



EDGARS STORES
LIMITED

ANNUAL REPORT 2025



CONTENTS

Integrated Annual Report for the 52 weeks to 4 January 2026

About this Report	4
Group Chairman's Report	5
Group Financial Highlights	8
Directors' Responsibility and Approval	9
Sustainability Report	10
Who We Are	22
Vision and Mission Statement	24
Group Strategy	25
Directors' Report	26 - 27
How We Create Value	28
Performance For The Year	29
Our Material Issues	30
Board of Directors	33
Corporate Governance Report	34 - 35
People Report	36
Independent Auditor's Report	39 - 41
Financial Statements	
Consolidated and Company Statement of Financial Position	43
Consolidated and Company Statement of Profit Or Loss And Other Comprehensive Income	44
Consolidated and Company Statement of Changes in Equity	45 - 46
Consolidated and Company Statement of Cash flows	47
Notes to the Consolidated and Company Financial Statements	50 - 97
General Information	
Analysis of Ordinary Shares	98 - 99
Shareholders' Financial Calendar	100
Annual General Meeting Notice to Members	101
Form of Proxy	102
Corporate Information	104



ABOUT THIS REPORT

Reporting Scope and Boundaries

Statutory instrument 134 of 2019 requires us to disclose the relevance of sustainability to our business, disclose our sustainability policy inter alia mitigation of risks, sustainability performance data and other information that provide our stakeholders with a deep understanding of performance – financial, environmental, societal and our overall contribution to sustainable development.

Reporting Frameworks

Sustainability Report	Victoria Falls Stock Exchange rules (S.I 134/2019) Global Reporting Initiative Sustainability Reporting Standards Companies and Other Business Entities Act (COBE)
Annual Financial Statements	IFRS Accounting Standards as issued by the International Accounting Standards Board Companies and Other Business Entities Act (COBE)

This is our fifth integrated report in compliance with S.I 134 and covers information related to our business model, strategy, material issues and risks, governance and financial performance of the Edgars Stores Limited Group for the 52 weeks to 4 January 2026. The report is composed of the Sustainability Report and the Audited Financial Statements. All reports included here-in are available for download on our website (www.edgars.co.zw) and the Victoria Falls Stock Exchange website (www.vfex.exchange)

We developed this report through a peer review of the integrated reports from similar companies locally and regionally. In time we aim to continually improve on this report to achieve full compliance with the Global Reporting Initiatives (GRI) Sustainability Reporting Standards.

Materiality

Management's judgement has been used in determining the content and disclosure included here-in.

Assurance

The sustainability report has been approved by the Board of Directors. It is not subject to a process of audit by our external auditors or other third parties. The Annual Financial Statements have been audited by Axcentium and their report appears on page 39.

Responsibility Statement

The Board of Directors is responsible for overseeing the integrity of the integrated report. The Board acknowledges this responsibility and confirms that they have reviewed the contents of this report and believe that it is a fair representation in accordance with integrated reporting general frameworks.



GROUP CHAIRMAN'S REPORT

Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of the Group's audited consolidated annual financial statements. These financial statements have been prepared in accordance with the disclosure requirements of the Victoria Falls Stock Exchange ("VFEX") Listing Requirements, IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

The principal accounting policies applied in the preparation of these consolidated annual financial statements are consistent with those applied in the prior year. The adoption of new and revised IFRS Accounting Standards effective during the reporting period did not have a material impact on the Group's financial position or performance.

Operating Environment and Overview

The financial year ended 4 January 2026 was characterised by constrained liquidity, elevated real interest rates and ongoing structural adjustments within Zimbabwe's monetary framework. Tight monetary policy measures aimed at stabilising the ZWG currency contributed to improved exchange rate stability in the latter part of the year. However, limited local currency liquidity continued to weigh on transactional activity and credit extension across the economy.

Dollarisation trends intensified, with United States dollar transactions increasingly dominating formal sector trade. Concurrently, increases in electricity tariffs, municipal charges and other statutory costs placed upward pressure on operating expenses. Consumer spending remained subdued, with households prioritising essential goods ahead of discretionary purchases.

Against this backdrop, the Group maintained a disciplined operating model focused on margin preservation, cost optimisation, working capital efficiency and balance sheet resilience. Management's strategic emphasis on operational agility and prudent capital allocation positioned the business to navigate the challenging environment while protecting long-term shareholder value.

Financial Performance

Notwithstanding the constrained macro-economic environment, the Group delivered a strong improvement in financial performance.

Total units sold increased by 19.6% to 2.38 million units (2024: 1.99 million units). Revenue from sales of merchandise grew by 11.9% to USD 34.0 million (2024: USD 30.5 million), reflecting improved trading execution, strengthened customer engagement and enhanced merchandise availability.

Profit before tax increased significantly to USD 2.3 million, compared to USD 0.8 million in the prior year, demonstrating the positive impact of operational efficiencies, and improved trading volumes. Finance costs increased to USD 3.0 million (2024: USD 2.4 million), reflecting funding deployed to support working capital requirements and strategic initiatives.

Basic earnings per share improved to 0.34 US cents, compared to 0.14 US cents in the prior year.

During the year, capital was strategically allocated toward the retooling of the Carousel Manufacturing Division, expansion of the retail debtors' book and selective store roll-out initiatives. These investments are designed to support sustainable medium-term growth while strengthening the Group's vertical integration and competitive positioning.

Retail Operations

Retail merchandise revenue increased by 11.9% to USD 34.0 million.

The Edgars chain recorded turnover of USD 18.7 million, representing a 10.2% increase from the prior year, with units sold rising to 0.99 million (2024: 0.87 million). The Jet chain delivered turnover of USD 14.7 million, an increase of 10.2% from USD 13.4 million in the prior year, with units sold increasing to 1.25 million (2024: 1.11 million).

The Express format continues to gain traction within the value-conscious segment, and management remains focused on building scale and strengthening market penetration within this channel.

The Group was honoured as a Leading Clothing and Textile Brand at the 2025 ZIMBRANDS Awards. In addition, the Carousel Manufacturing Division received recognition for its contribution to Zimbabwe's clothing manufacturing sector, while the Group's communications function was awarded a Certificate of Excellence at the ZABC Pinnacle Awards. These accolades reflect the strength of our brands and the dedication of our teams.

Financial Services

The USD retail debtors' book closed at USD 12.6 million (2024: USD 11.6 million), representing growth of 8.6% year-on-year. Active USD accounts increased to 83.7 thousand (2024: 81.3 thousand), while credit limit utilisation improved to 30.6% from 16.8% in the prior year.

Asset quality strengthened materially during the year. Current accounts improved to 85.5% (2024: 77.7%), while arrears reduced to 14.5% (2024: 16.9%). Expected credit losses declined to 3.5% of the book (2024: 5.4%), reflecting enhanced underwriting standards, disciplined account monitoring and improved collections performance.

The ZWG retail debtors' book closed at ZWG 1.9 million (2024: ZWG 3.9 million) following the curtailment of ZWG credit in the first half of the year. ZWG lending was reintroduced in June 2025, following improved currency stability, with measured growth thereafter.

Club Plus Microfinance

Club Plus Microfinance maintained solid portfolio quality, with 89.7% of the loan book in current status at year end. Portfolio at Risk greater than 30 days (PAR>30) stood at 5.3%, remaining within manageable risk parameters.

The business prioritised expansion of USD-denominated lending focused on lower-risk product lines. Despite tight market liquidity, external funding was secured, supporting a loan book closing balance of USD 1.23 million. With anticipated additional funding inflows and targeted business development initiatives, the business is well positioned for portfolio expansion and enhanced risk diversification in FY2026.

Carousel Manufacturing

The Manufacturing Division continues to be a key contributor to Group performance. Units supplied to the Retail chains increased by 47% to 448 K (2024: 305K units), supported by improved production efficiencies and a growing order book.

The Group invested USD 1.1million in maintaining and expanding production capacity, primarily toward the cutting room solution. This investment is expected to enhance output volumes, reduce fabric waste and further improve cost efficiency, reinforcing the strategic importance of vertical integration within the Group.

Directorate Changes

Mrs C. Mafunga resigned as Company Secretary with effect from 31 December 2025. The Board expresses its sincere appreciation for her contribution during her tenure.

Ms R. Mutombwa was appointed Company Secretary with effect from 1 January 2026.

Outlook

The Group will continue refining its segmented retail propositions to ensure each brand remains aligned with evolving customer needs and purchasing patterns. Management remains focused on disciplined cost management, merchandise optimisation and prudent credit deployment to support sustainable revenue growth.

Operationally, the retooling of Carousel will continue to enhance manufacturing capacity and efficiency, strengthening support to the Retail chains and improving margin resilience. Smart procurement, optimal inventory planning and working capital discipline remain key priorities.

Selective store expansion in high-potential locations will proceed in line with the Group's measured capital allocation framework. Investment in back-up solar power will continue to enhance operational resilience and mitigate energy cost pressures.

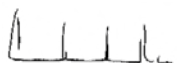
While encouraging agricultural output provides cautious optimism for economic recovery, liquidity constraints and cost pressures are expected to persist in the near term. The Board remains confident in the Group's resilience, strengthened balance sheet and disciplined strategy, and is optimistic about the Group's ability to consolidate recent gains and deliver sustainable long-term growth.

Dividend

In light of ongoing strategic investments in ERP renewal, manufacturing capacity expansion, store expansion and working capital to support growth, the Board has resolved not to declare a dividend for the year ended 4 January 2026. The Board remains committed to prudent capital allocation and long-term shareholder value creation.

Appreciation

On behalf of the Board, I extend my sincere appreciation to management and staff for their resilience and dedication in a demanding operating environment. I also thank my fellow Directors for their guidance and stewardship, and our customers, suppliers and stakeholders for their continued support.



TN SIBANDA
CHAIRMAN

15 April 2026



GROUP FINANCIAL HIGHLIGHTS

	4 January 2026 52 weeks USD000	5 January 2025 52 weeks USD000	Change %
Group Summary			
Retail sales revenue	34,079	30,459	12
Earnings attributable to ordinary shareholders	1,947	813	139
Net cash generated from operating activities	1,801	2,593	(31)
Total assets	40,978	34,092	20
Market capitalisation	14,024	7,500	87
Ordinary share performance (cents per share)			
Earnings			
Basic	0.34	0.14	139
Diluted	0.34	0.14	139
Net equity	15,119	13,216	14
Market price	0.023	0.0123	87
Financial statistics			
Return on ordinary shareholders equity	12.88	3.74	244
Liquidity ratios			
Current ratio	1.32	1.67	(21)
Gearing-gross	0.69	0.57	22
Gearing-net	0.44	0.43	3
Borrowing times covered by stock and debtors	3.46	5.33	(35)

Commentary

- Notwithstanding the challenges in the operating environment, the Group managed to close 2025 with an improved operating performance over prior year.
- Effective hedging strategies were put in place to manage inflationary risk.



DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The Group prepares financial statements with the aim to fully comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements have been prepared in accordance with disclosure requirements of the Companies and Other Business Entities ("COBE") Act (Chapter 24:31).

The consolidated and separate financial statements of the Group have not been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC) as a result of non-compliance with International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" and IFRS 13 "Fair Value Measurements". The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing, and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year from the date of signing this report and, considering this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's financial statements. The financial statements have been examined by the Group's external auditors, and their report is presented on pages 39 to 41.

The financial statements set out on pages 43 to 97, which have been prepared on the going concern basis, were approved by the board of directors on 15 April 2026 and were signed on their behalf by:

Approval of financial statements



T. N Sibanda
Group Chairman



S. Mushosho
Group Chief Executive Officer

SUSTAINABILITY REPORT

Overview

Edgars Stores Limited presents its sustainability report, which seeks to establish a baseline of key ESG disclosure metrics that will enable year-on-year comparisons in future reports, as well as the setting of targets against which performance will subsequently be measured against.

This report has been prepared in alignment with Global Reporting Initiative Standards, guidance from IFRS Foundation Sustainability Disclosure Standards (S1 and S2) and Victoria Falls Stock Exchange (VFEX) listing requirements. While it reflects an early stage in the Group's sustainability reporting journey, where certain data points are based on estimates, some disclosures such as Scope 3 emissions and recycled materials are still being developed, and data collection systems are being enhanced, the Group remains committed to continuous improvement in ESG data quality and reporting.

Our 2025 report demonstrates commitment to environmental, social and governance performance transparency. Key highlights include:

- Community investments across education, healthcare and local development
- Alignment with international reporting frameworks while meeting local compliance requirements

This report reflects our belief that sustainability reporting creates stakeholder trust, improves operational efficiency, and positions Edgars for long-term value creation in Zimbabwe's evolving retail landscape.

Key Risks

Risk	Description	Financial Impact
Energy supply instability	Reliance on generators due to unreliable grid power	Increased diesel costs and margin pressure
Climate-related risks	Disruptions to supply chain and manufacturing operations	Delays in production and increased input costs
Regulatory risk	Evolving ESG disclosure and environmental regulations	Compliance costs and potential penalties
Foreign currency volatility	Impact on imported raw materials and pricing	Margin erosion and pricing challenges

Key Opportunities

Opportunity	Description	Financial Benefit
Renewable energy investment	Solar installation at manufacturing and retail sites	Reduced long-term energy costs
Sustainable sourcing	Increased use of local suppliers	Lower logistics costs and improved resilience
Product innovation	Development of sustainable product lines	Enhanced brand value and customer loyalty
Operational efficiency	Waste reduction and energy optimisation	Cost savings and improved margins

Sustainability Governance framework

Edgars Stores Limited recognises sustainability as a strategic priority embedded within its overall business model. Oversight of sustainability-related matters is exercised at both Board and management levels.

The Board retains ultimate accountability for sustainability and ESG disclosures, with delegated oversight through the Audit and Risk Committee, which reviews sustainability risks, controls, and reporting integrity. Sustainability performance is incorporated into the Group's risk management and internal control framework.

At management level, responsibility for sustainability implementation rests with executive leadership, including Finance, Operations, Human Resources, and Supply Chain functions. The Finance function plays a central role in integrating sustainability considerations into financial planning, reporting, and capital allocation decisions.

Sustainability matters are reported to the Board periodically, with key metrics incorporated into management reporting packs to ensure alignment with strategic objectives.

Sustainability Risks and Opportunities

The Group continuously assesses sustainability related risks and opportunities that may impact financial performance, cash flows, and long-term value creation.

1. Material Topics Identification Process

Topics for disclosure were identified through an exercise that included:

- Internal process reviews.
- Guidance from the VFEX Practice Note 2.
- Reference to relevant GRI standards.
- Reference to Sustainability Accounting Standards Board's (SASB) standard on Apparel, Accessories & Footwear.
- The International Financial Reporting Standards (IFRS) Sustainability Standards S1 (General Sustainability-related Disclosures) and S2 (Climate-related Disclosures).

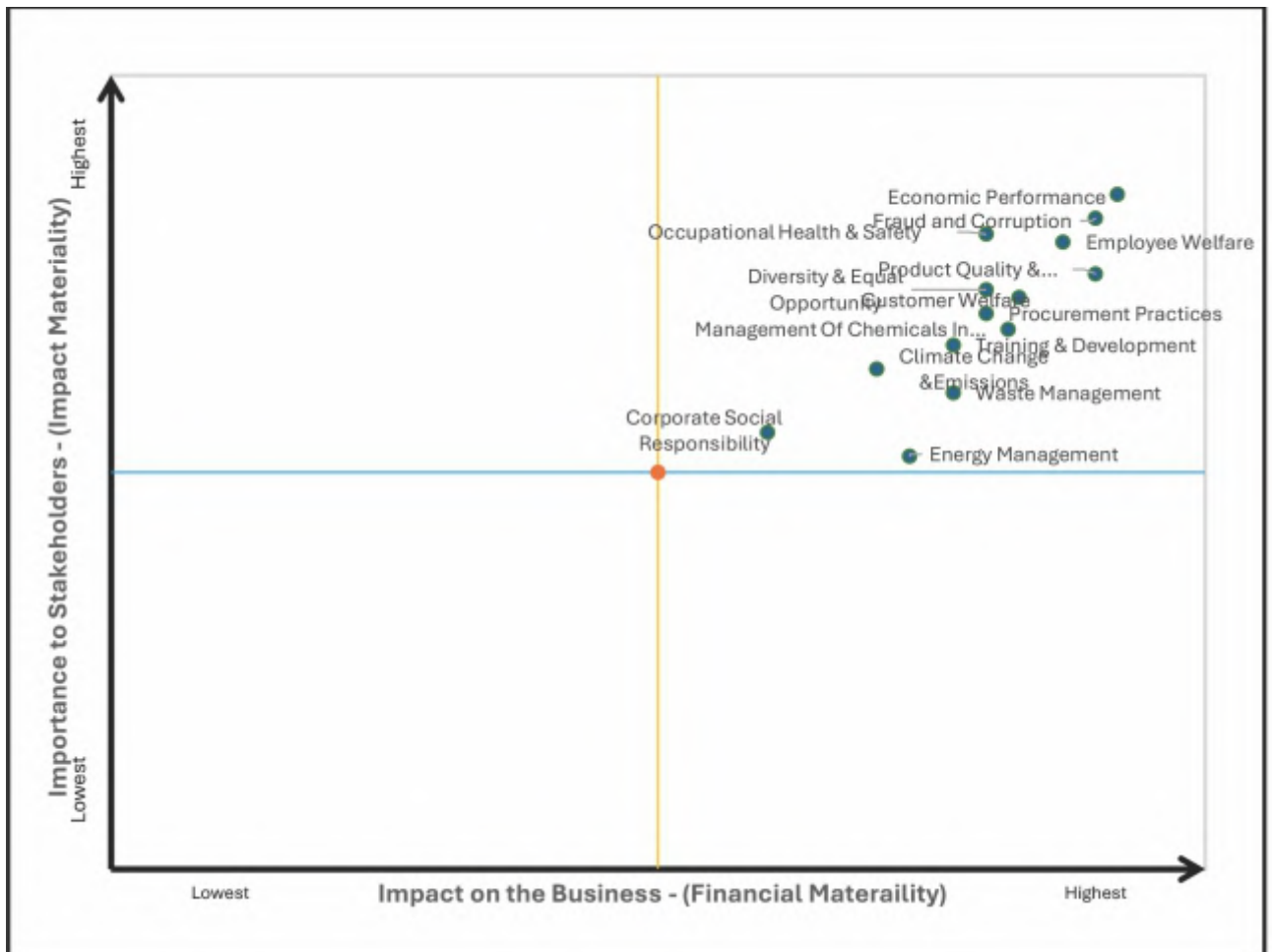
Following a February 2025 joint regulatory statement from the Public Accountants and Auditors Board (PAAB), the Zimbabwe Stock Exchange (ZSE), and the Victoria Falls Stock Exchange (VFEX), the implementation of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) remains voluntary at the time of reporting. As such, current disclosures are restricted to identifying material sustainability-related topics. The PAAB, which is currently developing a roadmap for Sustainability Disclosure Standards, will guide our more comprehensive and phased alignment with S1 and S2 in future reporting cycles.

The process identified material topics, including ethical supply chains, community investment, and economic value distribution.

Impact Materiality evaluates both our positive and negative, tangible and intangible effects on people, the environment, and governance - both positive (e.g., job creation) and negative. These are considered based on immediate and future consequences. Impact Materiality highlights issues where the organization's actions meaningfully affect stakeholders, through factors such as labour practices or carbon emissions.

Financial Materiality analyzes how ESG factors drive financial risks (including examples like climate-related fines) or opportunities (such as green technology investments). It identifies issues impacting revenue, costs, or investor sentiment, such as shifting regulations or consumer preferences for ethical products.

While Impact Materiality centers on societal accountability, Financial Materiality ties sustainability to fiscal health, ensuring ESG factors inform strategic decisions like resource allocation and risk mitigation.










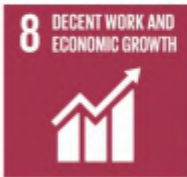



Impact Materiality Topics	Management of Topic
Economic Performance	We transparently report financial resilience and value creation through ethical sourcing and fair labor practices, integrating ESG risks into strategic planning. Our focus extends to long-term stakeholder value, including supplier viability and investment in community initiatives.
Fraud and Corruption	Robust anti-bribery and anti-corruption frameworks are enforced across our operations, with mandatory training and confidential whistleblower channels. Regular audits ensure adherence to legal standards and ethical business conduct.
Occupational Health & Safety	We implement proactive safety programs. Our priority aligns with hazard prevention and worker training across all facilities. Incident tracking and corrective actions drive continuous improvement in workplace conditions.
Employee Welfare	Living wages, non-discrimination policies, and mechanisms to address, help in upholding fair labour practices. We also promote well-being through medical assistance facilities, fair working hours and skills development.
Product Quality and Safety	Stringent testing protocols and restricted substances lists ensure regulatory compliance and consumer safety. Quality controls are embedded from design to delivery, with internal controls addressing chemical management and product durability.
Financial Materiality Topics	Management of Topic
Economic Performance	We disclose direct financial contributions, value distribution (wages, taxes, dividends), and supply chain resilience to demonstrate long-term value creation and risk management to investors. Economic performance is also managed by monitoring financial metrics such as revenue growth and profit margins.
Product Quality and Safety	Product quality and safety are ensured by implementing rigorous testing and inspection. Our products comply with relevant safety standards and regulations to prevent costly recalls, legal liabilities, brand erosion, and loss of consumer trust, protecting revenue streams. We prioritize transparency in labeling and marketing, providing accurate information to customers.
Fraud and Corruption	Robust anti-bribery / corruption controls and transparent governance protect shareholder value by minimizing legal liabilities, reputational damage, and operational disruptions. Regular audits and regular training to employees on anti-corruption ensure transparency in our business dealings, helping to reduce financial risk exposure.
Employee Welfare	Our company prioritizes employee welfare by providing fair compensation, benefits, and positive labor relations. These factors reduce turnover costs, minimize labour disruption risks, and enhance productivity, which in turn directly impact operational efficiency and talent retention costs.
Customer Welfare	Protecting customer data privacy and ensuring product safety and integrity mitigates financial risks from breaches, lawsuits, recalls, and reputational harm that directly impact sales and brand value.

Assurance

While the sustainability section of the Integrated Report has not been externally assured, internal processes have been diligently applied to verify the accuracy and reliability of the data, ensuring it transparently reflects Edgars' operations.

2. Sustainable Development Goals

Our operations and initiatives contribute towards the attainment of the following Sustainable Development Goals (SDGs) distributed as follows under the “Five Ps” categories of People, Planet, Prosperity, Peace and Partnership.

<u>People</u>		<u>Planet</u>	
			
			
<u>Prosperity</u>			
			
			
<u>Peace</u>		<u>Partnership</u>	

The respective icons will be inserted in the relevant sections of the report to indicate how our contributions are being made.

Value Chain Overview

The Group's sustainability impacts occur across its value chain:

- Suppliers: Procurement of fabrics, trims, and finished goods (local and international)
- Manufacturing: Production processes at Carousel
- Distribution: Logistics and warehousing
- Retail Operations: Store network and customer engagement
- Customers: Product usage and lifecycle impacts

The Group is committed to improving transparency and sustainability practices across all stages of the value chain.

3. Corporate Social Responsibility and Community Impact

2025 CSR Investments (GRI 203-1)



Edgars Stores invested across six key focus areas:

Category	Amount (USD)	Beneficiaries	Purpose	Impact
Education	\$3,900	Students at Columbus High School and Saint Faith's High School.	School fees support, educational development.	Supported education continuity for students.
Vulnerable Populations	\$4,000	Hanna's tears Association & Albinism Association of Zimbabwe	Shoes, clothes and grocery hampers.	Provided grocery hampers to approximately 30 families of persons with albinism and supported 393 children through the Hannah's Tears Association.
Sports	\$2,941	Tshelanyemba Primary School	Provision of sports equipment for marginalised youth.	Sports participation for over 50 children.
Youth Support	\$4,050	Young Designers	Marketplace access and income generation opportunities	Enabled income generation for young local designers.
Health	\$1,952	Kidzcan	Financial assistance for pediatric cancer treatment	Access to vital treatment for many children.

CSR Program Management

We evaluate CSR performance by assessing the outcomes of each initiative. Reviews are based on both qualitative and quantitative measures that include:

- a) Measuring the alignment with objectives.
- b) Beneficiary feedback collection.
- c) Partnership assessments with implementing organisations.
- d) Tracking academic progress.

Improvements will continually be pursued in allocating resources more effectively to maximize impact.

