

TRADING UPDATE

For the Third Quarter and Nine Months Ended 30 September 2026

1. KEY HIGHLIGHTS

The Board of Directors of Zimplow Holdings Limited presents the Group's Trading Update for the third quarter and the nine months ended 30 September 2026. Profit before tax for the nine months was US\$891,063, compared with a loss before tax of US\$650,998 in the same period of 2025, a US\$1,542,061 turnaround on the prior year.

The table below summarises the Group's financial performance for the nine months ended 30 September 2026 against the same period of 2025.

FINANCIAL INDICATOR	FY2026	FY2025	Movement
Group Revenue	US\$24.88million	US\$22.49million	+10.6%
Gross Margin	28.2%	26.3%	+1.9 ppts
Profit/(Loss) Before Tax	US\$891,063	(US\$650,998)	US\$1,542,061

The third quarter delivered the larger part of that result. Profit before tax for the three months to September was US\$634,775, which is more than double the US\$256,288 earned across the first half of the year, on the back of improved stock availability, supported by increased economic activity in the period under review.

Revenue for the nine months grew by 10.6% to US\$24.88 million compared to the prior year, while the gross margin improved by 1.9 percentage points to 28.2%. The changes made to the cost base and the business model since 2025 are beginning to create value for the Group.

2. MACROECONOMIC AND OPERATING ENVIRONMENT

In the 2026 Mid Term Budget and Economic Review of 30 July 2026, the Ministry of Finance, Economic Development, and Investment Promotion projected real GDP growth of 5.0% for 2026, slowing from 8.3% in 2025, a projection the International Monetary Fund shares. Mining continued to lead export earnings, with Fidelity Gold Refinery receiving 31.17 tonnes of gold in the eight months to August 2026. The 2026 tobacco marketing season closed with a record of more than 357 million kilograms sold, but the average price fell from US\$3.30 to US\$2.49 per kilogram, which left growers with less cash for equipment and inputs than in 2025. Inflation remained in single digits, with annual ZiG inflation of 3.7% and annual US dollar inflation of 3.5% in September 2026. The ZiG traded within a range of ZiG25 to ZiG27 to the US dollar, and at the end of September 2026 the Reserve Bank of Zimbabwe reduced the bank policy rate from 30% to 27.5%.

Conflict in the Middle East continued to disrupt shipping through the Strait of Hormuz, which raised fuel, fertiliser, and freight costs, including the landed cost of the Group's imported equipment and parts. Gold traded between US\$3,966 and US\$4,687 per ounce during the quarter, a level that continues to support investment by Zimbabwe's gold producers. The Southern African Regional Climate Outlook Forum forecasts below normal rainfall in Zimbabwe for the 2026/27 season, whilst on 8 October 2026 the United States Climate Prediction Center forecast a strong to very strong El Niño, with a chance of it lasting through January to March 2027 above 83%. Treasury expects agricultural growth to slow to 1.5% in 2027, and Lake Kariba storage is expected to end 2026 near 24%, which will place more of the country's power needs on thermal and private solar generation.

3. BUSINESS UNIT PERFORMANCE

3.1 Farmec

Farmec remained the largest contributor to Group profit. Revenue grew by 25.7% to US\$10.11 million, and profit before tax rose by 151.9% to US\$565,297. Tractor sales increased by 14.0% to 122 units and implement sales by 23.8% to 369 units. Parts revenue grew by 24.6% to US\$1.73 million. Workshop hours rose by 20.0% to 9,218 hours, although service revenue was 1.6% lower at US\$653,237.

The financial performance from Farmec reflects customer confidence in the key brands distributed by the Business Unit (BU). In the period under review, the BU focused on an aggressive product support drive and on refining its supply chain to provide competitive pricing and secured attractive supplier related lines of credit.

3.2 Scanlink

The BU's revenue was 1.1% below the prior year at US\$5.31 million, while profit before tax rose by 212.0% to US\$402,218, anchored on customer direct sales and increased volumes. Truck sales more than tripled to 34 trucks, while bus sales decreased by 20.0% to 16 buses from 20 in the prior year.

After sales business boosted the BU's performance, with parts revenue growing by 30.7% to US\$2.47 million, whilst service revenue increased by 15.3% to US\$1.04 million. The gross margin improved by 7.2 percentage points to 27.9%, benefiting from the increased parts and service revenue.

3.3 Trentyre

Overall, Trentyre grew revenue by 29.8% to US\$2.18 million. Retread revenue declined by 13.6% to US\$445,108, due to supply chain challenges in the first quarter of the year, but new tyre sales revenue rose by 66.7% to US\$1.43 million, led by off the road and farm tyres, where volumes increased by 66.8% to 522 units on orders from the mining sector. The gross margin improved by 5.1 percentage points to 30.8%. As a result, the BU is on a recovery path, with its loss before tax reduced by 95.7% to US\$12,027.

3.4 Mealie Brand

Mealie Brand's revenue grew by 16.1% to US\$3.43 million, and the business unit moved from a loss before tax of US\$43,347 in the prior year to a profit before tax of US\$96,321.

The Board's strategy of reducing the unit's dependence on the local agricultural market, to protect it from the shorter El Niño and drought cycles now being experienced, has produced positive results. Export revenue grew by 42.8% to US\$1.15 million, as implement export volumes grew by 46.4% to 9,461 units. Revenue from the mining segment, which the unit did not serve in 2025, reached US\$459,843, representing 13.4% of the unit's revenue. Local revenue declined by 15.4% to US\$1.81 million, as local implement volumes fell by 33.9% to 7,150 units. Parts sales volumes grew by 7.2% locally and by 44.7% in the export business.

3.5 Powermec

Powermec returned to profitability, posting a profit before tax of US\$30,362 against a loss of US\$65,334 in the prior year, on revenue 10.0% higher at US\$2.75 million. Solar and accessories revenue more than doubled, rising by 118.7% to US\$604,852, making up 22.0% of the unit's sales. Generator demand remained weak while grid supply to industry was relatively stable for much of the year: generator set sales fell by 32.1% to 36 units, and generator hire revenue declined by 40.8% to US\$80,513.

3.6 C.T. Bolts

C.T. Bolts revenue grew by 5.3% to US\$964,333, on tonnage 5.9% higher at 253 tonnes, and moved from a loss before tax of US\$761 in the prior year to a profit before tax of US\$63,798. Lower operating expenses accounted for the improvement, having decreased by 16.8% to US\$354,891, while the gross margin eased by 1.8 percentage points to 52.1% in a market where imported fasteners continue to compete on price.

4. OUTLOOK

The Board is encouraged by the relatively stable macroeconomic conditions, which are expected to be sustained to the year end. However, the 2026/27 cropping season is expected to be affected by the projected strong El Niño weather pattern, which may have a severe effect on the Group's agriculture related Business Units. The Group is seized with a drought proofing and diversification strategy which includes, among other initiatives, broadening the product offering with a focus on the mining sector and extending the export sales drive to other markets. Zimplow Holdings Limited is focusing on growing the businesses outside agriculture through investment in stock and sales support, a rigorous cost containment drive across the Group and the preservation of cash resources through balance sheet protection and working capital management.

The Group has issued a cautionary statement advising stakeholders that Zimplow is in the final stages of negotiations for the acquisition of a business operating in an industry related to the Group. The Group remains focused on its diversification drive, through which it intends to broaden its product offering, particularly in the key sectors of the economy. Stakeholders will be kept informed of developments in this regard.

The Board remains focused on protecting the progress made in the first nine months and on positioning the Group to trade through the 2026/27 season.

By Order of the Board



B. N. Kumalo
Board Chairman

15 October 2026

