



# Short-Form Financial Announcement

for the half year ended 30 September 2024

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

The short-form financial announcement below is the responsibility of the Directors and is only a summary of the information 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 published on the following platforms:

- Zimbabwe Stock Exchange website [www.zse.co.zw](http://www.zse.co.zw);
- The Company's website <https://okzinvestor.com/>;

The full announcement is also available for inspection upon request, at no charge, via email to [mmunyuru@okzim.co.zw](mailto:mmunyuru@okzim.co.zw).

## Financial Highlights

	For the six months ended 30 September 2024 USD	% Change 30 September 2024 vs 30 September 2023
<b>Financial performance</b>		
Revenue	177 429 377	46.58%
Profit before tax	5 072 390	(29.75%)
Profit for the period	3 710 522	5%
<b>Share performance: ZWL cents</b>		
▪ Headline earnings per share	0.28	3.7%
▪ Diluted earnings per share	0.27	3.8%
▪ Diluted headline earnings per share	0.27	3.8%
<b>Financial position</b>		
Total assets	187 961 026	3.95%
Total equity	105 246 175	1%
Total liabilities	82 714 851	8.4%

## Change in functional currency

The interim condensed consolidated financial statements have been presented in United States dollars (USD), which became the functional currency of the Group with effect from 1 April 2024. The comparative condensed consolidated financial statements were previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyperinflationary Economies.

## Auditor's Review

This short-form financial announcement should be read together with the condensed consolidated financial statements for the half year ended 30 September 2024. The condensed consolidated interim financial statements were not reviewed and consequently, no review opinion has been expressed.

## Dividend Announcement to Shareholders

In order to preserve cash in the business, the Directors have resolved not to declare an interim dividend for the six months ended 30 September 2024.

By the order of the Board



Mrs. Margaret Munyuru  
Group Company Secretary  
18 December 2024



# Unaudited Condensed Financial Results

for the half year ended 30 September 2024

## Financial Highlights

Revenue	Increased by <b>46.58%</b> to <b>USD 177,429,377</b>
EBITDA	Increased by <b>44%</b> to <b>USD 17,033,698</b>
Headline earnings	Increased by <b>5%</b> to <b>USD 3,708,908</b>
Basic earnings per share (USD cents)	Increased by <b>3.7%</b> to <b>USD 0.28</b>
Net assets per share (USD cents)	Decreased by <b>1%</b> to <b>USD 7.98</b>

## Sales Volumes

↑ **27.69%**

## Profit for the Year

↑ **5%**

## Chairman's Statement

### Operating Environment

The beginning of the financial year was marked by the introduction of the Zimbabwe Gold ("ZWG") which brought about a measure stability, lowering the rate of inflation during the first quarter. At the same time, the country's foreign exchange auction system was superseded by an interbank foreign exchange market under a willing-buyer-willing-seller (WBWS) trading arrangement. However, the shortage of foreign currency in the formal banking sector persisted with pressure on the exchange rate resulting in increased insistence on USD settlement.

Accelerated growth in money supply during the second quarter resulted in increased ZWG denominated transactions and widened the disparity between the official and parallel market exchange rates. Where suppliers accepted local currency settlement, they offered shorter trading terms or required prepayments for goods which put a strain on working capital. The exchange rate fluctuations during this period resulted in pricing distortions.

The devaluation of the ZWG towards the end of the financial period in September 2024 managed to reset the market, minimising the differential in exchange rates. However, the measures introduced to preserve the value of the ZWG which include the revision of the standard and statutory reserve requirements tightened liquidity and have adversely impacted on access to funding.

### Change in Functional Currency

The multi-currency transactions continue to be dominated by the USD, and this has been confirmed in the monetary policy statements issued by the Central Bank since the prior year. The increased use of the USD in the market has resulted in growth in the Group's USD denominated transactions, necessitating a review of the functional currency of the Group at the beginning of the period. Based on the review, the Directors concluded that the functional currency of the Group had changed from ZWL (subsequently, ZWG) in prior year to the USD with effect from 1 April 2024.

Changes in the economic environment may alter currency mix and as such, the Group will continue to evaluate the impact of changes in circumstances in the on-going assessment of the Group's functional currency.

The comparative figures were previously stated in inflation adjusted terms as described in the notes to the financial statements. The effects of hyperinflation accounting in prior years resulted in some distortions to the comparative figures and consequently, the financial statements for the current period are not entirely comparable to the prior period.