5. Procurement Practices (GRI 204-1)

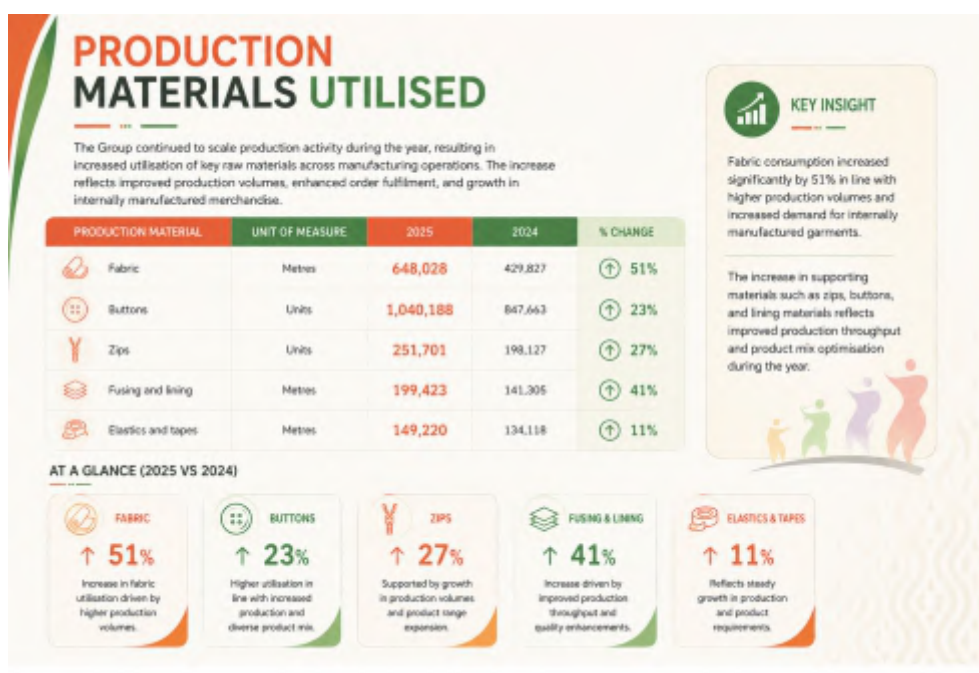
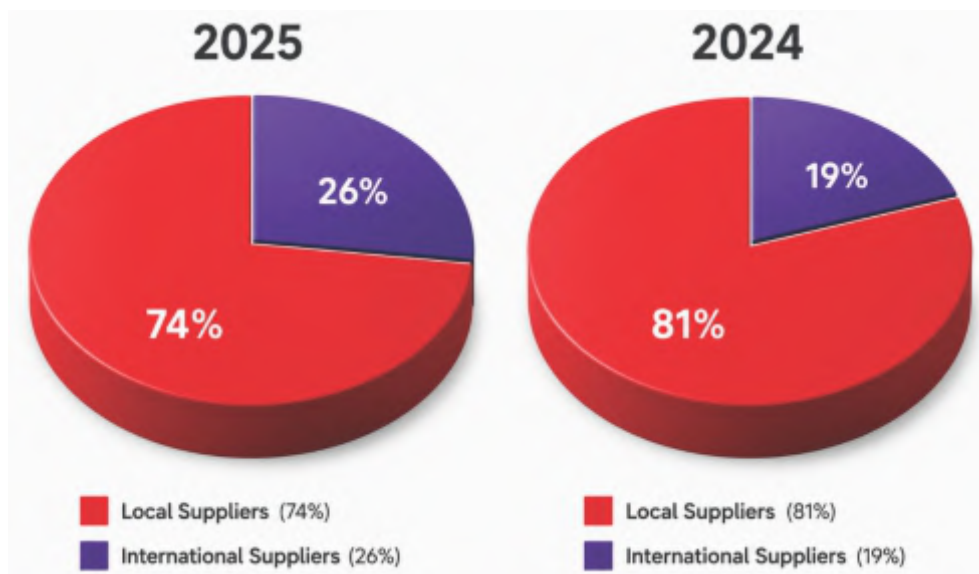


Our supply chain strategy emphasises:

- Support for local suppliers
- Ethical sourcing standards
- Sustainable sourcing
- Quality assurance processes
- Compliance to restricted substances regulations

Key 2025 statistics:

Local vs. international procurement ratio



6. Energy & Environmental Performance



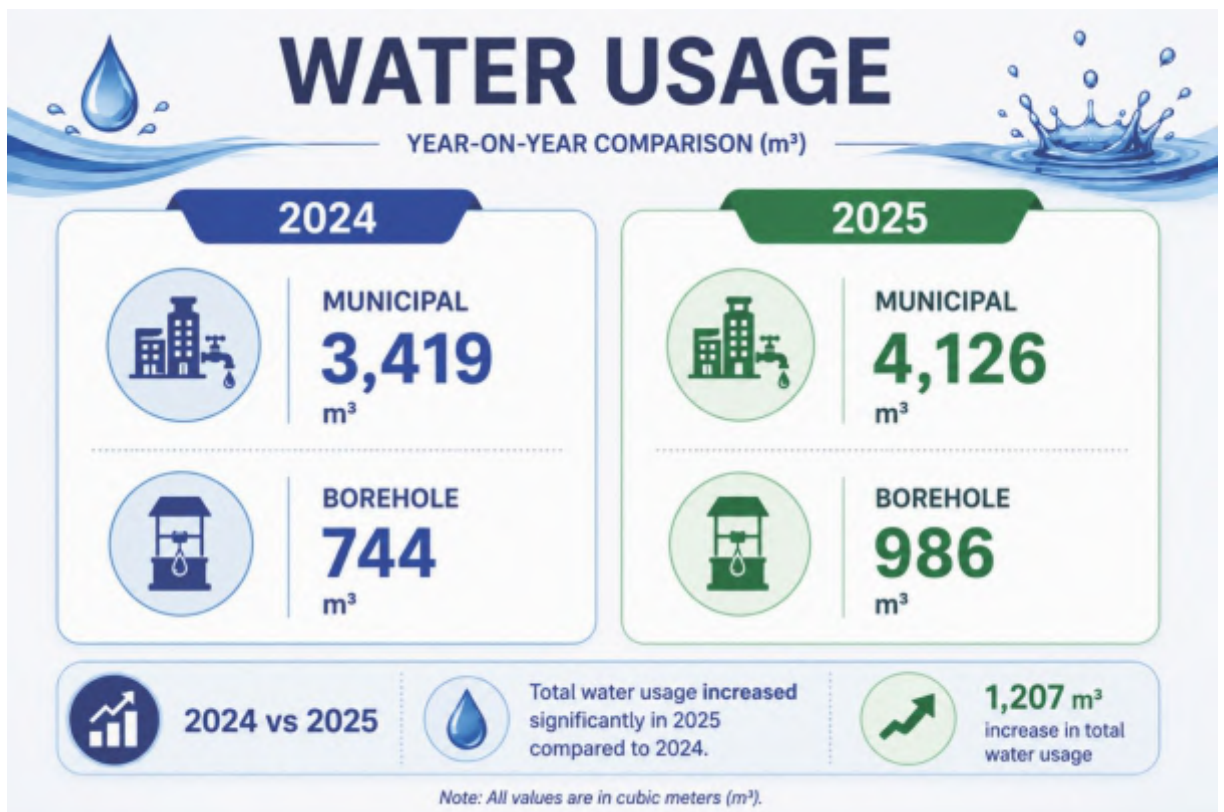
1. Energy Consumption (GRI 302-1)

Energy	Quantity	
	2025	2024
Electricity Non-Renewable (Kwh)	877,611	715,474
Electricity Renewable (Kwh)	415,689	212,456
Diesel (Ltr)	81,800	116,060
Petrol (Ltr)	6,410	16,580
Coal (Kg)	310,000	305,000

Key Insights:

The factory has invested in alternative power sources such as generators, to mitigate the unreliable and inadequate power sourced through the national grid. Plans are underway to engage partners to invest in solar energy taking advantage of the factory's expansive roof. The diesel consumption reflected above is for use of generators for backup power.

2. Water Management (GRI 303)



3. Emissions (GRI 305)

We measured our carbon footprint using GHG Protocol-aligned conversion factors to translate energy consumption into carbon dioxide equivalent (CO2e) emissions. Scope 1 emissions are direct emissions from owned or controlled sources. This includes the combustion of fuels such as diesel, petrol, coal, and liquid biofuels in onsite equipment, manufacturing processes, or company-owned vehicles.

Scope 2 emissions are indirect, arising from purchased electricity, heat, or steam generated externally but attributed to the Group's usage. While Scope 1 reflects direct operational activities, Scope 2 reflects environmental impacts from reliance on external energy. This distinction clarifies our direct control over Scope 1 versus our accountability for Scope 2 based on energy consumption.

Total Emissions	Main Source	Tonnes Co2e	
		2025	2024
Scope 1	Vehicle fleet, generators and coal	899,621	732,624
Scope 2	Purchased from grid	182	148.16

4. Waste (GRI 306)

The main sources of our waste are leftover fabric, leftover khaki paper from pattern making, coal ash and laundry chemicals. Khaki paper and fabric offcuts that can no longer be used in the production process are collected by recycling companies to make new paper products and cushions.

Additional key details pertaining to our waste management are as follows.

Waste	Quantity	
	2025	2024
Solid waste from coal (Kg)	68	50
Effluent waste (Ltr)	2,100	1,255
Sent to landfill (Kg)	862	1,000
Sent for recycling (Kg)	164	160

7. Social Performance Deep Dive



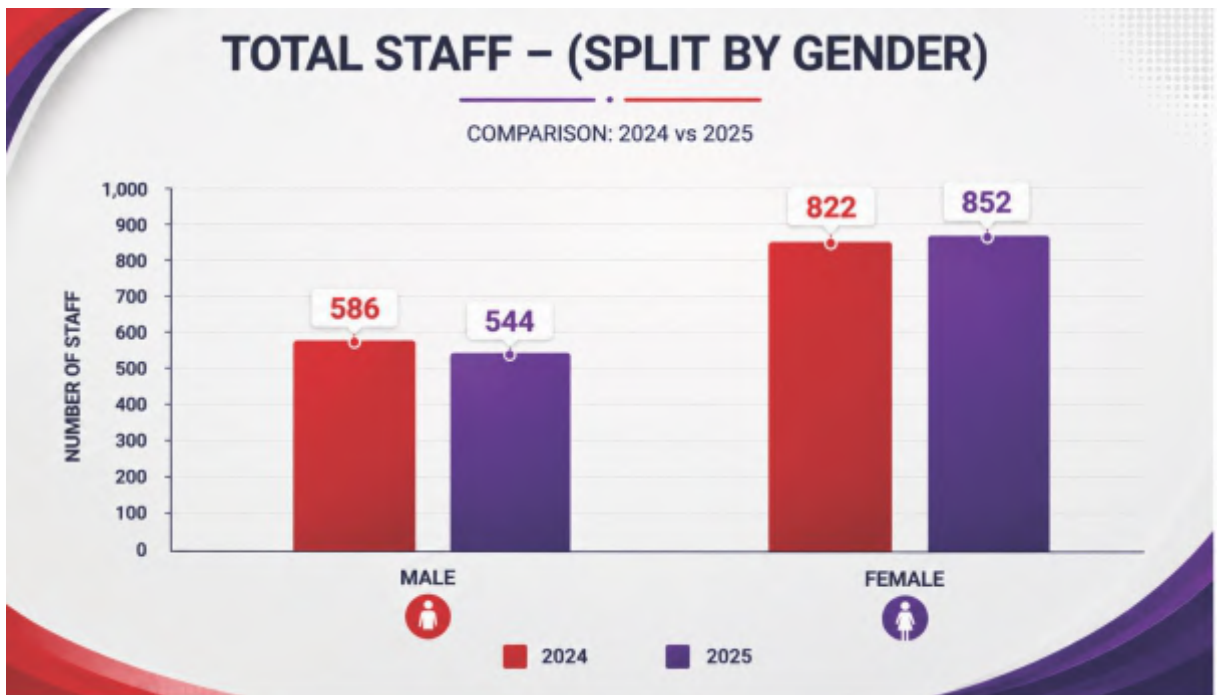
1. Employee Demographics (GRI 401)

Workforce Profile and Diversity

Edgars Stores Limited had a total workforce of 1 396 employees, as per December 2025 headcount. From that total, 1 034 were covered by collective bargaining agreements.

Employee	Distributions	
	2025	2024
Casual	124	134
Contract	817	810
Permanent	411	464

* Reflects peak values documented for each contract type throughout the year.



Indicator	Number	
	2025	2024
Fatalities resulting from work-related injury or illness	0	0
Total work related injuries	8	4
High-consequence work-related injuries or illness	0	0
Recordable work-related injuries or illnesses	8	4
Injury rate (per million hours worked)	0.13%	0.17%
Lost days resulting from injuries	26	14
Absence hours	26	336
New hires (male)	196	244
New hires (female)	252	367
New hires (under 30 years old)	311	373
New hires (30 - 50 years old)	129	221
New hires (over 50 years old)	8	17
Average training hours per employee	233 hours	236 hours
Turnover	94	105

PEOPLE & CULTURE

STAFF TURNOVER BY AGE 2025

We value a diverse and inclusive workforce. Understanding turnover trends by age helps us strengthen retention strategies and build a sustainable, future-ready organisation.

TURNOVER DISTRIBUTION BY AGE GROUP



KEY HIGHLIGHTS

- Highest turnover observed in the 30-50 years age group, representing 52% of total turnover.
- 42 employees under 30 years exited, accounting for 45% of total turnover.
- Minimal turnover in the > 50 years category, indicating strong retention among experienced staff.



INSIGHT

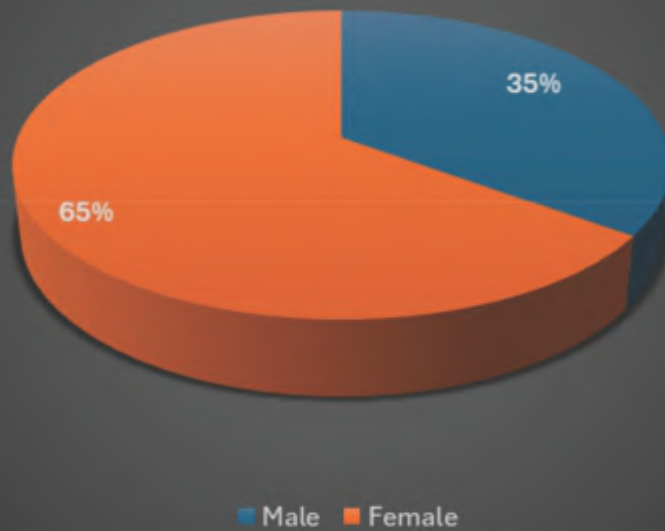
Our focus remains on enhancing engagement, career development and wellbeing initiatives—especially for our 30-50 year age group—to drive long-term retention and a positive employee experience.



OUR COMMITMENT

We are committed to creating a supportive work environment where every employee can thrive and grow.

STAFF TURNOVER - BY GENDER



Awards and Recognitions

Edgars Stores Limited

- 21 March 2025 – Zim CEO's Network Awards: Recognition for outstanding leadership and brand performance.
- 9 May 2025 – ZNCC Awards: 1st Runner-Up for Innovation.
- April 2025 – ZITF 1st Runner up for Best Zimbabwean Exhibit: Clothing, footwear, textiles and accessories
- 29 October 2025 – MegaFest Business Awards: Edgars won Outstanding Brand of the Year – Northern Region.
- November 2025- Confederation of Zimbabwe Retailers (CZR) Awards: Winner – Fashion Retailer/Wholesaler of the Year 2025

Edgars and Jet Stores

- 28 November 2025 – MAZ Superbrands Awards:
 - Edgars recognized as Winner in the Clothing and Fashion Sector
 - Jet Zimbabwe 1st Runner-Up in the Clothing and Fashion Sector.
- 20 November 2025 – Confederation of Zimbabwe Retailers (CZR) Awards:
 - Edgars Stores recognized as Most Innovative retailer of the year in the Clothing and Fashion Sector
 - Edgars Stores recognized as Community retailer of the year in the Clothing and Fashion Sector
 - Jet Zimbabwe 2nd Runner-Up for the Fashion Retailer/Wholesaler of the Year 2025

Carousel Private Limited

- 26 October 2025 – Zimbabwe Clothing Manufacturers Association (ZCMA) Awards: Carousel was recognized as a top contributor to Zimbabwe's clothing industry.



Business Associations

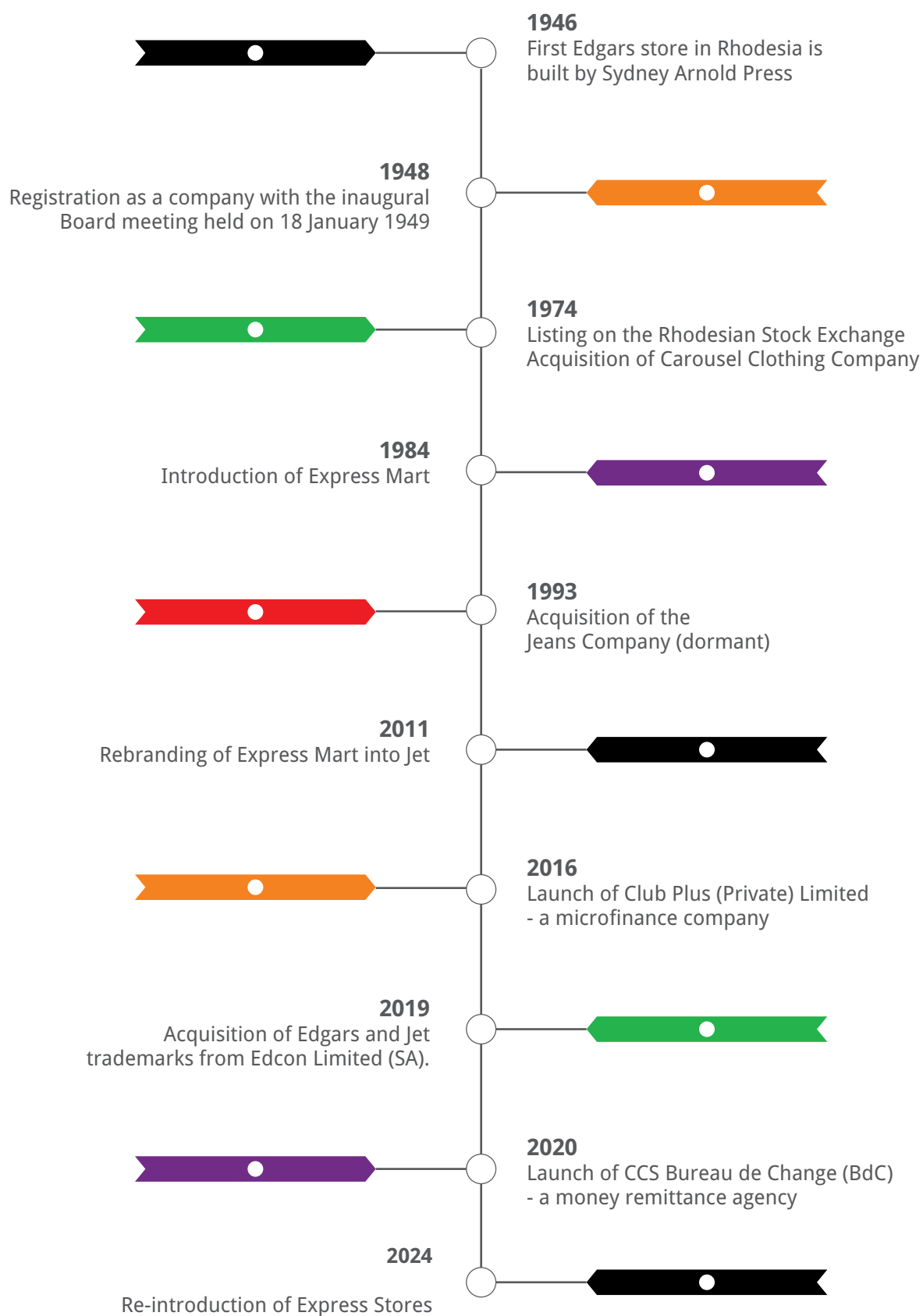
Edgars Stores Limited maintained active membership and subscriptions with several professional bodies and business associations to stay informed about industry developments and best practices.

Current affiliations include:

- Buy Zimbabwe
- Zim CEO's Network
- Zimbabwe National Chamber of Commerce (ZNCC)
- Zimbabwe Association of Business Communicators (ZABC)
- Marketer's Association of Zimbabwe (MAZ)
- Confederation of Zimbabwe Retailers (CZR)
- Institute of Chartered Accountants Zimbabwe (ICAZ)
- Victoria Falls Stock Exchange (VFEX)
- Procurement Regulatory Authority of Zimbabwe- PRAZ
- Reserve Bank of Zimbabwe
- Zimbabwe Association of Micro-Finance Institutions (ZAMFI)
- Institute of Personnel Management of Zimbabwe- IPMZ
- Employers Confederation of Zimbabwe (EMCOZ)
- Newlands Country Club
- Confederation of Zimbabwe Industries (CZI)
- National Employment Council (NEC)- Clothing/Commerce



WHO WE ARE



OUR BRANDS



26 stores across the country



37 stores across the country

ONLINE

shop.edgarsstores.co.zw

shop.jetstores.co.zw

WhatsApp trading



A Division of Edgars Stores Limited

Manufacturing Division with a factory in Bulawayo



35 loan centres across the country



5 stores across the country



VISION AND MISSION STATEMENT

VISION

We aim to be Zimbabwe's undisputed market leader in the clothing and footwear retail business offering quality merchandise, value and superior customer service in world class shopping environments.

MISSION

Our mission is to create and enhance stakeholder value. We do this as follows:

Customers

To be the retailer of choice providing a memorable shopping experience.

Our customers drive the business through the purchase of merchandise and financial services. It is imperative to provide them with the latest fashion. We aim to provide them with convenient store locations, quality merchandise and flexible credit offerings.

We engage with our customers across several platforms:

In-store, call centre, SMS, WhatsApp groups, Facebook and Instagram.

Investors

To deliver economic value through sustained real earnings growth as reflected through growth in the balance sheet, share price and distributions.

After adoption of the Victoria Falls Stock Exchange (VFEX) regulations, shareholders have up to date information on developments within the company through:

- Quarterly trading updates
- Half year financial statements
- Audited Annual financial statements

Employees

We want to be regarded as the preferred equal opportunity employer. To offer working conditions that are competitive and help us attract, develop and retain creative, skilled and motivated people.

We are proud to have a female representation of 61%, a marginal increase on prior year's 58%, which reflects our good employment equity.

The business managed to increase on training time with a consequent reduction in training spend owing to increased utilization of online training and the investment in the training portal.

Staff retention remains a challenge as employees seek better earnings locally and in the diaspora. Notwithstanding the challenges the business was able to retain most of its employees.

Suppliers

We aim to achieve synergies through win-win partnerships based on honesty and integrity.

Since 2019, the Group has been pursuing a merchandise import substitution programme in efforts to preserve foreign currency in the economy aimed at achieving better control of the Groups supply chain. This intervention has been encouragingly successful. We have put in place a policy and quality assurance department that ensures that suppliers incorporate appropriate processes in the production processes.

Community

To be a socially responsible and caring corporate citizen committed to the highest standard of professionalism and ethical behaviour.

In 2025 the group focused on the following CSR pillars:

Partnership for the goals – The Group strengthened its community impact through targeted social investment initiatives, raising \$3,000 in support of underprivileged orphans under foster care through Hanna's Tears Association, and contributing \$2,941 towards the "Be a Hero" campaign to provide vulnerable children with essential school supplies and sports kits aimed at boosting confidence and educational outcomes. In addition, grocery hampers valued at \$1,000 were donated to individuals living with albinism through Albinism Association of Zimbabwe, reinforcing the Group's commitment to inclusive community support.

Quality Education – The Group remains committed to broadening educational access and nurturing future talent through the Edgars Bursary, awarding \$3,900 (USD) in school fees assistance to two high-achieving students from underprivileged backgrounds in 2025.

Social Impact – Through the Fashion Extravaganza campaign, the Group continues to identify and collaborate with local designers, supporting their growth and development within the industry. This initiative nurtures creative talent, stimulates economic activity, and contributes to building a sustainable and competitive local fashion sector. Winning designers are also afforded the opportunity to retail quality-assured garments in-store, enabling income generation and increased brand visibility. In 2025, participating designers recorded total sales of \$4,050 as their income. The Jet Baby of the Year Competition was also held from July to October 2025 with 12 winners gifted with an assortment of prizes worth \$1,250.

