

MEIKLES

— L I M I T E D —

SHORT FORM FINANCIAL ANNOUNCEMENT | For the year ended 28 February 2025



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

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

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

FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL COST*	
	28 FEB 2025 AUDITED ZWG 000	% change Feb 2025 vs Feb 2024	28 FEB 2025 UNAUDITED ZWG 000	% change Feb 2025 vs Feb 2024
CONTINUING OPERATIONS				
Revenue	12,519,772	(2)%	8,925,904	29%
(Loss) / profit before tax	(163,455)	(118)%	47,761	(89)%
Loss for the year	(264,020)	(165)%	(14,514)	(110)%
Basic and diluted losses per share (ZWG cents)	(64.49)	(185)%	(4.55)	(130)%
Headline losses per share (ZWG cents)	(74.47)	(204)%	(9.97)	(176)%
 INFLATION ADJUSTED				
	28 FEB 2025 AUDITED ZWG 000	% change Feb 2025 vs Feb 2024	28 FEB 2025 UNAUDITED ZWG 000	% change Feb 2025 vs Feb 2024
Total assets	3,237,454	27%	2,753,169	77%
Total equity	1,506,846	(5)%	1,158,792	21%
Total liabilities	1,730,608	78%	1,594,377	166%

*Historical cost financial highlights are provided only as supplementary information. The primary financial information is the inflation adjusted financial highlights. The auditor's opinion relates only to the inflation adjusted financial results.

Functional and presentation currency

On 5 April 2024, the Reserve Bank of Zimbabwe ("RBZ"), through the Monetary Policy Statement ("MPS") introduced a new local currency, the Zimbabwe Gold ("ZWG"). On the same date, the Zimbabwe dollar (ZWL), which was the Company's functional and presentation currency was discontinued. Consequently, the functional and presentation currency of the Company changed to ZWG on that same date. The transition to new currency is detailed in the full announcement.

Auditor's Statement

The consolidated inflation adjusted financial statements from which this abridged version has been extracted, have been audited by Ernst & Young Chartered Accountants (Zimbabwe). An unqualified opinion has been issued on the consolidated inflation adjusted financial statements. The audit report also includes a key audit matter with regards to Right of use assets and Lease liabilities accounted for in terms of IFRS 16 'Leases'- specifically determination of lease modifications and incremental borrowing rates. The auditor's report is available for inspection at the Company's registered office.

The Audit Partner for this engagement was Wadzanai Makuwa (PAAB Practising certificate number 0636).

Dividend Declaration

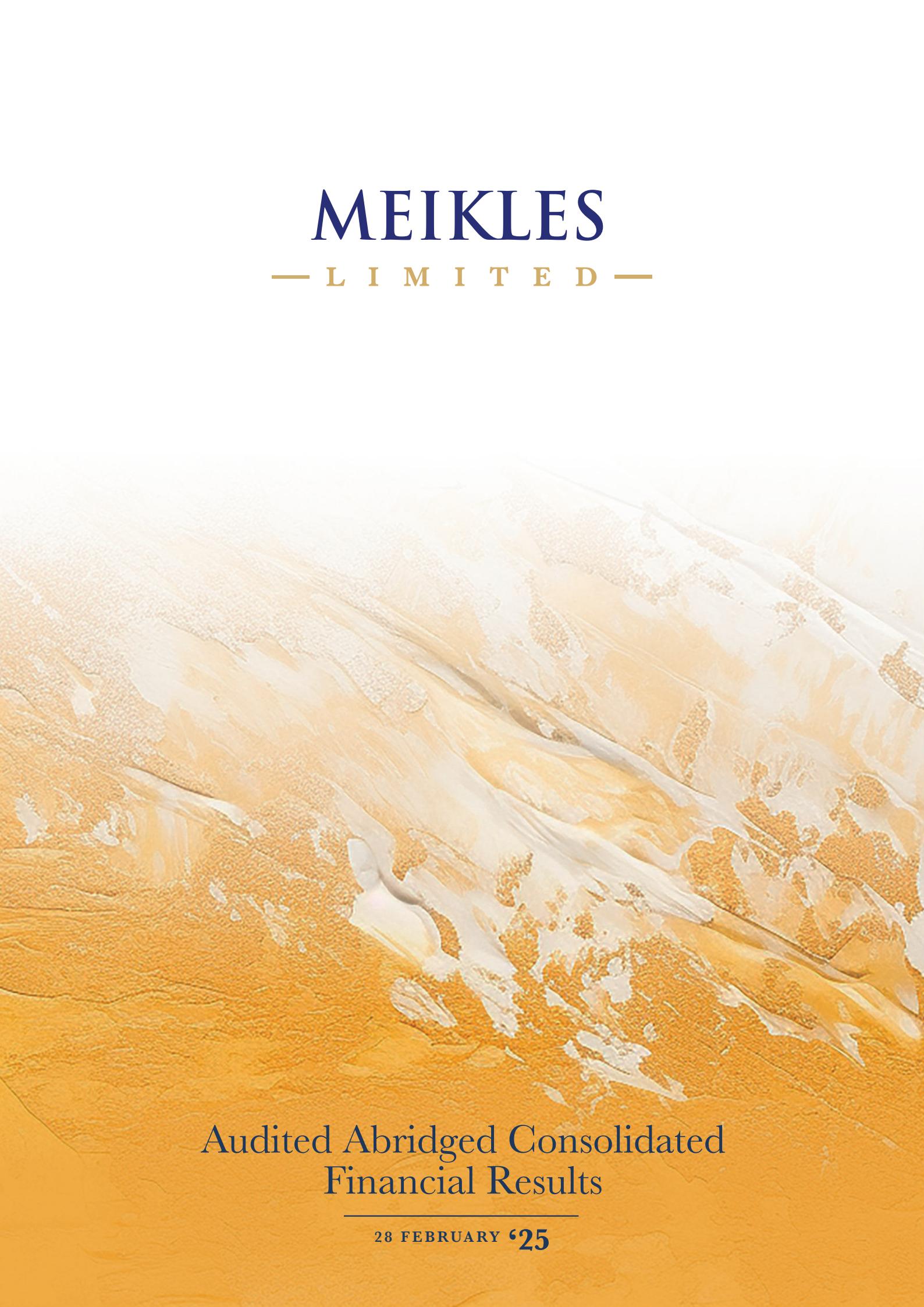
The Board declared a final dividend of ZWG 0.21 (0.80 US\$ cents), taking the total dividend for the financial year to ZWG 0.40 (1.50 US\$ cents) per share, inclusive of an interim dividend of ZWG 0.19 (0.70 US\$ cents).



F. King
Acting Chairman

MEIKLES

— L I M I T E D —



Audited Abridged Consolidated
Financial Results

28 FEBRUARY '25

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GROUP PERFORMANCE FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL COST	
	ZWG 000	% change Feb 2025 vs Feb 2024	ZWG 000	% change Feb 2025 vs Feb 2024
CONTINUING OPERATIONS				
Revenue	12,519,772	(2)%	8,925,904	29%
Net operating costs	3,400,930	4%	2,405,806	35%
(Loss) / profit before tax	(163,455)	(118)%	47,761	(89)%
Loss for the year	(264,020)	(165)%	(14,514)	(110)%
Basic and diluted losses per share (ZWG cents)	(64.49)	(185)%	(4.55)	(130)%
Headline losses per share (ZWG cents)	(74.47)	(204)%	(9.97)	(176)%

CHAIRMAN'S STATEMENT

It gives me pleasure to present the Chairman's Report for the year ended 28 February 2025. The year under review was marked by macroeconomic volatility, currency reforms, and significant regulatory developments that tested the resilience and adaptability of our business. I am pleased to report that despite these challenges, the Group maintained operational stability, navigated strategic transitions, and made notable progress in key areas of our business.

OPERATING ENVIRONMENT

The Government introduced the Zimbabwe Gold (ZWG) currency in April 2024, replacing the Zimbabwe Dollar (ZWL) in a bid to stabilise the economy and reduce inflationary pressures. While this move introduced a measure of stability, the currency underwent a 43% devaluation in October 2024 to align the official exchange rate more closely with the parallel market.

The United States Dollar (USD) remained the predominant currency in the economy. However, persistent dual pricing regimes and the regulation of in-store exchange rate for formal retailers led to price distortions. This significantly undermined our competitiveness in USD sales, constrained restocking capabilities, and impacted viability across the formal retail sector. Additionally, tight ZWG liquidity further suppressed consumer demand throughout the year.

GROUP FINANCIAL PERFORMANCE

The Group's presentation currency changed from Zimbabwe Dollar (ZWL) to Zimbabwe Gold (ZWG) in April 2024, when Government introduced ZWG and demonetised ZWL. The Group complied with guidance issued by the Public Accountants and Auditors Board (PAAB) which stated that entities whose functional currency is ZWG should apply IAS 29 when preparing their financial statements. Historical financial statements have been presented as supplementary information. The directors advise users to exercise caution when interpreting the financial statements, as distortions may arise when reporting in a hyperinflationary economy. Commentary on the financial results is primarily based on the inflation adjusted financial statements.

Group revenue declined by 2% to ZWG 12.5 billion (Previous year: ZWG 12.8 billion) in inflation adjusted terms, while reflecting a 29% growth in historical cost terms. Revenue for the supermarket segment declined by 2%, despite a 1% growth in units sold. The supermarket segment contributed 99.6% of the Group's revenue. The gross profit margin was 22.69% and almost identical to 22.61% achieved last year. In historical cost terms, the gross profit margin rose to 28.22% up from 22.61% the previous year.

Group net operating costs increased by 4% (In historical cost: 35%), reflecting the impact of USD price increases on certain expense categories. Employee costs declined by 6%, while occupancy and other operating costs rose by 19% and 15%, respectively. The increase in occupancy costs was primarily driven by a 20% increase in power costs, attributed to escalating electricity tariffs and the reliance on generators due to intermittent power supply from the national grid. The increase in other operating costs

was a result of the government's upward adjustment of the intermediated money transfer tax (IMTT) on USD transactions, which increased from 1% to 2% in May 2024.