### Group Performance

Despite the challenges in the trading environment during the half year period, the Group realised growth in both sales volumes and revenues. Sales volumes went up by 27.69% as compared to the prior period while the gross profit margin improved from 16.83% in the prior period to 19.64% in the current period.

The growth in volume was bolstered by a successful OK Grand Challenge promotion which included the OK Mart stores for the first time which resulted in growth in the contribution of bulk sales compared to prior period. Other expenses went up by 16,29% from USD17,3 million in the prior period to USD20,17 million in the current period largely due to the increased cost of energy supply which went up from USD5 million in prior year to USD8,2 million. The cost of electricity was driven by increased tariffs while power outages resulted in increased dependence on back-up power, compounding the effects of the increased cost of utilities in the current period.

The increase in net exchange gains from a net exchange loss position in prior period is attributable to the devaluation of the ZWG to the USD. In spite of the growth in revenue and turn-around of the net exchange loss position to net exchange gains in the current year, profit before tax went down by 30% from USD7,2 million in the prior period to USD5,1 million in the current period. The decline in profit before tax was distorted by the inclusion of net monetary gains of USD26 million in the prior period accompanied by an increase in depreciation and amortisation costs which went up from USD2,5 million in the prior period to USD10,3million in the current period due to the effects of inflation adjustments and remeasurement of the right of use asset at the end of the prior year ended 31 March 2024.

Profit for the year went up by 5% as compared to prior year while the total comprehensive income was lowered by the devaluation of property whose fair value movement was impacted by the change from a local currency valuation adjusted for inflation in prior year to a USD valuation in the current year.

The working capital gap narrowed in the current period, with the current ratio improving from 0.98 in the prior period to 1.1 in the period under review. Credit facilities were utilised in financing the maintenance of property and equipment including renovations of retail outlets.

### Directors

During the period under review, the Board welcomed Mrs. Kiitumetsi Zawanda to the Board who joined the Board of Directors with effect from 1 June 2024. Two non-executive directors, Mrs. Rufaro Audrey Maunze-Bhebhe and Mrs. Keresia Mtemerewa-Nyawo retired from the board. The board would like to express sincere appreciation to Mrs. Rufaro Audrey Maunze-Bhebhe and Mrs. Keresia Mtemerewa-Nyawo for their dedicated service and valuable contributions during their tenure.

### Sustainability

The Group continues to demonstrate commitment towards attaining sustainability goals which include minimising carbon emissions, managing natural resources and waste reduction. The drive towards sustainability is reflected by the decisions made by the Group including around investment in sustainable energy supply.

Enhancing reporting on our environmental, social and governance (ESG) impact remains a priority, the Board continues to monitor progress in adopting the International Financial Reporting Standards (IFRSs) S1-General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2-Climate-related Disclosures.

### Dividend

In order to preserve cash, no dividend has been declared for the half-year ended 30 September 2024.

### Outlook

Operationally, power outages continue to present an encumbrance to business operations while liquidity challenges continue to strain the operating environment.

The tax proposals put forward in the 2025 budget statement are likely to drive up costs and lower margins realised on affected product lines such as alcoholic and deli products. Going into the second half of the trading year, cost optimisation and product diversification will remain key priorities in sustaining and enhancing the growth achieved during the period under review.



**Herbert Nkala**  
Chairman

17 December 2024

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 September 2024

Note	Unaudited September 2024 USD	Unaudited* September 2023 USD
Revenue	177 429 377	121 050 008
Changes in trade inventories	(8 421 899)	(6 075 010)
Merchandise and consumables used	(134 156 511)	(94 599 078)
Other income	1 229 048	1 821 146
Employee benefits expense	(13 481 054)	(13 706 385)
Depreciation and amortisation	(10 317 170)	(2 453 250)
Shared-based payments expense	(6 212)	(121 308)
Net exchange gains/(losses)	14 612 382	(5 398 072)
Other expenses	(20 171 433)	(17 344 806)
Finance income	939	884
Finance costs	(1 645 077)	(2 127 012)
Net monetary gain	—	26 174 269
<b>Profit before tax</b>	<b>5 072 390</b>	<b>7 221 386</b>
Income tax expense	(1 361 868)	(3 691 280)
<b>Profit for the period</b>	<b>3 710 522</b>	<b>3 530 106</b>
<b>Other comprehensive (loss)/income for the period</b>		
<b>Items that will never be classified to profit or loss</b>		
Fair value (loss)/ gain on property	(3 263 152)	11 308 465
Fair value gains on financial instruments at FVOCI	33 321	1 265
Income tax relating to items that will not be reclassified subsequently to profit or loss	216 346	(2 067 085)
<b>Total other comprehensive (loss)/income for the period</b>	<b>(3 013 485)</b>	<b>9 242 645</b>
<b>Total comprehensive income for the period</b>	<b>697 037</b>	<b>12 772 751</b>
<b>Profit for the period attributable to:</b>		
Owners of the company	3 814 556	3 531 590
Non-controlling interests	(104 034)	(1 484)
	<b>3 710 522</b>	<b>3 530 106</b>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the company	801 071	12 774 235
Non-controlling interests	(104 034)	(1 484)
<b>Profit for the period</b>	<b>697 037</b>	<b>12 772 751</b>



## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

for the half year ended 30 September 2024

Note	Unaudited September 2024 USD	Unaudited* September 2023 USD
Weighted average number of ordinary shares in issue	1 317 735 677	1 311 886 292
<b>Share performance: USD cents</b>		
Basic earnings per share	0.28	0.27
Headline earnings per share	0.28	0.27
Diluted earnings per share	0.27	0.26
Diluted headline earnings per share	0.27	0.26

\* The comparative consolidated statement of profit or loss and other comprehensive income which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyperinflationary Economies, was translated to the USD (functional currency) as described per note 2.

## Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2024

Note	Unaudited September 2024 USD	Unaudited* March 2024 USD
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	7 67 884 829	73 069 266
Financial assets held at fair value through other comprehensive income	51 140	17 819
Goodwill	4 096 889	4 096 889
Right of use asset	8 64 469 190	62 231 026
Intangible asset	416 083	418 242
<b>Total non-current assets</b>	<b>136 918 131</b>	<b>139 833 242</b>
Inventories	9 37 382 748	29 082 110
Trade and other receivables	1 931 796	262 975
Prepayments	3 917 399	3 260 702
Current tax asset	—	2 518
Cash and cash equivalents	7 810 952	8 375 431
<b>Total current assets</b>	<b>51 042 895</b>	<b>40 983 736</b>
<b>Total assets</b>	<b>187 961 026</b>	<b>180 816 978</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	28 991	28 935
Share premium	9 589 173	9 585 903
Share based payment reserve	694 041	691 155
Mark-to-market reserve	39 191	6 370
Revaluation reserve	17 946 564	20 992 870
Non-distributable reserve	2 335 436	2 335 436
Retained earnings	74 211 401	70 396 845
	<b>104 844 797</b>	<b>104 037 514</b>
Non-controlling interest	401 378	505 412
<b>Shareholders' equity</b>	<b>105 246 175</b>	<b>104 542 926</b>
<b>Non-current liabilities</b>		
Long term loan	10.2 —	456 584
Long term lease liability	11 11 408 938	7 430 097
Deferred tax liability	12 26 695 793	26 573 756
<b>Total non-current liabilities</b>	<b>38 104 731</b>	<b>34 460 437</b>
<b>Current liabilities</b>		
Short term borrowings	10.1 4 992 500	3 067 752
Short term lease liability	11 2 098 552	1 518 057
Trade and other payables	13 34 581 329	34 123 833
Provisions	1 128 633	934 540
Current tax liabilities	1 809 106	2 169 433
<b>Total current liabilities</b>	<b>44 610 120</b>	<b>41 813 615</b>
<b>Total liabilities</b>	<b>82 714 851</b>	<b>76 274 052</b>
<b>Total equity and liabilities</b>	<b>187 961 026</b>	<b>180 816 978</b>

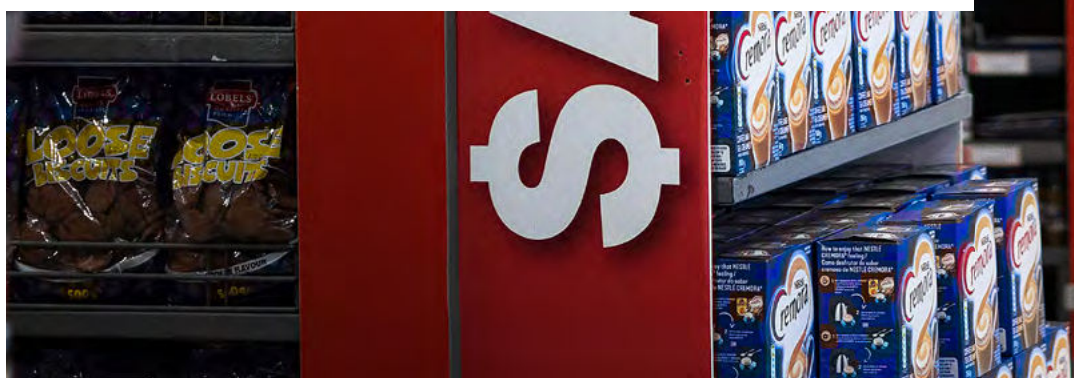
\* The comparative consolidated statement of financial position which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyperinflationary Economies, was translated to the USD (functional currency) as described per note 2.