GROUP STRATEGY

Our strategy

Edgars strategy remains anchored in offering families the opportunity to purchase fashionable value-for-money quality clothing and footwear merchandise on cash or on credit.

Future growth in sales and profitability will be generated from:

- Promotion of credit and financial services products.
- Ensuring sufficient breadth and depth of inventories for our customers
- Organic growth from our department stores
- Quality and Productivity improvements; and refurbishment initiatives at our stores

Our Business Philosophy

Our business is retailing. Through credit and cash stores we aim to supply quality products. We aim to be Zimbabwe's undisputed market leader in the clothing and footwear retail business offering quality, value and superior customer service in pleasant shopping environments. Retailing is people oriented and our existence and continued success is dependent on our ability to satisfy our customers' needs and value expectations.

We endeavour to appeal to a broad spectrum of consumers, catering in a professional manner to their needs. Our staff deliver a wide selection of quality products that are competitively priced and delivered with courtesy and professionalism.

Our goal is to earn our shareholders optimum returns on invested capital through steady profit growth and astute asset management. We are committed to honesty and integrity in all relationships with suppliers of goods and services. We are demanding, but fair, and evaluate our suppliers on the basis of quality, price and service. We recognise our role in society and support worthwhile projects, particularly of a charitable or conservation of nature.

Management Philosophy

Participative management lies at the heart of this strategy, which relies on the building of employee partnerships at every level to foster mutual trust and to encourage people to think always about how they can do things better. The demands of our business are such that success will only come from the dedication of our employees. The Group will continue to have its operating decisions made at the appropriate operating levels of the business.

The Group's key strategy and primary focus remains anchored on providing value to our Shareholders. Our growth mindset will not only provide room for all stakeholders to prosper but will also energize our workforce and maintain a winning culture. Key to achieving this exponential growth is to gain market share, contain costs in an inflationary environment as well as undertaking an all-encompassing approach that speaks to the customer, supplier, employee, and our various stakeholders.

Our ability to deliver on real growth depends on our relationship with our stakeholders hence increased efforts to nurture these relationships. These relations will be nurtured by engaging landlords, strategic partnerships, analyst meetings, opening new stores and revamping existing stores to provide world class shopping experience to our customers. These efforts will be further enhanced by offering competitive and sustainable credit facilities.

Successful implementation of the Group's strategy is largely guided by our ability to be innovative and an IT system that supports growth. Capacitating and retooling the factory to regional standards remains one of the Groups key strategy areas.

The Group's strategy is regularly monitored in line with profitability, inventory holding and overall growth in real, unitary terms.

DIRECTORS' REPORT

The Directors present their 76th Annual report and the audited consolidated financial statements of Edgars Stores Limited ("the Group" or "the Company") for the 52 weeks ended 4 January 2026.

Financial Results

The financial results are presented in the US Dollars.

Group results

	2025 For the 52 weeks to 4 January 2026 USD	2024 For the 52 weeks to 5 January 2025 USD
Profit before tax	2,265,294	800,897
Taxation	(318,131)	12,452
Profit for the year	1,947,163	813,349

The current year's results have been presented in US Dollars.

Share Capital

As at 4 January 2026, the authorised share capital of the Company comprises of 700,000,000 (2024: 700,000,000) ordinary shares of USD 0.001 each and the issued share capital comprised of 609,740,943 (2024: 609,740,943) ordinary shares of USD 0.001 each

The issued share capital amounted to US\$679,741 comprising of nominal capital of US\$609,740 and share premium of US\$ 70,001.

Property plant and equipment

Capital expenditure for the 52 weeks ended 4 January 2026 amounted to USD1.1 million. Capital expenditure for the 52 weeks ending 3 January 2027 is budgeted at USD 2.1 million.

Reserves

The movements in the Reserves of the Group and the Company are shown in the Consolidated Statement of Comprehensive Income, Group and Company Statements of Changes in Equity and in the Notes to the Financial Statements.

Dividends

The Company will not declare a dividend for the 52 weeks to 4 January 2026.

Directors and their interests

No Directors had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses.

Directors' fees

Members will be asked to approve payments of the Directors' fees in respect of the 52 weeks ended 4 January 2026.

Auditors

Members will be asked to approve the remuneration of the auditors for the 52 weeks ended 4 January 2026 and to re-appoint auditors of the Company to hold office for the following year.

Going Concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company significantly.

Corporate Governance

In line with the Victoria Falls Stock Exchange Listing Rules (SI134/19) the Board has adopted The Zimbabwe Code on Corporate Governance as guiding framework. There is an ongoing process to evaluate the Company's practices against the governance principles to identify any areas of divergence or possible improvement.

Annual General meeting

The Seventy - seventh Annual General Meeting of the company will be held at 09:00 hours on Thursday 25th June 2026.

Directors' Report (Continued)

Director's / attendance of meetings

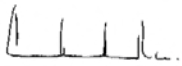
Name of Director	Main Board		Audit and risk Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Thembinkosi Nkosana Sibanda @	2	3	-	-	1	1
Matthew Hosack @	3	3	-	-	1	1
Christo Claassen*	3	3	3	3	-	-
Mark Robb*	3	3	3	3	-	-
Sevious Mushosho #	3	3	3	3	1	1
Peter Mnyama #	3	3	3	3	-	-
Chesternoel Mutevhe #	3	3	3	3	-	-

*Audit and Risk Committee member

@ Remuneration and Nominations Committee member

Attend by invitation

For and behalf of the Directors



T N Sibanda
DIRECTOR



S Mushosho
DIRECTOR



HOW WE CREATE VALUE

Our key resources and inputs into our business model

Type of capital	Description	Key metrics and measures
Financial	Being financial resources available to the business from contributions by shareholders, borrowings and accumulated profits from trading.	Profitability Equity Borrowings Cash and cash equivalents Debt to equity ratio Return on Equity (ROE)
Manufactured	The infrastructure that the business controls for acquiring, distributing and selling merchandise. This includes retail stores, distribution centres, online stores and online applications. For our business this also includes local suppliers that we have developed to cater for our needs.	Number of stores (physical, online and applications) Number of factories Distribution centres Number of Local suppliers Capital expenditure Rentals paid to property owners
Intellectual	The know how within the business – both intangible and otherwise embodied in data, systems, processes, brands and trademarks that differentiate the business from its competitors.	Brands and trademarks Manufacturing capacity Growth in customer accounts Customer feedback and engagement
Human	Our employees create value by meeting the needs of our customers, having relevant fashion, of the right quality and providing the necessary support functions to enable business operations.	Number of employees Training interventions and spend Employment equity Employee turnover
Social and relationship	The business operates in a community that encompasses the government, suppliers and the general public. Responsible corporate social responsibility requires that we carry our share of community obligations and responsibilities	Corporate Social Responsibility (CSR) spend and reach. Total tax and duty contribution Number of suppliers and spend Local supplier development spend
Natural Capital	Use of environmental resources such as electricity, water, and raw materials.	Energy consumption (kWh or litres) - Waste recycled (%) - Water usage (litres/m ³)

PERFORMANCE FOR THE YEAR

Manufactured capital

	4 Jan 26	5 Jan 25
Underperforming stores closed	1	-
New store branches opened:		
» Physical	7	7
» Online applications	-	-
Stores renovated	-	1
Factory CAPEX (US\$)	57,983	1,042,264
Number of local suppliers	582	582
Number of stores	77	68
Rentals paid to landlords (US\$)	4.4m	3.9m

Intellectual capital

	4 Jan 26	5 Jan 25
Total trading brands	6	6
Brands acquired or developed	1	0
Units output from the factory	448,646	305,518

Number of USD customer accounts:

» Active	83,605	81,270
» Absolute	56,858	43,072

Number of ZWG customer accounts

» Active	2,527	7,869
Intangible assets and goodwill (US\$)	1.5m	1.5m

Human capital

	4 Jan 26	5 Jan 25
Total number of employees	1,396	1,425
Training spend (US\$)	7,714	11,020
Number of man hours trained	9,250	2,696
Employment equity: > Female representation	61%	58%

Social and relationship capital

	4 Jan 26	5 Jan 25
CSR spend (US\$)	17,391	22,696
Followers on Facebook and Instagram	5,451,524	2,018,500
Local procurement %	>74%	>81%
Number of days lost to strike action	0 days	0 days

- » The group was able to conclude lease renegotiations for all properties. In keeping with market development, rentals are now largely dollarized commitments.
- » Jet Matopos was closed in the current year.
- » Low uptake on the online Jet and Edgars online stores – strategies are in place to grow this platform.
- » Deliberate focus to grow local supplier footprint as an import substitution measure
- » Plans are in place to expand the retail footprint through the addition of more shops in 2026 and the revamp of some of the existing stores.

- » Production volumes were deepened and ranges widened in alignment with strategy to supply a greater proportion of the group's merchandise needs. The capex programme in place will help create capacity for future volume growth and efficiency.

- » The reduction in the ZWG active account book was due to effects of the limited ZWG credit offering during the year. On a positive note, customers were motivated to migrate to the USD book which held 83,605 active accounts at year end, as this presented better financial planning and control.

- » Revenue growth outpaced workforce growth due to improved labour productivity. The business was able to generate higher sales and profitability with a leaner workforce, resulting in increased revenue per employee due to among other initiatives, improved performance management, clearer accountability, better supervision, and enhanced employee capability.
- » Training spend continued to decline by 30% over prior year while number of trainees increased. The business continued to leverage digital training in light of cost containment measures.
- » In line with equity, inclusion and diversity initiatives, the female split grew from 58% to 61%. This increase in the split has not been oblivious to issues of merit.

The following initiatives were taken:

1. Provided school fees support for two gifted students totaling \$3,900 (USD).
2. Raised \$3,000 for the less privileged orphans being taken care of by foster parents through the Hanna's tears Association
3. Empowered vulnerable children with school supplies and sports kits to enhance their confidence and educational success through the Be a Hero Campaign worth \$2,941.40 to the Tshelanyemba Primary School in Matebeleland.
4. Donated grocery hampers for the less privileged living with Albinism through the Albinism Association of Zimbabwe worth \$1,000.

In addition to these CSR initiatives, the business also had the following PR initiatives:

- » The business had the opportunity to host the presence of the President of Zimbabwe, Honorable Emmerson Dambudzo Mnangagwa for a tour of the Carousel Manufacturing plant in Bulawayo on the 20th of February 2025.
- » The annual ESL Golf Day was held on the 29th of August 2025, and attended by business partners and corporate stakeholders.
- » St Johns Cricket Sponsorship for the T20's (US\$1,000)
- » The Public Relations Department conducted a series of corporate engagements to promote Edgars products and services while delivering professional grooming and etiquette training. These included sessions with the Office of the Auditor General on 28 February 2025, the Industrial Development Corporation, the Zimbabwe Investment and Development Agency, Distribution Group Africa, just to name a few, to explore potential collaboration opportunities.
- » In 2025, the ESL chains continued on a trajectory note, achieving a total reach of 5,451,524, up from 2,018,500 in 2024. This was through the consistent boosting and expansion of the marketing strategy for the digital platforms.

OUR MATERIAL ISSUES

Material issues are a combination of issues and risks that impact the ability of the company to create value for its stakeholders and affect its strategy. These issues are monitored and addressed by the Board and management through several platforms (Board meetings, ExCom meetings and other fora). We have included in this report what we consider the most material issues affecting the business in the current year and their related outlook.

Instability of the Zimbabwean Economic Environment

Hyperinflation	<ul style="list-style-type: none"> » We put in place a system of monitoring inflation and adjusting pricing accordingly. » Adopted a strategy of hedging the debtors' book » Adopted mechanisms of maximising value preserving assets over those subject to inflation devaluation.
Availability and high cost of borrowings	<ul style="list-style-type: none"> » We utilised value preserving assets as collateral to negotiate lower cost of borrowing. The cost of borrowing remained elevated with volatility in exchange rate and high inflation levels.
Increasing cost of doing business	<ul style="list-style-type: none"> » Management continues to monitor and negotiate increases proposed by suppliers. Extensive effort and reasonable success has been achieved in rentals and borrowing costs. » Employee remuneration is benchmarked with market in order to retain key staff.
Risk of political riots, looting and property destruction	<ul style="list-style-type: none"> » We are looking at obtaining insurance cover specific to damage from outlined risks. » Generally the business assets are adequately covered by existing insurance cover. We generally maintain adequate security presence in place in all our trading locations. » We have also endeavoured to develop good working relations with the police to provide additional security cover where required.
Trading disruptions	<ul style="list-style-type: none"> » Online channels (online stores and WhatsApp trading) have allowed us to generate revenue as an option to customers visiting our trading stores. » We continue to use online banking, Ecocash and One Wallet platforms in accounts collection. » We have used our online customer engagement platforms and SMS to communicate with our customers on available promotions and online trading channels.

Reliance on Information Technology

Cyber security incidents	<ul style="list-style-type: none"> » We have acquired relevant intrusion detection and stopping software on the internet gateways. » Other solutions such as artificial intelligence and machine learning have been deployed
Lost sales due to system downtime	<ul style="list-style-type: none"> » Manual systems have been put in place in all physical stores in case of downtime.
Unreliable electricity supply from ZETDC	<ul style="list-style-type: none"> » Generators and battery systems have been installed for all stores and servers. » 28 stores are now operating on solar power.
IT personnel up-skilling and retention	<ul style="list-style-type: none"> » Funding has been allocated to support IT personnel in attending upskilling courses. Team members are currently enrolled in university-level IT and business programmes to stay up to date with evolving industry trends.
Availability of key support IT systems	<ul style="list-style-type: none"> » An IT roadmap and budget have been developed to upgrade outdated and obsolete infrastructure. <p>Key initiatives include:</p> <ul style="list-style-type: none"> » Replacement of the current ERP system » Procurement and installation of a new battery for the main server during the year
Cost of Information Technology (IT)	<ul style="list-style-type: none"> » In the current year we successfully negotiated a non-escalation in ERP costs. » We have also modernized our connectivity infrastructure by incorporating Starlink, which offers a more cost-effective solution. As a result, MPLS has been discontinued at selected remote sites. » The legalisation of trading in foreign currencies (FOREX) has provided relief, as the majority of our IT licenses are payable in foreign currency. » Management is actively exploring ways to offset rising IT costs through increased operational scale and improved efficiencies.

Our material issues (continued)

Managing retail presence

- Store profitability
- » We continue to monitor profitability of the business on a store by store basis. Staffing and rentals – being the main cost drivers are negotiated on this basis.
 - » The number of stores closed due to poor performance have been reported in the Manufactured Capital section of this report.
- Trading disruptions
- » As reported under 'Instability of the Zimbabwe Economy' the Group has been working hard to increase sales through our online stores platforms.
- Changing retail trends
- » The Group has benefitted from developments in the retail space (regionally and internationally).
 - » The last decade has seen the movement from single channel retail (physical stores) to multichannel (online magazines, online stores, websites and social media).
 - » Developments noted are being evaluated and implemented across the Group where practical for the Zimbabwean situation.
- Relevant store look
- » In all the cities and towns that we trade in we position our stores in prime and accessible locations.
 - » Management are committed to modern stores. This is reflected in an on-going programme of store renovations and revamps. Progress made in this regard in the current year is reported under manufactured capital.
- Managing leases
- » Leases were an area of focus in FY2025 due to the volatility of our local currency– management successfully negotiated rentals for the 2025 year.
 - » Leases were agreed on terms that aimed at long term tenures. We have noted some instances where landlords are advocating for short lease tenures to allow for repricing when economic conditions deteriorate.

Managing credit risk

- Drive account growth
- » USD active accounts ended 2025 2% higher than the previous year despite the paid up book growing by 36.3% during the same period. We closed 2025 with 85 477 active accounts versus 83 695 in 2024. A paid-up survey conducted in Q1 2025 showed that most customers were settling their balances due to financial and economic pressures.
 - » Following stability in the ZWG inflation in September 2025 we introduced ZWG credit accounts on 3 and 4 months to pay terms. The ZWG credit offering was not so popular with our customers as we continue to witness a slow growth in the book. We closed 2025 with only 2 613 ZWG accounts with a debtor's value of only ZWG 1.9 million which was only \$62 993 in USD dollar terms.
 - » Going forward management has put in place strategies to grow the active account base through aggressive account drives, paid-up reactivation promotions and further improving our customer engagement portals. We launched the online and QR Code account opening portals in Q1 of 2025 and we realised significant new business growth over last year. We opened 7 044 new accounts in 2025 against 5 900 in 2024.
- Improved engagement with account holders
- » The year to date saw increased use of existing platforms (SMS and websites), the launch of the new platforms (online stores and WhatsApp trading) and an increased uptake in online microfinance loan applications.
 - » Subscribers in our Facebook and Instagram pages grew as disclosed under social and relationship capital.
- Leverage existing information base
- » The ability to synthesize information from existing data on payment history, purchasing patterns and fashion preferences as well as cross referencing against other databases e.g. the credit bureau, social media remain one of the underdeveloped areas of the business.
 - » Bringing this information together could be key in predicting customer behaviour and in launching new products.
- Adjust offering to match changes in the environment
- » Management studied the market closely during the year and were able to revise credit offerings as circumstances changed e.g. customising credit limits offered to individual earning power, limiting credit period to levels that could be safely supported by available liquidity.
 - » The experience and skills gained in this challenging period will prove invaluable in the future.

Our material issues (continued)

Managing the risk of fashion

Changing fashion and retail trends

- » We conduct quarterly Laydown sessions where business plans for the upcoming quarter are presented. During these sessions, the Buying Executive shares insights on emerging fashion trends, while individual buyers present the specific trends they have selected for our customer base. These sessions ensure that all teams remain aligned and informed on current fashion directions. Trends are identified through market visits to South Africa as well as ongoing monitoring of fashion television and industry publications.

Merchandise staff retention and up skilling

- » Our approach begins with recruiting candidates who demonstrate a strong flair for fashion. Selected individuals undergo an 18-month on-the-job training program, culminating in a certification upon successful completion. For the broader team, additional training needs are identified and addressed through structured programs facilitated by our Training Department, ensuring continuous development. We also strive to foster a dynamic and enjoyable work environment that encourages creativity and innovation among our buyers.
- » As a market leader we actively continue to expand our brands either internally or through partnerships with external parties.

Inventory aging and cover

- » The group merchandise team constantly monitor stock aging and cover within pre-set parameters. Corrective action is taken as soon as is possible but not longer than a month where needed.
- » We utilize a pricing algorithm to systematically adjust prices on ageing inventory. Where sales performance remains slow or to clear remaining stock remnants, further markdowns are applied as part of our stock management strategy.

Merchandise supply strategy

- » We continued capacitating suppliers in the current year through local procurement and financing.
- » Local suppliers help to mitigate against supply disruptions in our quest to maintain adequate supplies to the chains.
- » As part of the IT roadmap, the Group is looking into investing in data warehouses and analytical tools that quickly and accurately allow insight into historical and current selling trends which impact forward planning and procurement.

BOARD OF DIRECTORS

Executive Directors

Sevious Mushosho (50)

Group Chief Executive Officer
Chartered Accountant (Zimbabwe)
Joined the Group in 2022
Appointed to the Board in June 2022

Chesternoel Muteve (48)

Group Chief Finance Officer
Chartered Accountant (Zimbabwe)
Joined the Group in January 2024
Appointed to the Board in January 2024

Peter Danisa Mnyama (50)

B.Com Marketing Management, MDP,EDP
Joined the Group in 1997
Appointed to the Board in September 2023

Non-Executive Directors

Themba N. Sibanda (70)

Chairman of the Board of Directors
Chartered Accountant (Zimbabwe)
Appointed to the Board in 2003

Matthew Hosack (44)

Chairman of the Remuneration Committee
B.Bus. Science (UCT)
Appointed to the Board in December 2019

Christo Claassen (56)

Chairman of the Audit Committee
Chartered Accountant (South Africa)
Appointed to the Board in March 2022

Mark Robb (47)

Member of the Audit Committee
B.Com Hons Information Systems
Appointed to the Board in September 2023



CORPORATE GOVERNANCE REPORT

EDGARS STORES LIMITED BOARD OF DIRECTORS

Statement of responsibility for the Financial Statements

The Board of Directors is responsible for leadership, strategy formulation and implementation, governance and performance of Edgars Stores Limited. The Board discharges this obligation directly in meetings and through delegation to its sub-committees and management.

The Board's responsibilities are well defined and adhered to. These are based on a pre-determined assessment of materiality and include amongst others:

- » Compliance with corporate governance principles (National Code of Governance in Zimbabwe).
- » Evaluating and reviewing the group's strategic direction.
- » Reviewing the group's risk universe and placing risk management responses.
- » Reviewing the performance of executive management against business plans, budgets and industry standards.
- » Ensuring that an effective and efficient internal control system through a comprehensive system of policies and procedures.
- » Setting the correct tone on ethical behaviour and ensuring compliance with relevant laws and regulations.
- » Evaluating on a regular basis material economic, political, social and legal matters in the environment that impact the business and its various stakeholders and directing appropriate responses.
- » Taking external expert advice in the discharge of its duties.
- » Relevant and reliable financial reporting.

Size and experience of the Board

This is dictated by the articles of association of the company which permit a maximum of 12 directors. The Board currently has 7 members and is chaired by an Independent non-executive Chairman.

Board expertise

	T.N. Sibanda	M. Robb	M. Hosack	C. Mutevhe	P.D. Mnyama	S. Mushosho	C. Claassen
Strategic planning and risk management	•	•	•	•	•	•	•
Retail		•	•	•	•	•	•
Corporate law				•		•	•
Corporate governance	•	•	•	•	•	•	•
Reporting, finance and taxation	•			•		•	•
Corporate affairs and communication	•			•	•	•	•
Financial services and markets			•				
Information technology*		•		•		•	
Human resources*							
Marketing*					•		

* Human resources expertise is housed within the management team (ExCom) being the Group Human Resources Executive. The Remuneration Committee is currently looking at strengthening the Board experience in this area.

Attendance at Board meetings

Main Board

Board Attendance	May 2025	Sep 2025	Dec 2025
TN Sibanda*	✓	✓	X
M Robb*	✓	✓	✓
M Hosack*	✓	✓	✓
P D Mnyama	✓	✓	✓
S Mushosho	✓	✓	✓
C Mutevhe	✓	✓	✓
C Claassen*	✓	✓	✓

Key: *Non-Executive Director ✓ - attended X - did not attend n/a - not applicable

In the year to date the Board deliberations included the following:

Approved

- » Financial budgets for the FY2025 financial year and the ensuing 2026 financial year.
- » The General Enabling Resolution providing for general signing and authorisation matrices for the Company.
- » Management to present a clear, time-bound Express turnaround strategy

Noted and led

- » Management to continuously seek to improve internal controls and keep the company growing under challenging trading conditions.
- » The collective experience of the Board including their knowledge of other company operations was critical in guiding management in business strategy.

Audit and Risk Committee

The Audit Committee continuously evaluates the Group's exposure and response to significant risk, reviews the appropriateness and adequacy of the systems of internal financial and operational control; reviews and evaluates accounting policies and financial information issued to the public, ensures effective communication between directors, management, internal and external auditors, reviews the performance of the internal and external auditors, recommends the appointment of the external auditors and determines their fees.

The Audit Committee is regulated by specific terms of reference, it is chaired by a non-executive director and comprises of non-executive directors. The Chief Executive Officer, Chief Finance Officer, Head of Group Internal Audit, and The External Auditors attend and present reports to the Committee. The Audit Committee occasionally invites external experts to its meetings. It meets at least thrice a year to discuss accounting, auditing, internal control, financial reporting and risk management matters. The Committee also reviews compliance with VFEX listing requirements, corporate governance codes and applicable laws. The external and internal auditors meet regularly with and have unrestricted access to the Audit Committee.

Audit	May 2025	Sep 2025	Dec 2025
MRobb*	✓	✓	✓
CClaassen*	✓	✓	✓
SMushosho	✓	✓	✓
CMutevhe	✓	✓	✓
PMnyama	✓	✓	✓

Key: *Non-Executive Director ✓ - attended X – did not attend n/a- not applicable • – no meeting

The year to date was a particularly busy one due to the myriad of changes in legislative and reporting requirements. The main issues deliberated on by the committee included:

Reviewed and recommended to the Board

- » Approval of the internal audit plan for FY2026
- » Interrogation of internal audit procedure outcomes for FY2025
- » Review and update of the risk matrix especially the emergent areas of governance, compliance with laws and regulations, IT and Cyber risk. This exercise is on-going and will continue into FY2026
- » Review on-going application of sustainability reporting
- » On-going assessment of the independence of internal and external auditors
- » Review and ratification of significant transactions with related parties
- » External Auditor performance
- » Evaluation of Internal Audit department performance.