The Group reported a loss of ZWG 264 million from continuing operations, a decline from a profit of ZWG 405 million in the previous year. In terms of historical cost, the loss for the year amounted to ZWG 15 million, down from a profit of ZWG 152 million last year. The previous year's profit was substantially attributed to the net monetary adjustment, which was elevated due to high inflation levels experienced in the last quarter of the previous year. This year, the net monetary adjustment declined by 61% to ZWG 628 million (Previous year: ZWG 1.6 billion) as inflation was not as pronounced as in the previous year.

Profit from discontinued operations declined by 49% to ZWG 12 million (Previous year: ZWG 24 million) due to a rise in operating costs and exchange losses.

The environment in which the Group operates is strategically best served by the maintenance of satisfactory liquidity with acceptable current asset levels relative to current liabilities and positive bank balances. The Group maintained this position.

REVIEW OF OPERATIONS

Supermarkets – trading as TM Pick n Pay

The formal retail sector operated under significant strain due to regulatory pricing restrictions and constrained liquidity. Despite these headwinds, the segment maintained sound solvency and liquidity.

During the year under review, three branches, Chegutu, Harare Street and Southwold were closed while one branch, Hogerty Hill was opened.

Revenue declined by 2% (Historical cost: 29% increase) to ZWG 12.5 billion. While the number of units sold for the year grew by 1%, there were significant fluctuations throughout the year. Units sold declined by 19% in the first quarter, increased by 24% in the second quarter, rose by 8% in the third quarter, and then decreased by 3% in the fourth quarter. The authorities controlled the in-store exchange rate throughout the year, whereas informal players used higher exchange rates aligned with the parallel market exchange rate, allowing them to offer competitive USD prices.

Revenue received in foreign currency during the year accounted for 23% of total revenue, up from 17% in the previous year. However, this revenue mix fell far short of the average mix of transactions conducted in foreign currency within the economy, creating challenges in trading terms with suppliers, and further compromising formal retail versus the informal sector.

The gross profit margin was 22.99%, a slight increase from 22.89% in the previous year. In terms of historical cost, the gross profit margin rose to 28.54%, up from 22.89% last year.

CHAIRMAN'S STATEMENT (continued)

The segment recorded a loss of ZWG 206 million, compared to a profit of ZWG 411 million in the previous year, which was entirely attributable to the net monetary adjustment. Last year, inflation was remarkably high, significantly impacting on the net monetary adjustment, which amounted to a contribution to profit of ZWG 1.6 billion (Current year: a contribution to profit of ZWG 622 million). During the year under review, inflation was not as pronounced, resulting in a 62% decrease in the net monetary adjustment.

The segment did not incur any bank loans during the year under review and financed its capital expenditure, including expenditure for Hogerty Hill and Shurugwi branches from operating cash flow. The Shurugwi branch was completed and opened in April 2025. The segment continues to meet its short-term obligations when they fall due and has managed to maintain consistently high inventory levels versus its competitors whilst ensuring adequate rotation of inventory, and continued supply commitment from its suppliers.

Hospitality

The board resolved to dispose of the Group's remaining hospitality operation before the end of the reporting period. Resultantly, the hospitality segment is presented under discontinued operations, with its assets and liabilities classified as held for sale.

Room occupancy for the year was 39%, up two percentage points from 37% in the previous year. Revenue per available room grew by 6% in USD terms. Revenue, after translation to ZWG grew by 56% due to the increase in the exchange rate to 26 ZWG: 1 USD from 13 ZWG: 1 USD in October 2024.

Profit after tax decreased by 49% to ZWG 12 million (Previous year: ZWG 24 million) due to increases in operating costs compounded by exchange loss.

Properties

Revenue from third party tenants increased by 34% (in USD: 26%), reflecting the positive impact of the ongoing refurbishment of the properties. Profit after tax decreased by 68% as last year's profit was significantly supported by a favourable net monetary adjustment of ZWG 35 million, which fell to less than a quarter of a million this year.

The Group secured a loan facility from a local bank to expedite the refurbishment of its remaining properties. The projects were at an advanced stage as of year-end, with completion anticipated during the forthcoming year.

Security Services

Revenue from external customers grew by 10%, while profit after tax increased by 24%, benefiting from a reduction in net monetary adjustment that increased by 146% this year.

SUSTAINABILITY

The Group has embedded sustainability into its strategy to guide efforts in creating long-term value, managing risk, and strengthening community relationships in the regions where we operate. We continue to integrate Environmental, Social and Governance (ESG) principles across the Group's operations, guided by international frameworks, including Global Reporting Initiative (GRI) and IFRS Sustainability Disclosure Standards.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to supporting the communities in areas where it operates and uplifting the lives of the underprivileged. Our initiatives in this regard include sourcing from local and small-scale suppliers, supporting education and health programs, and providing food to underprivileged communities.

DIVIDEND

The Board declared a final dividend of 0.8 US\$ cents per share, taking the total dividend for the financial year to 1.50 US\$ cents per share, which includes an interim dividend of 0.7 US\$ cents per

share. The dividend has been declared out of reserves related to the profit from the disposal of a 35% shareholding in offshore hospitality business in March 2022. The Group is holding cash from this disposal and will use US\$ 2.1 million for the dividend.

DIRECTORATE

Ms. C.C. Chitiyo resigned from the board in October 2024. The board was reconstituted in December 2024 through a shareholder initiative, resulting in the departure of Messrs. R. Chidembo, S. P. Cranswick, S. J. Hammond, and J. A. Mushore. Messrs. B. Ward, F. King, and M. Golding were appointed to the board as part of the reconstitution. Additionally, Mrs. S. Bwanya joined the board in February 2025, while Mr. M.J.S. Moxon stepped down in the same month.

OUTLOOK

The repeal of SI 81A through SI 34 of 2025 marks a turning point for formal retail, restoring fairer trading conditions and enabling price competitiveness in USD. The Group's supermarket segment is well-positioned, with a healthy liquidity profile to capitalise on these improvements.

Revenue performance during the first quarter of the new financial year demonstrated positive momentum, with foreign currency sales accounting for 32% of total supermarket revenues, an improvement from 27% recorded in the same period last year. Unit sales volumes rose by 8%, reflecting sustained consumer demand. Notably, the core grocery category, which represents the bulk of our volume mix, continues to deliver solid unit growth. Liquor sales have shown particularly robust expansion, supported by the strong economic activity in smaller stores located in mining towns where local economies are buoyed by mining operations.

In line with our strategic priorities, the supermarkets segment is actively deploying capital into high-impact areas aimed at maximizing growth and enhancing customer loyalty. Targeted investments are being made in high-potential stores in mining towns, liquor category development, and improvements to the supply chain for remote locations. Additionally, management is rigorously evaluating expansion opportunities arising from market developments.

On the properties front, the refurbishment and expansion of assets, particularly in Bulawayo, are nearing completion. This project will deliver the city's largest mall of its kind, featuring over 220 retail and food outlets, as well as office spaces. We expect these enhancements to significantly drive revenue growth in the properties segment through late 2025 and into 2026. The tenant mix will include a combination of smaller businesses, which generate higher rental yields, and key anchor tenants such as TM Pick n Pay and KFC. The properties division is committed to optimizing returns across the portfolio, with considerable efforts underway to achieve this objective.

At the group level, the newly constituted board has identified the streamlining of head office and group functions as a top priority. This initiative is intended to improve efficiency and strengthen accountability. Furthermore, ensuring robust financial liquidity and stability, while enhancing cash generation from operations, will remain critical objectives for the year ahead.”

APPRECIATION

I would like to thank our customers and suppliers for their continued support and our shareholders and other stakeholders, including regulatory authorities, for their assistance and guidance. I also extend my gratitude and appreciation to fellow directors, management, and staff for their dedication and commitment.



F. KING
Acting Chairman
3 July 2025



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Independent Auditor's Report

To the Shareholders of Meikles Limited

Report on the Audit of the Inflation - Adjusted Consolidated Financial Statements

Opinion

We have audited the Inflation Adjusted Consolidated financial statements of Meikles Limited and its subsidiaries ('the group') set out on pages 13 to 52, which comprise the Inflation Adjusted Consolidated statement of financial position as at 28 February 2025, and the Inflation Adjusted Consolidated statement of profit or loss and other comprehensive income, the Inflation Adjusted Consolidated statement of changes in equity and the Inflation Adjusted Consolidated statement of cash flows for the year then ended, and notes to the Inflation Adjusted Consolidated financial statements, including material accounting policy information.

In our opinion, the Inflation Adjusted Consolidated financial statements present fairly, in all material respects, the Inflation Adjusted Consolidated financial position of the group as at 28 February 2025, and its Inflation Adjusted Consolidated financial performance and Inflation Adjusted Consolidated 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 (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 Inflation Adjusted Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Inflation Adjusted Consolidated Financial Statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Inflation Adjusted Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Inflation Adjusted Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each 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 Inflation Adjusted Consolidated 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 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 financial statements.

