AFRICAN SUN
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African Sun Limited

Incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71

AUDITED SHORT-FORM FINANCIAL ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Highlights

Continuing operations	**31 December 2024**	31 December 2023
Revenue	**USD 53.98 million**	USD 46.98 million
Occupancy	**59%**	55%
EBITDA	**USD 9.88 million**	USD 8.20 million
(Loss)/profit for the year from continuing operations	**(USD 0.69) million**	USD 0.05 million
Average daily room rate (ADR)	**USD 119**	USD 115
Total revenue per available room	**USD 131**	USD 119
Basic loss per share for the year	**(0.02) USD cents**	(0.02) USD cents
Cash reserves	**USD 9.77 million**	USD 10.87 million

The short-form financial announcement is only a summary of the information contained in the condensed audited consolidated financial statements for the year ended 31 December 2024. Any investment decisions by investors and/or shareholders should be based on the complete condensed audited consolidated financial statements for the year ended 31 December 2024 published on the Victoria Falls Stock Exchange website: www.vfex.exchange/african-sun-limited and Company's website: www.africansunhotels.com/downloads.

The condensed audited consolidated financial statements for the year ended 31 December 2024 are also available on request, at no charge, from the registered office of the Company during working hours or via email on venon.musimbe@africansunhotels.com.

Financial performance

The Group's performance improved compared to the prior year, with enhanced earnings before interest, tax, depreciation, and amortization ("EBITDA") recorded as operations were streamlined through divestment of non-core assets that do not align with the Group's strategic objectives.

Revenue

The Group's revenue from continuing operations at USD 53.98 million increased by 15% compared to the prior year. The revenue growth was supported by growth in occupancy and stronger Average Daily Rates ("ADR"), which increased by 3% to USD 119, compared to USD 115 in the prior year. Continuing operations revenue was further bolstered by the Real Estate segment's contribution of USD 3.02 million, primarily driven by residential stand sales.

Revenue from the Group's discontinued operations, which consists of the Great Zimbabwe Hotel, Monomotapa Hotel and Sun Leisure Tours amounted to USD 8.24 million.

Total Group revenue, including discontinued operations, amounted to USD 62.22 million, representing a 14% growth from the prior year.

Operating expenses

Operating expenses, excluding depreciation, increased by 15% to USD 43.56 million. The increase is largely due to increased business volumes driving variable costs and cost push inflationary pressures particularly fiscal policy measures to adjust the VAT status of certain products in the market and a new sugar excise duty levied on manufactured beverages. Increased power and internet tariffs also led to a substantial rise in the Group's operating costs.

Profitability

EBITDA from continuing operations amounted to USD 9.88 million, a 21% increase compared to the previous year. In the same vein, profit before tax ("PBT") from continuing operations amounted to USD 4.07 million, a 104% increase compared to prior year. The improvement of both EBITDA and PBT is largely driven by the improving topline during the comparable periods.

Liquidity

The Group maintained a strong liquidity position, with cash and cash equivalents of USD 10.2 million, 96% (USD 9.77 million) attributable to continuing operations as of 31 December 2024 (2023: 10.87 million). In addition, the Group holds USD 1.15 million in equity financial instruments, which are available to support working capital requirements.

Portfolio transformation

The Group achieved notable progress in its refurbishment initiatives during the year, which primarily included the completion of public area renovations at Hwange Safari Lodge. Plans for 2025 include commencing the refurbishments of Holiday Inn Harare, Elephant Hills Resort, Troutbeck Timeshare Lodges and the second phase of renovations at The Victoria Falls Hotel. The downside of these refurbishments is the reduced rooms inventory for the Group for the 2025 financial year. These strategic capital investments aim to enhance guest experiences and grow the portfolio's market share.

Dividend declaration

Interim dividend

An interim dividend of USD 0.0003381 per share, amounting to a total of USD 500 000, was declared and paid out during the year.

Final dividend

The Board authorised a final dividend of USD 0.0006763 per share, amounting to a total of USD 1 000 000, to be paid out of retained earnings. The detailed dividend announcement will be circulated separately.