## Unaudited Condensed Consolidated Statement of Cash Flows

for the half year ended 30 September 2024

Note	Unaudited September 2024 USD	Unaudited* September 2023 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash retained from operating activities</b>		
Cash generated from trading	16.1 2 425 914	10 040 242
Working capital changes	16.3 1 553 673	2 588 545
Cash generated from operations	3 979 587	12 628 787
Finance income received	939	884
Finance cost paid	(1 645 077)	(2 127 012)
Tax paid	(1 381 293)	(686 993)
<b>Net cash generated from operating activities</b>	<b>954 156</b>	<b>9 815 666</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investments to maintain and expand operations:</b>		
Acquisition of property and equipment	7.1 (657 711)	(2 794 338)
Proceeds from disposal of property and equipment	4 955	136
<b>Net cash used in investing activities</b>	<b>(652 756)</b>	<b>(2 794 202)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liability principal repayment	16.2 (1 380 158)	(774 740)
Proceeds from borrowings	10.3 2 202 015	31 277
Repayment of borrowings	10.3 (537 280)	(3 053 899)
<b>Net cash generated/(used) from financing activities</b>	<b>284 577</b>	<b>(3 797 362)</b>
<b>Net increase in cash and cash equivalents</b>	<b>585 977</b>	<b>3 224 102</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8 375 431</b>	<b>1 664 878</b>
Effects of exchange (losses)/gains on cash and cash equivalents	(1 150 456)	349 590
<b>Cash and cash equivalents as at the end of the period</b>	<b>7 810 952</b>	<b>5 238 570</b>

\* The comparative consolidated statement of cashflows which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyperinflationary Economies, was translated to the USD (functional and presentation currency) as described per note 2.





## Unaudited Condensed Consolidated Statement of Changes in Equity

for the half year ended 30 September 2024

	Share capital USD	Share premium USD	Share based payments USD	Mark to market USD	Revaluation reserve USD	Non-distributable reserve USD	Retained earnings USD	Non-controlling interest USD	Total USD
<b>Balance at 1 April 2023*</b>	12 164	3 995 676	282 167	3 192	9 391 934	981 784	16 973 977	(724)	31 640 170
Profit for the year	—	—	—	—	—	—	3 531 590	(1 484)	3 530 106
Other comprehensive income, net of tax	—	—	—	1 265	9 241 380	—	—	—	9 242 645
<b>Total</b>	<b>12 164</b>	<b>3 995 676</b>	<b>282 167</b>	<b>4 457</b>	<b>18 633 314</b>	<b>981 784</b>	<b>20 505 567</b>	<b>(2 208)</b>	<b>44 412 921</b>
<b>Transactions with owners:</b>									
<b>Contributions and distributions</b>									
Share options exercised/recognised	—	30 129	28 909	—	—	—	—	—	59 038
<b>Total transactions with owners</b>	<b>—</b>	<b>30 129</b>	<b>28 909</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>59 038</b>
<b>Balance at 30 September 2023*</b>	<b>12 164</b>	<b>4 025 805</b>	<b>311 076</b>	<b>4 457</b>	<b>18 633 314</b>	<b>981 784</b>	<b>20 505 567</b>	<b>(2 208)</b>	<b>44 471 959</b>

\* The comparative consolidated statement of changes in equity which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyperinflationary Economies, was translated to the USD (functional and presentation currency) as described per note 2.

	Share capital USD	Share premium USD	Share based payments USD	Mark to market USD	Revaluation reserve USD	Non-distributable reserve USD	Retained earnings USD	Non-controlling interest USD	Total USD
<b>Balance at 1 April 2024*</b>	28 935	9 585 903	691 155	6 370	20 992 870	2 335 436	70 396 845	505 412	104 542 926
Profit for the year	—	—	—	—	—	—	3 814 556	(104 034)	3 710 522
Other comprehensive income, net of tax	—	—	—	32 821	(3 046 306)	—	—	—	(3 013 485)
<b>Total</b>	<b>28 935</b>	<b>9 585 903</b>	<b>691 155</b>	<b>39 191</b>	<b>17 946 564</b>	<b>2 335 436</b>	<b>74 211 401</b>	<b>401 378</b>	<b>105 239 963</b>
<b>Transactions with owners:</b>									
<b>Contributions and distributions</b>									
Share options exercised/recognised	56	3 270	2 886	—	—	—	—	—	6 212
<b>Total transactions with owners</b>	<b>56</b>	<b>3 270</b>	<b>2 886</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6 212</b>
<b>Balance at 30 September 2024</b>	<b>28 991</b>	<b>9 589 173</b>	<b>694 041</b>	<b>39 191</b>	<b>17 946 564</b>	<b>2 335 436</b>	<b>74 211 401</b>	<b>401 378</b>	<b>105 246 175</b>