Independent Auditor's Report (continued)

Group as lessee – lease modifications and Incremental Borrowing rate determination

Key Audit Matter	How the matter was addressed in the audit
<p>The Group's Right of Use Assets and lease liabilities as of 28 February 2025 amount to ZWG 579 842 000 and ZWG 219 747 000 (2024: ZWG 388 385 000 and ZWG 37 499 000) respectively. These amounts are significant to the Inflation Adjusted Consolidated Financial Statements.</p> <p>Accounting for lease modifications in accordance with the requirements of IFRS 16 - Leases, was a matter of most significance to our audit due to the volume of lease contracts, the level of manual intervention in the process of determining lease modifications, and the complexity surrounding the determination of the incremental borrowing rates that were used to discount lease payments. The change of functional currency from Zimbabwean Dollars (ZWL) to Zimbabwe Gold (ZWG) by the Group's main subsidiary, TM Supermarkets (Private) Limited, resulted in the modification of the majority of leases held by the group as a lessee. Modification of leases triggered the determination of revised Incremental Borrowing Rates (IBR), a process which involves significant judgement.</p> <p>Key assumptions related to the right of use assets and lease liabilities have been disclosed on Note 3.6 (Leases), Note 20 (Right of use assets) and Note 28 (Lease liabilities) to the Inflation Adjusted Consolidated Financial Statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We discussed with Management the effects of the change in functional currency on the lease terms and conditions. • We obtained an understanding of the lease terms and conditions through inspection of lease agreements and addendums where relevant. • We assessed whether the Group accounted for the modification as a change in accounting for the existing lease, a termination of the lease or a separate lease in line with IFRS 16- Leases requirements. • We reperformed calculations relating to the lease modifications. • With the support of our specialists, we obtained an understanding of how management determined the IBR used by the Group to discount lease payments at each lease modification date. We reviewed the assumptions used and independently calculated a range for comparison with the Group's determined IBR.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 58-page document titled Meikles Limited Consolidated Financial Statements for the year ended 28 February 2025 which includes the Group Structure; Chairman's Statement, Report of the Directors and the Directors' Responsibility for Financial Reporting which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the Inflation Adjusted Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Inflation Adjusted Consolidated 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 Inflation Adjusted Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Inflation Adjusted Consolidated 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 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.

Independent Auditor's Report (continued)*Responsibilities of the Directors for the Inflation Adjusted Consolidated Financial Statements*

The directors are responsible for the preparation and fair presentation of the Inflation Adjusted Consolidated 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 Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of Inflation Adjusted Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Inflation Adjusted Consolidated financial statements, the directors are responsible for assessing the group'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Inflation Adjusted Consolidated 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 Inflation Adjusted Consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Inflation Adjusted Consolidated 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'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, we are required to draw attention in our auditor's report to the related disclosures in the Inflation - Adjusted Consolidated 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 financial statements, including the disclosures, and whether the Inflation Adjusted Consolidated 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 group to express an opinion on the Inflation Adjusted Consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

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 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 partner in charge of the audit resulting in this Independent Auditor's report is Mrs Wadzanai Makuwa (PAAB Practising Certificate Number 0636).

Ernst & Young

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

17 July 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2025

		INFLATION ADJUSTED	HISTORICAL COST*		
	Notes	28 February 2025 ZWG 000	29 February 2024 Restated** ZWG 000	28 February 2025 ZWG 000	29 February 2024 Restated** ZWG 000
Revenue	4.1	12,519,772	12,755,227	8,925,904	6,909,531
Cost of sales	5	(9,678,774)	(9,871,231)	(6,407,089)	(5,347,265)
Net operating costs	6	(3,400,930)	(3,281,241)	(2,405,806)	(1,778,847)
Operating (loss) / profit	4.1	(559,932)	(397,245)	113,009	(216,581)
Investment income	7.1	11,292	10,478	11,072	10,024
Finance costs	7.2	(44,009)	(33,646)	(33,103)	(18,291)
Net exchange (losses) / gains***		-	(278,843)	-	652,394
Exchange losses		(1,270,022)	-	(943,069)	-
Exchange gains		1,071,024	-	899,852	-
Net monetary gain		628,192	1,613,378	-	-
(Loss) / profit before tax		(163,455)	914,122	47,761	427,546
Income tax expense	8.1	(100,565)	(509,187)	(62,275)	(275,095)
(Loss) / profit for the year from continuing operations		(264,020)	404,935	(14,514)	152,451
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	9.1	12,358	24,273	12,358	24,273
(LOSS) / PROFIT FOR THE YEAR		(251,662)	429,208	(2,156)	176,724
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translation of foreign operations		284,286	58,625	284,286	58,625
Other comprehensive income for the year net of tax		284,286	58,625	284,286	58,625
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,624	487,833	282,130	235,349
(Loss) / profit for the year attributable to:					
Owners of the parent		(156,007)	222,058	454	64,510
Non-controlling interests		(95,655)	207,150	(2,610)	112,214
Total comprehensive income attributable to:		(251,662)	429,208	(2,156)	176,724
Owners of the parent		128,279	280,683	284,740	123,135
Non-controlling interests		(95,655)	207,150	(2,610)	112,214
(Losses) / earnings per share in cents		32,624	487,833	282,130	235,349
Basic and diluted (losses) / earnings per share		(59.76)	85.06	0.18	24.71
– From continuing operations		(64.49)	75.76	(4.55)	15.41
– From discontinued operations		4.73	9.30	4.73	9.30

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.

**The comparative results have been restated to effect the changes in functional and presentation currency following introduction of the ZWG currency. See further details under note 2.3.

***Exchange losses and gains in the previous financial year were disclosed as a net amount as these were not material and did not obscure material information. In the current year the exchange losses and gains are material and therefore have been disclosed separately.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2025

Notes	INFLATION ADJUSTED			HISTORICAL COST*	
	28 February 2025	29 February 2024	1 March 2023	28 February 2025	29 February 2024
	ZWG 000	Restated** ZWG 000	Restated*** ZWG 000	ZWG 000	Restated** ZWG 000
ASSETS					
Non-current assets					
Property, plant and equipment	11	551,126	610,215	576,812	320,975
Investment property	12	74,064	33,008	30,288	49,812
Right of use assets	13	579,842	388,385	296,357	352,844
Other financial assets	14	287,360	144,204	147,154	287,360
Deferred tax	8.2	2,798	3,854	341	6,372
Total non-current assets		1,495,190	1,179,666	1,050,952	1,017,363
Current assets					
Inventories	15	854,150	921,980	514,482	850,226
Trade and other receivables	16	224,094	140,243	144,049	221,560
Other financial assets	14	1,879	266	1,346	1,879
Cash and bank balances	17	604,438	311,536	431,107	604,438
		1,684,561	1,374,025	1,090,984	1,678,103
Assets held for sale	9.3	57,703	-	-	57,703
Total current assets		1,742,264	1,374,025	1,090,984	1,735,806
Total assets		3,237,454	2,553,691	2,141,936	2,753,169
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		12,855	12,855	12,855	2,611
Share premium		16,041	16,041	16,041	8,690
Other reserves		545,369	261,083	242,462	401,671
Retained earnings		453,058	707,746	593,405	438,063
Equity attributable to equity holders of the parent		1,027,323	997,725	864,763	851,035
Non-controlling interests		479,523	583,465	421,567	307,757
Total equity		1,506,846	1,581,190	1,286,330	1,158,792
Non-current liabilities					
Deferred tax	8.2	215,702	391,589	112,319	79,471
Lease liabilities	18	143,478	9,143	90,160	143,478
Total non-current liabilities		359,180	400,732	202,479	222,949
Current liabilities					
Trade, other payables, and provisions	19	1,185,804	528,456	615,654	1,185,804
Borrowings	20	82,496	14,957	20,155	82,496
Lease liabilities	18	76,269	28,356	17,318	76,269
		1,344,569	571,769	653,127	1,344,569
Liabilities relating to assets classified as held for sale	9.3	26,859	-	-	26,859
Total current liabilities		1,371,428	571,769	653,127	1,371,428
Total liabilities		1,730,608	972,501	855,606	1,594,377
Total equity and liabilities		3,237,454	2,553,691	2,141,936	2,753,169
					1,555,877

*Historical cost financial results are provided only as supplementary information. The primary financial results are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.

**The comparative results have been restated to effect the changes in functional and presentation currency following introduction of the ZWG currency. See further details under note 2.3.

***The change in presentation currency has been applied retrospectively. This treatment is similar to a change in accounting policy (IAS 8) and necessitates the presentation of a third Statement of Financial Position as at the beginning of the earliest comparative period, as required by IAS 1.


F. King
Acting Chairman
3 July 2025


T. Muzvagwandoga
Finance Director
3 July 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2025

INFLATION ADJUSTED

	Share capital ZWG 000	Share premium ZWG 000	Other reserves ZWG 000	Retained earnings ZWG 000	Attributable to owners of parent ZWG 000	Non-controlling interests ZWG 000	Total ZWG 000
2025							
Balance at 1 March 2024	12,855	16,041	261,083	707,746	997,725	583,465	1,581,190
Loss for the year	-	-	-	(156,007)	(156,007)	(95,655)	(251,662)
Other comprehensive income for the year	-	-	284,286	-	284,286	-	284,286
Dividend declared – ordinary shareholders	-	-	-	(98,681)	(98,681)	-	(98,681)
Dividend declared – non-controlling interests	-	-	-	-	-	(8,287)	(8,287)
Balance at 28 February 2025	12,855	16,041	545,369	453,058	1,027,323	479,523	1,506,846
2024							
Balance at 1 March 2023 – restated**	12,855	16,041	242,462	593,405	864,763	421,567	1,286,330
Profit for the year	-	-	-	222,058	222,058	207,150	429,208
Transfer to non-distributable reserves	-	-	(40,004)	40,004	-	-	-
Other comprehensive income for the year	-	-	58,625	-	58,625	-	58,625
Dividend declared – ordinary shareholders	-	-	-	(147,721)	(147,721)	-	(147,721)
Dividend declared – non-controlling interests	-	-	-	-	-	(45,252)	(45,252)
Balance at 29 February 2024	12,855	16,041	261,083	707,746	997,725	583,465	1,581,190

HISTORICAL COST*

	Share capital ZWG 000	Share premium ZWG 000	Other reserves ZWG 000	Retained earnings ZWG 000	Attributable to owners of parent ZWG 000	Non-controlling interests ZWG 000	Total ZWG 000
2025							
Balance at 1 March 2024	2,611	8,690	117,385	512,581	641,267	316,065	957,332
Profit / (loss) for the year	-	-	-	454	454	(2,610)	(2,156)
Other comprehensive income for the year	-	-	284,286	-	284,286	-	284,286
Dividend declared – ordinary shareholders	-	-	-	(74,972)	(74,972)	-	(74,972)
Dividend declared – non-controlling interests	-	-	-	-	-	(5,698)	(5,698)
Balance at 28 February 2025	2,611	8,690	401,671	438,063	851,035	307,757	1,158,792
2024							
Balance at 1 March 2023 – restated**	2,611	8,690	98,764	488,088	598,153	228,364	826,517
Profit for the year	-	-	-	64,510	64,510	112,214	176,724
Transfer from non-distributable reserves	-	-	(40,004)	40,004	-	-	-
Other comprehensive income for the year	-	-	58,625	-	58,625	-	58,625
Dividend declared – ordinary shareholders	-	-	-	(80,021)	(80,021)	-	(80,021)
Dividend declared – non-controlling interests	-	-	-	-	-	(24,513)	(24,513)
Balance at 29 February 2024	2,611	8,690	117,385	512,581	641,267	316,065	957,332

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.