Remuneration and Nominations Committee

This Committee's function is to approve a broad remuneration strategy for the Group and to ensure that directors and senior executives are adequately remunerated for their contribution to operating and financial performance, in terms of base pay as well as short and long-term

Attendance at Remuneration Committee Meetings

Remuneration	April 2025	December 2025
TN Sibanda*	✓	•
MHosack*	✓	•

Key: *Non-Executive Director ✓ - attended X – did not attend n/a- not applicable • – no meeting

Key activities for the committee in the year to date incorporated:

Reviewed and recommended to the Board

- » Review of REMCO meeting frequency from 4 meetings to 2 meetings per year.
- » Approval of the 2025/2026 Succession Plan for Group Executive roles
- » Review of People Costs structures against declining Sales Turnover

THE PEOPLE REPORT

	FY2025	FY2024
Total number of employees	1,396	1 425
Female employees	61%	58%
Employees with disability	5	6
Retail employees – Edgars and Jet	510	566
Retail employees - Express	30	10
Manufacturing employees	556	544
Microfinance Unit employees	61	66
Corporate employees	239	239
Days lost to industrial action	Nil	Nil

Talent Development, Skills Pipeline and Succession

The Group continued to prioritise strategic investment in people through targeted skills development initiatives across key functions, including Retail, Merchandise Procurement, Manufacturing (Factory Operations), and Support Functions. These programmes were complemented by structured Management Development initiatives, which included mentoring, secondments, work understudy, and deliberate career pathing to strengthen internal capability and leadership depth. With + 75% of the workforce aged between 18 and 40 years, the business is well-positioned to sustain a strong and dynamic skills pipeline. This demographic advantage underpins a deliberate and forward-looking succession planning strategy, ensuring continuity, innovation, and long-term organisational resilience.

Performance Culture, Values and Workforce Enablement

The Group has embedded a high-performance culture anchored on disciplined execution, strong ethical standards, and accountability. This cultural shift has driven positive behavioural change, fostering the right attitudes, ownership mindset, and a results-oriented approach across the organisation. This transformation has translated into improved Group-wide performance, supported by enhanced collaboration and an entrepreneurial spirit among employees. In recognition of this alignment, employees benefited from significant profit-share incentives, reinforcing a mutually beneficial (“win-win”) performance ecosystem. The performance culture is further supported by a sustainable employee wellness programme and other people-centric initiatives aimed at enhancing engagement, productivity, and overall wellbeing.

HR Outlook: Digital Readiness and AI Enablement

Looking ahead, the Group is prioritising the need to keep all employees current with the emergence of Artificial Intelligence (AI) and digital capabilities. This will be achieved through targeted upskilling and continuous learning initiatives to ensure the workforce remains relevant and competitive in an evolving business environment. The adoption of AI-enabled tools and digital competencies is expected to drive improved employee efficiency, enhanced job satisfaction, increased innovation, and superior customer service delivery, while also supporting overall employee wellbeing through smarter and more flexible ways of working.







INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EDGARS STORES LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the accompanying consolidated and separate financial statements of Edgars Stores Limited (the "Company") and its subsidiaries (the "Group") set out on pages 43 to 97, which comprise the consolidated and separate statements of financial position as at 4 January 2026, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the 52 weeks then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated and separate financial statements present fairly in all material respects, the consolidated and separate financial position of the Group and Company as at 4 January 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the 52 weeks then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Prior year non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21) with respect to change in functional and presentation currency in the comparative period.

In the prior year, the Group and Company accounted for a change in functional currency retrospectively using a methodology which did not comply with the requirements of IAS 21, which requires that when there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of change in functional currency.

The non-compliance with IAS 21 in the preparation of the prior years' opening balances has a carryover impact on prior year transactions and balances (such as depreciation, tax expense, effects of exchange rate fluctuations on cash held), non-monetary balances on the statement of financial position, retained earnings and non-distributable reserves (Foreign Currency Translation Reserve and Other comprehensive income) on the statement of changes in equity.

As no retrospective adjustments in terms of IAS 8 have been made, our audit report is therefore modified due to the effects of the above departures from IFRS Accounting Standards. We were unable to quantify the effects of the departures from IAS 21 in the prior year, but the effects are considered to be material but not pervasive to the consolidated and separate financial information as a whole.

Prior year non-compliance with IFRS Accounting Standard 13 "Fair Value Measurements" (IFRS 13) in the determination of the value of Property, Plant and Equipment in the comparative period

The prior year fair values of property, plant and equipment were determined internally through a directors' valuation exercise. The Group did not disclose the unobservable significant inputs applied in the determination of fair value as is required by IFRS 13.

IFRS 13 further requires:

- a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests; and
- fair value to reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

We were therefore unable to obtain sufficient appropriate evidence to support the determination of fair valuations presented for the prior period.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Zimbabwe. We have fulfilled our 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 qualified opinion.

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matters described in the Basis for Qualified Opinion section, we have not determined any other key audit matters to be communicated in our report.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement and Directors' Responsibility Statement and Report, as required by the Companies and Other Business Entities Act (Chapter 24:31), which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and Company'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 and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of them Group audit. We remain solely responsible for our audit opinion.

A full list of partners and directors is available on request.

Report on the Audit of the Consolidated and Separate Financial Statements (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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

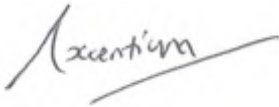
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

In our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, the consolidated and separate financial statements of the Group and Company are properly drawn up in accordance with the Act so as to give a true and fair view of the state of the Group's and Company's affairs at the date of its financial statements for its financial year ended on that date.

Section 193(2)

We have no matters to report in respect of section 193(2) requirements of the Act.



Axcentium

Per: Stelios Michael

PAAB Practice Certificate Number: 0443

Partner

Registered Auditor

Harare, Zimbabwe

Date: 15 April 2026

A full list of partners and directors is available on request.




CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AT 4 JANUARY 2026

Figures are in United States dollars	Note(s)	Group		Company	
		2025 As At 4 January 2026	2024 As At 5 January 2025 *Restated	2025 As At 4 January 2026	2024 As At 5 January 2025 *Restated
Assets					
Non-Current Assets					
Property, plant and equipment	4	5,532,149	5,409,488	5,367,836	5,235,117
Right-of-use assets	5	4,391,301	2,620,613	4,391,301	2,620,613
Intangible assets	6	1,503,864	1,500,000	1,500,000	1,500,000
Investment in subsidiary	7	-	-	1,000,000	1,000,000
		11,427,314	9,530,101	12,259,137	10,355,730
Current Assets					
Inventories	10	7,973,247	5,623,922	7,970,208	5,622,774
Loans and advances to customers	11	1,233,461	1,730,114	-	-
Trade and other receivables	12	15,863,365	14,079,797	15,645,504	13,779,569
Intercompany loan	9 & 33	-	-	-	266,236
Current tax receivable	29	608,894	1,120,290	542,127	907,445
Bank and cash balances	13	3,872,081	2,008,127	3,042,557	1,852,828
		29,551,048	24,562,250	27,200,396	22,428,852
Total Assets		40,978,362	34,092,351	39,459,533	32,784,582
Equity and Liabilities					
Equity					
Share capital	14	679,741	679,741	679,741	679,741
Reserves	15	5,775,534	5,835,531	5,931,057	5,975,866
Retained income		8,663,259	6,700,908	8,016,580	6,292,412
		15,118,534	13,216,180	14,627,378	12,948,019
Liabilities					
Non-Current Liabilities					
Borrowings	16	39,463	350,666	39,463	350,666
Borrowings -related parties	16 & 34	-	2,638,222	-	2,638,222
Deferred tax	8	1,325,964	1,128,308	1,320,496	1,124,051
Lease liabilities	5	2,025,591	2,254,422	2,025,591	2,254,422
		3,391,018	6,371,618	3,385,550	6,367,361
Current Liabilities					
Trade and other payables	17.1	5,002,144	5,753,052	4,839,324	5,669,233
Other liabilities	17.2	4,223,659	-	4,223,659	-
Current tax liabilities	29	-	27,478	-	-
Borrowings	16	6,842,900	4,215,069	5,846,585	3,291,350
Borrowings -related parties	16 & 34	2,638,222	1,792,747	2,638,222	1,792,747
Bank overdrafts	16	957,025	1,936,152	955,997	1,935,817
Lease liabilities	5	2,804,860	780,055	2,804,860	780,055
Intercompany loan	9 & 34	-	-	137,958	-
		22,468,810	14,504,553	21,446,605	13,469,202
Total Liabilities		25,859,828	20,876,171	24,832,155	19,836,563
Total Equity and Liabilities		40,978,362	34,092,351	39,459,533	32,784,582

*Refer to Note 36 for details on the restatement.

The financial statements and the notes on pages 43 to 97, were approved by the board of directors on the 15th of April 2026 and were signed on its behalf by:



Director



Director

CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 4 JANUARY 2026

Figures are in United States dollars	Note(s)	Group		Company	
		2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025 *Restated	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025 *Restated
Revenue	18	41,267,765	36,733,869	39,411,335	35,258,744
Sale of merchandise	18	34,079,117	30,459,329	34,079,117	30,459,329
Cost of sales	21	(16,931,055)	(14,483,049)	(16,931,066)	(14,483,049)
Gross profit		17,148,062	15,976,280	17,148,051	15,976,280
Revenue from Microfinance Institutions and debtors accounts	18	7,132,854	6,208,065	5,276,424	4,732,940
Other revenue	18	55,794	66,475	55,794	66,475
Other income	19	156,241	20,684	201,566	74,568
Movement in expected credit losses	20	686,229	298,228	623,559	200,436
Selling expenses – store expenses	23	(11,619,701)	(11,092,306)	(11,619,701)	(11,092,306)
Financial Services expenses	24	(1,586,301)	(2,299,100)	(1,586,301)	(2,299,100)
Head office, manufacturing and Club plus expenses	31	(6,529,046)	(6,325,288)	(5,291,963)	(5,206,014)
Trading profit		5,444,132	2,853,038	4,807,429	2,453,279
Net foreign exchange (losses) / gains		(141,001)	308,118	(126,995)	165,956
Operating profit		5,303,131	3,161,156	4,680,434	2,619,235
Finance costs	25	(3,037,837)	(2,360,259)	(2,759,821)	(2,237,601)
Profit before taxation		2,265,294	800,897	1,920,613	381,634
Income tax (expense) / credit	26	(318,131)	12,452	(196,445)	102,467
Profit for the year		1,947,163	813,349	1,724,168	484,101
Other Comprehensive loss					
Other comprehensive losses (restated)		-	(310,278)	-	(310,278)
Impairment of property, plant and equipment		(60,349)	-	(60,349)	-
Deferred tax arising on property impairment		15,540	-	15,540	-
Total comprehensive income for the year		1,902,354	503,071	1,679,359	173,823
Earnings per share (cents):					
Basic	30	0.34	0.14	0.30	0.08
Diluted	30	0.34	0.14	0.30	0.08

*Refer to Note 36 for details on the restatement.

The note on pages 50 to 97 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 4 JANUARY 2026

Figures are in United States dollars

Group	Share Capital Reserve	Revaluation Reserve	Credit Reserve	Equity Settled Employee Benefits Reserve	Foreign Currency Translation Reserve	Retained Income	Total Equity
Balance at 7 January 2024 (as previously stated)	679,741	492,916	539,996	164,130	5,402,345	5,269,713	12,548,841
Effect of prior period adjustment	-	-	-	-	164,268	-	164,268
Balance at 7 January 2024* restated	679,741	492,916	539,996	164,130	5,566,613	5,269,713	12,713,109
Profit for the year	-	-	-	-	-	813,349	813,349
Transfer from credit reserve	-	-	(453,716)	-	-	453,716	-
Equity settled employee benefits reserve derecognition	-	-	-	(164,130)	-	164,130	-
Other comprehensive losses	-	-	-	-	(310,278)	-	(310,278)
Balance at 5 January 2025 (restated)	679,741	492,916	86,280	-	5,256,335	6,700,908	13,216,180
Balance at 5 January 2025 (as previously stated)	679,741	492,916	86,280	-	5,402,345	6,700,908	13,362,190
Other comprehensive losses	-	-	-	-	(146,010)	-	(146,010)
Profit for the year	-	-	-	-	-	1,947,163	1,947,163
Transfer from credit reserve	-	-	(15,188)	-	-	15,188	-
Other comprehensive losses for the year	-	(44,809)	-	-	-	-	(44,809)
Balance at 4 January 2026	679,741	448,107	71,092	-	5,256,335	8,663,259	15,118,534
Note (s)	14	15.1	15.2	-	15.4	-	-

*Refer to Note 36 for details on the restatement.



COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 4 JANUARY 2026

Figures are in United States dollars

Company	Share Capital Reserve	Revaluation Reserve	Equity Settled Employee Benefits Reserve	Non Distributable Reserve	Retained Income	Total Equity
Balance at 7 January 2024 (as previously stated)	679,741	497,314	164,130	5,624,562	5,644,181	12,609,928
Effect of prior period adjustment	-	-	-	164,268	-	164,268
Balance at 7 January 2024 (restated)	679,741	497,314	164,130	5,788,830	5,644,181	12,774,196
Profit for the year	-	-	-	-	484,101	484,101
Equity settled employee benefits reserve derecognition	-	-	(164,130)	-	164,130	-
Other comprehensive losses	-	-	-	(310,278)	-	(310,278)
Balance at 5 January 2025 (restated)	679,741	497,314	-	5,478,552	6,292,412	12,948,019
Balance at 5 January 2025 (as previously stated)	679,741	497,314	-	5,624,562	6,292,412	13,094,029
Other comprehensive losses	-	-	-	(146,010)	-	(146,010)
Profit for the year	-	-	-	-	1,724,168	1,724,168
Other comprehensive loss for the year	-	(44,809)	-	-	-	(44,809)
Balance at 4 January 2026	679,741	452,505	-	5,478,552	8,016,580	14,627,378
Note(s)	14	15.1	-	15.3	-	-

*Refer to Note 36 for details on the restatement.



CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS FOR THE 52 WEEKS TO 4 JANUARY 2026

Figures are in United States dollars

	Note(s)	Group		Company	
		2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025 *Restated	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025 *Restated
Cash flows from operating activities					
Profit before taxation		2,265,294	800,897	1,920,613	381,634
Adjustments for:					
Finance income	18	(7,132,854)	(6,208,065)	(5,276,424)	(4,732,940)
Finance costs	25	3,037,837	2,360,259	2,759,821	2,237,601
Non-cash items	27	3,722,392	5,692,341	5,559,435	6,207,632
Changes in working capital:					
(Increase) / decrease in inventories		(2,349,325)	2,061,999	(2,347,434)	2,061,990
Increase in trade and other receivables		(1,783,568)	(1,330,220)	(1,865,935)	(1,223,826)
Decrease / (increase) in loans and advances to customers		496,653	(803,534)	-	-
Decrease / increase in trade and other payables		(750,908)	(984,299)	(829,909)	(1,783,496)
Cash generated from / (used in) operations		2,494,479	1,266,888	(79,833)	2,826,105
Tax paid	28	(41,915)	(661,315)	-	(484,065)
Finance income received		7,869,030	4,755,277	4,344,399	5,080,137
Finance costs paid		(2,675,210)	(2,224,144)	(2,397,194)	(2,101,486)
Lease interest paid	5	(856,415)	(544,151)	(856,415)	(544,151)
Net cash generated from/ (utilised in) operating activities		1,801,011	2,592,555	1,010,957	4,776,540
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(1,061,982)	(1,575,584)	(1,010,057)	(1,561,857)
Proceeds from disposal of property, plant and equipment		765	-	-	-
Loans repaid to subsidiaries		-	-	-	(266,236)
Loans received from subsidiaries		-	-	137,958	42,994
Net cash utilised in investing activities		(1,061,217)	(1,575,584)	(872,099)	(1,785,099)
Cash flows from financing activities					
Proceeds from borrowings and overdrafts	16	12,197,981	17,605,865	10,797,007	13,769,252
Repayment of borrowings and overdrafts	16	(12,653,227)	(14,088,193)	(11,325,542)	(10,755,196)
Proceeds from other liabilities	16	4,223,659	-	4,223,659	-
Payment on lease liabilities	5	(2,633,512)	(3,422,013)	(2,633,512)	(3,422,013)
Net cash generated from/(utilised in) financing activities		1,134,901	95,659	1,061,612	(407,957)
Total cash movement for the year		1,874,695	1,112,630	1,200,470	2,583,484
Effect of exchange rate fluctuations on cash held		(10,741)	(258,404)	(10,741)	(1,818,430)
Cash and cash equivalents at the beginning of the year		2,008,127	1,153,901	1,852,828	1,087,774
Cash and cash equivalents at the end of the year	13	3,872,081	2,008,127	3,042,557	1,852,828
Comprised of:					
Bank and cash balances		3,872,081	2,008,127	3,042,557	1,852,828
		3,872,081	2,008,127	3,042,557	1,852,828

*Refer to Note 36 for details on the restatement.





NOTES TO THE FINANCIAL STATEMENTS

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. The address of its registered offices and principal place of business is disclosed in the General information on page 1.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below.

2.1 BASIS OF PREPARATION

The consolidated and separate financial information has been prepared in United States dollars (USD) and is based on statutory records maintained under the historical cost convention.

2.2 STATEMENT OF COMPLIANCE

The consolidated and separate financial statements have been prepared on a going concern basis and in accordance with the Companies and Other Business Entities Act (Chapter 24:31) and Victoria Falls Stock Exchange regulations.

The financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). IFRS Accounting Standards comprise interpretations adopted by the IASB, which includes standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC)

The consolidated and separate financial information have been compiled using the accounting policies applied in the Group's previous annual financial statements, adhering to applicable amendments to IFRS.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated and separate financial statements are presented in United States Dollars ("USD"), which is both the functional and presentation currency of the Group and Company in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates." The functional currency is determined based on the primary economic environment in which the Group and Company operate.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group. The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through its power over the investee.

Control is achieved when the group:

- has power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- is exposed, or has rights, to variable returns from its involvement with the investee.
- has the ability to use its power over the investee to affect the amount of the Group's returns.

The group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

BUSINESS COMBINATIONS

The group accounts for business combinations using the acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise because of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset, or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

2.5 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

LEASE CLASSIFICATION AND LEASE TERM

The Group recognises a lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, together with assessing if the lessee is reasonably certain to exercise an option to extend or terminate the lease. In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement to assess the likelihood of exercising, termination or extension of the option. The lease term will only include renewal options where we are reasonably certain that the renewal option will be exercised. The lease liability is initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate. The Group uses judgements when determining the borrowing rate by taking the following assumptions into account such as duration, currency, and inception of the lease.

KEY SOURCES OF ESTIMATION UNCERTAINTY

IMPAIRMENT OF FINANCIAL ASSETS

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Forward-looking information used for impairment assessments as required by IFRS 9 Financial Instruments in the application of the Expected Credit Loss method incorporate significant judgements and assumptions. These judgements and assumptions are detailed further in note 2.9. Forward-looking information used for impairment assessments as required by IAS 36 Impairment of Assets incorporate significant judgements and assumptions. These judgements and assumptions are detailed further in note 2.9.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

FAIR VALUE ESTIMATION

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. For land and buildings, qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs and on a need basis for all other assets or a Directors' valuation is performed

IMPAIRMENT TESTING

Annually, the group reviews and tests the carrying value of assets due to the brands having an indefinite useful life to determine if the carrying amount may not be recoverable. Management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions which have been documented in note 6. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs. Refer to note 6 for the detailed note.

RESIDUAL VALUES AND USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Management assesses the appropriateness of the residual values and useful lives of property, plant and equipment at the end of each reporting period. The residual values of assets are reviewed annually and adjusted. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life and residual value of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence, and usage requirements.

When the estimated useful life and residual value of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

ESTIMATION UNCERTAINTY ARISING FROM VARIABLE LEASE PAYMENTS

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

2.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the group holds for its own use which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment, is stated at revalued amounts less subsequent accumulated depreciation and accumulated allowance for impairment. The revalued amount is based on periodic, valuations, less subsequent accumulated depreciation, and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and net amount is restated to the revalued amount of the asset. Revaluations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Increases in the carrying amount arising on the revaluation of property and equipment is credited to a revaluation reserve in shareholder's equity. Decreases that offset previous increases of the same asset are charged against its revaluation reserve directly in equity to the extent of any credit balance existing in the revaluation surplus in respect of that particular asset. Any decreases that exceed the previously recognised revaluation surplus of a particular asset should be recognised as any expense in profit and loss. Increase in the carrying amount arising from revaluation shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss.

The revaluation surplus included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised to write off the cost of assets or revalued amounts (other than land) less their residual values over their useful lives using the straight-line method.

CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost and not depreciated. Depreciation on capital work in progress commences when the assets are ready for their intended use.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years
Plant and machinery	Straight line	5-10 years
Furniture, fittings, and equipment	Straight line	5-10 years
Motor vehicles	Straight line	5-7 years
Computer equipment	Straight line	3-10 years
Leasehold improvements	Straight line	2-10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant, and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant, and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant, and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

2.7 INTANGIBLE ASSETS

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets (operating software and brands) are initially recognised at cost. Brands have an indefinite useful life.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors (GDP growth rates, volume/sales units' growth, cashflow projections), there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment, and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation	Average useful life
Operating software	Straight line	5-10 years

2.8 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

2.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or an equity instrument of another entity.

FINANCIAL ASSETS

Financial assets are classified and measured, initially and subsequently at amortised cost or fair value through profit and loss. The classification depends on their contractual cash flows (SPPI test) and the group's business model for managing them. The group's financial assets are made up of cash and cash equivalents, trade receivables and loans to customers.

Business model assessment

The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

1. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
2. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
3. How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of sales are also important aspects of the group's assessment. The group's model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

THE SPPI TEST

As a second step of its classification process the group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised:

- The rights to receive cash flows from the asset have expired; or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
 - (a) the group has transferred substantially all the risks and rewards of the asset; or
 - (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

Impairment in terms of IFRS 9 is determined based on an Expected Credit Losses (ECL) model. The ECL model applies to all financial assets measured at amortised cost. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group at reporting date.

The group's financial assets are assessed for impairment each year based on the forward-looking ECL approach. The Group measures ECL by projecting the probability of write-off, exposure at write-off, timing of when write-off is likely to occur, and loss given write-off. The ECL is calculated by multiplying these components together. For variable rate financial instruments, the ECL is discounted using the current effective interest rate applicable to the portfolio of financial assets. For fixed rate financial instruments, the ECL is discounted using the original effective interest rate applicable to the portfolio of financial assets. The ECL model is recalibrated each year as needed to consider the changed economic environment in the country.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below. The Group's policies for determining if there has been a significant increase in credit risk are set out in note 12.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The ECLs for all instruments are calculated per individual and results consolidated at portfolio level. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The ECLs for all instruments are calculated per individual and results consolidated at portfolio level.

THE CALCULATION OF ECLS

The Group has applied the IFRS 9 general approach which takes into consideration staging, computation of 12-month ECL for stage one facilities and lifetime ECL for stage 2 and stage 3 facilities. A financial asset can move in both directions through the stages of the impairment model. The group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate or EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. PD is an estimate of the likelihood of write-off over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.
- Exposure at Default (EAD) is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.

- Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, a best case and a worst case). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans and advances to customers and trade receivables are expected to be recovered, including the probability that the financial assets will cure or the amount that might be received from recovery efforts. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the group has the legal right to call it earlier.

The group groups its loans and advances and trade receivables into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When loans and advances and trade receivables are first recognised, the group recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected

12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- Stage 2: When a loan has shown a significant increase in credit risk since origination, and include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3. The Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. For trade and other receivables, the Group considers that there is a significant increase in credit risk when a customer's account is in arrears for more than 30 days based on contractual payment requirements.
- Stage 3: When a loan is considered as credit-impaired and there has been a default of credit terms as specified above. For trade receivables The Group's definition of credit-impaired is aligned to its internal definition of default which occurs when a customer's account is in arrears for more than 90 days based on contractual payment requirements. The group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%

SIGNIFICANT INCREASE IN CREDIT RISK

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis (internal and external), based on the Group's historical experience and internally generated credit assessment and including forward-looking information.

The Group also considers the 30 days past due backstop indicator and credit risk grades. A loan is in default when the borrower is 90 days past due on any material credit obligation to the Group.

FORWARD LOOKING INFORMATION

In its ECL models, the group relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates
- Reserve Bank of Zimbabwe minimum lending rates.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Refer to note 11 for further disclosures.

