

GB Holdings Limited

Abridged Unaudited Financial Results



For the half year ended 30 June 2025

CHAIRMAN'S STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2025

INTRODUCTION

On behalf of the Board of Directors for GB Holdings Ltd I am pleased to present the results for the six months period ended 30 June 2025.

The company's functional currency was changed to USD with effect from 1 January 2025. This change was necessitated by the volume of transactions denominated in USD which account for the greater part of the transactions the company records when compared with those recorded in the local ZWG currency.

The continued geopolitical tension in the Middle East and Europe continued to exert pressure on the logistical costs through use of alternative routes. A wave of tariff reviews by the US to its major trading partners together with the abrupt severe cuts of longstanding aid to Africa set forth perpetual uncertainty in the financial markets further upsetting pricing matrices of source markets for raw materials. This new dynamic has compelled bigger economies to consider alternative currency hedges in gold and other precious materials.

Locally the consistent contractionary policy thrust stemmed the exchange and inflation rates spikes culminating in price stability. An improved agricultural season and a prolonged period of bullish mineral prices together with a significant reduction in the food import bill availed more foreign currency for use in the economy. The further relaxation in the foreign exchange market enabled improved access to foreign currency on a willing buyer willing seller basis within official rates thereby curtailing the parallel rate spike. As a result, according to Zimstat month on month inflation of a negative 0.1 % for June 2025 was recorded.

Owing to the reduced money supply and high interest rates, aggregate demand in the economy declined while competition intensified as more players accessed foreign currency for cheap imports of products that are manufactured locally. Local manufacturing costs increased on the back of USD imported inflation in utility and labour costs as workers demanded more in the face of reduced purchasing power of their earnings.

The above notwithstanding, the company focused on delivering a commensurate value proposition to its customers through improved in process efficiencies and maintenance of key technical relationships with raw materials suppliers. To mitigate against the skills flight risk, the company maintained a talent development pipe line programme that would enable replacement of critical skills from within. Market forays by Cernol

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by 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 Company's full year abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Company's full year abridged financial statements fairly present the state of affairs of the Company as at the end of the year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

Unaudited statement of financial position as at 30 June 2025

	Notes	Unaudited 30 June 2025 USD	Audited 31 Dec 2024 USD
ASSETS			
Non-current assets			
Property, plant and equipment	6	4 087 855	4 198 093
Current assets			
Inventories	7	374 330	185 738
Trade and other receivables	8	1 046 618	697 563
Cash and cash equivalents	9	36 443	25 670
		1 457 391	908 971
Total assets		5 545 245	5 107 064
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		95 541	95 541
Share options reserve		3 419	3 419
Non distributable reserve		(1 350 517)	(1 350 517)
Revaluation reserve		2 392 342	2 392 342
Retained earnings		2 305 513	2 224 661
		3 446 298	3 365 446
Non-current liabilities			
Deferred tax		994 574	963 512
		994 574	963 512
Current liabilities			
Trade and other payables	10	950 615	661 098
Corporate tax payable		153 758	117 008
		1 104 373	778 106
Total liabilities		2 098 947	1 741 618
Total equity and liabilities		5 545 245	5 107 064

Mabeza T.
Chairman

Gunda J.
Managing Director

Unaudited statement of profit or loss and other comprehensive income for the six months ended 30 June 2025

	Notes	Unaudited 30 June 2025 USD	Reviewed 30 June 2024 USD
Revenue	11	2 241 649	1 597 535
Cost of sales		(1 348 102)	(839 618)
Gross profit		893 547	757 917
Other income		23 263	78 089
Operating expenses		(768 146)	(764 395)
Profit from operations		148 664	71 611
Profit before tax		148 664	71 611
Profit/(loss) before tax		148 664	71 611
Income tax expense	12	(67 812)	(13 991)
Profit/(loss) for the period		80 852	57 620
Other comprehensive income:		-	-
Total comprehensive income / (loss) for the period		80 852	57 620
Basic earnings / (loss) per share (cents)		0.00015	0.00011
Diluted earnings / (loss) per share (cents)		0.00015	0.00011
Headline earnings / (loss) per share (cents)		0.00015	0.00011