**The comparative results have been restated to effect the changes in functional and presentation currency following introduction of the ZWG currency. See further details under note 2.3.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2025

	INFLATION ADJUSTED		HISTORICAL COST*	
	28 February 2025 ZWG 000	29 February 2024 Restated** ZWG 000	28 February 2025 ZWG 000	29 February 2024 Restated** ZWG 000
Notes				
Net cash (used in) / generated from operating activities	10.1	(305,057)	(1,390,903)	216,232
Cash flows from investing activities				
Payment for property, plant and equipment and investment property – continuing operations	11;12	(169,218)	(202,878)	(122,770)
Payment for property, plant and equipment – discontinued operations	11;12	(4,907)	(618)	(4,907)
Proceeds from disposal of property, plant and equipment and investment property – continuing operations		26,067	4,830	14,160
Proceeds from disposal of property, plant and equipment – discontinued operations		89	-	89
Net movement in service assets – discontinued operations		(272)	4	(272)
Additions to other investments – continuing operations	14	(11,316)	(9,871)	(8,777)
Disposals of other investments – continuing operations	14	88	140	61
Investment income – continuing operations		10,418	9,547	10,409
Investment income – discontinued operations		205	152	205
Net cash used in investing activities		(148,846)	(198,694)	(111,802)
Cash flows from financing activities				
Proceeds from interest-bearing borrowings – continuing operations	20	64,363	-	56,472
Repayment of interest-bearing borrowings – continuing operations	20	(1,938)	-	(1,856)
Finance costs; other – continuing operations		(9)	(28)	(9)
Lease payment; principal – continuing operations		(31,236)	(29,229)	(21,736)
Lease payments; principal – discontinued operations		(638)	(125)	(638)
Lease payments; finance costs – continuing operations		(39,622)	(28,181)	(29,526)
Lease payments; finance costs – discontinued operations		(238)	(43)	(238)
Dividend paid – ordinary shareholders		(90,336)	(147,363)	(66,626)
Dividend paid – non-controlling interests		(8,287)	(45,252)	(5,698)
Net cash used in financing activities		(107,941)	(250,221)	(69,855)
Net (decrease) / increase in cash and bank balances		(561,844)	(1,839,818)	34,575
Cash and bank balances at the beginning of the period		311,536	431,107	259,577
Effects of currency translation on cash and bank balances - foreign operations		134,265	58,625	134,265
Net effect of exchange rate changes on cash and bank balances		217,002	227,978	188,786
Effects of inflation adjustments		516,244	1,433,644	-
Cash and bank balances at the end of the year		617,203	311,536	617,203
Comprising:				
Cash and bank balances from continuing operations	17	604,438	311,536	604,438
Cash and bank balances from discontinued operations	9.3	12,765	-	12,765
Total cash and bank balances at the end of the year		617,203	311,536	617,203
				259,577

*Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.

**The comparative results have been restated to effect the changes in functional and presentation currency following introduction of the ZWG currency. See further details under note 2.3.

The background of the image is a black and white aerial photograph showing a valley with numerous agricultural fields in different stages of cultivation. The fields are arranged in long, narrow strips that follow the contours of the land. Some fields appear to have irrigation systems installed. The surrounding terrain is rugged and rocky, with sparse vegetation. A prominent dark blue rectangular box is positioned in the center-left of the image, containing the title text.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS

1. General information

Meikles Limited, (the Company), is a limited liability company incorporated in Zimbabwe and is listed on the Zimbabwe and London Stock Exchanges. The address of the Company's registered office and principal place of business is disclosed on page 29. The principal activity of the Company is investments holding and the principal activities of its operating subsidiaries are disclosed below:

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

The consolidated financial statements of Meikles Limited and its subsidiaries for the year ended 28 February 2025, from which these abridged consolidated financial results have been extracted, were authorised for issue by the directors on 3 July 2025.

2. Basis of preparation and Group accounting policies

2.1 Basis of preparation

These audited abridged consolidated financial results have been extracted from the Group consolidated financial statements which have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards") promulgated by the International Accounting Standards Board ("IASB®") and interpretations issued by the IFRS® Interpretations Committee ("Committee"). In addition, the Group consolidated financial statements have also been prepared in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and Zimbabwe Stock Exchange Listings Requirements.

The statutory records from which the Group consolidated financial statements are prepared are maintained under the historical cost basis except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The historical costs have been adjusted for the effects of restatements arising from the application of IAS 29 – "Financial Reporting in Hyperinflationary Economies". Refer to note 2.4 for further details.

These audited abridged consolidated financial results do not include all the information and disclosures included in the Group consolidated financial statements and should be read in conjunction with the Group's annual report for the year ended 28 February 2025.

These audited abridged consolidated financial results were prepared under the supervision of Thempson Muzvagwandoga CA (Z), the Finance Director of the Company, registered public accountant PAAB Number 2724.

2.2 Accounting policies

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

2.3 Transition to new currency

On 5 April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced a new structured currency, the Zimbabwe Gold (ZWG), which replaced the Zimbabwe Dollar (ZWL). Consequently, Meikles Limited and its subsidiaries whose functional currency was the ZWL adopted ZWG as their functional and presentation currency.

The change in presentation currency for the Group has been applied retrospectively. This treatment is similar to a change in accounting policy in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The opening balances as at 1 March 2024 were established by converting the ZWL financial statements in accordance with guidance from the Institute of Chartered Accountants of Zimbabwe (ICAZ). The methodology was as follows:

- A. *The main procedures applied in determining the take on ZWG balances at pronouncement date and comparative information for Meikles Limited "the Company" and its subsidiaries whose functional currency was determined to be ZWG, and previously ZWL which was subject to hyperinflation accounting:*
 - 1) The financial statements for the prior year ended 29 February 2024, which were prepared in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*, were inflation-adjusted to 31 March 2024. The Consumer Price Index (CPI) for this final adjustment was determined using the Total Consumption Poverty Line (TCPL) index published by Zimstat as a proxy.
 - 2) The resulting 31 March 2024 inflation-adjusted ZWL balances were then converted to ZWG using the conversion factor of ZWL 2,498.7242 to ZWG 1 as directed by the RBZ.
 - 3) Monetary assets and liabilities as at 31 March 2024 were not restated because they are expressed in terms of the monetary unit current at the cessation date and were directly converted to ZWG at conversion factor.
 - 4) Non-monetary assets and liabilities, as well as components of equity were restated by applying the change in the general price index from their initial transaction dates to 31 March 2024. These restated balances were then converted to ZWG. Depreciation of plant, property, equipment and the right of use asset were calculated based on the restated amounts.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

2.3 Transition to new currency (continued)

	Indices ZWL	Adjustment Factor
CPI as at 31 March 2024	429,219.62	1
CPI as at 29 February 2024	258,942.08	1.66

B. *Main procedures applied in translation of foreign operations and subsidiaries whose functional currency is US\$:*

- 1) The US\$ comparative information for the financial year ended 29 February 2024 was translated into the Group's presentation currency using the exchange rate on the date of pronouncement of the change of currency of 13.56 ZWG to US\$, this was based on management's judgement and practicability. The approach was adopted as there was no ZWL to ZWG exchange rate that existed at 29 February 2024 as the ZWG currency came into effect 5 April 2024.
- 2) Assets and liabilities are translated into ZWG using exchange rates prevailing at the end of each reporting period.
- 3) Income and expense items are translated at the average ZWG to US\$ exchange rates for the period 1 March 2024 to 28 February 2025.
- 4) Exchange differences arising, if any, have been recognised in other comprehensive income and accumulated in equity.

2.4 Hyperinflation

The inflation adjusted consolidated financial statements from which these abridged results are extracted have been prepared and presented in accordance with the requirements of IAS 29, as guided by the PAAB during the current financial year.

The Directors have made appropriate adjustments to reflect the changes in the general purchasing power on the ZWG and for the purposes of fair presentation in accordance with IAS 29, these changes have been made on the historical cost financial information. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group. The historical cost financial statements are provided as supplementary information and as a result the auditors have not expressed an opinion on them. The Group has used the Consumer Price Index ("CPI") as published by the Zimbabwe National Statistical Agency ("Zimstat") which is considered a reliable index.

Below are the indices and adjustment factors used up to 28 February 2025:

	Indices ZWG	Adjustment Factor
CPI as at 28 February 2025	184.60	1
CPI as at 29 February 2024	-	1.85
CPI as at 31 March 2024 (for opening balances)	100.00	1.85
Average CPI 2025	127.91	
Average CPI 2024	-	

IAS 29 restatement procedures have not been applied to the financial results and statement of financial position of Cape Grace Investments Limited ("CGI") and Meikles Hospitality Private Limited ("MH"), whose functional currency is US\$ and was not subject to hyperinflation. CGI and MH's financial results and statement of financial position were translated to ZWG in accordance with IAS 21 and included in the consolidated financial statements.