WRITE-OFFS

Financial assets are written off either partially or in their entirety only when the group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings and bank overdrafts. Subsequent measurement. The measurement of financial liabilities depends on their classification, as described below:

LOANS AND BORROWINGS

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. For more information, refer to note 16. Exchange differences arising on the translation of foreign currency borrowings are recognized in profit or loss in the period in which they arise.

Trade payables are obligations based on normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into USD using the exchange rate at the reporting date. Foreign exchange gains or losses are included in profit or loss.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. Bank overdrafts that are payable on demand also comprise cash and cash equivalents as defined. For the purpose of the consolidated statement of financial position and cashflows bank overdrafts are shown under short term / current borrowings. This is because there is no automatic right to offset bank overdrafts against positive balances in separate banks – reporting cash and cash equivalents on a net basis would thus be grossly misleading.

2.10 TAX

CURRENT TAX ASSETS AND LIABILITIES

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

DEFERRED TAX ASSETS AND LIABILITIES

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

TAX EXPENSES

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

2.11 LEASES

The Group operates in leased premises in most of the locations. At inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

GROUP AS LESSEE

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less. For these leases, the group recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the group is a lessee are presented in note 5 Leases (group as lessee).

LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives.
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- the amount expected to be payable by the group under residual value guarantees.
- the exercise price of purchase options if the group is reasonably certain to exercise the option.
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the incremental borrowing rate) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 5 and 28).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- there has been a change in the assessment of whether the group will exercise a purchase, termination, or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- there has been a change to the lease payments due to a change in a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract has been modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

RIGHT-OF-USE ASSETS

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability.
- any lease payments made at or before the commencement date.
- any initial direct costs incurred.
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	1-2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

GROUP AS LESSOR

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

OPERATING LEASES

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 5).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

2.12 INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the number of inventories recognised as an expense in the period in which the reversal occurs.

2.13 IMPAIRMENT OF ASSETS

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

2.14 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

CREDIT RESERVE

Differences between the allowance for credit losses calculated using the Reserve Bank of Zimbabwe requirements and the expected credit loss allowance calculated using IFRS 9 specifications are recognised directly in equity. The Group has chosen to reclassify the difference in the credit loss allowance from Retained Earnings to the credit reserve.

The Reserve Bank of Zimbabwe requirements are as follows:

- 15.1. That every Microfinance Institution or MFI shall review, classify and appropriately make provisions for its loan portfolio not less frequently than each quarter, with a view to achieving the following objectives: a) to ensure the conformity of the loan portfolio and lending function to sound lending policy documented, approved and adopted by the board; b) to keep executive officers and the board adequately informed regarding portfolio risk; c) to properly identify and classify problem credits and, as necessary, place them on non-accrual basis in accordance with these Guidelines; to ensure that adequate provisions for potential losses are made; and d) to ensure that write-offs of identified losses are made in a timely manner.
- 15.2. Every MFI shall maintain sufficient records of every loan review, evaluations of individual loans and advances, and of the entries made to its provision for loan losses account.

2.15 SHARE BASED PAYMENTS**EQUITY SETTLED TRANSACTIONS**

The cost of equity-settled transactions with employees for awards granted is measured by reference to the fair value at the date on which they are granted. The equity settled employee benefits reserve has been derecognised in the current year. A scheme is being developed, to be rolled out in the next financial year.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

CASH SETTLED TRANSACTIONS

The cost of cash settled transactions with employees for awards granted is measured at the fair value of the liability. Until the liability is settled, the Group re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in value recognised in profit or loss for the period.

2.16 EMPLOYEE BENEFITS**SHORT-TERM EMPLOYEE BENEFITS**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The group pension scheme is a defined contribution scheme. The cost of retirement benefit is determined by the level of contribution made in terms of the rules. Employer contributions are recognised in profit or loss as they fall due. The group also participates in the National Social Security Authority pension scheme as required by legislation.

The cost of retirement benefit applicable to the National Social Security Authority Scheme is determined by the systematic recognition of legislated contributions and is recognised in profit or loss.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivables can be measured reliably.

2.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

The group recognises revenue from the following major sources:

- Sale of clothing, footwear, textiles and accessories
- Commission income
- Subscriptions
- Fee Income
- Interest income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer. The revenue recognised by the entity is net of an intra group sales from the manufacturing plant to the retail chains.

Sale of clothing, footwear, textiles and accessories

Revenue from sale of clothing, footwear, textiles and accessories is recognised at the point in time when control of the asset is transferred to the customer, generally on when the customer has taken delivery of the merchandise, and the consideration has either been charged into their account or payment has been received in cash. Credit customers enjoy credit terms of up to 12 months. Interest income is charged on credit accounts on a month-by-month basis.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of clothing, footwear, textiles and accessories, the group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

SUBSCRIPTIONS

Revenue from subscriptions is recognised when a customer has accepted the terms and conditions applicable to the benefits of membership as offered by the group. The group runs the Edgars Club which members contribute monthly subscriptions.

FEE INCOME

Fee income, including administration fees, is recognised as the related services are performed. Administration fee relates to account management activities such as customer request of instalment changes.

INTEREST INCOME

The entity provides a credit account for the customer's convenience, and provides finance loans through the subsidiary ClubPlus, at certain specified interest rates. The interest is charged on the utilised credit each month. Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

INTEREST AND SIMILAR INCOME

The group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the group reverts to calculating interest income on a gross basis.

2.18 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy.

2.19 GROSS PROFIT

Gross profit is from the sale of merchandise only (sales of merchandise minus cost of inventory).

2.20 TRADING PROFIT

Trading profit is gross profit from the sale of merchandise as well as revenue earned in the form of interest on financing provided, other operating income and other revenue which is attributable to the ordinary revenue producing activities. Also included are expenses that are attributable to the ordinary revenue producing activities such as other operating expenses, store expenses and movement in credit losses.

2.21 OPERATING PROFIT

Operating profit is the profit before tax and finance costs. Finance income relates to income unrelated to financing provided to customers.

2.22 TRANSLATION OF FOREIGN CURRENCIES

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in United States dollars (USD).

On Initial recognition all foreign currency transactions are recorded, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate.
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in USD by applying to the foreign currency amount the exchange rate between the USD and the foreign currency at the date of the cash flow.

2.23 NEW AND EFFECTIVE STANDARDS

Adoption of new and revised IFRS Accounting Standards

In the current year, the Group has applied of the following amendment to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendment	Nature of Impact
1. IAS 21: The Effects of Changes in Foreign Exchange Rates (amendments relating to the lack of exchangeability)	An entity is considered to have a transaction or activity in a foreign currency that is not exchangeable at the measurement date if that currency cannot be converted into another currency for a specific purpose. A currency is deemed exchangeable when it can be obtained within a reasonable administrative timeframe through a functioning market or exchange system that establishes enforceable rights and obligations for the transaction.

New and revised IFRS Accounting Standards in issue but not yet effective

As at the date of authorisation of these financial statements, the Group has not early adopted the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendment	Nature of Impact
1. IFRS 18 Presentation and Disclosure in Financial Statements Effective 1 January 2027	IFRS 18 aims to improve financial reporting by: <ul style="list-style-type: none"> • requiring additional defined subtotals in the statement of profit or loss. • requiring disclosures about management-defined performance measures; and • adding new principles for grouping (aggregation and disaggregation) of information
2. Annual Improvements to IFRS Accounting Standards – Volume 11	The amendments are not expected to have a material impact on the Group's financial position, performance or disclosures, as they relate to minor clarifications and improvements that do not significantly affect existing accounting policies.
3. IFRS 9: Financial Instruments and IFRS 7: Financial Instruments — Disclosure (amendments relating to the classification and measurement of financial instruments) Effective 1 January 2026 (early adoption is available)	These amendments: <ul style="list-style-type: none"> • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, • add new disclosures for certain instruments with contractual terms that can change cash flows, and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)
4. IFRS 19: Subsidiaries without Public Accountability — Disclosures	Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the reduced disclosure requirements in IFRS 19. The standard's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. The standard is voluntary for eligible subsidiaries. A subsidiary is eligible if:
5. Effective for annual reporting periods beginning on or after 1 January 2027	<ul style="list-style-type: none"> • it does not have public accountability, and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The directors anticipate that the adoption of these standards and interpretations in future years will have no material impact on the financial statements of the group and company except for IFRS 18.

3 SEGMENT INFORMATION - REPORTABLE SEGMENTS

3 SEGMENT INFORMATION - REPORTABLE SEGMENTS

For management purposes, the group is organised into business units based on their products and services and has six operating reportable segments as follows:

Retailing

Products are retailed through the following established brands:

Edgars: providing quality, fashion and convenient shopping at competitive prices to the whole family in the middle to upper-income groups. The brand offers fashion merchandise, with no compromise on quality, at competitive prices for the whole family. Edgars offers competitive credit to the customers. The pleasant, convenient stores offer our customers a superior shopping experience.

Jet: this brand provides quality, value and commercial fashion with compelling opening price points at very competitive prices to the whole family in the lower to middle income group. Our stores offer pleasant, economical shopping environments, laid out for self-service; with assisted service available if needed.

MANUFACTURING

Carousel (Private) Limited is our manufacturing business unit. Situated in Bulawayo, it produces a wide range of denim, ladies', children's and gents' casual wear that it supplies to our retail divisions as well as to other retailers.

MICRO FINANCE

Club Plus (Private) Limited is the Group's micro finance business unit. Club Plus offers micro finance loans to the lower to middle income customer group at competitive interest rates.

FINANCIAL SERVICES

The unit manages sales extended to customers on credit. This includes activities that ensure the quality of the loan book is good such as collections, setting interest rates and establishing credit limits.

CORPORATE HEAD OFFICE

Provides centralised services to operational business units. These include treasury management, group reporting, information systems, human resources, distribution of retailing merchandise and performing centralised administration functions.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. All items that are not allocated to reporting segments are disclosed under Corporate.

Segment information by geographical area is not relevant as stores are spread throughout Zimbabwe. The entity does not have a customer that makes up more than 10% of revenue.

EXPRESS CHAIN

Express Chain caters to the low-end market segment by providing affordable clothing options without sacrificing quality. In accordance with IFRS 8 "Operating Segments," management has assessed the operations of Express and determined that it does not meet the quantitative thresholds or other criteria to be considered a reportable segment. Consequently, Express's financial results have been aggregated within the Group's financial statements and are disclosed under "Other Segments".



3 SEGMENT INFORMATION REPORTABLE SEGMENTS (CONTINUED)

52 weeks to 4 January 2026	Edgars Stores Retail	Jet Stores Retail	Manu-facturing Carousel	Micro Finance Club Plus	Corporate Head Office	Financial Services	Segments Total	Other Adjustments/ Segments (eliminations)	Consolidated Total	
Retail sales	18,689,750	14,714,370	-	-	-	-	33,404,120	608,658	-	34,012,778
Manufacturing sales to third parties	-	-	66,339	-	-	-	66,339	-	-	66,339
Hospital cash plan and insurance Commission	-	-	-	-	-	54,762	54,762	-	-	54,762
Other Revenue Commission Club Subscriptions	-	-	-	-	-	1,032	1,032	-	-	1,032
Inter-segments Revenue from Micro Finance and debtor accounts	-	-	4,139,286	-	-	-	4,139,286	-	(4,139,286)	-
	-	-	-	1,826,780	-	5,306,074	7,132,854	-	-	7,132,854
Total revenue	18,689,750	14,714,370	4,205,625	1,826,780	-	5,361,868	44,798,393	608,658	(4,139,286)	41,267,765
Results										
Depreciation and amortisation	1,824,187	1,140,325	77,600	61,560	347,448	14,568	3,465,688	28,131	-	3,493,819
Operating segment Profit / (loss)	1,570,962	1,322,745	(496,513)	626,202	(143,731)	2,486,037	5,365,702	(62,571)	-	5,303,131
Finance costs	593,042	314,855	1,255	281,526	80,448	1,759,164	3,030,290	7,547	-	3,037,837
Segment profit / (loss) Before tax	977,920	1,007,890	(495,258)	344,676	(224,179)	724,363	2,335,412	(70,118)	-	2,265,294
Income tax	-	-	-	(121,686)	(196,445)	-	(318,131)	-	-	(318,131)
Segment assets	9,028,013	8,325,641	2,287,897	2,588,993	4,347,686	13,893,402	40,471,632	506,730	-	40,978,362
Segment liabilities	(3,203,939)	(3,660,271)	(124,369)	(1,095,842)	(4,202,780)	(13,388,425)	(25,675,626)	(184,202)	-	(25,859,828)
Capital expenditure	104,810	191,791	420,848	56,125	236,354	4,421	1,014,349	47,633	-	1,061,982

Segment profit includes impairment losses of USD60,349 relating to Furniture and fittings, recognised in the Edgars segment.

52 weeks to 7 January 2024	Edgars Stores Retail	Jet Stores Retail	Manu-facturing Carousel	Micro Finance Club Plus	Corporate Head Office	Financial Services	Segments Total	Other Adjustments/ Segments (eliminations)	Consolidated Total	
Retail sales	16,953,801	13,353,522	-	-	-	-	30,307,323	83,691	-	30,391,014
Manufacturing sales to third parties	-	-	68,315	-	-	-	68,315	-	-	68,315
Edgars club subscriptions	-	-	-	-	-	-	-	-	-	-
Hospital cash plan and insurance commission	-	-	-	-	-	66,475	66,475	-	-	66,475
Inter-segments Revenue from Micro Finance and debtor accounts	-	-	2,972,475	-	-	-	2,972,475	(2,972,475)	-	-
	-	-	-	1,467,381	-	4,740,684	6,208,065	-	-	6,208,065
Total revenue	16,953,801	13,353,522	3,040,790	1,467,381	-	4,807,159	39,622,653	83,691	(2,972,475)	36,733,869
Results										
Depreciation and amortisation	1,804,185	1,183,614	140,568	90,051	350,968	13,763	3,583,149	2,104	-	3,585,253
Operating segment Profit/(loss)	121,102	140,668	(520,288)	541,921	98,894	2,763,677	3,145,974	15,182	-	3,161,156
Finance costs	433,498	228,897	-	122,658	90,960	1,482,668	2,358,681	1,578	-	2,360,259
Segment profit/(loss) Before tax	(312,396)	(88,229)	(520,288)	419,263	7,934	1,281,009	787,293	13,604	-	800,897
Income tax	(47,688)	98,260	36,717	(90,015)	15,178	-	12,452	-	-	12,452
Segment assets	7,417,473	6,277,664	3,352,327	2,263,737	2,817,032	11,809,608	33,937,841	154,510	-	34,092,351
Segment liabilities	(4,040,928)	(3,983,448)	(1,787,232)	(83,819)	(2,047,635)	(8,876,003)	(20,819,065)	(57,106)	-	(20,876,171)
Capital expenditure	263,087	252,471	707,262	13,726	317,210	7,323	1,561,079	14,505	-	1,575,584

*Refer to Note 36 for details on the restatement.

4 PROPERTY, PLANT AND EQUIPMENT

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - GROUP

	Land & buildings	Leasehold improvements	Furniture, fittings & equipment	Computer equipment	Motor vehicles	Plant & machinery	Work in progress	Balance
Cost or valuation								
Balance at 7 January 2024	1,493,540	532,351	3,522,741	1,139,638	826,690	837,606	-	8,352,566
Additions	-	295,079	166,370	74,939	362,255	676,941	-	1,575,584
Balance at 5 January 2025	1,493,540	827,430	3,689,111	1,214,577	1,188,945	1,514,547	-	9,928,150
Additions	-	128,465	146,246	247,019	92,835	447,417	-	1,061,982
Impairment	-	-	(60,349)	-	-	-	-	(60,349)
Disposals	-	-	-	(850)	-	-	-	(850)
Balance at 4 January 2026	1,493,540	955,895	3,775,008	1,460,746	1,281,780	1,961,964	-	10,928,933
Accumulated depreciation								
Balance at 7 January 2024	(33,376)	(214,493)	(1,999,581)	(599,945)	(297,982)	(480,906)	-	(3,626,283)
Current year expense	(16,688)	(54,263)	(416,006)	(131,004)	(122,450)	(151,968)	-	(892,379)
Balance at 5 January 2025	(50,064)	(268,756)	(2,415,587)	(730,949)	(420,432)	(632,874)	-	(4,518,662)
Current year expense	(16,688)	(72,694)	(363,343)	(128,337)	(194,648)	(102,503)	-	(878,213)
Eliminated on disposals of assets	-	-	-	91	-	-	-	91
Balance at 4 January 2026	(66,752)	(341,450)	(2,778,930)	(859,195)	(615,080)	(735,377)	-	(5,396,784)
Net carrying amount at 4 January 2026	1,426,788	614,445	996,078	601,551	666,700	1,226,587	-	5,532,149
Net carrying amount at 5 January 2025	1,443,476	558,674	1,273,524	483,628	768,513	881,673	-	5,409,488

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Land & buildings	Leasehold improvements	Furniture, fittings & equipment	Computer equipment	Motor vehicles	Plant & machinery	Work in progress	Balance
Cost or valuation at								
Balance at 7 January 2024	1,493,540	442,863	3,442,267	1,022,224	727,327	837,606	-	7,965,827
Additions	-	295,079	158,018	70,733	362,255	675,772	-	1,561,857
Balance at 5 January 2025	1,493,540	737,942	3,600,285	1,092,957	1,089,582	1,513,378	-	9,527,684
Additions	-	128,465	142,877	236,597	56,183	445,935	-	1,010,057
Impairment	-	-	(60,349)	-	-	-	-	(60,349)
Balance at 4 January 2026	1,493,540	866,407	3,682,813	1,329,554	1,145,765	1,959,313	-	10,477,392
Accumulated depreciation								
Balance at 7 January 2024	(33,376)	(185,497)	(1,961,030)	(557,066)	(265,046)	(480,906)	-	(3,482,921)
Current year expense	(16,688)	(36,237)	(395,919)	(105,275)	(103,684)	(151,843)	-	(809,646)
Balance at 5 January 2025	(50,064)	(221,734)	(2,356,949)	(662,341)	(368,730)	(632,749)	-	(4,292,567)
Current year expense	(16,688)	(68,328)	(347,441)	(101,712)	(180,604)	(102,216)	-	(816,989)
Balance at 4 January 2026	(66,752)	(290,062)	(2,704,390)	(764,053)	(549,334)	(734,965)	-	(5,109,556)
Net carrying amount at 4 January 2026	1,426,788	576,345	978,423	565,501	596,431	1,224,348	-	5,367,836
Net carrying amount at 5 January 2025	1,443,476	516,208	1,243,336	430,616	720,852	880,629	-	5,235,117

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT CARRIED AT FAIR VALUE

Property, plant and equipment carried at fair value

- Land and buildings**
 As at 5 January 2025, fair values of the properties were determined by a directors valuation, based on the 2021 USD Independent Valuers assessment of carrying amount adjusted for the applicable cumulative depreciation expense for the period. The valuation was done on a depreciated replacement cost basis in USD.
- Leasehold improvements**
 As at 5 January 2025, fair values of the leasehold improvements were determined by a directors valuation, using the 2021 USD Independent Valuers assessment of carrying amounts then and gross replacement costs for additions between 2022 and 2024, adjusted for the relevant cumulative depreciation costs in line with the Group policy. The valuation was done on a depreciated replacement cost basis in USD.
- Plant and machinery, furniture, fixtures, equipment, and vehicles**
 A Directors valuation of the group's plant and machinery, furniture, fixtures, office and computer equipment and vehicles were performed on 5 January 2025 to determine the fair value using the 2021 USD Independent Valuers assessment of carrying amounts then and gross replacement costs for additions between 2022 and 2024, adjusted for the relevant cumulative depreciation costs in line with the Group policy. The valuation was done on a depreciated replacement cost basis in USD.

5. LEASES

Group as Lessee

The group leases all of its trading premises, office space and distribution centres under leasing contracts of between 1 to 2 years. These typically have renewal options of between 1-2 years, and it is reasonably certain that the renewal options will be exercised. The following factors were considered in determining whether it is reasonably certain the renewal option will be exercised.

- The market share in the respective areas.
- The proximity of the leased premises to core customers.
- Customer loyalty to the brands.

Over 90% of the leases on trading space have turnover clauses of between 3 and 6% which are treated as contingent rentals. Sublease arrangements are entered into for excess space.

The discount rate applied to discount lease obligations is the incremental cost of borrowing for the group which is 1.42 per month (2024: 1% to 2% per month).

5. LEASES (CONTINUED)**GROUP AS A LESSEE (CONTINUED)****Net carrying amounts of right-of-use assets**

The carrying amounts of right-of-use assets are as follows:

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
Buildings	4,391,301	2,620,613	4,391,301	2,620,613
Additions to right-of-use assets				
Buildings	74,514	121,524	74,514	121,524
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 23).				
Buildings	2,658,607	2,778,501	2,658,607	2,778,501
Right of use assets reconciliation				
Balance at the beginning of the reporting period	2,620,613	2,675,709	2,620,613	2,675,709
Additions	74,514	121,524	74,514	121,524
Modifications and remeasurements*	4,354,781	3,164,181	4,354,781	3,164,181
Disposals/write off	-	(562,300)	-	(562,300)
Depreciation for the year	(2,658,607)	(2,778,501)	(2,658,607)	(2,778,501)
Balance as at period end	4,391,301	2,620,613	4,391,301	2,620,613
Gross carrying amount	9,602,536	8,366,893	9,602,536	8,366,893
Accumulated depreciation	(5,211,235)	(5,746,280)	(5,211,235)	(5,746,280)
	4,391,301	2,620,613	4,391,301	2,620,613
*Lease modifications consisted of increases in fixed monthly rentals and in the increases in the lease term.				
Lease liabilities				
Balance at the beginning of the reporting period	3,034,477	3,376,928	3,034,477	3,376,928
Additions	74,514	121,524	74,514	121,524
Lease modifications	4,354,781	3,164,181	4,354,781	3,164,181
Disposals	-	(709,567)	-	(709,567)
Finance costs	856,415	544,151	856,415	544,151
Net exchange loss	191	503,424	191	503,424
Lease interest paid	(856,415)	(544,151)	(856,415)	(544,151)
Lease liability instalments paid	(2,633,512)	(3,422,013)	(2,633,512)	(3,422,013)
	4,830,451	3,034,477	4,830,451	3,034,477
Future minimum rentals payable				
Within one year	2,990,619	3,459,220	2,990,619	3,459,220
Two to five years	3,240,288	186,125	3,240,288	186,125
	6,230,907	3,645,345	6,230,907	3,645,345
Unamortised Interest expense on lease liabilities	(1,400,456)	(610,868)	(1,400,456)	(610,868)
	4,830,451	3,034,477	4,830,451	3,034,477
Analysed as:				
Non-current liabilities	2,025,591	2,254,422	2,025,591	2,254,422
Current liabilities	2,804,860	780,055	2,804,860	780,055
	4,830,451	3,034,477	4,830,451	3,034,477

The total cash outflow for leases during the year was USD 3,489,927 (2024: USD 3,966,164).

5. LEASES (CONTINUED)

Lease liabilities (continued)

Future cash outflows not reflected in lease liabilities

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:

Figures are in United States dollars	2025	Group	Company	2024
	For the	For the	For the	For the
	52 weeks to	52 weeks to	52 weeks to	52 weeks to
	4 January 2026	5 January 2025	4 January 2026	5 January 2025
Variable payments	26,824	47,822	26,824	47,822

Overall, the variable payments constitute up to 2% of the group's entire lease payments. The group expects this ratio to remain comparable to this level in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years.

6. INTANGIBLE ASSETS

Reconciliation of intangible assets - Group	Brands	Total
Cost		
Cost at 7 January 2024	1,500,000	1,500,000
Cost at 5 January 2025	1,500,000	1,500,000
Additions	4,200	4,200
Cost at 4 January 2026	1,504,200	1,504,200
Accumulated amortisation		
Balance at 5 January 2025	-	-
Current year expense	(336)	(336)
Balance at 4 January 2026	(336)	(336)
Carrying amount at 4 January 2026	1,503,864	1,503,864
Carrying amount at 5 January 2025	1,500,000	1,500,000
Reconciliation of intangible assets - Company		
Cost		
Cost at 7 January 2024	1,500,000	1,500,000
Cost at 5 January 2025	1,500,000	1,500,000
Cost at 4 January 2026	1,500,000	1,500,000
Carrying amount at 4 January 2026	1,500,000	1,500,000
Carrying amount at 5 January 2025	1,500,000	1,500,000

*Operating Software in use by the Group was fully depreciated in FY2023

Intangibles are composed of the Edgars and Jet retail trading names, acquired from Edgars Consolidated South Africa in February 2019, and associated intellectual property which the company has exclusive use of in Zimbabwe.

