



Abridged Unaudited Results for the 26 weeks ended 6 July 2025

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 26 weeks to 6 July 2025

| | Notes | 2025 USD 26 weeks to 6.07.25 Unaudited | 2024 USD 26 weeks to 7.07.24 Unaudited |
|---|-------|--|--|
| Revenue | 4 | 17,720,829 | 16,078,548 |
| Sale of merchandise | | 14,056,068 | 13,150,921 |
| Cost of sales | | (6,555,954) | (6,139,924) |
| Gross profit | | 7,500,114 | 7,010,997 |
| Revenue from micro-finance and other debtors accounts | | 3,636,042 | 2,898,158 |
| Other revenue | | 285,708 | 29,469 |
| Other operating income | | 64,989 | 86,728 |
| Other operating expenses | | (3,206,122) | (2,441,066) |
| Movement in credit loss allowance | | 65,829 | (104,814) |
| Selling expenses | | (6,110,755) | (5,545,602) |
| Financial services expenses | | (877,197) | (922,258) |
| Trading profit | | 1,358,608 | 1,011,612 |
| Net foreign exchange gains / (losses) | | 38,177 | (26,312) |
| Operating profit | | 1,396,785 | 985,300 |
| Finance costs | | (992,429) | (824,057) |
| Profit before tax | | 404,356 | 161,243 |
| Income tax credit / (charge) | 5 | 50,287 | (499,535) |
| Profit / (loss) for the period | | 454,643 | (338,292) |
| Other comprehensive income for the year net of tax | | - | - |
| Total comprehensive profit / (loss) for the period | | 454,643 | (338,292) |
| Profit / (loss) per share (cents) | | | |
| Basic | 6 | 0.08 | (0.06) |
| Diluted | 6 | 0.08 | (0.06) |

| | Notes | 2025 USD 26 weeks to 6.07.25 Unaudited | 2024 USD 26 weeks to 7.07.24 Unaudited |
|--|-------|--|--|
| Cash flows from operating activities | | | |
| Profit before tax | | 404,356 | 161,243 |
| Finance income | | (3,636,042) | (2,898,158) |
| Finance costs | | 992,429 | 824,057 |
| Non cash items | | 858,857 | (1,821,049) |
| Movements in working capital | | (643,712) | (351,987) |
| Cash utilised in operations | | (2,024,112) | (4,085,894) |
| Finance costs paid | | (732,088) | (718,892) |
| Lease interest paid | | (1,526,360) | (1,493,367) |
| Finance income received | | 3,894,356 | 3,718,482 |
| Taxation paid | | (41,915) | (561,978) |
| Net cash outflows from operating activities | | (430,119) | (3,141,649) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | (541,416) | (750,743) |
| Net cash utilised in investing activities | | (541,416) | (750,743) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 6,766,432 | 9,554,687 |
| Repayment of borrowings | | (6,244,751) | (6,078,087) |
| Payments of principal portion of lease liabilities | | 32,993 | - |
| Net cash generated from financing activities | | 554,674 | 3,476,600 |
| Total cash movements for the year | | (416,861) | (415,792) |
| Cash and cash equivalents at the beginning of the period | | 246,603 | 662,395 |
| Cash and cash equivalents at the end of the period | | (170,258) | 246,603 |
| Being: | | | |
| Cash and bank balances | | 2,098,974 | 1,418,454 |
| Bank overdrafts | | (2,269,232) | (1,171,851) |
| | | (170,258) | 246,603 |

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 6 July 2025

| | Notes | 2025 USD as at 6.07.25 Unaudited | 2024 USD as at 7.01.24 Audited |
|---------------------------------------|-------|--|--|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 5,520,422 | 5,409,488 |
| Right of use asset | | 2,620,613 | 2,620,613 |
| Intangible assets | | 1,500,000 | 1,500,000 |
| Total non-current assets | | 9,641,035 | 9,530,101 |
| Current assets | | | |
| Inventories | 10 | 6,893,402 | 5,691,499 |
| Trade and other receivables | | 13,264,573 | 13,768,163 |
| Income tax receivable | | 1,007,336 | 1,120,290 |
| Loans and advances to customers | | 1,482,581 | 1,730,114 |
| Bank and cash balances | | 2,098,974 | 2,008,127 |
| Total current assets | | 24,746,866 | 24,318,193 |
| Total assets | | 34,387,901 | 33,848,294 |
| Equity and liabilities | | | |
| Equity | | | |
| Issued capital | | 679,741 | 679,741 |
| Other reserves | | 5,981,541 | 5,981,541 |
| Retained earnings | | 7,155,551 | 6,700,908 |
| Total capital and reserves | | 13,816,833 | 13,362,190 |
| Non-current liabilities | | | |
| Deferred tax liability | | 962,740 | 1,128,308 |
| Interest bearing loans and borrowings | 9 | - | 350,666 |
| Borrowings - related parties | 9 | 2,638,222 | 2,638,222 |
| Lease liabilities | 8 | 2,254,422 | 2,254,422 |
| Total non-current liabilities | | 5,855,384 | 6,371,618 |
| Current liabilities | | | |
| Trade and other payables | | 5,119,198 | 5,362,985 |
| Current tax payable | | - | 27,478 |
| Interest bearing loans and borrowings | 9 | 6,547,196 | 6,007,816 |
| Bank overdraft | | 2,269,232 | 1,936,152 |
| Lease liabilities | 8 | 780,058 | 780,055 |
| Total current liabilities | | 14,715,684 | 14,114,486 |
| Total liabilities | | 20,571,068 | 20,486,104 |
| Total equity and liabilities | | 34,387,901 | 33,848,294 |