C. *The main procedures applied to restate the financial results and financial position of Meikles Limited, the parent, and the subsidiaries whose functional currency is ZWG and was subject to hyperinflation at 28 February 2025 are:-*

- 1) Monetary assets and liabilities at the balance sheet date are not restated because they are expressed in terms of the monetary unit current at the balance sheet date.
- 2) Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date as well as components of shareholders' equity are restated by applying the change in the index from the date of transaction to 28 February 2025. Depreciation of plant, property, equipment and the right of use asset are calculated based on the restated amounts.
- 3) Profit or loss items, except for depreciation, are restated by applying the change in the index from the transaction date to 28 February 2025.
- 4) Deferred tax is calculated based on the restated amounts.
- 5) The effect of inflation on the net monetary position of the Group is included in the statement of profit or loss as a loss or gain on monetary position.

3. Going concern

The Directors have adopted the going concern basis in preparing the audited, inflation adjusted consolidated financial statements for the year ended 28 February 2025. This assumption was made after evaluating the impact of principal risks stemming from an unfavourable economic environment to the Group's financial performance for the same period. Management remains proactive in adapting to changes in the operating environment and in implementing strategies to mitigate the adverse effects on profitability and cash flow generation. While the economic environment continues to evolve, the Group maintains sufficient cash reserves to meet its obligations as they become due for at least twelve months from the date of approval of these audited consolidated financial statements.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

4. Segment information

4.1 Segment financial performance

	INFLATION ADJUSTED						
28 February 2025	Supermarkets ZWG 000	Hotels ZWG 000	Properties ZWG 000	Security Services ZWG 000	Corporate* ZWG 000	Eliminations ZWG 000	Group ZWG 000
Sale of goods	12,471,216	-	-	-	-	-	12,471,216
Sale of services	-	-	38,868	67,372	-	-	106,240
Total segment revenue	12,471,216	-	38,868	67,372	-	-	12,577,456
Intersegment revenue	-	-	(11,536)	(46,148)	-	-	(57,684)
External revenue	12,471,216	-	27,332	21,224	-	-	12,519,772
Operating (loss) / profit	(490,162)	(11,588)	14,994	(2,555)	(53,369)	(17,252)	(559,932)
Investment income	887	-	-	-	10,405	-	11,292
Finance costs	(39,445)	-	(1,938)	-	(2,634)	8	(44,009)
Exchange losses	(1,031,282)	(1,146)	(5,248)	(172,039)	(60,307)	-	(1,270,022)
Exchange gains	828,664	2,162	8,550	175,238	133,704	(77,294)	1,071,024
Net monetary adjustment	621,985	-	195	1,557	(3,009)	7,464	628,192
Income tax (expense) / credit	(96,647)	(264)	(10,081)	(635)	7,062	-	(100,565)
(Loss) / profit for the year	(206,000)	(10,836)	6,472	1,566	31,852	(87,074)	(264,020)
29 February 2024							
Sale of goods	12,715,525	-	-	-	-	-	12,715,525
Sale of services	-	-	29,365	72,133	-	-	101,498
Total segment revenue	12,715,525	-	29,365	72,133	-	-	12,817,023
Intersegment revenue	-	-	(8,976)	(52,820)	-	-	(61,796)
External revenue	12,715,525	-	20,389	19,313	-	-	12,755,227
Operating (loss) / profit	(324,989)	(2,604)	(8,129)	3,756	(18,930)	(46,349)	(397,245)
Investment income	946	4	-	-	9,528	-	10,478
Finance costs	(28,036)	-	-	-	(5,725)	115	(33,646)
Net exchange (losses) / gains	(380,381)	(2,980)	7,964	2,687	152,492	(58,625)	(278,843)
Net monetary adjustment	1,636,084	-	35,415	(3,330)	(128,433)	73,642	1,613,378
Income tax (expense) / credit	(492,610)	2,037	(15,269)	(1,852)	(1,493)	-	(509,187)
Profit / (loss) for the period	411,014	(3,543)	19,981	1,261	7,439	(31,217)	404,935

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

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

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

4. Segment information (continued)

4.1 Segment financial performance (continued)

	HISTORICAL COST						
	Supermarkets ZWG 000	Hotels ZWG 000	Properties ZWG 000	Security Services ZWG 000	Corporate* ZWG 000	Eliminations ZWG 000	Group ZWG 000
28 February 2025							
Sale of goods	8,889,966	-	-	-	-	-	8,889,966
Sale of services	-	-	28,728	48,569	-	-	77,297
Total segment revenue	8,889,966	-	28,728	48,569	-	-	8,967,263
Intersegment revenue	-	-	(8,579)	(32,780)	-	-	(41,359)
External revenue	8,889,966	-	20,149	15,789	-	-	8,925,904
Operating profit / (loss)	171,453	(11,588)	6,331	(929)	(43,190)	(9,068)	113,009
Investment income	671	-	-	-	10,401	-	11,072
Finance costs	(29,370)	-	(1,856)	-	(1,882)	5	(33,103)
Exchange losses	(673,304)	(1,146)	(4,619)	(172,018)	(91,982)	-	(943,069)
Exchange gains	588,440	2,162	7,525	175,059	203,950	(77,284)	899,852
Income tax (expense) / credit	(70,514)	(264)	1,306	(519)	7,716	-	(62,275)
(Loss) / profit for the year	(12,624)	(10,836)	8,687	1,593	85,013	(86,347)	(14,514)
29 February 2024							
Sale of goods	6,888,024	-	-	-	-	-	6,888,024
Sale of services	-	-	15,907	39,075	-	-	54,982
Total segment revenue	6,888,024	-	15,907	39,075	-	-	6,943,006
Intersegment revenue	-	-	(4,862)	(28,613)	-	-	(33,475)
External revenue	6,888,024	-	11,045	10,462	-	-	6,909,531
Operating (loss) / profit	(176,047)	(2,604)	(4,404)	2,034	(10,452)	(25,108)	(216,581)
Investment income	512	4	-	-	9,508	-	10,024
Finance costs	(15,187)	-	-	-	(3,110)	6	(18,291)
Net exchange gains / (losses)	680,217	(2,980)	23,499	(349)	13,028	(61,021)	652,394
Income tax (expense) / credit	(266,848)	2,037	(8,472)	(1,003)	(809)	-	(275,095)
Profit / (loss) for the year	222,647	(3,543)	10,623	682	8,165	(86,123)	152,451
	INFLATION ADJUSTED						
	Supermarkets ZWG 000	Hotels ZWG 000	Properties ZWG 000	Security Services ZWG 000	Corporate* ZWG 000	Eliminations ZWG 000	Group ZWG 000
28 February 2025							
Segment assets	2,461,120	97,623	197,057	9,713	990,699	(518,758)	3,237,454
Segment liabilities	(1,543,079)	(26,442)	(106,607)	(7,203)	(258,949)	211,672	(1,730,608)
Capital expenditure	119,235	4,907	8,179	91	41,713	-	174,125
Depreciation and impairment	(293,295)	(3,432)	(4,260)	(42)	(5,339)	-	(306,368)
29 February 2024							
Segment assets	2,066,677	54,478	125,964	3,669	797,149	(494,246)	2,553,691
Segment liabilities	(934,350)	(15,193)	(41,986)	(2,727)	(180,699)	202,454	(972,501)
Capital expenditure	158,125	618	44,621	42	90	-	203,496
Depreciation and impairment	(202,766)	(1,827)	(1,223)	(4)	(2,576)	43	(208,353)
	HISTORICAL COST						
	Supermarkets ZWG 000	Hotels ZWG 000	Properties ZWG 000	Security Services ZWG 000	Corporate* ZWG 000	Eliminations ZWG 000	Group ZWG 000
28 February 2025							
Segment assets	2,030,513	97,624	133,483	9,305	871,222	(388,978)	2,753,169
Segment liabilities	(1,435,449)	(26,443)	(76,390)	(7,202)	(257,334)	208,441	(1,594,377)
Capital expenditure	83,117	4,907	39,519	66	68	-	127,677
Depreciation and impairment	(165,389)	(3,432)	(4,221)	(25)	(1,385)	-	(174,452)
29 February 2024							
Segment assets	1,119,523	54,478	68,235	1,987	583,810	(272,156)	1,555,877
Segment liabilities	(506,139)	(15,193)	(19,828)	(1,477)	(162,810)	106,902	(598,545)
Capital expenditure	85,656	618	4,722	23	19,498	-	110,517
Depreciation and impairment	(109,839)	(1,827)	(1,250)	-	(810)	23	(113,703)

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

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

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

5. Cost of sales

Retail cost of sales
Supplier recoveries and rebates
Shrinkage and wastage
Wages and other related costs
Property utilities and maintenance
Depreciation for investment properties

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
(9,613,691)	(9,960,161)	(6,359,467)	(5,395,438)	
59,956	218,821	37,384	118,536	
(49,789)	(64,102)	(31,045)	(34,724)	
(59,098)	(55,761)	(42,194)	(30,206)	
(13,114)	(8,919)	(10,120)	(4,831)	
(3,038)	(1,109)	(1,647)	(602)	
(9,678,774)	(9,871,231)	(6,407,089)	(5,347,265)	

6. Net operating costs

Net operating costs are arrived at after (charging)/ crediting:

	6.1	107,106	81,721	72,002	45,739
	6.2	(1,709,150)	(1,825,738)	(1,228,453)	(991,869)
	6.3	(941,272)	(789,245)	(658,157)	(427,536)
	6.4	(857,614)	(747,979)	(591,198)	(405,181)
		(3,400,930)	(3,281,241)	(2,405,806)	(1,778,847)

6.1 Other incomeTrading income

Interest on trade receivables	257	-	169	-
Rental income	40,286	39,424	28,855	22,067
Hotels ancillary services	-	-	-	-
Commission income	26,500	10,969	17,987	5,943
	67,043	50,393	47,011	28,010

Non trading income

Profit on disposal of property, plant and equipment	26,015	4,567	14,106	2,474
Barak loan write-back	-	6,132	-	3,322
Sundry income*	14,048	20,629	10,885	11,933
	107,106	81,721	72,002	45,739