\* The comparative consolidated statement of changes in equity which was previously presented in the Zimbabwean Dollar (ZWL) after adjustments for inflation in accordance with IAS 29-Financial Reporting for Hyperinflationary Economies, was translated to the USD (functional and presentation currency) as described per note 2.

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

for the half year ended 30 September 2024

### 1. Reporting Entity

The Group is a leading supermarket retailer whose business is in retail and hypermarket formats, supplying food and liquor, housewares and household goods, building material and pharmaceutical goods. At the reporting date, the Group was operating from sixty-four retail, and eight hypermarket stores countrywide. The company, OK Zimbabwe Ltd, had five subsidiaries.

The Group's parent company OK Zimbabwe Limited is a registered limited liability entity incorporated in Zimbabwe under the Companies and Other Business Entities Act ("COBE") Chapter 24:31 and is listed on the Zimbabwe Stock with its registered office at OK House, 7 Ramon Road, Graniteside, P. O. Box 3081, Harare, Zimbabwe.

### 2. Basis of Preparation

#### 2.1 Basis of accounting

The consolidated financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with Companies and Other Business Entities Act (COBE) (Chapter 24:31).

#### 2.2 Functional currency

Since the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020 and subsequently, SI 218 of 2023, issued on 27 October 2023, which confirmed the continued settlement of transactions and ultimately, the continued use of the USD until 31 December 2030, the economy has been observing a gradual increase in the use of the United States Dollar ("USD").

The group companies have also been experiencing a shift in currency mix and as required by the guidance of IAS 21-The Effects of Changes in Foreign Exchange Rates, at the beginning of the financial year, the group companies evaluated whether the change in circumstances was indicative of a change in their functional currency.

In assessing the functional currency of the group companies, the Directors considered the guidance provided by IAS 21 which required consideration of factors including but not limited to:

- The increased contribution of USD denominated sales;
- The denomination and settlement of the merchandise stock and services costs including employment costs; and
- The currency in which funds are generated from financing activities.

Based on the review, the Directors concluded that the functional currency of the Group had changed from the Zimbabwe Dollar ("ZWL") in prior year to the United States Dollar ("USD") with effect from 1 April 2024.

### 2. Basis of Preparation (continued)

#### 2.2.1 Procedures to convert functional currency

Prior to 1 April 2024, financial statements were presented in ZWL, after restatement of historical financial statements in accordance with IAS 29-Financial Reporting in Hyperinflationary Economies. IAS 21 requires entities that operated in hyperinflationary economies to translate their last reported inflation-adjusted financial statements using the closing rate of exchange at the last reporting date, on the effective date of change in functional currency.

Following the pronouncement of SI 27 of 2023, Census and Statistics (General) Notice, 2023 which introduced blended inflation rates replacing the ZWL inflation rates and Consumer Price Index (CPI) effective February 2023, the Group used an internal estimation based on the published Total Consumption Poverty Line (TCPL) since February 2023 to March 2024 to determine the Consumer Price Index (CPI).

The inflation adjusted financial statements for the prior period were translated to the USD using the prevailing in-store rates as at the end of the reporting periods being 30 September 2023 and 31 March 2024 with the exception of inventory and retained earnings balances as at 31 March 2024 which were adjusted to correct the effects of the distortions arising from the application of hyperinflation accounting in the prior period and exchange rate disparities between the exchange rates prevailing at the time of transaction and the exchange rate applied in converting the ZWL restated balances to USD.

There are varied views on the conversion of prior period balances based on the different interpretations of IFRS. Management will review the methodology applied in converting the prior year balances at the interim period and effect any changes as necessary in the year-end financial statements.

#### 2.3 Currency of reporting

The interim condensed consolidated financial statements are presented in United States dollars (USD), which became the functional currency of the Group with effect from 1 April 2024. All foreign denominated transactions and balances are translated to the USD in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) at the in-store exchange rate prevailing at the time of transacting.

### 3. Material Accounting Policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's latest annual financial statements.