Unaudited statement of cash flows for the six months ended 30 June 2025

	Unaudited 30 June 2025 USD	Reviewed 30 June 2024 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	148 664	71 611
Adjusted for:		
Depreciation charge for the period	101 199	302 024
Profit on disposal of vehicles	(2 540)	-
Operating cash inflows before working capital changes	247 323	373 635
Changes in working capital		
(Increase) / decrease in inventories	(188 592)	354 297
(Increase) / decrease in trade and other receivables	(349 054)	(27 723)
Increase / (decrease) in trade and other payables	289 517	(629 551)
Cash (utilised in) / generated from operating activities	(806)	70 658
Income tax paid	-	-
Net cash generated from / (utilised in) operating activities	(806)	70 658
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of vehicles	13 959	-
Purchase of equipment	(2 380)	-
Net cash utilised in investing activities	11 579	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	10 773	70 658
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	25 670	75 287
CASH AND CASH EQUIVALENTS AT THE PERIOD ENDED	36 443	145 945

Chemicals in niche markets paid off as it benefited from the growth in the dairy industry. General Beltings market and product diversification contributed to turnover in the reporting period.

GROUP PERFORMANCE

Total volumes at 421 metric tonnes were 10 % lower than the comparable period's 465 metric tonnes. The volume dip was attributable to stock outs as a result of supply chain disruptions. Cernol volumes at 257 metric tonnes were 22 % lower than the comparable prior year period's 328 metric tonnes. General Belting's volumes at 164 metric tonnes were an increase of 20 % on the prior year comparable period's 137 metric tonnes. The increase was a result of improved offtake in the second quarter from the traditional market.

Despite the dip in volumes total turnover at USD 2.2 million was 40% above the comparable period's turnover of USD 1.6 million due to mixed market fortunes at both Divisions. General Beltings turnover at USD 1.5 million was 73 % up on prior year's comparable period of USD 874 626 due to a firm order book in the first quarter. Cernol Chemicals turnover at USD 729 962 was 1% above the comparable prior year period's USD 722 909 due to a favourable product mix.

The gross profit at USD 894 000 was 18 % above prior year comparable period's USD 758 000 due to improved in process efficiencies and overhead recoveries. Despite the USD inflation in the economy operating costs at USD 768 000 were in line the comparable prior year period's USD 764 000 due to continued cost reduction initiatives. A resultant operating profit of USD 149 000 was recorded against a comparable prior year period USD 72 000.

OUTLOOK

The continued thermal power infrastructure development programme is expected to create opportunities for General Beltings in the last quarter of the year. A sustained bull run of gold and stability in the non-platinum sector is expected to drive demand in the later half of the year. Following a successful agricultural season in the prior year, General Beltings is expected to benefit from further investment in the fertiliser industry which underpin one of the identified growth pillars of the economy.

Unaudited statement of changes in equity for the six months ended 30 June 2025

	Share capital USD	Share options reserve USD	Non distributable reserve USD	Revaluation reserve USD	Retained earnings USD	Total USD
Balance at 31 December 2024	95 541	3 419	(1 350 517)	2 392 342	2 224 661	3 365 446
Total comprehensive income for the half year	-	-	-	-	80 852	80 852
Balance at 30 June 2025	95 541	3 419	(1 350 517)	2 392 342	2 305 513	3 446 298

Notes to the financial statements For the six months ended 30 June 2025

1. Nature of operations

The main business of the company, which is incorporated in Zimbabwe (Registration Number 510/68), is that of producing rubber and chemical products.

2. General information, basis of preparation and statement of compliance with IFRS

The abridged interim financial results are for the six months ended 30 June 2025 and are presented in United States dollars (USD), which is the functional currency of the Company and all values are rounded to the nearest dollar.

The abridged financial results have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting " as well as the requirements of the Securities and Exchange (Zimbabwe Stock Exchange) (ZSE) Listing Rules and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The abridged financial results are presented in United States dollars and are based on the historical cost approach.