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

6.2 Employee costs

Wages and salaries	(1,343,406)	(1,457,107)	(970,766)	(792,089)
Social security costs	(132,393)	(119,777)	(94,923)	(64,890)
Retirement benefits – defined contribution plan	(187,130)	(190,645)	(132,432)	(103,358)
Directors' remuneration:				
- fees for services as Directors	(5,896)	(5,473)	(5,432)	(2,965)
- remuneration for executive directors	(40,325)	(52,736)	(24,900)	(28,567)
	(1,709,150)	(1,825,738)	(1,228,453)	(991,869)

6.3 Occupancy costsIncluded in occupancy costs are the following:

Lease rentals for property	(131,349)	(130,745)	(92,050)	(70,825)
Depreciation of right of use assets and property	(127,054)	(41,867)	(76,788)	(22,679)
Electricity and water	(422,516)	(352,902)	(302,381)	(191,168)
Cleaning and fumigation	(124,081)	(134,383)	(89,367)	(72,796)
Rates	(74,548)	(67,323)	(52,410)	(36,469)
Premises repairs and maintenance	(61,724)	(62,025)	(45,161)	(33,599)
	(941,272)	(789,245)	(658,157)	(427,536)

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
6.4 Other operating costs				
Included in other operating costs are the following:				
2% IMT Tax	(230,119)	(139,863)	(162,922)	(75,764)
Depreciation and impairment of plant and equipment	(172,844)	(163,550)	(92,585)	(88,595)
Repairs and maintenance – other assets	(110,709)	(103,804)	(82,020)	(56,231)
Bank charges	(54,005)	(41,194)	(37,295)	(22,338)
Packaging and wrapping	(52,447)	(34,168)	(38,907)	(18,509)
Information and technology	(32,009)	(30,134)	(22,641)	(16,323)
Transport, motor vehicle and communication costs	(30,059)	(37,353)	(21,798)	(20,391)
Printing and stationery	(29,357)	(37,410)	(21,235)	(20,265)
Insurance	(21,741)	(24,165)	(16,400)	(13,090)
Auditors' remuneration and expenses	(18,421)	(21,906)	(13,693)	(12,019)
Legal and professional fees	(16,126)	(13,282)	(12,315)	(7,329)
Marketing and advertising	(14,272)	(31,026)	(12,742)	(15,901)
Security	(9,682)	(8,992)	(7,222)	(4,871)
Licenses	(8,971)	(9,585)	(7,099)	(5,192)
Travel expenses	(8,195)	(12,235)	(5,885)	(6,673)
Secretarial and listing fees	(7,531)	(6,845)	(6,244)	(3,708)
Provision for expected credit losses	(1,907)	(801)	(680)	(434)
Donations	(860)	(1,069)	(611)	(580)
Other*	(38,359)	(30,597)	(28,904)	(16,968)
	(857,614)	(747,979)	(591,198)	(405,181)

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

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
7. Investment income / finance costs				
7.1 Investment income				
Interest on bank deposits	10,390	9,520	10,387	9,505
Interest on staff loans	874	931	663	504
Interest on receivables and other	28	27	22	15
	11,292	10,478	11,072	10,024
7.2 Finance costs				
<u>Comprising interest payable on:</u>				
Lease liability	(39,622)	(28,181)	(29,526)	(15,322)
Short-term borrowings	(4,378)	(5,437)	(3,568)	(2,945)
Other finance costs	(9)	(28)	(9)	(24)
	(44,009)	(33,646)	(33,103)	(18,291)

Interest from bank deposits is based on interest rates fixed by the banks from time to time. Interest on short-term borrowings and lease liability is calculated using the effective interest rate method.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

8. Income taxes**8.1 Income tax recognised in profit for the period**Tax expense comprising the following:

Current tax expense in respect of the current period

Deferred tax arising from temporary differences

Capital gains tax

Total tax expenseTax rate reconciliation

Standard tax rate

Effect of revenue that is exempt from income tax

Effect of expenses that are not deductible in determining taxable profit*

Effect of change in tax rate#

Effect of revenue and expenditure taxed at other rates

Average effective tax rate

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Current tax expense in respect of the current period	(276,158)	(230,025)	(196,102)	(123,976)
Deferred tax arising from temporary differences	176,820	(278,909)	134,475	(150,982)
Capital gains tax	(1,227)	(253)	(648)	(137)
Total tax expense	(100,565)	(509,187)	(62,275)	(275,095)
	%	%	%	%
Standard tax rate	25.75	24.72	25.75	24.72
Effect of revenue that is exempt from income tax	(4.25)	(6.29)	(9.42)	(7.29)
Effect of expenses that are not deductible in determining taxable profit*	91.59	37.30	114.20	46.94
Effect of change in tax rate#	0.00	(0.01)	0.00	(0.01)
Effect of revenue and expenditure taxed at other rates	(0.06)	(0.02)	(0.14)	(0.02)
Average effective tax rate	113.03	55.70	130.39	64.34

*Expenses that are not deductible in determining taxable income includes mostly intermediated money transfer tax and accounting provisions that are not recognised as deductible expenses by the tax legislation.

The income tax rate used for the reconciliation above, is the corporate tax rate of 25.75% (2024: 25.75%), payable by corporate entities in Zimbabwe. The deferred tax rate used is the corporate tax rate of 25.75% (2024: 25.75%).

8.2 Deferred tax balances

Balance at the beginning of the year

Recognised in profit or loss – continuing operations

Recognised in profit or loss – discontinued operations

Classified as held for sale

Balance at the end of the year**Comprising:**

Assessed losses

Property, plant, equipment and investment property

Exchange differences

Provisions

Prepayments

Inventory

Right of use assets and lease liabilities

Other

Deferred capital gains tax on land and investments

Deferred tax asset

Deferred tax liability

Deferred tax liability

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Balance at the beginning of the year	387,735	111,978	205,585	57,755
Recognised in profit or loss – continuing operations	(176,820)	278,909	(134,475)	150,982
Recognised in profit or loss – discontinued operations	839	(3,152)	839	(3,152)
Classified as held for sale	1,150	-	1,150	-
Balance at the end of the year	212,904	387,735	73,099	205,585
Assessed losses	(7,074)	(419)	(7,073)	(226)
Property, plant, equipment and investment property	136,003	147,054	58,418	75,491
Exchange differences	(2,276)	(2,215)	(1,523)	(1,198)
Provisions	(17,718)	(8,317)	(19,240)	(7,455)
Prepayments	96	8	-	5
Inventory	1,010	151,126	-	81,854
Right of use assets and lease liabilities	96,973	94,624	36,546	51,256
Other	208	213	114	2
Deferred capital gains tax on land and investments	5,682	5,661	5,857	5,856
Deferred tax asset	212,904	387,735	73,099	205,585
Deferred tax liability	(2,798)	(3,854)	(6,372)	(6,403)
Deferred tax liability	215,702	391,589	79,471	211,988
Deferred tax liability	212,904	387,735	73,099	205,585

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

9. Discontinued operations

Interest in joint operations:

Prior to 28 February 2025, the Board of Directors resolved to dispose of the Group's 50% interest in the Victoria Falls Hotel Partnership, which operates The Victoria Falls Hotel under a lease. Following the disposal of its other operations in previous years, the Group no longer possesses the critical mass and market synergy needed to maintain a competitive edge in the hospitality industry. The disposal is contingent upon obtaining consent from the partner and landlord, as well as approval from the shareholders. The transaction is expected to be finalised before 28 February 2026. Consequently, the financial results of the Group's 50% interest in the Victoria Falls Hotel Partnership are presented under discontinued operations in these financial statements, with its assets and liabilities classified as held for sale.

The summary of the profit position from the discontinued operation and details of assets and liabilities disposed of are as set out below.

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	ZWG 000	ZWG 000	ZWG 000	ZWG 000
9.1 Profit for the year from discontinued operations				
Revenue	105,223	67,579	105,223	67,579
Net operating costs	(86,171)	(50,586)	(86,171)	(50,586)
Other operating income	2,583	1,655	2,583	1,655
Operating profit	21,635	18,648	21,635	18,648
Investment income	205	152	205	152
Interest expense	(238)	(43)	(238)	(43)
Net exchange gains	-	4,891	-	4,891
Exchange losses	(10,666)	-	(10,666)	-
Exchange gains	5,308	-	5,308	-
Profit on disposal of property, plant and equipment	48	-	48	-
Profit before tax	16,292	23,648	16,292	23,648
Taxation	(3,934)	625	(3,934)	625
Profit for the year from discontinued operations	12,358	24,273	12,358	24,273
9.2 Cash flows from discontinued operations				
Net cash flows from operating activities	54,142	14,037	54,142	14,037
Net cash flows from investing activities	(4,542)	(587)	(4,542)	(587)
Net cash flows from financing activities	(41,735)	(12,218)	(41,735)	(12,218)
Net cash flows from discontinued operations	7,865	1,232	7,865	1,232
9.3 Analysis of assets and liabilities classified as held for sale				
Assets				
Cash and bank balances	12,765	-	12,765	-
Trade and other receivables	9,530	-	9,530	-
Inventories	7,212	-	7,212	-
Property, plant and equipment	25,164	-	25,164	-
Right of use assets	1,882	-	1,882	-
Deferred tax	1,150	-	1,150	-
Total assets	57,703	-	57,703	-
Liabilities				
Trade and other payables	(24,820)	-	(24,820)	-
Lease liabilities	(2,039)	-	(2,039)	-
Total liabilities	(26,859)	-	(26,859)	-
Net assets classified held for sale	30,844	-	30,844	-