All figures in USD	**As at 31 December 2024**	As at 31 December 2023
Total assets	**137,706,531**	142,332,546
Total equity	**98,492,597**	99,945,486
Total liabilities	**39,213,934**	42,387,060

Outlook

As we move into 2025, we remain optimistic about the recovery of the tourism sector, building on the progress made in the local market and the ongoing rebound of international travel. The UN Tourism Organization forecasts a 5% growth in international tourist arrivals, driven by the full recovery of the Asia and Pacific markets and robust growth across most other regions.

Auditor's statement

These condensed financial results derived from the audited consolidated financial statements of African Sun Limited and its subsidiaries "the Group" for the financial year ended 31 December 2024, should be read together with the complete set of audited consolidated financial statements of the Group for the year ended 31 December 2024, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Edmore Chimhowa , Registered Public Auditor 0470.

An unmodified opinion has been issued on the consolidated financial statements for the year then ended. There is an emphasis of matter paragraph regarding the change in the presentation of expenses from a classification based on their function to a classification based on their nature effective 1 January 2024.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements. The key audit matters were with respect to revenue from contracts with customers and the effects of changes in foreign currency rates regarding estimation of appropriate exchange rates. The auditor's opinion is not modified in respect of these matters.

The auditor's report on the consolidated financial statements and the full set of the audited consolidated financial statements, is available for inspection at the company's registered office and the auditor's report has been lodged with the Victoria Falls Stock Exchange.

AFRICAN SUN

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A new season
under the African Sun

African Sun Limited
Condensed audited consolidated financial statements for the year ended 31 December 2024

Directors: L. Mhishi (Chairman) (appointed, 8 July 2024), C. Chikosi (resigned, 26 June 2024), S. Village (appointed, 22 March 2024), L. Ward* (appointed, 20 January 2024) Chief Executive Officer), L. Chikara* (Chief Finance Officer), B. Childs, G. Chikomo, T. Denga, A. Siyavora, V. Lapham. * Executive.

Registered office: **African Sun Limited, c/o Monomotapa Hotel,** 54 Parklane, Harare, P.O. Box CY 1211, Causeway, Harare, Zimbabwe. **Company secretary:** **V. Musimbe,** Email: venon.musimbe@africansunhotels.com

Independent auditor: **Grant Thornton Chartered Accountants (Zimbabwe),** Camelsa Business Park, 135 Enterprise Road, Highlands, Harare, Zimbabwe.

Transfer secretaries: **Corpserve (Private) Limited,** 2nd Floor, ZB Bank Centre, Cnr Kwame Nkrumah Avenue/First Street, P.O. Box 2208, Harare, Zimbabwe, Email: paradzai@escrowgroup.org

AFRICAN SUN
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African Sun Limited, incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71

Condensed audited consolidated financial statements
for the year ended 31 December 2024

Financial highlights

Continuing operations	31 December 2024	31 December 2023
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Cash reserves	**USD 9.77 million**	USD 10.87 million

Chairman's statement

Introduction
On behalf of the Board of Directors of African Sun Limited ("African Sun" or "the Company") and its subsidiaries, (collectively, "the Group") I am pleased to present the audited, condensed, consolidated financial statements for the year ended 31 December 2024.

Operating environment
The local economy was a tale of mixed fortunes in 2024. The year began with lingering inflationary pressures, leading to the transition from the Zimbabwean Dollar ("ZWL") to the Zimbabwe Gold ("ZWG") currency in April 2024. The economy stabilized until September 2024, when the ZWG suffered a sharp devaluation of 43%. This drastic shift, resulted in significant foreign exchange losses, affecting the Group's monetary position.

In response to the monetary policy challenges, including inflation and currency volatility, the Ministry of Finance introduced substantial fiscal policy changes on 1 January 2024, to broaden the country's tax base. These changes included adjustments to Value Added Tax ("VAT") and a new sugar excise duty levied on manufactured beverages. Furthermore, increases in power and internet tariffs contributed to a substantial rise in the Group's operating costs.