6. INTANGIBLE ASSETS (CONTINUED)

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
Brands				
Edgars	912,309	912,309	912,309	912,309
Jet	587,691	587,691	587,691	587,691
Website Development	3,864	-	-	-
	1,503,864	1,500,000	1,500,000	1,500,000

The group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

Edgars Chain

The recoverable amount of the Edgars Chain of USD10,064,618 as at 4 January 2026 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 23.45% (2024: 15.55%). The fair value less costs of disposal could not be determined as there is no active market. As a result of this analysis, management concluded that the brands are not impaired.

Jet Chain

The recoverable amount of the Jet Chain USD3,998,358 as at 4 January 2026 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 23.45% (2024: 15.55%). The fair value less costs of disposal could not be determined as there is no active market. As a result of this analysis, management concluded that the brands are not impaired.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions.

The calculation of value in use for both Edgars and Jet Chains is most sensitive to the following assumptions:

- Gross margins and discount rates
- Raw materials price inflation
- Market share and growth rates during the forecast period

Gross margins - Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. The gross margins for the Edgars Chain and the Jet Chain were 46.1% (2024: 41.6%) and 44.7% (2024: 38.5%), respectively. These were held constant over the forecast period because they are generally stable. Decreased demand can lead to a decline in the gross margin.

Discount rates - Discount rates represent management's assessment of current market risks specific to each business unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate used is the WACC - this was determined by using the pre-tax cost of debt 23.45% and an expected return by the shareholder of 35%. A rise in the pre-tax discount rate to 25% will not give rise to an impairment but would result in a decrease of 19% in the recoverable amount.

Raw materials price inflation - the company bases the inflation of current prices, exchange rate fluctuations and official inflation forecasts. Growth in cashflows is assumed at the growth in the economy as reflected in the GDP.

Market share assumptions - Management expects the Group's share of the Edgars market to be stable while Jet's position is expected to grow. Although management expects stability, a decline in the cashflows reflected by a market share decline of 35% would result in an impairment in the Edgars and Jet Chains.

Growth rate estimates - growth rates are based on published research. Management used Zimbabwean GDP as published by the World Bank of 4.8% over the period as the basis of growth in sales.

6. INTANGIBLE ASSETS (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANY

Edgars Stores holds 100% of Club Plus Shares. Club Plus (Private) Limited ("Club Plus") is a Zimbabwean company established in 2016 and registered with the Registrar of Companies under Certificate of Incorporation number 733/2016. It is registered with the Reserve Bank of Zimbabwe as a Credit-Only Microfinance institution. Club Plus started lending to customers in August 2017. The Company is in the business of issuing short term loans.

	Carrying amount 2025 USD	Carrying amount 2024 USD
Investment in Club Plus (Private) Limited	1,000,000	1,000,000

8. DEFERRED TAX

Net deferred tax liability

Group 2025

Temporary differences	Closing balance at 5 January 2025 \$	Recognised in profit or loss \$	Recognised directly in equity \$	Recognised directly in other comprehensive \$	Closing balance at 4 January 2026 \$
Property, plant and equipment, right of use assets and intangibles	(1,305,359)	(464,031)	-	15,540	(1,757,446)
Accruals	247,363	228,792	-	-	476,155
Section 18 instalment allowances and allowances for bad debts	(1,362,914)	(95,789)	-	-	(1,458,703)
Unrealised profit in inventory	115,163	(58,567)	-	-	56,596
Inventory loss allowances	144,711	(44,728)	-	-	99,983
IFRS 9 allowances	7,348	(1,685)	-	-	5,663
Unrealised exchange differences	(42,734)	35,830	-	-	(6,904)
Lease liabilities	781,379	462,463	-	-	1,243,842
Other	-	(2,758)	-	-	(2,758)
	(1,415,043)	59,527	-	15,540	(1,343,572)
Tax losses and credits					
Assessed Loss**	286,735	(269,127)	-	-	17,608
	(1,128,308)	(209,600)	-	15,540	(1,325,964)

** As at 4 January 2026, the Group had unused USD tax losses of USD 61,681 (2024: USD 1,113,535) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 42,088,433 (ZWG 70,775,604) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the inflationary pressures against the ZWG.

8 DEFERRED TAX (CONTINUED)

NET DEFERRED TAX LIABILITY (CONTINUED)

Group 2024

Temporary differences	Closing balance at 7 January 2024 \$	Recognised in profit or loss \$	Recognised directly in equity \$	Recognised directly in other comprehensive \$	Closing balance at 5 January 2025 \$
Property, plant and equipment, right of use assets and intangibles	(1,201,281)	(104,078)	-	-	(1,305,359)
Accruals	139,031	108,332	-	-	247,363
Section 18 instalment allowances and allowances for bad debts	(1,998,685)	635,771	-	-	(1,362,914)
Unrealised profit in inventory	156,645	-	(41,482)	-	115,163
Inventory loss allowances	53,983	90,728	-	-	144,711
IFRS 9 allowances	13,838	(6,490)	-	-	7,348
Unrealised exchange differences	-	(42,734)	-	-	(42,734)
Lease liabilities	882,643	(101,264)	-	-	781,379
	(1,953,826)	580,265	(41,482)	-	(1,415,043)
Tax losses and credits Assessed Loss	733,711	(446,976)	-	-	286,735
	(1,220,115)	133,289	(41,482)	-	(1,128,308)

** As at 4 January 2026, the Group had unused USD tax losses of USD 61,681 (2024: USD 1,113,535) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 42,088,433 (ZWG 70,775,604) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the inflationary pressures against the ZWG.

Net deferred tax liability**Company 2025**

Temporary differences	Closing balance at 5 January 2025 \$	Recognised in profit or loss income \$	Recognised directly in equity \$	Recognised directly in other comprehensive \$	Closing balance at 4 January 2026 \$
Property, plant and equipment, right of use assets and intangibles	(1,287,288)	(465,572)	-	15,540	(1,737,320)
Accruals	240,897	224,721	-	-	465,618
Section 18 instalment allowances and allowances for bad debts	(1,362,914)	(95,789)	-	-	(1,458,703)
Unrealised profit in inventory	115,163	(58,567)	-	-	56,596
Inventory loss allowances	144,711	(44,728)	-	-	99,983
Unrealised exchange differences	(42,734)	35,830	-	-	(6,904)
Lease liabilities	781,379	462,463	-	-	1,243,842
	(1,410,786)	58,358	-	15,540	(1,336,888)
Tax losses and credits Assessed Loss	286,735	(270,343)	-	-	16,392
	(1,124,051)	(211,985)	-	15,540	(1,320,496)

** As at 4 January 2026, the Group had unused USD tax losses of USD 61,681 (2024: USD 1,113,535) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 42,088,433 (ZWG 70,775,604) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the inflationary pressures against the ZWG.

8. DEFERRED TAX (continued)**Net deferred tax liability****Company 2024****Temporary differences**

	Closing balance at 5 January 2025	Recognised in profit or loss income	Recognised directly in equity	Recognised directly in other comprehensive	Closing balance at 4 January 2026
	\$	\$	\$	\$	\$
Property, plant and equipment, right of use assets and intangibles	(1,152,363)	(134,925)	-	-	(1,287,288)
Accruals	139,031	101,866	-	-	240,897
Section 18 instalment allowances and allowances for bad debts	(1,998,685)	635,771	-	-	(1,362,914)
Unrealised profit in inventory	156,645	-	(41,482)	-	115,163
Inventory loss allowances	53,983	90,728	-	-	144,711
Unrealised exchange differences	-	(42,734)	-	-	(42,734)
Lease liabilities	882,643	(101,264)	-	-	781,379
	(1,918,746)	549,442	(41,482)	-	(1,410,786)
Tax losses and credits					
Assessed Loss	733,710	(446,975)	-	-	286,735
	(1,185,036)	102,467	(41,482)	-	(1,124,051)

** As at 4 January 2026, the Group had unused USD tax losses of USD 61,681 (2024: USD 1,113,535) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 42,088,433 (ZWG 70,775,604) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the inflationary pressures against the ZWG.

Figures are in United States dollars

	Group	Company
	2025	2024
	For the	For the
	52 weeks to	52 weeks to
	4 January 2026	5 January 2025
	2025	2024
	For the	For the
	52 weeks to	52 weeks to
	4 January 2026	5 January 2025

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(1,325,964)	(1,128,308)	(1,320,496)	(1,124,051)
Net deferred tax liability	(1,325,964)	(1,128,308)	(1,320,496)	(1,124,051)

9. INTERCOMPANY LOAN

Loan	-	-	(137,958)	266,236
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The loan is payable to the subsidiary. Interest is charged on the outstanding balance at 24% p.a. Further information has been included in note 34.

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
10. INVENTORIES** Restated				
Raw materials	1,477,665	1,135,666	1,477,665	1,135,666
Work in progress	75,488	31,316	75,488	31,316
Goods in transit	409,315	158,676	409,315	158,676
Merchandise	6,263,804	4,767,836	6,263,804	4,767,836
Consumables stores	135,260	93,537	132,221	92,389
	8,361,532	6,187,031	8,358,493	6,185,883
Inventory obsolescence	(388,285)	(563,109)	(388,285)	(563,109)
	7,973,247	5,623,922	7,970,208	5,622,774

The cost of inventories recognised as an expense during the year was USD 14,972,271 (2024: USD 14,876,765).

The amount of inventories written down in respect of obsolescence expense is USD 388,285 (2024: USD 563,109).

Inventories of USD 193,510 (2024: USD 552,762) are expected to be recovered after more than 12 months

*Refer to Note 36 for details on the restatement.



11. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers are presented at amortised cost, which is net of loss allowance, as follows:

Figures are in United States dollars	Group		Company	
	2025	2024	2025	2024
	5 January 2025	7 January 2024	5 January 2025	7 January 2024
Loans and advances	1,255,453	1,765,422	-	-
Credit loss allowance	(21,992)	(35,308)	-	-
	1,233,461	1,730,114	-	-

The table shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. The decrease in the current year gross balance compared to the prior year reflects a deliberate risk-based approach adopted by the business, aimed at reducing exposure to higher-risk portfolios. This strategy prioritised asset quality and supports long-term sustainability. The reduction in the ECL reflects an improvement in portfolio quality, driven by enhanced credit risk management, strong collection performance and increased recoveries. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 5 January 2025	1,599,077	124,869	41,476	1,765,422
New assets originated or purchased	4,079,130	41,565	212,704	4,333,399
Assets derecognised or repaid (excluding write offs)	(4,256,732)	(129,421)	(299,745)	(4,685,898)
Transfers to Stage 1	481,098	(384,682)	(96,416)	-
Transfers to Stage 2	(589,452)	622,875	(33,423)	-
Transfers to Stage 3	(128,990)	(235,586)	364,576	-
Amounts written off	(7,082)	(5,585)	(144,803)	(157,470)
Gross carrying amount as at 4 January 2026	1,177,049	34,035	44,369	1,255,453
2025	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 5 January 2025	16,822	2,573	15,913	35,308
New assets originated or purchased	8,363	9,529	299,697	317,589
Assets derecognised or repaid (excluding write offs)	(76,549)	(21,997)	(134,787)	(233,333)
Transfers to Stage 1	56,221	(8,349)	(47,872)	-
Transfers to Stage 2	(3,605)	25,684	(22,079)	-
Transfers to Stage 3	(429)	(5,796)	6,225	-
Amounts written off	(47)	(145)	(97,380)	(97,572)
ECL allowance as at 4 January 2026	776	1,499	19,717	21,992
2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 7 January 2024	784,157	119,715	78,559	982,431
New assets purchased or originated	4,705,706	109,533	174,256	4,989,495
Assets derecognised or repaid (excluding write offs)	(3,698,599)	(175,283)	(233,375)	(4,107,257)
Transfers to Stage 1	76,241	(74,304)	(1,937)	-
Transfers to Stage 2	(267,147)	273,713	(6,566)	-
Transfers to Stage 3	-	(1,281)	(128,505)	129,786
Amounts written off	-	-	(99,247)	(99,247)
Gross carrying amount as at 5 January 2025	1,599,077	124,869	41,476	1,765,422
2024	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 7 January 2024	2,760	8,582	44,509	55,851
New assets originated or purchased	456,260	16,461	154,036	626,757
Assets derecognised or repaid (excluding write offs)	(424,368)	(17,750)	(133,728)	(575,846)
Transfers to Stage 1	5,917	(4,519)	(1,399)	-
Transfers to Stage 2	(23,671)	28,443	(4,771)	-
Transfers to Stage 3	(76)	(28,644)	28,720	-
Amounts written off	-	-	(71,454)	(71,454)
ECL allowance as at 5 January 2024	16,822	2,573	15,913	35,308

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
Financial instruments:				
Trade receivables	15,120,012	13,490,862	15,120,012	13,490,862
Loss allowance	(448,664)	(658,351)	(448,664)	(658,351)
Other receivables	1,443,340	1,458,809	1,225,479	1,158,581
General allowance for credit losses	(251,323)	(211,523)	(251,323)	(211,523)
Total trade and other receivables	15,863,365	14,079,797	15,645,504	13,779,569
Total Loss Allowance	(699,987)	(869,874)	(699,987)	(869,874)

*Refer to Note 36 for details on the restatement.

The general allowance for credit losses pertains to Carousel receivables. The factory sells to a few organisations on credit and thus does not require a complex model for determining lifetime credit losses from amounts due. At 4 January 2026 Carousel had outstanding trade debtors of USD 1,740,592 (2024: USD 1,031,631). The specific allowance for credit losses is based on a complex IFRS 9 model applied to individual account holders within the Edgars and Jet retail divisions. Other receivables are comprised of prepayments, staff debtors, import duties and Club plus SSB receivables.

The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The trade and receivables amount presented are gross of impairment allowances. The increase in the gross amount for the current year, in contrast to the previous year, was primarily propelled by the expansion of the USD debtors' book, benefiting from attractive interest rates and extended repayment periods. The escalation in the Expected Credit Loss (ECL) provision can be attributed to subpar performance in the ZWG book, coupled with a forecast indicating a decrease in consumer disposable income and altering spending habits. An analysis of the changes in the gross carrying amount and corresponding ECL allowances is outlined below:

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 5 January 2025	10,564,534	2,595,364	330,964	13,490,862
New assets originated and purchased	18,060,210	2,175,194	906,363	21,141,767
Assets derecognised or repaid (excluding write offs)(17,316,669)	(932,947)	(687,763)	(18,937,379)	-
Transfers to Stage 1	13,857,790	(13,522,711)	(335,079)	-
Transfers to Stage 2	(12,255,247)	13,134,097	(878,850)	-
Transfer to Stage 3	(1,231)	(1,568,056)	1,569,287	-
Amounts written off	(5,535)	(7,539)	(562,164)	(575,238)
Gross carrying amount as at 4 January 2026	12,903,852	1,873,402	342,758	15,120,012
2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 7 January 2024	8,924,391	2,483,081	302,024	11,709,496
New assets originated and purchased	18,925,692	2,621,548	2,266,794	23,814,034
Assets derecognised or repaid (excluding write offs)	(17,265,402)	(1,329,937)	(1,852,203)	(20,447,542)
Transfers to Stage 1	14,228,713	(13,665,883)	(562,830)	-
Transfers to Stage 2	(14,131,094)	15,354,054	(1,222,960)	-
Transfers to Stage 3	(2,228)	(2,735,179)	2,737,407	-
Amounts written off	(115,538)	(132,320)	(1,337,268)	(1,585,126)
Gross carrying amount as at 5 January 2025	10,564,534	2,595,364	330,964	13,490,862

The ECL allowance excludes Carousel receivables.

Contractual amounts outstanding in relation to loans and advances that were still subject to enforcement activity, but otherwise had already been written off, were nil both at 4 January 2026 and at 5 January 2025. The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages.

Credit terms offered to retail customers vary but do not exceed 12 months. The maximum credit period on sales of goods at the factory, is 360 days. Interest is charged on 3-month accounts at 1% per month, 2% per month on 6 months accounts and at 6% per month on 12-month accounts. Additional late payment interest is charged at 10% per month on the outstanding balance for customers who default on their repayments. The group has recognised an allowance for credit losses against all trade receivables based on the arrear's records at the end of the period.

2025	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 5 January 2025	466,255	196,441	207,178	869,874
New assets originated or purchased	408,047	777,016	905,432	2,090,495
Assets derecognised or repaid	(1,329,300)	(315,180)	(289,960)	(1,934,440)
Transfers to Stage 1	1,332,302	(1,180,715)	(151,587)	-
Transfers to Stage 2	(423,355)	810,432	(387,077)	-
Transfers to Stage 3	(45)	(159,843)	159,888	-
Amounts written off	(145)	(2,011)	(323,785)	(325,941)
ECL allowances as at 4 January 2026	453,759	126,140	120,088	699,987
2024	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 7 January 2024	145,952	86,290	220,385	452,627
New assets originated or purchased	1,508,265	2,098,781	3,443,856	7,050,902
Assets derecognised or repaid (excluding write offs)	(3,267,232)	(767,075)	(1,311,099)	(5,345,406)
Transfer to Stage 1	3,369,465	(2,856,197)	(513,268)	-
Transfer to Stage 2	(1,277,839)	2,393,786	(1,115,947)	-
Transfer to Stage 3	(189)	(711,638)	711,828	-
Amounts written off	(12,167)	(47,506)	(1,228,577)	(1,288,249)
ECL allowances as at 5 January 2025	466,255	196,441	207,178	869,874
The movement in the allowance for credit losses is as follows:				
Opening Balance	(869,874)	(452,627)	(869,874)	(452,627)
Increase/Decrease in allowance for credit losses	209,687	(293,321)	209,687	(293,321)
Effect of foreign exchange movement	(39,800)	(123,926)	(39,800)	(123,926)
Closing balance	(699,987)	(869,874)	(699,987)	(869,874)

Figures are in United States dollars

	Group		Company	
	2025	2024	2025	2024
	For the	For the	For the	For the
	52 weeks to	52 weeks to	52 weeks to	52 weeks to
	4 January 2026	5 January 2025	4 January 2026	5 January 2025

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of:

Bank and cash balances	3,872,081	2,008,127	3,042,557	1,852,828
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14. SHARE CAPITAL

Authorised ordinary share capital 700,000,000 ordinary share capital (2024: 700,000,000 shares of \$0.01 each)	700,000	700,000	700,000	700,000
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Issued

Ordinary	679,741	679,741	679,741	679,741
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Issued ordinary shares and premium

	Number of shares 000s	Share capital \$	Share premium \$	Issued capital total \$
Balance at 7 January 2024	609 740	609,740	70,001	679,741
Balance at 5 January 2025	609 740	609,740	70,001	679,741
Balance at 4 January 2026	609 740	609,740	70,001	679,741

Included in shares are shares held by special purpose entities – Zimed Group Employee Trust (35 950 445 shares) and Edgars Employee Share Trust Company (524 150 shares) which have been consolidated as treasury shares in the group financial statements. In relation to the remaining 90 260 000 unissued shares, 84 788 401 are under the control of the Directors for an unlimited period, subject to the limitations contained in section 183 of the Companies and Other Business Entities Act (Chapter 24:31) and the balance of 5 471 599 are under the control of the shareholders in a general meeting.

Figures are in United States dollars	Group		Company	
	2025 4 January 2026	2024 5 January 2025	2025 4 January 2026	2024 5 January 2025

15. RESERVES**15.1 Revaluation Reserve**

Revaluation reserve	448,107	492,916	452,505	497,314
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The revaluation reserve is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity. The revaluation reserve is realised to retained earnings when the concerned assets have been derecognised.

15.2 Credit Reserve

Credit reserve	71,092	86,280	-	-
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The Credit reserve relates to the difference between the allowance for credit losses calculated using the Reserve Bank of Zimbabwe requirements and the expected credit loss allowance calculated using IFRS 9 specifications. The reserve is maintained for statutory purposes and adjusted each year against retained earnings.

15.3 Foreign currency Translation Reserve

Foreign currency translation reserve	5,256,335	5,402,345	5,478,552	5,624,562
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The difference resulting from the translation of the Statement of Financial Position elements was recognized in equity under the foreign currency translation reserve.

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025

16. BORROWINGS

Loans*	9,520,585	8,996,704	8,524,270	8,072,985
Bank overdrafts	957,025	1,936,152	955,997	1,935,817
	10,477,610	10,932,856	9,480,267	10,008,802

Loans:

Split between non-current and current portions

Non-current liabilities - borrowings	39,463	350,666	39,463	350,666
Current liabilities – related parties	2,638,222	2,638,222	2,638,222	2,638,222
Current liabilities – borrowings	6,842,900	4,215,069	5,846,585	3,291,350
Current liabilities – related parties	-	1,792,747	-	1,792,747
	9,520,585	8,996,704	8,524,270	8,072,985

Bank overdrafts:

USD overdrafts	957,025	1,936,152	955,997	1,935,817
	957,025	1,936,152	955,997	1,935,817

Summary of borrowing arrangements

- (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 all the ZWG overdrafts is nil (2024: 45%) per annum and 19.61% (2024: 19.98%) for all USD overdrafts. The weighted average effective interest rate on all the ZWG loans is nil (2024: nil) per annum and 17.30% (2024: 14.86%) for all USD loans.
- (iii) Tenures for 2025/2024 range between 90 days and 3 years.

*There were no ZWG loans and overdrafts as at 4 January 2026.

The Group's borrowings are subject to a range of financial and non-financial covenants as set out in the respective loan agreements. These typically include deposit requirements and the regular submission of monthly management accounts and audited financial statements. The Group monitors compliance with these covenants on an ongoing basis as part of its treasury and risk management processes.

As at the reporting date, the Group was in compliance with all covenant requirements associated with its borrowing facilities and no breaches were identified during the current reporting periods.

Reconciliation of loan and overdraft movements

Opening balance	10,932,856	7,627,950	10,008,802	7,162,279
Proceeds from borrowings and overdrafts	12,197,981	17,605,865	10,797,007	13,769,252
Repayment of borrowings	(12,653,227)	(14,088,193)	(11,325,542)	(10,755,196)
Interest on loans and overdrafts	2,116,401	1,816,108	1,838,385	2,029,880
Repayments of interest on loans and overdrafts	(2,116,401)	(1,816,108)	(1,838,385)	(2,029,880)
Net exchange loss	-	(212,766)	-	(167,533)
	10,477,610	10,932,856	9,480,267	10,008,802

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
17.1 TRADE AND OTHER PAYABLES* Restated				
Trade payables	2,205,776	3,528,666	2,204,141	3,531,563
Sundry accounts payable and accrued expenses	2,796,368	2,224,386	2,635,183	2,137,670
	5,002,144	5,753,052	4,839,324	5,669,233

17.2 OTHER LIABILITIES

Creditor Financing	4,22,659	-	4,223,659	-
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Other liabilities relate to creditor financing obligations of \$4.2 million as at Statement of Financial position date; arising out of an arrangement designated to settle trade suppliers on a cash on delivery basis effective from November 2025. This intervention marked a departure from the standing 60 day credit terms to our merchandise creditors, in the process consolidating supplier provided creditor financing arrangements utilised in earlier periods.

The facility attracts an annual interest rate of 20% p.a, is repayable within 90 days, and is classified as a current liability.

18. REVENUE***Sale of merchandise**

Retail sales	34,012,778	30,391,014	34,012,778	30,391,014
Manufacturing sales to third parties – local sales	66,339	68,315	66,339	68,315

	34,079,117	30,459,329	34,079,117	30,459,329
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Revenue from Micro Finance Institution and Debtors accounts

	7,132,854	6,208,065	5,276,424	4,732,940
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Other revenue

Hospital Cash Plan and Insurance Commission	55,794	66,475	55,794	66,475
	7,188,648	6,274,540	5,332,218	4,799,415

Total revenue

	41,267,765	36,733,869	39,411,335	35,258,744
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All Revenues are recognised at a point in time.

*Refer to Note 36 for details on the restatement.

19. OTHER INCOME

Sundry income*	143,034	6,058	139,943	26,516
Rent received	13,207	14,626	61,623	48,052

	156,241	20,684	201,566	74,568
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* Sundry income is comprised of commission on funeral policy payments received from employees and unallocated bank deposits.