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 26 weeks to 6 July 2025

| | Issued capital USD | Equity-settled employee benefits reserve USD | Revaluation reserve USD | Credit reserve USD | Foreign Currency Translation Reserve USD | Retained earnings USD | Total USD |
|-----------------------------------|--------------------------|--|-------------------------------|--------------------------|--|-----------------------------|--------------|
| Balance at 7 January 2024 | 679,741 | 164,130 | 492,916 | 539,996 | 5,402,345 | 5,269,713 | 12,548,840 |
| Reclassification of share options | - | (164,130) | - | - | - | 164,130 | - |
| Transfer to credit reserve | - | - | - | (453,716) | - | 453,716 | - |
| Loss for the period | - | - | - | - | - | (338,292) | (338,292) |
| Balance at 7 July 2024 | 679,741 | - | 492,916 | 86,280 | 5,402,345 | 5,549,267 | 12,210,548 |
| Balance at 5 January 2025 | 679,741 | - | 492,916 | 86,280 | 5,402,345 | 6,700,908 | 13,362,190 |
| Profit for the period | - | - | - | - | - | 454,643 | 454,643 |
| Balance at 6 July 2025 | 679,741 | - | 492,916 | 86,280 | 5,402,345 | 7,155,551 | 13,816,833 |



Abridged Unaudited Results for the 26 weeks ended 6 July 2025

NOTES TO THE ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the 26 weeks to 6 July 2025

| | | | |
|-----|---|---|---|
| 1 | General information Edgars Stores Limited (the Company) is a public limited company incorporated and domiciled in Zimbabwe. The Company is listed on the Victoria Falls Stock Exchange (VFEX). The principal activities of the Company and its subsidiaries (the Group) include the manufacture of clothing, which it distributes and sells together with footwear, textiles and accessories through a network of stores in Zimbabwe. The Group also offers micro finance loans. | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 1.1 | Directors responsibility statement The Board of Directors are responsible for the preparation of the Interim Consolidated Financial Statements for the 26 weeks ended 6 July 2025. For the Interim abridged Financial Statements the reader can refer to the Edgars Stores Limited website www.edgars.co.zw, or the Victoria Falls Stock Exchange website vfex.exchange. | | |
| 2 | Basis of preparation and accounting policies These unaudited interim abridged consolidated financial statements for the 26 weeks ended 6 July 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC), and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange regulations. They are presented in United States dollars "USD", which is the group and company's functional and reporting currency. The principal accounting policies used in the preparation of the financial statements are consistent with those used in prior years. No material new standards were applied in the current half year. | | |
| 3 | Reporting Currency These unaudited consolidated financial statements are presented in United States Dollars "USD" which is the functional currency and presentation currency of the Group. | | |
| 4 | Revenue Sale of merchandise Retail sales Manufacturing sales to third parties - local sales Other revenue Revenue from Microfinance and other debtor accounts Commission Edgars Club subscriptions Total Revenue | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 5 | Income tax (credit) Tax comprises of Current tax Deferred tax | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 6 | Headline loss per share Profit / (loss) attributable to shareholders Headline earnings Weighted average number of ordinary shares used in calculating earnings per share Basic earnings / (loss) per share (cents) Diluted earnings / (loss) per share (cents) Headline earnings / (loss) per share (cents) Headline earnings consist of basic earnings or losses attributable to shareholders of the Group adjusted for profits, losses, and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects. | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 7 | Capital expenditure Computer equipment Plant and machinery, motor vehicles, furniture, fittings and leasehold improvements Total Capital expenditure during the half year largely related to addition of machinery at Carousel. | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 8 | Future lease commitments Future minimum rentals under non-cancellable operating leases are as follows: Within one year After one year but not more than five years | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 9 | Borrowings Non current interest bearing loans and borrowings - 3rd parties Non current interest bearing loans and borrowings - related parties Current interest bearing loans and borrowings - 3rd parties Total Borrowings increased as a result of financing capital expenditure at Carousel and to support the growth of the branch network. Terms and security (i) Secured with a Notarial General Covering Bond over moveable assets, cession of fire policies, debtors book, an unlimited guarantee from shareholders and Edgars Industrial Park deeds. (ii) The weighted average effective interest rate on ZWG borrowings is 35.51% (2024: 28.6%) per annum and 15.6% (2024:14.48%) for all USD borrowings. (iii) Tenures range between 180 days and 3 years. | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |
| 10 | Inventories Merchandise Raw material, work in progress and consumables Inventory obsolescence The amount of write-down on inventories recognised in cost of sales is: Amount of reversal of inventory to net realisable value (NRV) is: Amount of stock losses recognised in cost of sales is: | | |
| | | 2025 26 weeks to 6.07.25 Unaudited | 2024 26 weeks to 7.07.24 Unaudited |