#### 3.1 Standards issued but not yet effective

The Group has opted not to early adopt IFRS 18-Presentation and Disclosure in Financial Statements and IFRS 19-Subsidiaries without Public Accountability which were issued during the period under review. At the reporting date, Management was still evaluating how the adoption of the international financial standards would impact financial reporting.



## Notes to the Unaudited Condensed Consolidated Interim Financial Statements (continued)

for the half year ended 30 September 2024

	Unaudited September 2024 USD	Unaudited* September 2023 USD
<b>4. Revenue</b>		
Retail	134 491 468	93 824 275
Hypermarket	42 937 909	27 225 733
	<b>177 429 377</b>	<b>121 050 008</b>
During the year, the Group earned revenue from sale of merchandise through its retail and hypermarket stores as shown above.		
<b>5. Profit Before Tax</b>		
Profit before income tax takes into account the following:		
<b>5.1 Other income</b>		
Lease and sub-lease	30 454	152 834
Commission income	1 198 594	1 668 312
	<b>1 229 048</b>	<b>1 821 146</b>
<b>5.2 Net exchange gains/(losses)</b>		
The net exchange gains recognised during the period were mainly as result of the devaluation of the Zimbabwe Gold (ZWG), the rate of the ZWG to the USD went up from 13.5616 at the beginning of the reporting period to 25 at the end of reporting period.		
The net exchange gains/(losses) recognised can be broken down as follows:		
Exchange losses on loans and bank balances	(953 886)	(2 487 711)
Exchange gains/(losses) on leases liabilities and trade payables	15 566 268	(2 910 361)
<b>Net exchange gains/(losses)</b>	<b>14 612 382</b>	<b>(5 398 072)</b>
<b>5.3 Other expenses</b>		
Utilities and backup power expenses*	8 145 677	4 981 322
Property operating costs	2 190 151	1 640 260
Marketing and promotional expenses	1 549 593	2 032 948
Maintenance expenses	1 591 114	1 642 419
Security expenses	1 223 992	1 145 263
Transportation and motor vehicle running costs	938 945	1 078 285
Cleaning expenses	363 823	1 253 742
Retirement benefit costs	719 498	722 124
Distribution expenses	751 353	501 735
Bank charges	708 218	201 701
License expenses	673 084	443 036
Consultancy fees	152 367	616 802
Stock-taking expenses	247 821	287 333
Insurance fees	203 582	176 553
Audit and accounting fees	129 457	231 755
(Profit)/loss on sale of property and equipment	(1 614)	137
Other	584 372	389 391
	<b>20 171 433</b>	<b>17 344 806</b>
<b>5.4 Depreciation and amortisation expense</b>		
Property and equipment	2 575 655	646 315
Rights of use asset	7 739 356	1 799 006
Intangible asset	2 159	7 929
	<b>10 317 170</b>	<b>2 453 250</b>

\* The increase in utilities and backup power expenses was driven by the increase in the cost of electricity which went up mainly due to tariff adjustments and the increased dependency on backup power.

	Unaudited September 2024 USD	Unaudited* September 2023 USD
<b>6. Income Tax Expense</b>		
Amount recognised in the statement of profit or loss:		
<b>Current tax:</b>		
Standard	993 359	1 736 909
Aids levy	30 126	52 107
<b>Movement in the deferred tax liability:</b>		
Origination of temporary differences	338 383	1 902 264
	<b>1 361 868</b>	<b>3 691 280</b>

In prior year, transactions and balances were adjusted for effects of inflation in line with the requirements of IAS 29 and this resulted in a higher effective tax rate of 51%. The effective tax rate of 27% in the current year represents an improvement from the prior period which is attributable to the change in functional currency in the current period.

	Unaudited September 2024 USD	Unaudited* March 2024 USD
<b>7. Property And Equipment</b>		
<b>7.1 Property and equipment movement in net book value for the year:</b>		
<b>At the beginning of the period</b>	<b>73 069 266</b>	<b>75 474 342</b>
Capital expenditure	657 711	6 489 766
Loss on revaluation	(3 263 152)	(2 439 885)
Disposals	(3 341)	(112 887)
Depreciation	(2 575 655)	(6 342 070)
<b>At the end of the period</b>	<b>67 884 829</b>	<b>73 069 266</b>
<b>Freehold Property</b>		
Valuation	26 725 000	30 340 876
Accumulated depreciation	—	—
	<b>26 725 000</b>	<b>30 340 876</b>