Despite the complex trading environment, the Group achieved positive volume growth across all its segments. The hotels continuing operations recorded an occupancy of 59% up from 55% in the prior year and the real estate segment increased its Group revenue contribution to 6% from 2% in the prior year.

Financial performance
The Group's performance improved compared to the prior year, with enhanced earnings before interest, tax, depreciation, and amortization ("EBITDA") recorded as operations were streamlined through divestment of non-core assets that do not align with the Group's strategic objectives.

Revenue
The Group's revenue from continuing operations at USD 53.98 million increased by 15% compared to the prior year. The revenue growth was supported by growth in occupancy and stronger Average Daily Rates ("ADR"), which increased by 3% to USD 119, compared to USD 115 in the prior year. Continuing operations revenue was further bolstered by the Real Estate segment's contribution of USD 3.02 million, primarily driven by residential stand sales.

Revenue from the Group's discontinued operations, which consists of the Great Zimbabwe Hotel, Monomotapa Hotel and Sun Leisure Tours amounted to USD 8.24 million.

Total Group revenue, including discontinued operations, amounted to USD 62.22 million, representing a 14% growth from the prior year.

Operating expenses
Operating expenses, excluding depreciation, increased by 15% to USD 43.56 million. The increase is largely due to increased business volumes driving variable costs and cost push inflationary pressures particularly fiscal policy measures to adjust the VAT status of certain products in the market and a new sugar excise duty levied on manufactured beverages. Increased power and internet tariffs also led to a substantial rise in the Group's operating costs.

Profitability
EBITDA from continuing operations amounted to USD 9.88 million, a 21% increase compared to the previous year. In the same vein, profit before tax ("PBT") from continuing operations amounted to USD 4.07 million, a 104% increase compared to prior year. The improvement of both EBITDA and PBT is largely driven by the improving topline during the comparable periods.

Liquidity
The Group maintained a strong liquidity position, with cash and cash equivalents of USD 10.2 million, 96% (USD 9.77 million) attributable to continuing operations as of 31 December 2024 (2023: 10.87 million). In addition, the Group holds USD 1.15 million in equity financial instruments, which are available to support working capital requirements.

Sustainability reporting
Sustainability principles are integral to the Group's overall business strategy, where practical and possible, guiding our decision-making and operations. During 2024, African Sun intensified it's sustainability efforts to drive positive impacts and long-term value. In line with the guidance of the Victoria Falls Stock Exchange ("VFEX"), the Group applied guidance from the Global Reporting Initiative Standards for Sustainability Reporting. This framework enables us to transparently disclose our sustainability performance and progress toward our goals.

The Group will continue to seek ways to promote the Environment, Social And Governance ("ESG") principles within our operations, among business partners, and associated value chains, with much of our societal initiatives focused on maximizing positive community impact. Overall, we continue to push and improve our diversity metrics as we fill vacancies throughout our organization and we remain focused on the initiatives to eliminate single-use plastics throughout our properties.

Through these efforts, we aim to contribute to a more sustainable future, while driving business growth and resilience.

The detailed 2024 Sustainability Report, which speaks to many more of our achievements and commitments will be part of our 2024 Integrated Annual Report to be published separately.

Portfolio transformation
The Group achieved notable progress in its refurbishment initiatives during the year, which primarily included the completion of public area renovations at Hwange Safari Lodge. Plans for 2025 include commencing the refurbishments of Holiday Inn Harare, Elephant Hills Resort, Troutbeck Timeshare Lodges and the second phase of renovations at The Victoria Falls Hotel. The downside of these refurbishments is the reduced rooms inventory for the Group for the 2025 financial year. These strategic capital investments aim to enhance guest experiences and grow the portfolio's market share.

Additionally, the Group will embark on the second phase of the Marlborough Sunset Views residential development, targeting 55 stands. This project is expected to bolster revenue and liquidity.

Discontinued operations
As part of its strategy the Board approved the sale of a number of non-core assets, and the Great Zimbabwe Hotel and Monomotapa Hotel were earmarked for sale. Subsequent to year end, the sale of the Great Zimbabwe Hotel has been consummated, and ownership of this hotel was transferred with effect from 1 April 2025.