Abridged Unaudited Results for the 26 weeks ended 6 July 2025

Chairman's Statement

Operating environment and overview

The operating environment during the half year ended 6 July 2025 was characterised by stability in both the exchange and inflation rates, with formal and parallel market rates remaining largely unchanged since October 2024. However, liquidity challenges have persisted in both the local and foreign currencies throughout the period, coupled with elevated real interest rates on both USD and ZWG borrowings. A continued tight monetary policy by the Reserve Bank of Zimbabwe has made ZWG scarce despite measures put in place to increase its usage. Exports have increased on the back of firm gold prices, rebounding platinum prices, a record tobacco crop and improved diaspora remittances.

The USD sales revenue proportion for the Group increased nominally during the period. The development was accompanied by steep increases in overhead expenses particularly attributable to real increases in utility costs – mainly affecting electricity tariffs, municipal property taxes and rates. The high cost of doing business characterised by high taxes, fees and levies continue to fuel an accelerated level of informalisation of the economy. The authorities have rightly identified these matters as both urgent and critical for redress in the economy and we are hopeful that interventions will be brought to bear in the second half of the year.

Occupancy, employment, and fuel costs remained key contributors to the Group's operating expenses. During the period, management focused on cost-containment efforts to enhance business viability considering the challenging business environment.

Financial performance

The economy at large experienced improved retail volumes during the period on the back of resurging consumer spending driven by a stable ZIG exchange rate, a better agricultural summer season, firm mineral prices, a record breaking tobacco marketing season as well as increased diaspora remittances. Volumes sold by the business increased by 4% from 0.85 million to 0.88 million compared to the same period last year. This translated to a 10.2% revenue increase from \$16.1 million to USD17.7 million for the first half of the year.

The business proactively pursued margin enhancements through procurement of competitively priced quality merchandise. The business continued with the thrust to lower average selling prices through increasing internal manufacturing volumes at Carousel and negotiating with suppliers for competitive prices in line with developments in the market. The profit before tax for the half-year period was USD470k compared to a profit for the comparable period of USD161k. Finance costs for the period were USD\$992.4k, a 20.4% increase from the previous year, reflective of elevated real interest rates on USD and ZWG borrowings. The Group achieved basic earnings per share of 0.09 cents (2024:0.06 cents).

Funding raised during the period furthered Carousel's retooling initiative and financed limited store expansion initiatives mainly under the Express Stores banner.

Retail performance

Total retail merchandise revenue for the period increased by 6.9% to USD14.1 million. ZWG credit sales contributed 3.6% (2024: 93.1%) to ZWG sales, while the USD credit sales contributed 69.5% (2024: 73%) of total USD sales.

Revenues for the Edgars Chain increased by 3% to USD 7.9m in the first half of the year. Sales volumes were flat compared to last year at 371k units. Credit sales contributed 64% (2024: 63%) whilst cash sales contributed 36% (2024: 37%) of total turnover. ZWG credit sales contributed 3.4% (2024: 73%) of ZWG sales, while USD credit sales contributed 69.6% (2024: 71%) of USD sales.

Revenues for the Jet Chain remained flat compared to prior year, closing at USD5.86 million (2024: USD 5.85 million), a 0.1% increase from the previous year. Sales volume also remained flat at 472k units. Credit sales contributed 64% (2024: 63%) while cash sales contributed 36% (2024: 37%) of total revenue. ZWG credit sales contribute 3.8% (2024: 95.2%) to total ZWG sales, while the USD credit sales contributed 71.6% (2023: 73%) of total USD sales. A new store was opened in Shurugwi.

Express Chain contributed \$171k to total sales after selling 34k units. The Group continues to build critical mass through the rollout of the additional shops whilst refining its retail proposition. Five Express Stores were opened during the period: two in Harare and a store each in Kwekwe, Rusape and Chitungwiza, resulting in the total number of stores increasing to eleven. Express Stores is focused on servicing the low-income segment of the market and only sells for cash.