3. Cautionary note on the use of financial information

Following the introduction of the Zimbabwe Gold Currency by the Reserve bank of Zimbabwe (RBZ) on 5 April 2024 and statutory instrument (SI) 60 of 2024, all previously existing Zimbabwe Dollar (ZWL) Balance were converted into ZWG as at that date. The exchange rate of ZWG1:ZWL 2 498.7242 was used as guided by the closing interbank exchange rate and price of gold as at that date. The previously reported balances and transactions between 1 January 2024 and 31 December 2024 were inflated to 31 December 2024

In light of increased level of USD transactions, the Directors conducted a thorough assessment of factors influencing the determination of the company's functional currency. The assessment considered factors such as primary economic activities, currency of transaction, cash flow patterns, the regulatory environment and long-term stability

The Directors effective 1 January 2025 adopted the USD as Functional currency

4. Significant accounting policies

The abridged reviewed financial results have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial results for the year ended 31 December 2024.

5. Estimates and judgements

When preparing the abridged interim financial results, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the abridged interim financial results, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial results for the year ended 31 December 2024. The only exceptions are the estimate of income tax liabilities which is determined in the abridged reviewed financial results using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

	Unaudited 30 June 2025 USD	Audited 31 Dec 2024 USD
6. Property, plant and equipment		
Opening carrying amount	4 198 093	4 483 391
Additions to property and equipment	2 380	16 726
Disposal	(18 260)	-
Disposal depreciation	6 841	-
Depreciation charge	(101 199)	(302 024)
Closing carrying amount	4 087 855	4 198 093
7. Inventories		
Raw materials	120 980	140 170
Finished goods	139 678	35 624
Work in progress	113 672	9 944
	374 330	185 738
8. Trade and other receivables		
Trade receivables	1 141 006	816 061
Less: Allowance for credit losses	(99 528)	(122 718)
Trade receivables-net	1 041 478	693 343
Other receivables	5 140	4 220
Financial assets other than cash and cash equivalents classified as loans and receivables	1 046 618	697 563
9. Cash and cash equivalents		
For the purposes of statement of cash flows, cash and cash equivalents consist of:		
Cash at bank	34 170	20 299
Cash in hand	2 273	5 371
	36 443	25 670
10. Trade and other payables		
Trade payables	454 604	213 937
Other payables	96 141	121 182
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	550 745	335 119
Other payables	399 870	325 979
Total trade and other payables	950 615	661 098
11. Revenue		
Disaggregation of revenue:		
Sale of chemicals	729 962	722 909
Sale of rubber	1 511 687	874 626
	2 241 649	1 597 535
The company has disaggregated revenue into two categories in the above table which is intended to enable users to understand the relationship with revenue segment information.		
12. Income tax expense		
Current tax	36 750	17 702
Deferred tax	31 062	(3 711)
	67 812	13 991
13. Going concern		
The Directors have assessed the ability of the entity to continue operating as a going concern and believe that the preparation of these financial results on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the entity to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these abridged reviewed financial results.		

SPECIAL PURPOSE FINANCIAL INFORMATION: ZIG FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025.

The following abridged financial information has been provided as supplementary information to comply with the 2025 Monetary Policy Statement (MPS) issued by the Reserve Bank Of Zimbabwe (RBZ) and the Zimbabwe Stock Exchange (ZSE) listing requirements.

Further to consolidating in its traditional markets, Cernol Chemicals expects to benefit from the resurgence and growth in the hospitality sector which has undergone rapid transformation in product offerings designed to meet the varied customer specification. In particular the emergence of smaller hospitality initiatives in the metropolitan areas is expected to spur product demand in the later half of the year

DIVIDEND

At their meeting on 30 September 2025, the Board considered the need to preserve cash and resolved not to pay an interim dividend for the period under review.

APPRECIATION

The first half of the year was characterised by severe liquidity challenges that required agility often requiring sacrifices from key stakeholders. In that vein I would like to thank all our stakeholders who believed in the company's market positioning and future. The counsel of the Board has been limous and supportive at all times. The order book in the third quarter is satisfactory while the prospects for the last quarter of the year are promising. The continued support from all our stakeholders will assist in the delivery of a commensurate value proposition to our customers. Thank you.