20. COMPOSITION OF CREDIT LOSS ALLOWANCES

Trade and other receivables (note 12)	209,687	(293,321)	209,687	(293,321)
Loans receivables at amortised cost	13,316	18,975	-	-
Bad debt recoveries	463,226	572,574	413,872	493,757

Movement in credit loss

	686,229	298,228	623,559	200,436
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Bad debt recoveries comprise amounts collected on receivables that had been previously written off. These recoveries are recognised within impairment losses on financial assets in accordance with IFRS 9. The recoveries reflect the Group's ongoing credit risk management and collection processes.

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025

21. OPERATING PROFIT (LOSS)****restated

Operating profit for the year is stated after charging (crediting) the following, amongst others:

The total cost of sales, employee costs, lease expenses, depreciation, amortisation and impairment and other operating expenses are analysed by nature as follows:

Cost of sales	16,931,055	14,483,049	16,931,066	14,483,049
Employee costs (note 22)	9,208,855	9,060,954	8,609,895	8,514,942
Lease expenses	932,544	218,126	901,456	215,868
Depreciation, amortisation*	3,493,819	3,585,253	3,432,259	3,502,520
Audit fees – External Audit	148,165	184,922	132,865	166,522
IMTT Tax	608,556	623,873	535,096	584,288
Utility Costs	649,165	665,504	648,461	708,075
General advertising	265,017	271,687	260,985	284,978
Other operating expenses***	4,569,928	5,106,375	4,103,943	4,620,227
	36,807,104	34,199,743	35,556,026	33,080,469

*Depreciation of USD 43,336 (2024: USD 82,859) on plant and machinery was reclassified to cost of sales.

*** Other expenses include repairs and maintenance, bank charges, and marketing-related costs.

****Refer to Note 36 for details on the restatement.

DEPRECIATION AND AMORTISATION

Depreciation

Property, plant and equipment	834,876	806,752	773,652	724,019
Right-of-use assets	2,658,607	2,778,501	2,658,607	2,778,501
Amortisation of Intangible assets	336	-	-	-
	3,493,819	3,585,253	3,432,259	3,502,520

*The Group's intangible assets have been fully amortised.

22. EMPLOYEE COSTS

Employee costs

Salaries	8,342,608	8,275,691	7,776,135	7,747,817
Medical aid - Company contributions	385,083	344,390	369,828	338,592
Pension contributions	432,817	396,803	417,382	385,594
National Employment Council ("NEC") contributions	48,347	44,070	46,550	42,939
	9,208,855	9,060,954	8,609,895	8,514,942

Pension Funds

The group's operating companies and all employees contribute to the Edgars Pension Fund and National Social Security Authority scheme.

Edgars Pension Fund

The Edgars Pension Fund is a defined contribution fund and provides pensions and other associated benefits for all employees on the permanent staff of the Group, their spouses, and dependents. Member contributions to the fund are set at 5% whilst the employer rate is set at 12% of monthly pensionable salaries. Employer contributions are recognised in profit or loss. The Fund is governed by legislation in the form Pension and Provident Funds Act, Chapter 24:09.

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025

23. SELLING EXPENSES

Selling expenses are expenses incurred by Edgars Express and Jet Stores. It covers employee costs, rent and occupancy and other operating expenses,

Employee expenses	5,064,819	4,977,229	5,064,819	4,977,229
Rent and occupancy	785,890	490,843	785,890	490,843
Depreciation	3,010,150	2,764,974	3,010,150	2,764,974
IMTT tax	417,345	499,179	417,345	499,179
Utility Costs	642,036	429,430	642,036	429,430
General advertising	193,907	127,527	193,907	127,527
Other operating expenses	1,505,554	1,803,124	1,505,554	1,803,124
Total	11,619,701	11,092,306	11,619,701	11,092,306

Other expenses include repairs and maintenance, bank charges, and marketing-related costs.

24. FINANCIAL SERVICES EXPENSES

Financial services expenses are expenses incurred by Club Plus and Finserve Divisions. It covers employee costs, rent and occupancy and other operating expenses.

Employee expenses	590,449	619,478	590,449	619,478
Rent and occupancy	23,739	9,423	23,739	9,423
Other operating expenses*	972,113	1,670,199	972,113	1,670,199
	1,586,301	2,299,100	1,586,301	2,299,100

*Other expenses include repairs and maintenance, bank charges, and marketing-related costs.

25. FINANCE COSTS

Lease interest expense (note 5)	856 415	544,151	856 415	544,151
Interest expense	2,181 422	1,816,108	1,903 406	1,693,450
Total finance costs	3,037,837	2,360,259	2,759,821	2,237,601

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
26. TAXATION				
Major components of the tax income				
Current				
Local income tax - current period	124,071	120,837	-	-
Deferred				
Originating and reversing temporary differences (note 8)	194,060	(133,289)	196,445	(102,467)
	318,131	(12,452)	196,445	(102,467)
Taxes recognised in other comprehensive income				
Deferred tax on revaluation of property, plant and equipment	(15,540)	-	(15,540)	-
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	2,265,294	800,897	1,920,613	381,634
Tax at the applicable tax rate of 25.72% (2024: 25.72%)	(583,313)	(206,231)	(494,558)	(98,271)
Tax effect of adjustments on taxable income				
Expenses which are not tax deductible	712,551	767,378	499,725	569,403
Permanent differences relating to passenger motor vehicles	(5,167)	(573,599)	(5,167)	(573,599)
Other	194,060	-	196,445	-
	318,131	(12,452)	196,445	(102,467)
Expenses which are not tax deductible include stock impairment loss (USD 168,960), staff gift vouchers and meal USD 142,457, general expenses disallowed USD 94,558, donations USD 10,290, fines and penalties USD 8,247, IMTT USD 477,333 and disallowed interest (USD 5,876).),				
27. CASHFLOW				
Non-cash items				
Depreciation of property, plant and equipment and right of use assets	21	3,493,819	3,585,253	3,432,259
Depreciation effect of transfers				
Carousel depreciation of production assets		43,337	82,859	43,337
Inventory obsolescence		(115,564)	307,513	(115,553)
Profit on disposal of property, plant and equipment	(6)	-	-	-
Bad debt written off		882,169	1,310,594	711,763
Allowance for credit losses				
- trade and other receivables (note 12)		(209,687)	293,321	(209,687)
Allowance for credit losses				
- loans and advances		(13,316)	(18,975)	-
Unrealised exchange losses/ (gains)		141,001	(172,729)	126,995
Other non-cash items		(499,361)	304,504	1,570,321
		3,722,392	5,692,341	5,559,435
				6,207,632
28. TAX PAID				
Net tax receivable at beginning of the year		1,092,812	425,715	907,445
Current tax for the year recognised in profit		(124,071)	(120,837)	-
Current tax liability or loss		-	27,478	-
Tax receivable at the end of the year(608,894)			(1,120,290)	(542,127)
Transfer to other tax obligations (VAT and PAYE)		(365,318)	-	(365,318)
Exchange (losses) / gains on payments		(36,444)	126,619	-
		(41,915)	(661,315)	-
				(484,065)

Figures are in United States dollars	Group		Company	
	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
29. CURRENT TAX RECEIVABLE				
Normal tax	608,894	1,120,290	542,127	907,445
CURRENT TAX LIABILITY				
Normal tax	-	(27,478)	-	-
30. EARNINGS PER SHARE				
Weighted average number of ordinary shares (basic)	000's	000's	000's	000's
Issued ordinary shares at the beginning of the* period	573 267	573 267	573 267	573 267
Weighted average number of ordinary shares used in earnings per share	573 267	573 267	573 267	573 267
The basic weighted average number of ordinary shares has been calculated after deducting the treasury shares.				
Attributable basis		Restated		Restated
Profit attributable to ordinary shareholders	1 902 354	503 071	1 679 359	173 823
Profit attributable to ordinary shareholders	1 902 354	503 071	1 679 359	172 823
Basic earnings per share (cents)	0.34	0.14	0.30	0.08
Diluted earnings per share (cents)	0.34	0.14	0.30	0.08
Headline earnings per share (cents)*	0.34	0.15	0.30	0.08
Headline earnings per share (HEPS) have been arrived at after adjusting for the effects of one-time charges and write-downs in prior year the profit was adjusted for the loss on disposal of property, plant and equipment to compute the HEPS				
31. HEAD OFFICE, CLUB PLUS AND MANUFACTURING EXPENSES				
Employee costs	3,538,390	3,427,964	2,939,429	2,891,688
Occupancy and utility	381,117	369,223	311,100	306,047
Depreciation	476,678	461,802	407,544	400,925
IMTT	155,547	150,693	91,968	90,474
Repairs and maintenance	67,661	65,549	65,025	63,969
Selling and distribution	92,827	89,930	69,043	67,922
Administrative expenses	1,375,302	1,332,382	1,182,366	1,163,163
Other expenses	441,524	427,745	225,488	221,826
	6,529,046	6,325,288	5,291,963	5,206,014
32. COMMITMENTS				
Authorised capital expenditure				
Authorised and contracted	-	-	-	-
Authorised but not yet contracted for	2,073,994	1,296,532	2,026,284	1,296,532
	2,073,994	1,296,532	2,026,284	1,296,532

33. INTEREST OF DIRECTORS IN SHARE CAPITAL

The interests, direct and indirect of the directors in office, aggregated as to beneficial interest and non-beneficial interest are as follows:

Director's name				
	Beneficial	Non beneficial	Beneficial	Non beneficial
T N Sibanda	-	100	-	100
Nominees	-	300	-	300
	-	400	-	400

No changes in Directors' shareholdings have occurred between the financial year end and the date of publishing of this annual report.

During the course of the period, no director of the company had any material interest in any contract of significance with the company or any of its subsidiaries which would have given rise to a related conflict of interest.

34. RELATED PARTIES**Relationships**

Parent company	SSCG Africa LLP
Subsidiary	Club Plus (Private) Limited - 100% owned by Edgars Stores Limited
Major Shareholder	Annunaki (Private) Limited
Former parent company	Edcon Holdings (Proprietary) Limited
Members of key management	Senior management in the group included in the Executive summary.

Related party relationships exist between the group, fellow subsidiaries and the holding company. All purchasing and selling transactions were concluded at market rate. All intra-group balances, income and expenses, unrealised gains and losses resulting from intra-group transactions are eliminated in full. Intercompany balances have no fixed repayment terms.

Related party balances

Balances between Edgars Stores Limited and Club Plus Limited

	2026	2025
Intercompany loan	(137,958)	266,236
Investment in subsidiary	1,000,000	1,000,000

The intercompany balances are used to fund the Group's working capital requirements. The intercompany loan is subject to interest at 24% p.a.

Balances between Edgars Stores Limited and Annunaki Investments (Private) Limited

Principal*	2,638,222	2,638,222
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*The breakdown of the Annunaki loans is as follows:

Annunaki Investments Loan 1 – USD 680,000, USD 680,000(2024)

Edgars Stores Limited has a loan of USD 680 000 availed by Annunaki effective the 25th of January 2025. Interest is chargeable at a rate of 14% per annum payable in 24 monthly instalments. The loan capital amount together with any interest due if any was due and payable on the 25th of January 2027.

Annunaki Investments Loan 2 – USD 1,908,222 (2025), USD 1,908,222 (2024)

Edgars Stores Limited has a loan of USD 1,908,222 availed by Annunaki effective the 8th of January 2024. Interest is chargeable at a rate of 14% per annum payable in 24 monthly instalments. Interest is payable in monthly instalments over a period of 24 months ending the 5th of December 2026.

Annunaki Investments Loan 3 – USD 50,000

Edgars Stores Limited has a loan of USD 50 000 availed by Annunaki effective July 2025. Interest is chargeable at a rate of 14% per annum payable in 12 monthly instalments.

The Group has also obtained guarantees in respect of certain borrowing arrangements. These include guarantees from shareholders and/or related parties to support the Group's credit facilities.

These guarantees provide additional security to lenders but do not result in the recognition of assets in the financial statements, as they do not meet the recognition criteria under IFRS.

Transactions between Edgars Stores Limited and Club Plus (Private) Limited			4 January 2026	5 January 2025
Rental of premises			48,416	56,328
Interest on intercompany loan			(3,510)	-
Interest on intercompany balances			70,932	-
Commission paid for loan guarantees			50,000	-
Shared services			66,310	-
Invoice discounting		-		
Transactions between Edgars Stores Limited and Annunaki Investment (Private) Limited				
Interest on loan			315,719	315,330
Commission paid for loan guarantees			170,000	431,162
Consultation fees			2,576	-
			488,295	746,492
Transactions between the group and other fellow subsidiary companies,				
Compensation to directors and other key anagement				
Non-Executive Directors fees	107,220	139,364	86,210	119,260
Short-term employee benefits	1,343,291	1,206,979	1,161,556	1,100,001
Pension and medical aid benefits	75,106	43,056	59,937	41,901
	1,525,617	1,389,399	1,307,703	1,261,162

35. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

Management of Capital

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and adjusts it, considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders or issue new shares. The Group manages equity and borrowings as capital. The Group monitors capital based on the gearing ratio and level of borrowings, and this is calculated as net borrowings, divided by shareholder's equity. During the period, the Group's strategy was to maintain a healthy gearing ratio.

Capital risk management

Borrowings	16	9,520,585	8,996,704	8,524,270	8,072,985
Bank overdrafts	16	957,025	1,936,152	955,997	1,935,817
Total borrowings		10,477,610	10,932,856	9,480,267	10,008,802
Cash and cash equivalents	13	(3,872,081)	(2,008,127)	(3,042,557)	(1,852,828)
Net borrowings		6,605,529	8,924,729	6,437,710	8,155,974
Equity		15,118,534	13,216,180	14,627,378	12,948,019
Gearing ratio		43.69%	67.53%	44.02%	62.99%

Financial risk management

Overview

Financial risk management is carried out at group level and covers risks to both the group and company. The group's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finances for the group's operations. The group has trade and other receivables and cash and short-term deposits that derive directly from its operations.

The group is exposed to market risk, credit risk and liquidity risk.

The group's senior management oversees the management of these risks. The Treasury, Credit and Audit Committees play a role by continuously evaluating the group's exposure and response to significant risks. Taking an acceptable level of risk is considered core to doing business. The group therefore analyses, evaluates, accepts and manages risk to achieve an appropriate balance between risk and return, at the same time minimising potential adverse effects to the business.

The Board of Directors reviews and agrees policies for each of the risks, which are summarized below.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables, loans and advances to customers and cash deposits). The maximum exposure to credit risk is equal to the carrying amounts disclosed in the Statement of Financial Position. The Group's governance structures include the Financial Services division which mainly focuses on credit management which is led by the Financial Services Executive. The Financial Services division is responsible for approving all credit risk related policies and processes and will inform the credit risk appetite within the guidelines specified through the Board of directors under which the financial services division operates.

- **Credit risk relating to cash deposits:** The group deposits cash with reputable banks. In addition, most of these banks loaned money to the group, with the borrowed amount exceeding our deposits.
- **Credit risk relating to trade receivables:** The Group does not have any balances past due date which have not been adequately provided for, as the provisioning methodology applied takes the entire trade receivables – retail population into consideration. The group uses an internally developed credit assessment tool. Before accepting any new customer, the group uses a robust credit scoring system to assess the customer's credit profile. A credit facility is established for each customer, which represents the maximum possible exposure to any account holder. The facility is made available to the account holder over time depending on the quality of credit behaviour displayed by the customer. These credit facilities are reviewed monthly. The customer is allocated a credit limit above which the customer cannot make further purchases on their account. Credit assessment tools are also applied to track the customer's credit performance during the time the group is exposed to the customer. Credit concentration risk is low due to a large and unrelated customer base.
- **Credit risk relating to loans and advances to customers:** The group uses an internally developed credit assessment tool for each loan advanced. Before accepting any new customer, the group uses a robust credit scoring system to assess the customer's credit profile. Thereafter the customer is allocated a loan limit above which the customer cannot borrow. Credit assessment tools are also applied to track the customer's credit performance during the time the group is exposed to the customer. The credit concentration risk is low due to a large and unrelated customer base.

Limits and behavioural scores attributed to customers are reviewed regularly. The maximum exposure to credit risk is the carrying amount of the receivables.

Trade receivables (Group and Company)

The characteristics of trade receivables are as follows

2025	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	12,901,496	-	-	12,901,496
Significant increase in credit risk	-	1,635,925	-	1,635,925
Past due but not impaired	-	298,320	-	298,320
Credit impaired	-	-	284,271	284,271
	12,901,496	1,934,245	284,271	15,120,012
2024	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	10,564,534	-	-	10,564,534
Significant increase in credit risk	-	2,247,519	-	2,247,519
Past due but not impaired	-	347,845	-	347,845
Credit impaired	-	-	330,717	330,717
	10,564,534	2,595,364	330,717	13,490,615

Loans and advances to customers

The characteristics of loans and advances are as follows:

2025	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	1,151,142	-	-	1,151,142
Significant increase in credit risk	-	20,378	-	20,378
Past due but not impaired	-	13,657	-	13,657
Credit Impaired	-	-	48,284	48,284
	1,151,142	34,035	48,284	1,233,461

Trade receivables (Group and Company) (Continued)

2024	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	1,599,077	-	-	1,599,077
Significant increase in credit risk	-	88,400	-	88,400
Past due but not impaired	-	36,469	-	36,469
Credit impaired	-	-	41,476	41,476
	1,599,077	124,869	41,476	1,765,422

Intercompany loan

The Group has sufficient liquid assets to enable the repayment of intercompany loan balances to Club Plus as they fall due.

Impairment assessment

The references below show how the group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the material accounting policy information.

Definition of default and cure

The group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower/ debtor becomes 90 days past due on its contractual repayment obligations.

As a part of qualitative assessment of whether a customer is in default, the group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- internal rating of the borrower indicating default or near-default
- whether the borrower is deceased
- whether the debtor is filing for bankruptcy application/protection

It is the group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The group's internal rating and Probability of Default (PD) estimation process

The PDs applied in the ECL computation are a result of the portfolio specific regression models. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplementary information that could affect the borrower's behaviour. These information sources are first used to determine the PDs within the group's Basel framework.

Pds are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information. The IFRS 9 Stage classification of the exposure is determined by scores from the behavioural scorecard.

Consumer lending and short-term loans

Consumer lending comprises unsecured personal loans. These products are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

- Consumer lending products.
- use of limits and volatility thereof:
- GDP growth.
- Unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing.

Exposure at Default (EAD)

Exposure at Default is defined as an estimation to which the Group will be exposed to a counterparty in the event of a default. The EAD models have been built using the historical experience of debt instruments that defaulted. Credit Conversion Factors (CCF) are determined using linear regression-based approach. EAD models are used at the portfolio level to forecast the proportion of the exposure that will be outstanding at the point of default.

Loss Given Default (LGD)

The Loss Given Default is defined as an estimate of the ultimate credit loss in the event of a default. The LGD models were built using the historical experience of defaulted credit facilities and the observed recoveries from the default date to the point of model development. The linear regression approach was used to construct LGD models. The LGD models are used at the portfolio level to evaluate 12-months LGDs for financial instruments with no significant increase in credit risk since initial recognition and lifetime LGDs are applied for financial instruments for which a significant increase in credit risk has occurred.

12-months LGDs were derived from discounted cashflows while lifetime LGDs were derived using a combination of 12-months LGDs and forward-looking macroeconomic factors. GDP per Capita and Annual Inflation were the statistically significant variables considered.

Significant increase in credit risk

The group continuously monitors all assets subject to ECLs. To determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the group assesses whether there has been a significant increase in credit risk since initial recognition. The group's independent Credit Risk Department operates its internal rating models that assigns grades to different clients. This information is combined with other observable variables to form the IFRS 9 behavioural scorecards (rate of inflation, GDP per Capita, Payment behaviour) whose main variable is the days past due status of any given facility. The thresholds specified in the model documentations determines the transitions to stage 2 and 3 and Lifetime PDs are then determined for those that would have moved from Stage 1. This will result in facilities in Stage 1 recognizing a 12month ECL while instruments in Stage 2 and 3 recognising a Lifetime ECL. The probability weighted ECL is then determined considering the base, best- and worst-case scenarios.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at banking institutions.

The group has access and has utilised the following:

	52 weeks to 4 January 2026	52 weeks to 5 January 2025
*Restated		
Total banking and loan facilities	14,349,691	12,940,983
Utilised interest-bearing debt	(10,477,610)	(10,932,856)
Unutilised banking facilities	3,872,081	2,008,127

The aggregate amount of the group's year-end interest - bearing debt is limited to an amount determined in terms of the Company's Articles of Association. This limit is calculated as the aggregate of shareholders' equity, inventories and debtors.

Note

Maximum permissible interest-bearing debt		34,676,273	34,650,013
Interest bearing debt	16	(10,477,610)	(10,932,856)
		24,198,663	23,717,157
Cash and cash equivalents	13	3,872,081	2,008,127
Unutilised borrowing capacity		28,070,744	21,709,030

Liquidity risk (continued)

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Group - 2025					
Interest bearing loans, borrowings	-	4,327,032	6,111,115	39,463	10,477,610
Trade and other payables	-	5,002,144	-	-	5,002,144
Lease liabilities	282,770	487,877	1,922,219	2,889,634	5,582,500
Other liabilities	-	4,223,659	-	-	4,223,659
	282,770	14,040,712	8,033,334	2,929,097	25,285,913
Group - 2024					
Interest bearing loans, borrowings	164,198	398,169	1,856,632	3,408,922	5,827,921
Trade and other payables	-	-	5,753,052	-	5,753,052
Lease liabilities	288,268	576,537	2,594,415	186,125	3,645,345
	452,466	974,706	10,204,099	3,595,047	15,226,318
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Company - 2025					
Interest bearing loans and	-	4,089,667	5,351,137	39,463	9,480,267
Trade and other payables	-	4,839,324	-	-	4,839,324
Lease liabilities	282,770	487,877	1,922,219	2,889,634	5,582,500
Other liabilities	-	4,223,659	-	-	4,223,659
	282,770	13,640,527	7,273,356	2,929,097	24,125,750
Company - 2024					
Interest bearing loans and borrowings	156,504	386,492	1,771,099	2,485,256	4,799,351
Trade and other payables	-	-	5,669,233	-	5,669,233
Lease liabilities	288,268	576,537	2,594,415	186,125	3,645,345
	444,772	963,029	10,034,747	2,671,381	14,113,929

**Refer to Note 36 for details on the restatement.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense are denominated in a different currency from the group's functional currency). The group manages foreign currency risk by ring fencing foreign denominated bank balances as security against ZWL/ZWG loan borrowings.

Foreign denominated balances (the numbers are expressed in USD equivalent)

	52 weeks to 4 January 2026 Zimbabwe Gold	52 weeks to 5 January 2025 Zimbabwe Gold	52 weeks to 4 January 2026 South African Rand	52 weeks to 5 January 2025 South African Rand
Assets				
Cash and cash equivalents	840,947	1,019,697	20,251	16,860
Trade receivables	60,766	215,303	-	-
Loans and advances to customers	-	-	-	-
Liabilities				
Trade payables	(141,093)	(124,487)	-	-
Long term loan	-	-	-	-
Total net position	760,620	1,110,513	20,251	16,860
Impact of USD strengthening by 10%-gain/(loss) in USD Impact on profit before tax	(4,610)	(19,823)	(123)	(332)
Impact of USD strengthening by 10%-gain/(loss) in USD Impact on profit before tax	5,634	24,228	150	406



Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. Significant factors in managing the risk include the frequency, volatility and direction of rate of changes, the size of the interest-sensitive position and the basis for re-pricing at rollover dates. The group's exposure to the risk of changes in market interest rates relates primarily to its medium to long-term debt obligations.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on interest bearing debt with variable interest rates on the group.

GROUP	Adjusted Interest	Current year interest	Impact on profit or loss Gain/(loss)	Tax effect	Impact
4 January 2026					
All figures in USD					
Increase of 200 basis points in interest rates	2,158,727	2,116,399	(42,328)	(10,463)	(31,865))
Decrease of 200 basis points in interest rates	2,074,071	2,116,399	42,328	10,463	31,865
5 January 2025					
All figures in USD					
Increase of 200 basis points in interest rates	1,852,431	1,816,108	(36,323)	(8,979)	(27,343)
Decrease of 200 basis points in interest rates	1,779,786	1,816,108	36,323	8,979	27,343
Company		Current year interest Interest	Impact on Gain/(loss)	Tax effect profit or loss	Impact
04 January 2026					
All figures in USD					
Increase of 200 basis points in interest rates	1,947,502	1,909,316	(38,186)	(9,440)	(28,747)
Decrease of 200 basis points in interest rates	1,871,130	1,909,316	38,186	9,440	28,747
05 January 2025					
All figures in USD					
Increase of 200 basis points in interest rates	1,727,319	1,693,450	(33,869)	(8,372)	(25,497)
Decrease of 200 basis points in interest rates	1,659,581	1,693,450	33,869	8,372	25,497

Capital risk

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments. The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the Group.
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Governing board as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the micro lending subsidiary. The required information is filed with the RBZ on a quarterly basis. The capital requirements for Micro lending Institutions where the capital requirements for Micro lending institutions are set at USD 25 000, which is adequately covered by the Groups subsidiary which has an equity of USD 1,484,727 (2024: USD 1 264 694). Where risk of such non-compliance is identified, the Group supports the subsidiary with the required capital, to avoid penalties by the regulatory authorities.