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

10. Cash flow information

10.1 Net cash (used in) / generated from operating activities

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Cash flows from operating activities					
(Loss) / profit before tax – continuing operations	9.1	(163,455)	914,122	47,761	427,546
Profit before tax – discontinued operations**		16,292	23,648	16,292	23,648
		(147,163)	937,770	64,053	451,194
Adjustments for:					
- Depreciation and impairment of property, plant and equipment; investment property and right-of-use assets – continuing operations		302,936	206,526	171,020	111,876
- Depreciation and impairment of property, plant and equipment; and right-of-use assets – discontinued operations		3,432	1,827	3,432	1,827
- Net interest – continuing operations	9.1	32,717	23,168	22,031	8,267
- Net interest – discontinued operations		33	(109)	33	(109)
- Net monetary gains – continuing operations		(628,192)	(1,613,378)	-	-
- Net exchange losses / (gains) – continuing operations		-	278,843	-	(652,394)
- Exchange losses – continuing operations	9.1	1,270,022	-	943,069	-
- Exchange losses – discontinued operations		10,666	-	10,666	-
- Net exchange gains – discontinued operations	9.1	-	(4,891)	-	(4,891)
- Exchange gains – continuing operations	9.1	(1,071,024)	-	(899,852)	-
- Exchange gains – discontinued operations	9.1	(5,308)	-	(5,308)	-
- Profit on disposal of property, plant and equipment and investment property – continuing operations	6.1	(26,015)	(4,567)	(14,106)	(2,474)
- Profit on disposal of property, plant and equipment – discontinued operations	9.1	(48)	-	(48)	-
- Provision for expected credit losses – continuing operations	6.4	1,907	801	680	434
- Provision for expected credit losses – discontinued operations		(105)	26	(105)	26
- Mark-to-market loss*	14	1,193	6,562	944	3,554
- Loan write-back	20	-	(6,132)	-	(3,322)
Operating cash flow before working capital changes		(254,949)	(173,554)	296,509	(86,012)
Decrease / (increase) in inventories – continuing operations		62,856	(403,410)	(353,482)	(218,528)
Increase in inventories – discontinued operations		(2,238)	(4,087)	(2,238)	(4,087)
(Increase) / decrease in trade and other receivables – continuing operations		(93,818)	8,804	(149,482)	570
Increase in trade and other receivables – discontinued operations		(1,363)	(5,827)	(1,363)	(5,827)
Increase / (decrease) / in trade and other payables – continuing operations		248,657	(595,607)	606,457	(323,957)
Increase in trade and other payables – discontinued operations		10,209	7,169	10,209	7,169
Increase in trade and other payables – discontinued operations		(30,646)	(1,166,512)	406,610	(630,672)
Cash (used in) / generated from operations	10.2	(274,411)	(224,391)	(190,378)	(122,189)
Income taxes paid		(305,057)	(1,390,903)	216,232	(752,861)
Net cash (used in) / generated from operating activities					
10.2 Income taxes paid					
Balance at the beginning of the year		(8,717)	(303)	(5,319)	(868)
Current, capital gains and withholding taxes:					
– current tax – continuing operations	8.1	(276,158)	(230,025)	(196,102)	(123,976)
– current tax – discontinued operations		(3,095)	(2,527)	(3,095)	(2,527)
– capital gains tax	8.1	(1,227)	(253)	(648)	(137)
Balance at the end of the year		14,786	8,717	14,786	5,319
Income taxes paid		(274,411)	(224,391)	(190,378)	(122,189)

*The mark to market loss was previously included in finance costs - other under financing activities. See further details on note 14.

**On 28 February 2025 the 50% interest in the Victoria Falls Hotel Partnership was classified as a discontinued operation, see further details on note 9. The comparative results have therefore been reclassified and presented separately for consistency across reported periods.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

11. Property, plant and equipment

Movement in the property, plant and equipment balance for the year:

Balance at the beginning of the year	
Additions	132,437
Net movement in service assets	272
Disposals	(40)
Depreciation and impairment	(178,766)
Translation differences	12,172
Classified as held for sale (note 9.3)	(25,164)
Balance at the end of the year	551,126
At cost	1,441,367
Accumulated depreciation and impairment	(890,241)
Balance at the end of the year	551,126

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Movement in the property, plant and equipment balance for the year:				
Balance at the beginning of the year	610,215	576,812	335,500	317,927
Additions	132,437	199,424	95,319	108,311
Net movement in service assets	272	(4)	272	(4)
Disposals	(40)	(18)	(40)	(10)
Depreciation and impairment	(178,766)	(165,999)	(97,084)	(90,724)
Translation differences	12,172	-	12,172	-
Classified as held for sale (note 9.3)	(25,164)	-	(25,164)	-
Balance at the end of the year	551,126	610,215	320,975	335,500
At cost	1,441,367	1,332,340	810,862	738,939
Accumulated depreciation and impairment	(890,241)	(722,125)	(489,887)	(403,439)
Balance at the end of the year	551,126	610,215	320,975	335,500

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

12. Investment property

Opening carrying value	
Additions	41,688
Disposals	(52)
Depreciation	(580)
Closing carrying value	74,064
<u>Comprising:</u>	
Land and buildings – cost	103,404
Accumulated depreciation	(22,479)
Accumulated impairment	(6,861)
Rental income from investment properties (included in revenue and other income)	39,378
Related expenses (included in cost of sales and operating expenses)	(21,028)
Profit arising from investment properties carried at cost	18,350

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Opening carrying value	33,008	30,288	17,880	16,407
Additions	41,688	4,072	32,358	2,206
Disposals	(52)	(245)	(53)	(133)
Depreciation	(580)	(1,107)	(373)	(600)
Closing carrying value	74,064	33,008	49,812	17,880
<u>Comprising:</u>				
Land and buildings – cost	103,404	61,789	65,755	33,471
Accumulated depreciation	(22,479)	(21,920)	(12,226)	(11,874)
Accumulated impairment	(6,861)	(6,861)	(3,717)	(3,717)
Rental income from investment properties (included in revenue and other income)	74,064	33,008	49,812	17,880
Related expenses (included in cost of sales and operating expenses)	39,378	30,117	29,170	16,314
Profit arising from investment properties carried at cost	(21,028)	(11,756)	(15,431)	(6,368)
	18,350	18,361	13,739	9,946

The carrying value of investment properties was assessed for impairment at 28 February 2025 and no impairment was identified. The Group owns the investment properties through its subsidiaries, TM Supermarkets (Private) Limited (“TM”) and Thomas Meikle Properties (Private) Limited (“TMP”). A market valuation was obtained during the period for investment properties of TM and TMP. Investment properties with a carrying value of ZWG 73.1 million (2024: ZWG 32.0 million) belonging to TMP were valued at ZWG 334.4 million (2024: ZWG 170.7 million). The remaining properties with a carrying value of ZWG 1.0 million (2024: ZWG 1.0 million) are owned by TM Supermarkets and were valued at ZWG 28.6 million (2024: ZWG 14.6 million).

The fair value was determined by an independent, certified valuer with a recognised and relevant professional qualification. The valuation was performed using the Income Approach, specifically the Direct Income Capitalisation method, since these properties are being used as an income-producing investments.

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

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

An increase in the Net Annual Rental Income would lead to an increase in the property's fair value. Conversely, an increase in the Capitalisation factor (reflecting higher risk or lower growth prospects) would lead to a decrease in its fair value.

The Group has determined that the highest and best use of the investment properties is their current use as income-producing commercial rental properties.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

13. Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Opening carrying value	388,385	296,357	210,819	160,554
Additions	5,832	2,306	5,165	1,697
Lease modifications	313,836	136,119	215,044	73,736
Lease derecognition	-	(5,150)	-	(2,789)
Depreciation	(127,022)	(41,247)	(76,995)	(22,379)
Translation difference	693	-	693	-
Classified as held for sale (note 9.3)	(1,882)	-	(1,882)	-
Closing carrying value	579,842	388,385	352,844	210,819
Comprising:				
Cost	792,067	475,193	476,002	257,893
Accumulated depreciation	(212,225)	(86,808)	(123,158)	(47,074)
	579,842	388,385	352,844	210,819

The Group's leases include leases of offices, retail stores and residential property in Zimbabwe. The corresponding lease liability for the above right of use assets is disclosed on note 18.

14. Other financial assets

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025	29 February 2024	28 February 2025	29 February 2024
	ZWG 000	ZWG 000	ZWG 000	ZWG 000
Opening carrying value (short term and long-term portions)	144,470	148,500	143,834	141,612
Interest accrual	874	931	663	504
Additions	11,316	9,871	8,777	5,347
Exchange rate gain on foreign translations	137,263	-	136,970	-
Disposals and repayments	(88)	(140)	(61)	(75)
Mark to market loss on initial recognition of staff loans ³	(1,193)	(6,562)	(944)	(3,554)
Monetary adjustment	(3,403)	(8,130)	-	-
Less: Short term portion in current assets	289,239	144,470	289,239	143,834
Non-current closing carrying value	(1,879)	(266)	(1,879)	(144)
Comprising:				
Carried at amortised cost:				
Funds due from MCH ¹	311,754	159,173	311,754	159,173
Staff loans ³	9,003	1,389	9,003	753
Provision for credit losses	(31,518)	(16,092)	(31,518)	(16,092)
	289,239	144,470	289,239	143,834
Movement in provision for credit losses:				
Opening balance	(16,092)	(959)	(16,092)	(959)
Exchange rate adjustment – provision for credit losses on funds due from MCH ²	(15,426)	(15,133)	(15,426)	(15,133)
	(31,518)	(16,092)	(31,518)	(16,092)

¹Meikles Consolidated Holdings Private Limited (“MCH”), a shareholder entity, owes the Group ZWG 311.8 million.

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

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

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

15. Inventories

Inventories comprise:

Raw materials and consumables
Merchandise and manufactured goods

		INFLATION ADJUSTED		HISTORICAL COST	
		28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
		89,916	92,230	89,481	52,241
		764,234	829,750	760,745	449,477
		854,150	921,980	850,226	501,718

Cost of inventories recognised as an expense was ZWG 9.9 billion (2024: ZWG 9.8 billion). The cost of inventories recognised as an expense includes ZWG 49.8 million (2024: ZWG 64.1 million) in respect of write-offs of inventory due to shrinkage and wastage.