The business continues to demonstrate industry leadership and excellence, as evidenced by the accolade received during the half year. We were honoured with the ZNCC (Mashonaland Region) 1st runner up certificate for innovation award, reaffirming our commitment to innovation, quality, and service delivery. This achievement reflects the dedication of our teams, and the trust placed in us by our customers, stakeholders and the broader industry.

The Group has partnered with various organisations to advance its Corporate Social Responsibility (CSR) initiatives. Through the Edgars Helping Hands Bursary, the business support gifted students by paying for their school fees. Through our partnership with the Zimbabwe Albino Association, we support the underprivileged families with albinism. The Be A Hero campaign, provides essential items (shoes, socks, sports kits) to vulnerable children in marginalised communities. Our partnership with KidzCan, raises funds and awareness for childhood cancer treatment and prevention.

Financial services

The USD retail debtors' book ended the half year at USD\$10.4 million, flat on prior year, whilst the ZWG retail debtors' book closed the year at ZWG0.48 million, a 936% decline on prior year's ZWG7.5 million. The skew in favour of USD reflects the growing dollarisation in the market and the impact of elevated interest rates, discouraging borrowings in the local currency.

The business has a very healthy debtors' book with 85.1% of the book in current status against 77.9% at the beginning of the year. Debtors written off to lagged sales, of \$232k or 1.8%, was below last year's 2.5% (\$431k) and is far below the industry norm of 5%. The Group seeks to continue to write good credit to new and existing customers as is reflected in these statistics.

Club Plus Microfinance

The loan book at US\$1.6 million doubled from last year's figure of US\$0.8 million. Lending mainly focused on secure salary-based models targeting civil servants and the private sector. This helped the business achieve healthy asset quality with more than 80% of the loan book in current status. The deployment of various online platforms (mobile app, WhatsApp and online loan application) improved the efficiency and customer experience of the approval and disbursement processes. The business is poised for growth given the expected funding lined up in the second half of the year.

Carousel Manufacturing

Units produced during the period under review increased by 40% from 132,566 last year to 185,062. This growth has been underpinned by improved production efficiencies on newly commissioned machinery, supported by a healthy order book and the expertise of newly recruited, skilled machinists. The factory continues with its cost-optimization strategy by adopting the latest efficient production processes. The USD348k investment in the cutting room solution towards the end of the half year will further boost our production capacity. This strategy bodes well with the retail chains as it ensures continuity in delivery of quality products at competitive prices.

Outlook

The segmented retail propositions of the Group are being continually reviewed to ensure that the respective offerings effectively meet the needs and requirements of our customers. Opportunities have been identified where merchandise execution can be improved, or new emerging ones be pursued. Flexible credit offerings will be maintained to stimulate increased spend. Management will continue to retool Carousel to underpin increased production and improve operational efficiencies to better support the Retail chains. Smart merchandise procurement and optimal inventory planning remain key focus areas to ensure an optimal merchandise cycle that yields targeted margins, without compromising the merchandise quality.

The Group will continue to expand its geographic footprint through the opening of new stores in strategic locations. A further seven Express Stores are targeted for expansion before the close of the FY2025 financial year. The business will make further investments in back-up solar power to optimize operational costs, improve system up-time and maintain customer experience.

The Group will focus on stringent cost-containment measures targeted at reducing operating costs, enhancing supply chain efficiencies, and aligning the business model to the operating environment and volume throughput.

We urge the authorities to accelerate reforms aimed at reducing the cost of doing business for retailers and associated industries through streamlining regulatory requirements, reducing costs of compliance, and restoring orderly trading in urban centres. We believe that these measures will promote formalisation, job creation and spur accelerated economic growth, in the process better enhancing citizens' economic welfare and benefitting the fiscus more.

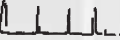
The successful 2024-2025 agricultural season and firm mineral prices provide a basis for optimism in the recovery of the economy in the outlook period. Liquidity challenges in both local and foreign currency are expected to sustain in the short to medium term. Notwithstanding these challenges, the Group is optimistic that it will consolidate its growth and continue to innovatively meet customer requirements.

Dividend

Regrettably, the Company will not declare a dividend for the half year ended 6 July 2025. The Group will continue to invest in its supply chain in the year ahead. The Board remains committed to prudent financial management and ensuring the long-term growth and sustainability of the Group.

Appreciation

I wish to record my appreciation to management and staff for their continued efforts in sustaining the business in this challenging operating environment. I also want to thank my fellow directors for their dedication and wise counsel and our customers, suppliers, and stakeholders for their ongoing support.



T N SIBANDA
CHAIRMAN

30 September 2025