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements (continued)

for the half year ended 30 September 2024

	Unaudited September 2024 USD	Unaudited* March 2024 USD
<b>7. Property And Equipment (continued)</b>		
<b>7.1 Property and equipment movement in net book value for the year: (continued)</b>		
<b>Leasehold Improvements</b>		
Cost	8 565 516	8 530 796
Accumulated depreciation	(2 663 879)	(2 451 733)
	<b>5 901 637</b>	<b>6 079 063</b>
<b>Equipment</b>		
Cost	40 910 915	40 510 056
Accumulated depreciation	(23 035 621)	(21 337 435)
	<b>17 875 294</b>	<b>19 172 621</b>
<b>Motor Vehicles</b>		
Cost	5 553 101	5 550 332
Accumulated depreciation	(2 313 497)	(2 003 414)
	<b>3 239 604</b>	<b>3 546 918</b>
<b>Work In Progress</b>	<b>14 143 294</b>	<b>13 929 788</b>
	<b>67 884 829</b>	<b>73 069 266</b>
<b>7.2 Revaluation reserve</b>		
<b>At the beginning of the period</b>	<b>20 992 870</b>	<b>22 341 225</b>
Comprehensive income for the period	(3 046 306)	(1 348 355)
<b>At the end of the period</b>	<b>17 946 564</b>	<b>20 992 870</b>

### Fair value measurement of the Group's freehold land and buildings

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment. The fair value loss on property was USD3,3 million. The fair value of all freehold land and buildings has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. There were no transfers into or out of Level 3 fair value hierarchy.

The fair value measurements of the Group's freehold land and buildings were performed by Dawn Properties Consultancy Limited, independent valuers, as at 30 September 2024.

	Unaudited September 2024 USD	Unaudited* March 2024 USD
<b>8. Right Of Use Asset</b>		
<b>At the beginning of the period</b>	<b>62 231 026</b>	<b>29 323 511</b>
Additions and remeasurement	9 977 520	39 510 090
Amortisation	(7 739 356)	(6 602 575)
<b>At the end of the period</b>	<b>64 469 190</b>	<b>62 231 026</b>
<b>9. Inventories</b>		
Consumables	—	121 261
Merchandise	37 382 748	28 960 849
	<b>37 382 748</b>	<b>29 082 110</b>
<b>9.1 Change in trade inventories</b>		
Opening merchandise stock	28 960 849	22 885 839
Closing merchandise stock	37 382 748	28 960 849
	<b>(8 421 899)</b>	<b>(6 075 010)</b>
<b>10. Borrowings</b>		
<b>10.1 Short term borrowings</b>		
Unsecured interest-bearing loans	1 952 530	1 666 667
Bank overdraft	3 039 970	1 401 085
	<b>4 992 500</b>	<b>3 067 752</b>
<b>10.2 Long term borrowings</b>		
Loans	—	456 584
	<b>—</b>	<b>456 584</b>
<b>10.3 Total borrowings</b>		
<b>At the beginning of the period</b>	<b>3 524 335</b>	<b>11 035 541</b>
Proceeds	2 202 015	1 206 413
Repayments	(537 280)	(9 762 922)
Exchange rate fluctuations	(196 570)	16 634 357
Impact of inflation	—	(15 589 054)
<b>At the end of the period</b>	<b>4 992 500</b>	<b>3 524 335</b>
<b>11. Lease Liability</b>		
Long term liability	11 408 938	7 430 097
Short term lease liability	2 098 552	1 518 057
<b>At the end of the period</b>	<b>13 507 490</b>	<b>8 948 154</b>

The Group leases several properties from which it conducts trade. The average lease term is between 5 to 10 years and lease extension options included in the property leases are considered for purposes of determining the right of use asset and lease liabilities. The Group has lease contracts properties whose contractual base rentals are based on a US dollar index to be paid in the local currency ZWG (previously, ZWL), at the prevailing interbank exchange rate, due to the economic environment. Due to the volatile nature of the exchange rate, this results in a different ZWG based rental for each month.

IFRS 16.26 prescribes measurement of a lease liability to include variable lease payments that depend on an index or rate. The contractual rentals are set in USD as it represents a stable index to limit the frequency and number of rental reviews. The substance of the rental payments is such that the exchange rate represents an index as per IFRS16 therefore making the contractual rentals variable lease payments to be included in the measurement of the lease liability.