T MABEZA
Chairman

30 September 2025

Unaudited statement of financial position as at 30 June 2025

	Unaudited 30 June 2025 ZWG	Audited 31 Dec 2024 ZWG
ASSETS		
Non-current assets		
Property, plant and equipment	110 150 10	113 120 555
Current assets		
Inventories	10 086 584	5 004 840
Trade and other receivables	28 201 849	18 796 323
Cash and cash equivalents	981 982	691 696
	39 270 415	24 492 859
Total assets	149 420 517	137 613 414
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	2 574 419	2 574 419
Share options reserve	92 127	92 127
Non distributable reserve	(36 390 626)	(36 390 626)
Revaluation reserve	64 463 330	64 463 330
Retained earnings	62 123 669	59 945 048
	92 862 919	90 684 298
Non-current liabilities		
Deferred tax	26 799 494	25 962 506
	26 799 494	25 962 506
Current liabilities		
Trade and other payables	25 614 987	17 813 748
Corporate tax payable	4 143 117	3 152 862
	29 758 104	20 966 610
Total liabilities	56 557 598	46 929 116
Total equity and liabilities	149 420 517	137 613 414
Mabeza T. Chairman	Gunda J. Managing Director	

Unaudited statement of profit or loss and other comprehensive income for the six months ended 30 June 2025

	Unaudited 30 June 2025 ZWG	Reviewed 30 June 2024 ZWG
Revenue	60 402 799	43 046 699
Cost of sales	(36 325 552)	(22 624 095)
Gross profit	24 077 247	20 422 604
Other income	626 848	2 104 163
Operating expenses	(20 698 232)	(20 597 158)
Profit from operations	4 005 863	1 929 609
Profit before tax and monetary loss	4 005 863	1 929 609
Profit/(loss) before tax	4 005 863	1 929 609
Income tax expense	(1 827 242)	(376 991)
Profit/(loss) for the period	2 178 621	1 552 618
Other comprehensive income:	-	-
Total comprehensive income / (loss) for the period	2 178 621	1 552 618
Basic earnings / (loss) per share (cents)	0.00406	0.00289
Diluted earnings / (loss) per share (cents)	0.00401	0.00286
Headline earnings / (loss) per share (cents)	0.00401	0.00286

Unaudited statement of cash flows for the six months ended 30 June 2025

	Unaudited 30 June 2025 ZWG	Reviewed 30 June 2024 ZWG
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	4 005 863	1 929 609
Adjusted for:		
Depreciation charge for the period	2 726 878	8 138 248
Profit on disposal of vehicles	(68 442)	-
Operating cash inflows before working capital changes	6 664 299	10 067 857
Changes in working capital		
(Increase) / decrease in inventories	(5 081 743)	9 546 781
(Increase) / decrease in trade and other receivables	(9 405 512)	(747 016)
Increase / (decrease) in trade and other payables	7 801 238	(16 963 692)
Cash (utilised in) / generated from operating activities	(21 718)	1 903 930
Net cash generated from / (utilised in) operating activities	(21 718)	1 903 930
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest paid	-	-
Proceeds from disposal of vehicles	376 135	-
Purchase of equipment	(64 131)	-
Net cash utilised in investing activities	312 004	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	290 286	1 903 930
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	691 696	2 028 661
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	981 982	3 932 591

Unaudited statement of changes in equity for the six months ended 30 June 2025

	Share capital ZWG	Share options reserve ZWG	Non distributable reserve ZWG	Revaluation reserve ZWG	Retained earnings ZWG	Total ZWG
Balance at 31 December 2024	2 574 419	92 127	(36 390 626)	64 463 330	59 945 048	90 684 298
Total comprehensive income for the half year	-	-	-	-	2 178 621	2 178 621
Balance at 30 June 2025	2 574 419	92 127	(36 390 626)	64 463 330	62 123 669	92 862 919

Notes to the financial statements for the six months ended 30 June 2025

1. Statement of compliance
The abridged consolidated special purpose financial statement of the Group have been presented in ZIG in compliance with the 2025 Monetary Policy Statement (MPS) issued by the Reserve Bank Of Zimbabwe (RBZ) and the Zimbabwe Stock Exchange (ZSE) listing.

2. Basis of preparation and presentation
The special purpose interim consolidated financial statement are presented in Zimbabwe Gold (ZIG) and has been prepared based on the statutory records that are maintained under the historical cost basis. The abridged consolidated special purpose financial information for the six months ended 30 June 2025 has been converted from US dollars which is the functional currency for the Group to the presentation currency at the spot rate at 30 June 2025 of US\$1:26.9457

The Directors recommend users to exercise caution when analysing the ZIG financial information due to variations caused by fluctuations in exchange rates and high inflation.