2024.

7 Estimates and judgements

When preparing the abridged financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the abridged financial results, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial results for the year ended 31 December 2024. The only exceptions are the estimate of income tax liabilities which is determined in the abridged financial results using the estimated average annual effective income tax rate applied to the pre-tax income of the period.

		Inflation Adjusted		Historical Cost	
		31 Dec 2024 ZWG	31 Dec 2023 ZWG	31 Dec 2024 ZWG	31 Dec 2023 ZWG
8	Property, plant and equipment				
	Opening carrying amount	115 664 752	118 854 608	69 549 920	71 468 000
	Additions to property and equipment	431 508	414 274	260 447	249 105
	Disposals	(1 205)	(1 139 919)	(758)	(685 440)
	Disposals depreciation	421	21 402	265	12 869
	Depreciation Charge	(7 790 968)	(2 485 613)	(4 935 611)	(1 494 614)
	Closing carrying amount	108 304 508	115 664 752	64 874 263	69 549 920
9	Inventories				
	Raw materials	3 642 167	14 479 489	3 471 507	8 706 605
	Finished goods	889 924	5 169 826	873 044	3 108 648
	Work in progress	259 720	22 947	247 550	13 798
		4 791 811	19 672 262	4 592 101	11 829 051
10	Trade and other receivables				
	Trade receivables	24 126 746	32 867 036	24 126 746	19 763 149
	Less: Allowance for credit losses	(3 165 944)	(6 936 710)	(3 165 944)	(4 171 086)
	Trade receivables - net	20 960 802	25 930 326	20 960 802	15 592 063
	Other receivables	108 866	629 589	108 866	378 576
	Financial assets other than cash and cash equivalents classified as loans and receivables	21 069 668	26 559 915	21 069 668	15 970 639

INDEPENDENT AUDITOR'S REPORT

Grant Thornton

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To the members of GB Holdings Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the inflation adjusted financial statements of GB Holdings Limited set out on pages **10 to 41**, which comprise the inflation adjusted statement of financial position as at 31 December 2024, the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of the significant accounting policies.

In our opinion, because of the significance of the matter described in the *Basis for Adverse Opinion* section of our report, the financial statements do not present fairly, in all material respects, the financial position of GB Holdings Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21)

As disclosed in **Note 1.3** to these financial statements, management determined that the Company's functional currency, being the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company, had changed from Zimbabwe Dollar (ZWL) to United States Dollar (USD) effective 1 January 2024. Subsequent to the assessment and determination of the USD as the Company's functional currency, the Company continued to use the ZWL as its functional currency.

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024, introduced a new currency, the Zimbabwe Gold (ZWG) to be the unit of account for transactions previously denominated in ZWL. Following the introduction of ZWG, management reassessed the functional currency and determined that the USD continued to be the Company's functional currency. The Company continued to use the local currency as its functional currency for the year ended 31 December 2024.

According to IAS 21, "an entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions". The continued use of the local currency as the Company's functional currency when the underlying transactions, events and conditions of the Company have changed, constitutes a departure from the requirements of IAS 21. The effects of non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the financial statements as a whole.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements:

Areas of focus	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA) 240 – <i>"The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements" Revised</i>. There is a risk that revenues are presented at amounts higher than what has been generated by the Company. This is a</p>	<p>Our audit procedures incorporated a combination of tests of the Company's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion.</p>

Areas of focus	How our audit addressed the key audit matter
<p>significant risk and accordingly a key audit matter.</p>	<p>Our substantive procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewed that the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15 – ‘<i>Revenue from contracts with customers</i>’; • Performed cut-off tests on year-end balances to ensure revenue is recognised in the correct period; • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions; • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review; • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation); and • Analytical procedures and assessed the reasonableness of explanations provided by management. <p>We satisfied ourselves that the revenue recognition is appropriate.</p>
<p>Adequacy of allowance for credit losses on trade receivables</p> <p>As at 31 December 2024, the Company had trade receivables amounting to ZWG 21 069 668. This was considered to be an area of focus as IFRS 9 - <i>Financial Instruments</i> requires management to exercise significant judgement using subjective assumptions when</p>	<p>Assessed management’s allowance for credit losses, which included the following:</p> <ul style="list-style-type: none"> • We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9;

Areas of focus	How our audit addressed the key audit matter
<p>determining both timing and amounts of the impairment provision for trade and other receivables.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> • The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company's expected credit loss model; and • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows. 	<ul style="list-style-type: none"> • We assessed and tested the modelling assumptions with a focus on the: <ul style="list-style-type: none"> i. Key modelling assumptions adopted by the Company. ii. Reliability of the historical data collected; and iii. Appropriateness of macroeconomic factors used. • We examined a sample of exposures and performed procedures to evaluate the: <ul style="list-style-type: none"> i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. • We assessed the adequacy of the disclosures in the financial statements. <p>Based on our audit work performed, the assumptions used by management were appropriate.</p>

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report', 'Corporate governance report', 'Chairman's report', and 'Managing Director's report', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of GB Holdings Limited audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matter described in the *Basis for Adverse Opinion*, the financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act [Chapter 24:31].

The engagement partner on the audit resulting in this Independent Auditor's Report is Trevor Mungwazi.

Grant Thornton

Trevor Mungwazi
Partner

Registered Public Auditor (PAAB No: 0622)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

30 April2025