## Notes to the Unaudited Condensed Consolidated Interim Financial Statements (continued)

for the half year ended 30 September 2024

	Unaudited September 2024 USD	Unaudited* March 2024 USD
<b>12. Deferred Tax Liability/(Asset)</b>		
<b>At the beginning of the period</b>	<b>26 573 756</b>	<b>9 993 872</b>
Charge through the statement of profit or loss	338 383	17 671 433
Reversal of temporary differences through other comprehensive income	(216 346)	(1 091 549)
<b>At the end of the period</b>	<b>26 695 793</b>	<b>26 573 756</b>
<b>The deferred tax liability/(asset) comprises of the effects of temporary differences arising from:</b>		
Property and equipment	10 081 741	12 335 876
Inventories	—	2 558 535
Quoted investments	767	268
Intangible assets	107 141	91 231
Right of use asset	16 600 816	16 024 489
Lease liability	(3 478 179)	(1 781 472)
Unrealised exchange gain/(loss)	3 762 688	(2 407 947)
Provisions	(379 181)	(247 224)
<b>At the end of the period</b>	<b>26 695 793</b>	<b>26 573 756</b>
<b>13. Trade and Other Payables</b>		
Trade payables	29 782 811	31 256 993
Accruals and other payables	4 798 518	2 866 840
	<b>34 581 329</b>	<b>34 123 833</b>
	Unaudited September 2024 USD	Unaudited* September 2023 USD
<b>14. Capital Expenditure</b>		
Acquisition of property and equipment	<b>657 711</b>	<b>2 794 338</b>
<b>15. Capital Commitments</b>		
Authorised but not contracted for	<b>838 072</b>	<b>3 000 000</b>
<b>16. Cashflow Statement Notes</b>		
<b>16.1 Cash generated from trading</b>		
Profit before tax	5 072 390	7 221 386
<b>Adjusted for:</b>		
Finance costs	1 645 077	2 127 012
Interest income	(939)	(884)
Foreign exchange (gains)/losses	(14 612 382)	5 398 072
Share based payments expense	6 212	121 308
(Profit)/loss on sale of property and equipment	(1 614)	137
Depreciation and amortisation	10 317 170	2 453 250
Effects of inflation	—	(7 280 039)
	<b>2 425 914</b>	<b>10 040 242</b>
<b>16.2 Repayments of lease liability</b>		
Gross payments	(2 593 867)	(1 875 709)
Interest on lease liability	1 213 709	1 100 969
	<b>1 380 158</b>	<b>774 740</b>

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements (continued)

for the half year ended 30 September 2024

	Unaudited September 2024 USD	Unaudited* September 2023 USD
<b>16. Cashflow Statement Notes (continued)</b>		
<b>16.3 Working Capital Changes</b>		
Increase in inventories	(8 300 638)	(6 196 271)
(Increase)/decrease in trade and other receivables	(1 668 821)	678 375
(Increase)/decrease in prepayments	(656 697)	2 203 373
Increase in trade and other payables	12 179 829	5 903 068
	<b>1 553 673</b>	<b>2 588 545</b>
<b>17. Segment Reporting</b>		
IFRS 8, Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. For the purpose of decision making, allocation of resources and assessment of performance, senior management consider the Group to be a single operating unit. Consequently, no segment information is presented.		
<b>18. Fair Value Of Financial Instruments</b>		
The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.		
<b>19. Financial Risk Management</b>		
The Group has financial control systems in place which include checklists, policies, audits, security system and spot checks. These are designed to mitigate any finance related risks. Our financial risk management includes credit risk, liquidity risk and control risk.		
Whereas, in prior year, the Group conducted business predominantly in ZWL (subsequently, ZWG), the Group has observed an increase in the contribution of USD denominated balances which resulted in a change in functional currency from the ZWL (subsequently, ZWG) in prior years to the USD as detailed per note 2. The growth in USD denominated transactions and balances resulted in net exchange gains being realised during the current period, an improvement from the net exchange losses incurred in prior year, we refer to note 5.2 for further details.		
<b>20. Subsequent Events</b>		
There were no significant subsequent events affecting the unaudited condensed consolidated interim financial statements for the period ended 30 September 2024.		
Through the 2025 national budget statement, the Minister of Finance announced a combination of reforms aimed at boosting economic growth. Part of the measures included in his statement are tax proposals that will be adopted by the Group when enacted into law. The adoption of the proposals will not have an impact on the unaudited condensed consolidated interim financial statements for the half year ended 30 September 2024.		
<b>21. Going Concern</b>		
The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these unaudited condensed consolidated interim financial statements on a going concern basis is appropriate.		
The Group continues to prioritize measures to mitigate the pressure that micro and macro-economic challenges such as liquidity shortages, deterioration of the local currency and worsening power outages have exerted on the Group's operating environment.		