Capital risk (continued)

These regulatory requirements are incorporated into the Group's management of capital by ensuring that the equity position of the subsidiary exceeds the capital requirements monthly. The Group is managing its capital in a satisfactory manner by ensuring that the business is appropriately leveraged insofar as enabling it to obtain reasonable returns. The Group primarily monitors capital using the gearing ratio, despite the inherent challenges of determining annual financial targets in a hyperinflationary environment. The Group ensures that following any share repurchases or payments to shareholders, on a fair value basis, the consolidated assets of the Group exceed its consolidated liabilities, and that the Group can pay its debts when they fall due.

Figures are in United States dollars

	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025	2025 For the 52 weeks to 4 January 2026	2024 For the 52 weeks to 5 January 2025
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Financial Instruments by category

The following classifications of financial instruments have been applied:

Financial assets at amortised cost

Cash and bank balances	3,872,081	2,008,127	3,042,557	1,852,828
Amounts due from related parties	-	-	-	266,236
Loans and advances to customers	1,233,461	1,730,114	-	-
Trade and other receivables** restated	15,863,365	14,079,797	15,645,504	13,779,569
	20,968,907	17,818,038	18,688,061	15,898,633

Financial liabilities at amortised cost

Borrowings	10,477,610	10,932,856	9,480,267	10,008,802
Trade and other payables** restated	5,002,144	5,753,052	4,839,324	5,669,233
Other liabilities	4,223,569	-	4,223,569	-
Lease liabilities	4,830,451	3,034,477	4,830,451	3,034,477
	24,533,864	19,720,385	23,373,701	18,712,512

**Refer to Note 36 for details on the restatement.



36. PRIOR PERIOD RESTATEMENT**36.1 Understatement of consignment stock liabilities**

During the current year, the Group identified an error relating to the incomplete tagging of consignment stock in the Group's accounting system. The total stock was completely accounted for, but the attribution between owned and consignment stock at the end of 2023 and 2024 reporting periods was incorrect.

Capital risk**36.2 Rental deposits understatement**

Upon the change in functional currency in 2023, the Group understated the value of rental deposit held by various of its landlords as it treated the balances as purely monetary balances prepaid in the local currency then. This resulted in unrealistically nominal amounts being recorded as carrying amounts for deposits against a customary understanding with the Group's landlords which recognizes the Group's right of utilizing the benefits equivalents to a month's rental in case of lease termination. The Group has corrected this misnomer to reflect this right equivalent to a month's rental.

Both errors have been corrected retrospectively in accordance with IAS 8, with comparative information restated. The impact of the restatements on the statement of financial position, and statement of changes in equity is summarized below:

The following table summarises the impact of correction of the error on the 2024 financial statements.

	GROUP Previously Reported 2024 USD	Effect of error 2024 USD	Restated 2024 USD
Statement of Profit of Loss and Other Comprehensive Income			
Revenue	30,702,030	(242,701)	30,459,329
Cost of Sales	(14,725,750)	242,701	(14,483,049)
Gross profit	15,976,280	-	15,976,280
Profit for the year	813,349	-	813,349
Other comprehensive losses	-	(310,278)	(310,278)
Total Comprehensive income	813,349	(310,278)	503,071
Statement of Financial Position			
Trade Payables	(5,362,985)	(242,701)	(5,605,686)
Inventory	5,691,499	(67,577)	5,623,922
Equity	13,362,190	(310,278)	13,015,912
	Company Previously Reported 2024 USD	Effect of error 2024 USD	Restated 2024 USD
Statement of Profit of Loss and Other Comprehensive Income			
Revenue	30,702,030	(242,701)	30,459,329
Cost of Sales	(14,725,750)	242,701	(14,483,049)
Gross profit	15,976,280	-	15,976,280
Profit for the year	484,101	-	484,101
Other comprehensive losses	-	(310,278)	(310,278)
Total Comprehensive income	484,101	(310,278)	173,823
Statement of Financial Position			
Trade Payables	(5,279,166)	(242,701)	(5,521,867)
Inventory	5,690,351	(67,577)	5,622,774
Trade and Other Receivables	13,467,943	-	13,467,943
Equity	13,094,029	(310,278)	12,783,751

CONSOLIDATED STATEMENT OF CASH FLOWS			
	GROUP		
	Previously	Effect of	Restated
	Reported	error	
	2024	2024	2024
	USD	USD	USD
Cash flows from operating activities			
Movements in Working capital			
Decrease in inventories	1,973,555	67,577	2,041,132
Increase in accounts payable	(1,374,366)	242,701	(1,131,665)
Non-cash items	5,848,362	(310,278)	5,538,084
Net Cash generated from operations	2,592,555	-	2,592,555
COMPANY STATEMENT OF CASHFLOWS			
Cash flows from operating activities			
Movements in Working capital			
Decrease in inventories	1,973,546	67,577	2,041,123
Increase in accounts payable	(1,393,429)	242,701	(1,150,728)
Non-cash items	5,583,519	(310,278)	5,273,241
Net Cash generated from operations	4,776,540	-	4,776,540
GROUP			
	Previously	Effect of	Restated
	Reported	error	
	2024	2024	2024
	USD	USD	USD
Consolidated Statement of Changes in equity			
Foreign Currency Translation Reserve	5,402,345	(146,010)	5,256,335
Total Equity	5,402,345	(146,010)	5,256,335
COMPANY			
	Previously	Effect of	Restated
	Reported	error	
	2024	2024	2024
	USD	USD	USD
Foreign Currency Translation Reserve	5,624,562	(146,010)	5,478,552
Total Equity	5,624,562	(146,010)	5,478,552

The following table summarises the impact of correction of the error on the 2023 financial statements.

GROUP

	Previously Reported 2023 USD	Effect of error 2023 USD	Restated 2023 USD
Statement of Profit of Loss and Other Comprehensive Income			
Revenue	33,767,276	(147,366)	33,619,910
Cost of Sales	(16,536,235)	147,366	(16,388,869)
Gross profit	17,231,041	-	17,231,041
Profit for the year	745,839	-	745,839
Other comprehensive losses	-	(164,268)	-164,268
Total Comprehensive income	745,839	(164,268)	581,571
Statement of Financial Position			
Trade Payables	(6,737,351)	(147,366)	(6,884,717)
Inventory	7,665,054	-	7,665,054
Trade and Other Receivables	12,437,943	311,634	12,749,577
Equity	13,365,646	164,268	13,529,914

COMPANY

	Previously Reported 2023 USD	Effect of error 2023 USD	Restated 2023 USD
Statement of Profit of Loss and Other Comprehensive Income			
Revenue	33,767,276	(147,366)	33,619,910
Cost of Sales	(16,536,235)	147,366	(16,388,869)
Gross profit	17,231,041	-	17,231,041
Profit for the year	678,981	-	678,981
Other comprehensive losses	-	(164,268)	(164,268)
Total Comprehensive income	678,981	(164,268)	514,713
Statement of Financial Position			
Trade Payables	(6,672,595)	(147,366)	(6,819,961)
Inventory	7,663,897	-	7,663,897
Trade and Other Receivables	12,244,109	311,634	12,555,743
Equity	13,235,411	164,268	13,399,679

GROUP**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Previously Reported	Effect of error	Restated
Cash flows from operating activities			
Movements in Working capital			
(Increase)/ decrease in inventories	(2,145,013)	-	(2,145,013)
Increase/(decrease) in accounts payable	3,082,577	147,366	3,229,943
Non cash items	2,407,453	(147,366)	2,260,087
Net Cash generated from operations	(844,218)	-	(844,218)

COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

	Previously Reported	Effect of error	Restated
Cash flows from operating activities			
Movements in Working capital			
(Increase) / decrease in inventories	(2,145,013)	-	(2,145,013)
Increase / (decrease) in accounts payable	3,082,577	147,366	3,229,943
Non cash items	5,598,180	(147,366)	5,450,814
Net Cash generated from operations	841,211	-	841,211

Consolidated Statement of Changes in equity

	GROUP Previously Reported	Effect of error	Restated
Foreign Currency Translation Reserve	5,402,345	164,268	5,566,613
Total Equity	5,402,345	164,268	5,566,613

COMPANY

	Previously Reported	Effect of error	Restated
Foreign Currency Translation Reserve	5,402,345	164,268	5,566,613
Total Equity	5,402,345	164,268	5,566,613

37. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Direct Comparison Method

For residential properties, the value of one property may be derived by comparing it with prices achieved from market transactions in similar properties with key reference and analysis based on the facilities, location and quality.

Level 3	Group		Company	
	52 weeks to 4 January 2026	52 weeks to 5 January 2025	52 weeks to 4 January 2026	52 weeks to 5 January 2025
Property, plant and equipment				
Land & buildings	1,426,788	1,443,476	1,426,788	1,443,476
Leasehold improvements	614,445	558,674	576,345	516,208
Furniture, fittings & equipment	996,078	1,273,524	978,423	1,243,336
Computer equipment	601,551	483,628	565,501	430,616
Motor vehicles	666,700	768,513	596,431	720,852
Plant and machinery	1,226,587	881,673	1,224,348	880,629
	5,532,149	5,409,488	5,367,836	5,235,117

Except for land and buildings, all other property, plant and equipment were carried at the USD depreciated replacement cost.

38. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company significantly.

The Directors have undertaken a comprehensive assessment of the Group's ability to continue as a going concern for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. This assessment considered the Group's current financial position, future trading prospects, available funding facilities, and the broader economic environment. Key assumptions applied in the going concern assessment include:

- The Group expects customer demand to remain relatively resilient, supported by strategic merchandising, pricing, and promotional activities.
- Supply chains are expected to remain stable, with key suppliers continuing to meet inventory requirements without significant disruption.
- The Group's lease agreements for retail premises are assumed to remain in place on terms that are consistent with current contractual obligations, with no significant increases in rental costs beyond forecast expectations.
- The Group has maintained adequate cash and cash equivalents, supported by access to committed but undrawn banking facilities, providing sufficient liquidity to meet operational needs.
- Ongoing initiatives to optimize operating costs and protect margins are expected to continue yielding positive results.
- While acknowledging the risks posed by inflation, foreign currency fluctuations, and constrained consumer spending, the Group's financial models incorporate prudent assumptions reflecting these risks.

The Directors note that while the Group faces uncertainties relating to the economic environment including inflationary pressures, exchange rate volatility, and shifts in consumer behaviour, mitigation strategies have been put in place. These include tighter working capital management, enhanced inventory controls, and a continued focus on customer-centric sales strategies. Based on the above, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

39. CONTINGENT LIABILITIES

There is no litigation, current or pending which is likely to have a material adverse effect on the Group.

40. DIVIDEND DECLARATION

No dividend was declared for the 52 weeks to 4 January 2026 (2024: Nil).

41. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, geopolitical tensions escalated following the outbreak of conflict between Iran and Israel in late February 2026. This event occurred after the reporting period and has therefore been treated as a non-adjusting event in accordance with IAS 10 Events after the Reporting Period.

The Group has assessed the potential impact of this development and notes that, while there may be indirect effects on the global economy, including potential volatility in fuel prices, exchange rates and supply chains, there has been no material impact identified on the Group's financial position as at the reporting date.

Management continues to monitor the situation closely. At this stage, no adjustments have been made to the amounts recognised in these financial statements.

ANALYSIS OF ISSUED ORDINARY SHARES

EDGARS STORES LIMITED TOP 20 : SCHEDULE AS AT : 31 December 2025

Rank	Names	Country	Industry	Shares	Percentage
1	ANNUNAKI INVESTMENTS (PVT) LTD	ZIM	LC	135,859,943	22.28
2	BELLFIELD LIMITED	CHA	FC	132,859,743	21.79
3	MEGA MARKET (PRIVATE) LIMITED	ZIM	LC	110,966,940	18.20
4	Z.M.D INVESTMENTS (PVT) LTD	ZIM	LC	46,299,751	7.59
5	ZIMEDGROUP EMPLOYEE TRUST	ZIM	TR	35,950,445	5.90
6	EDGARS PENSION FUND	ZIM	PF	29,962,629	4.91
7	STANBIC NOMINEES (PVT) LTD	ZIM	LN	27,817,378	4.56
8	FED NOMINEES (PVT) LTD	ZIM	LN	9,057,921	1.49
9	MS LINDA MASTERSON	ZIM	LR	7,410,681	1.22
10	HIPPO VALLEY ESTATES PF-IMARA	ZIM	PF	6,583,144	1.08
11	NATIONAL FOODS P F-IMARA	ZIM	PF	4,054,034	0.66
12	NEVPLAN INVESTMENTS	ZIM	INV	4,010,462	0.66
13	FED NOMINEES (PVT) LTD - TAXABLE	ZIM	LN	3,068,149	0.50
14	SETMA (PRIVATE) LIMITED	ZIM	LC	2,308,134	0.38
15	MR LESLEY WILLIAMS	ZIM	LR	2,285,083	0.37
16	MUTARE MART	ZIM	LC	2,278,304	0.37
17	ANGLO AMERICAN ASS CO PF-IMARA	ZIM	PF	2,244,936	0.37
18	CAPRI APPLIANCES PL	ZIM	LC	2,107,123	0.35
19	PSMAS PENSION FUND-INVESCI	ZIM	PF	2,057,099	0.34
20	SAGIT FINANCE COMPANY (PVT) LTD	ZIM	LC	1,805,585	0.30
	Selected Shares			568,987,484	93.32
	Non - Selected Shares			40,753,459	6.68
	Issued Shares			609,740,943	100.00

EDGARS STORES LIMITED: ANALYSIS BY VOLUME AS AT : 31 December 2025

Range	Shares	Shares %	Shareholders	Shareholders %
1-5000	1,285,193	0.21	1,158	73.06
5001-10000	673,046	0.11	95	5.99
10001-25000	1,820,273	0.30	116	7.32
25001-50000	1,487,785	0.24	43	2.71
50001-100000	2,007,579	0.33	29	1.83
100001-200000	5,841,591	0.96	40	2.52
200001-500000	13,873,503	2.28	43	2.71
500001-1000000	14,193,978	2.33	21	1.32
1000001 and Above	568,557,995	93.25	40	2.52
Totals	609,740,943	100.00	1,585	100.00

ANALYSIS OF ISSUED ORDINARY SHARES

EDGARS STORES LIMITED: ANALYSIS BY INDUSTRY AS AT : 31 December 2025

Industry	Shares	Shares %	Shareholders	Shareholders %
Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	308,734,935	50.63	112	7.07
FOREIGN COMPANIES	132,905,942	21.80	04	0.25
PENSION FUNDS	70,191,771	11.51	88	5.55
LOCAL NOMINEE	36,758,736	6.03	70	4.42
TRUSTS	36,748,169	6.03	15	0.95
LOCAL INDIVIDUAL RESIDENT	17,927,394	2.94	1,204	75.96
OTHER INVESTMENTS & TRUST	3,209,681	0.53	15	0.95
FUND MANAGERS	1,754,580	0.29	06	0.38
CHARITABLE	578,545	0.09	03	0.19
FOREIGN NOMINEE	451,896	0.07	02	0.13
NEW NON RESIDENT	238,767	0.04	34	2.15
FOREIGN INDIVIDUAL RESIDENT	221,642	0.04	10	0.63
DECEASED ESTATES	16,101	0.00	12	0.76
BANKS	1,066	0.00	02	0.13
INSURANCE COMPANIES	1,018	0.00	01	0.06
DIRECTOR	700	0.00	07	0.44
Totals	609,740,943	100.00	1,585	100.00

SHAREHOLDERS FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 4 JANUARY 2026 (FY2025)

Notice to Shareholders		2 June 2026
Annual Report including Annual Financial Statements	Publishing	May 2026
Annual General Meeting		25 June 2026

HALF YEAR ENDING 5 JULY 2026

Interim Results for the Half Year ending 5 July 2026	Publishing	October 2026
Analysts Briefing and Announcement of Interim Results		October 2026

ANNUAL GENERAL MEETING NOTICE

FOR THE 52 WEEKS TO 4 JANUARY 2026

Notice is hereby given that the 77th Annual General Meeting of members of Edgars Stores Limited will be held at The Meikles Hyatt Regency Hotel, Harare on Thursday, 25th June 2026 at 09.00 hours for purposes of transacting the following business;

1. Ordinary Business

1.1. Approval of previous minutes

To receive and approve minutes of the 76th Annual General Meeting held on Wednesday, 16th July 2025.

1.2. Approval of Financial Statements and Reports

To receive, consider and adopt the Annual Financial Statements and reports of the directors and auditors for the financial year ended 4 January 2026.

NB: The full annual report can be viewed online at www.edgars.co.zw

1.3. Approval of Directors' fees

Approval of Directors fees for the year ended 4 January 2026.

Note: In terms of Article 88 of the Company's Articles of Association and Section 183 of the Victoria Falls Stock Exchange Listing Requirements, the Directors' Remuneration Report shall be available for inspection at the AGM and, thereafter, the Company's registered office.

1.4 Election of Directors

1.4.1 Mr. Theminkosi N Sibanda, a Director of the Company, retires at the forthcoming Annual General Meeting in terms of Article 85 of the Company's Articles of Association, and being eligible, he offers himself for election.

1.4.2 Mr. Matthew Hosack, a Director of the Company, retires at the forthcoming Annual General Meeting in terms of Article 85 of the Company's Articles of Association, and being eligible, he offers himself for election.

1.5. Auditor

1.5.1 To approve the remuneration of the auditors for the year ended 4 January 2026.

1.5.2 To re-appoint Messrs Axcentium, as independent auditors of the company for the third year.

Note: In terms of Section 70(6) of the S.I. 62 Banking (Victoria Falls International Financial Services Centre), Companies must change audit firm every five years. Axcentium, have been the auditor for the Company for the past 2 years, therefore are still eligible to be the auditor for the Company.

Voting Proxies

NOTE: In terms of Article 73 of the Company's Articles of Association and section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded and must reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

Please complete the Proxy form available on the website to appoint a proxy. Visit www.edgars.co.zw

Duly completed Proxy forms must be lodged with or posted to the Group Company Secretary, Edgars Stores Limited, 15th Floor, ZB Life Towers, Corner Jason Moyo Avenue/Sam Nujoma Street or the Transfer Secretary, Corpserve Registrars (Pvt) Ltd at Corner Kwame Nkrumah/1st Street P.O Box 2208, Harare and to be received by not later than 09.00hrs on 23 June 2026.

Meeting details:

Members are hereby advised to use the dedicated Corpserve helpline on +263 242 750599-61, +263 772 289 768 or +263 779 145 849 for assistance with directions to the venue.

By Order of the Board



R. Mutombwa
Company Secretary
2nd June 2026

EDGARS STORES LIMITED
("The Group")

FORM OF PROXY

For use by members at the Annual General Meeting of the Group to be held on Thursday 25th June 2026 at 09:00 hours at The Meikles Hyatt Regency Hotel, Harare.

I/We _____

Of _____

being a member of the above Company and a holder of _____ shares and entitled to vote, hereby appoint

1 _____ of _____ or failing him/her

2 _____ of _____

as my/our proxy to attend, speak and vote for me/us on and on my/our behalf at the Annual General Meeting of the Company, which will be held on Thursday the 25th of June 2026 at 09:00 hours at The Meikles Hyatt Regency Hotel, Harare for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions to be proposed there and at each adjournment thereof, to vote for or against the resolutions with or without modification, and/or to abstain from voting thereon in respect of the ordinary shares in the issued share capital of the Group registered in my/our name/s in accordance with the following instruction (see Note 2).

Each member is entitled to appoint one or more proxies (whether a member/s of the Group or not) to attend, speak and to vote at the meeting in his/her stead.

	For <i>No of votes</i>	Against No of votes	Abstain <i>No of votes</i>
Ordinary Resolution No. 1.1 To receive and approve minutes of the 76 th Annual General Meeting held on 16 th July 2025			
Ordinary Resolution No. 1.2 To receive, consider and adopt the Annual Financial Statements for the year ended 4 th January 2026, including the Directors and Independent Auditor's reports thereon.			
Ordinary Resolution No. 1.3 Approval of Directors fees for the year ended 4 th January 2026			
Ordinary Resolution No 1.4 1.4.1. Mr. Thembinkosi N Sibanda, a Director of the Company and in terms of Article 85 of the Company's Articles of Association, they retire at the forthcoming Annual General Meeting. Being eligible, he offers himself for election. 1.4.2. Mr. Matthew Hocask, a Director of the Company and in terms of Article 85 of the Company's Articles of Association, they retire at the forthcoming Annual General Meeting. Being eligible, he offers himself for election.			
Ordinary Resolution No. 1.5 1.5.1. To approve the remuneration of the auditors for the year ended 4 th January 2026. 1.5.2. To consider the re-appointment of Axcantium, as independent auditors of the company for the 3 rd year.			

(NOTE: ON A POLL, A MEMBER IS ENTITLED TO ONE VOTE FOR EACH SHARE HELD)

Signed at _____ on _____ 2026

Signature _____ (ASSISTED BY ME WHERE APPLICABLE)

INSTRUCTIONS FOR SIGNING AND LODGING THIS PROXY

NOTES:

Instructions for Signing and Lodging this Proxy

Notes:

1. Each member is entitled to appoint one or more proxies (who need not be a member(s) of the Group) to attend, speak and vote (either on a poll or by show of hands) in place of that member at the Annual General Meeting.
2. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the spaces provided, with or without deleting the words "the chairman of the Annual General Meeting". All deletions must be individually initialed by the member, failing which they will not have been validly effected. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. Voting instructions for each of the resolutions must be completed by filling the number of votes (one per ordinary share) under the "For", "Against" or "Abstain" headings on the Proxy Form. If no instructions are filled in on the Proxy Form, the chairman of the Annual General Meeting, if the chairman is the authorised proxy, or any other proxy shall be authorised to vote in favour of, against or abstain from voting as he/she deems fit.
4. A member or his/her proxy is entitled but not obliged to vote in respect of the ordinary shares held by the member. The total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of shares held by the member.
5. If this form has been signed by a person in a representative capacity, the document authorising that person to sign must be attached, unless previously recorded by the Group's transfer secretaries or waived by the chairman of the Annual General Meeting.
6. The chairman of the Annual General Meeting may accept or reject any form of proxy that is completed and/or received other than in accordance with these instructions and notes.
7. Any alterations or corrections to this form of proxy have to be initialed by the signatory (/ies).
8. The completion and lodging of this form of proxy does not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed by the member.
9. Forms of proxy have to be lodged with or posted to the Group Company Secretary, Edgars Stores Limited, ZB Life Towers, 15th Floor, Corner Sam Nujoma Street/Speke Avenue, Harare, Zimbabwe, or the Transfer Secretaries, Corpserve (Private) Limited, at Corner Kwame Nkrumah Avenue/1st Street, P O Box 2208, Harare and to be received by not later than **09.00 hours on 23rd June 2026**.
10. This proxy form is to be completed only by those members who either still hold shares in a certificated form, or whose shares are recorded in their own name in electronic form in the sub register.

CORPORATE INFORMATION

Edgars Stores Limited

Incorporated in the Republic of Zimbabwe
Group registration number 379/1948

Registered office

Edgars Head Office
15th Floor, 77 Jason Moyo Ave corner Sam Nujoma & Speke Ave
HARARE
E-mail: info@edgars.co.zw
Website: <http://www.edgars.co.zw>

Group Secretary

R Mutombwa (Appointed 1 January 2026)

Transfer Secretaries

Corpserve (Private) Ltd
4th Floor ZB Centre
Cnr Kwame Nkrumah Avenue/ 1st Street
P O Box 2208, Harare, Zimbabwe
Telephone: 263-4-750711/2

Auditors

Axcentium
West Block, Borrowdale Office Park Borrowdale
HARARE

Legal Advisors

ChimukaMafunga Commercial attorneys
28 Argyll drive
Newlands
Harare

Main Bankers

Steward Bank
Livingstone House,
79 Livingstone Avenue,
Harare,
Zimbabwe

These results can be viewed on the internet at: <http://www.edgars.co.zw/investor-relations/ir-dashboard>