16. Trade and other receivables

Trade receivables
Expected credit loss allowance
Net trade receivables
Prepayments and deposits
Receivables from leased premises
Other receivables

		INFLATION ADJUSTED		HISTORICAL COST	
		28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
		9,849	6,557	9,849	5,445
		(1,695)	(797)	(1,695)	(564)
		8,154	5,760	8,154	4,881
		101,837	30,257	99,303	17,533
		88,341	71,659	88,341	38,819
		25,762	32,567	25,762	18,913
		224,094	140,243	221,560	80,146

17. Cash and bank balances

Current
Bank balances
Cash on hand

		INFLATION ADJUSTED		HISTORICAL COST	
		28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
		603,047	310,714	603,047	259,080
		1,391	822	1,391	497
		604,438	311,536	604,438	259,577

Included in the cash and bank balance is a ZWG 106.2 million (US\$4 million) deposit held by the bankers of Meikles Limited's foreign subsidiary, Cape Grace Investments Limited (CGI). CGI's bankers have issued an on-demand bank guarantee as security for the loan advance to Thomas Meikle Properties (Pvt) Ltd ("TMP"). Meikles Limited does not have access to the US\$4 million deposit until the loan advanced to TMP has been repaid and the guarantee cancelled. (See further details on note 20).

18. Lease liabilities

Opening balance
Additions
Interest expense
Rental payments
Lease modifications
Lease derecognition
Exchange differences
Monetary adjustment
Liabilities relating to assets classified as held for sale

		INFLATION ADJUSTED		HISTORICAL COST	
		28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
		37,499	107,478	20,730	58,249
		5,832	2,306	5,165	1,697
		39,860	28,228	29,764	15,365
		(71,734)	(57,578)	(52,138)	(31,267)
		313,836	136,119	215,044	73,736
		-	(5,228)	-	(2,830)
		3,221	14,037	3,221	(94,220)
		(106,728)	(187,863)	-	-
		(2,039)	-	(2,039)	-
		219,747	37,499	219,747	20,730
		(76,269)	(28,356)	(76,269)	(15,437)
		143,478	9,143	143,478	5,293

Maturity profile

Between zero and one year	76,269	28,356	76,269	15,547
Between one and two years	60,597	22,319	60,597	11,665
Between two and three years	53,839	16,847	53,839	9,126
Between three and four years	48,123	16,236	48,123	8,795
Between four and five years	40,852	13,125	40,852	7,066
After five years	195,558	57,154	195,558	52,874
	475,238	154,037	475,238	105,073

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

19. Trade, other payables, and provisions

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Trade payables	925,784	397,645	925,784	242,342
Accruals and other payables	215,763	89,837	215,763	91,823
Current tax payable	14,786	8,717	14,786	5,319
Provisions	29,471	32,257	29,471	18,241
	1,185,804	528,456	1,185,804	357,725

The credit period on purchases ranges from 7 to 60 days (2024: 7 to 60 days) from date of statement. Suppliers are paid predominantly on prepayment or cash basis. Interest is charged by certain but not all suppliers on overdue payables.

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

20. Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Opening balance	14,957	20,155	8,102	10,918
Additions	64,363	-	56,472	-
Interest expense	4,378	5,437	3,568	2,945
Repayment	(1,938)	-	(1,856)	-
Loan write-back	-	(6,132)	-	(3,322)
Exchange movements	9,357	18,806	16,210	(2,439)
Monetary adjustment	(8,621)	(23,309)	-	-
	82,496	14,957	82,496	8,102
Less current portion	(82,496)	(14,957)	(82,496)	(8,102)
Non-current portion	-	-	-	-
 Secured:				
Acceptance credits, loans and overdrafts	58,435	-	58,435	-
 Unsecured:				
Acceptance credits, loans and overdrafts	24,061	14,957	24,061	8,102
 Maturity profile				
On demand	82,496	14,957	82,496	8,102

Summary of borrowing arrangements

- Included in the secured borrowings is a loan of ZWG 58.4 million. During the current financial year Thomas Meikle Properties (Private) Limited obtained a US\$4 million loan from a local bank to finance the refurbishments of some of its commercial properties. As at 28 February 2025, ZWG 58.4 million (US\$2.2 million) had been drawn from the facility. The loan was secured by an on-demand bank guarantee of ZWG 106.2 million (US\$4 million) from the bankers of Meikles Limited's foreign subsidiary Cape Grace Investments Limited ("CGP"). The loan attracts interest at 13% per annum payable monthly in arrears. The facility will be repayable as a lump sum on or before 31 July 2025. As of the date of approval of these financial statements, negotiations to extend the loan's repayment date to 30 November 2025 were at an advanced stage. Additionally, the expiry of the on-demand bank guarantee has been extended to 30 June 2026, from 30 June 2025, as part of the conditions set by the local lender for extending the tenure of the facility.
- Included in the unsecured borrowings is a loan of ZWG 24.0 million (2024: ZWG 15.0 million) from Barak Fund SPC Limited (Barak), a structured trade finance segregated portfolio domiciled in South Africa. Barak funded Greatermans Stores (1979) Private Limited (Greatermans) trading stock imports from South Africa in 2016. The trade finance agreement between Barak and Greatermans has suspensive conditions, including the borrower obtaining exchange control approval from the Reserve Bank of Zimbabwe (RBZ). The parties implemented the agreement in the absence of the exchange control approval. In retrospect, the Group applied for the exchange control authority to repay the loan from Barak without success, and as a result, the loan is in default. The loan is denominated in US\$ and attracts interest at 10% per annum., Barak is in the process of winding down following financial difficulties.
- Included in the unsecured borrowings is a loan from Afghan African Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited. The loan attracted interest of 5% per annum inclusive of an annual management fee. There are no fixed repayment terms.
- Included in the unsecured borrowings is a loan from Mr. Ian Hannam, who is part of Afghan African Holdings Limited. The loan attracts interest at 10% per annum and has no fixed repayment terms.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

21. Financial assets and liabilities

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 28 February 2025 and 29 February 2024:

At amortised cost

	INFLATION ADJUSTED	HISTORICAL COST		
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Other financial assets (note 14)	289,239	144,470	289,239	143,834
Trade and other receivables – excluding prepayments (note 16)	122,257	109,986	122,257	62,613
Total financial assets	411,496	254,456	411,496	206,447
Total current	124,136	110,252	124,136	62,757
Total non-current	287,360	144,204	287,360	143,690
Total financial assets	411,496	254,456	411,496	206,447

Set out below, is an overview of financial liabilities, held by the Group as at 28 February 2025 and 29 February 2024:

At amortised cost

	INFLATION ADJUSTED	HISTORICAL COST
	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Secured acceptance credits, loans and overdrafts	58,435	58,435
Unsecured acceptance credits, loans and overdrafts	24,061	24,061
Trade, other payables, and provisions (note 19)	1,185,804	1,185,804
Total financial liabilities	1,268,300	357,725
Total Current	1,268,300	543,413
Total non-current	-	-
Total financial liabilities	1,268,300	365,827

22. Related party transactions

Balances between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below as well as in note 14.

22.1 Related party transactions and balances

	INFLATION ADJUSTED	HISTORICAL COST		
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
During the period, group entities entered into the following transactions with related parties that are not members of the Group:				
Rentals – Wingray Properties (Private) Limited	593	1,118	425	606
Donation expense – Meikles Foundation	861	1,069	611	579
Cost recoveries - Meikles Consolidated Holdings (Private) Limited	1,086	1,130	800	612
Cost recoveries – Tanganda Tea Company	937	960	681	520
Dividend paid to Meikles Consolidated Holdings (Private) Limited	47,741	71,294	36,271	38,680
The following balances were outstanding at the end of the reporting date:				
Funds due from MCH (before ECL provisions) – see note 14	311,754	159,173	311,754	159,173
Current account – MCH	17,417	-	17,417	-
Current account – Tanganda Tea Company	831	219	831	119
Current account with MCH – receivable	1,439	735	1,439	735

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS (continued)

22.1 Related party transactions and balances (continued)

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

23. Commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2025 ZWG 000	29 February 2024 ZWG 000	28 February 2025 ZWG 000	29 February 2024 ZWG 000
Commitments for the acquisition of property, plant and equipment				
Authorised but not yet contracted for	423,656	218,871	423,656	118,563
Group's share of capital commitments of joint operations	-	5,664	-	5,664

23. Subsequent events

23.1 Lack of exchangeability

On 15 April 2025, Statutory Instrument 34 of 2025 was issued stating that the Exchange Control (Amendment of Schedule to the Exchange Control Act) Notice, 2024, published in Statutory Instrument 81A of 2024, has been repealed. This removed the legal requirement to use the interbank rate for pricing, liberalizing the application of market-determined exchange rates. Therefore, any exchange rates agreed to by market participants in a contract would be legally enforceable in Zimbabwe. Directors assessed the impact of the above changes and are satisfied that they are non-adjusting subsequent events for the year ended 28 February 2025.

23.2 Exchange rate

As at the date of sign-off of these financial statements, the interbank rate had moved to US\$1: ZWG26.9561. The Directors have considered this to be a non-adjusting subsequent event.

KEY PERFORMANCE MEASURES

	INFLATION ADJUSTED		
	28 February 2025	29 February 2024	
Gross margin (%)	<u>Gross profit</u> Revenue	22.69%	22.61%
Operating (loss) / profit margin (%)	<u>Operating profit / (loss)</u> Revenue	(4.47)%	(3.11)%
Return on equity (%)	<u>Attributable earnings</u> Average shareholders' funds	7.51%	17.88%

	HISTORICAL COST		
	28 February 2025	29 February 2024	
Gross margin (%)	<u>Gross profit</u> Revenue	28.22%	22.61%
Operating profit margin (%)	<u>Operating profit</u> Revenue	1.27%	(3.13)%
Return on equity (%)	<u>Attributable earnings</u> Average shareholders' funds	25.74%	11.08%

CORPORATE INFORMATION

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