

## CAUTIONARY ANNOUNCEMENT

Over the past financial year, OK Zimbabwe Limited (“the Company”) has been experiencing significant operational and financial difficulties arising from both endogenous and exogenous factors, driven by a challenging operating environment. These challenges have impacted the Company’s ability to meet its financial obligations, particularly payments to suppliers and financial institutions.

The difficult operating environment has been characterized by:

- macroeconomic volatility, including pricing issues related to the exchange rate, while informal players operated without this constraint, giving them a competitive advantage. Additionally, inflationary pressures have impacted cost structures and pricing strategies;
- liquidity constraints in the broader economy, affecting consumer spending and the Company’s ability to generate sufficient cash flows; and
- working capital challenges leading to disruptions in supply chain and reduced stock availability.

The Company has been unable to maintain adequate stock levels as many suppliers can no longer continue providing goods and services due to outstanding unpaid balances. This has directly impacted product availability across the Company’s stores, affecting revenue generation and overall business performance, particularly in the last six months where trading levels were not adequate to cover costs.

As a result of all the above, the Company anticipates making a significant loss for the year ended 31 March 2025.

In light of the foregoing, the Board of Directors has resolved to undertake a capital raise in the sum of up to US\$30 million to bridge the funding gap and stabilize the Company’s financial position. The capital raise will be a combination of a rights issue, private placement and debt instruments.

The capital-raising initiative is expected to:

- strengthen the Company’s balance sheet and liquidity position;
- enhance working capital availability to ensure smooth business operations; and
- support the Company’s strategic turnaround plan.

Further details will be announced in due course. The Company will then publish a circular to shareholders incorporating notice of an Extraordinary General Meeting of Members for the purpose of considering and approving the capital raise.

Accordingly, shareholders and the investing public are advised to exercise caution when dealing in the Company’s shares. Further announcements will be made in accordance with regulatory requirements as and when there are material developments.

By Order of the Board



MARGARET MUNYURU (MRS.)  
GROUP SECRETARY  
2 April 2025