Sun Leisure Tours, the travel, transfers and tours division, was discontinued on 31 March 2024.

Dividend declaration

Interim dividend
An interim dividend of USD 0.0003381 per share, amounting to a total of USD 500 000, was declared and paid out during the year.

Final dividend
The Board authorised a final dividend of USD 0.0006763 per share, amounting to a total of USD 1 000 000, to be paid out of retained earnings. The detailed dividend announcement will be circulated separately.

Outlook
As we move into 2025, we remain optimistic about the recovery of the tourism sector, building on the progress made in the local market and the ongoing rebound of international travel. The UN Tourism Organization forecasts a 5% growth in international tourist arrivals, driven by the full recovery of the Asia and Pacific markets and robust growth across most other regions.

The tourism sector does however face significant risks from economic and geopolitical challenges. The suspension of foreign aid funding by the United States is expected to negatively impact business from Non-Governmental Organizations ("NGOs") and other government-funded programs. Locally, business activity is expected to remain subdued, due to tight liquidity and low Government expenditure.

Directorate changes
Constantine Chikosi retired from the board effective 26 June 2024. I was honored to succeed him as Chairman of the Board, effective 8 July 2024. Simon Village joined the Board as a Non-Executive Director on 22 March 2024.

On behalf of the Board, I would like to extend my heartfelt gratitude to Constantine for his dedicated service and wish him the very best in his future endeavors. I also warmly welcome Simon to the Board and look forward to his valuable contributions.

Appreciation
I extend sincere gratitude to our Board, executive team, staff, shareholders, and all our valued stakeholders and suppliers. Your unwavering support and commitment to our vision have been pivotal to our success. We deeply appreciate your continued patronage and trust as we work together toward achieving sustainable growth and shared prosperity.

L.M. Mhishi

Chairman
30 April 2025

Auditor's statement

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African Sun Limited, incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71

Condensed audited consolidated financial statements
for the year ended 31 December 2024

Condensed consolidated statement of financial position
as at 31 December 2024

All figures in USD	Note	**31 December 2024**	31 December 2023
ASSETS			
Non-current assets			
Property and equipment	6	**67,667,591**	85,553,941
Investment property	7	**8,452,800**	10,680,900
Right of use assets	8.1	**16,015,536**	17,368,760
Other receivables	9	**1,020,248**	136,674
Biological assets		**332,692**	334,581
Total non-current assets		**93,488,867**	**114,074,856**
Current assets			
Assets classified as held for sale	10.2	**22,772,980**	3,600,000
Inventories		**5,096,219**	6,806,249
Other financial assets	9	**1,153,346**	617,557
Trade receivables	9	**2,440,094**	1,938,603
Other receivables	9	**2,987,943**	4,425,453
Cash and cash equivalents	9	**9,767,082**	10,869,828
Total current assets		**44,217,664**	**28,257,690**
Total assets		**137,706,531**	**142,332,546**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		**2,484,229**	2,476,768
Share premium		**14,029,390**	14,008,943
Equity-settled share based payment reserve	21.1	**-**	223,300
Foreign currency translation reserve	21.2	**8,373,916**	8,346,540
Revaluation reserve		**32,596,404**	32,596,404
Retained earnings		**41,008,658**	42,293,531
Total equity		**98,492,597**	**99,945,486**
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**11,686,407**	12,309,226
Lease liabilities	8.2	**13,505,597**	14,438,109
Total non-current liabilities		**25,192,004**	**26,747,335**
Current liabilities			
Liabilities associated with assets classified as held for sale	10.3	**1,412,829**	-
Trade and other payables		**10,008,820**	13,200,844
Current tax liabilities		**1,686,672**	490,530
Provisions	13	**635,950**	1,783,416
Lease liabilities	8.2	**277,659**	164,935
Total current liabilities		**14,021,930**	**15,639,725**
Total liabilities		**39,213,934**	**42,387,060**
Total equity and liabilities		**137,706,531**	**142,332,546**

Condensed consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

All figures in USD	Note	**31 December 2024**	31 December 2023*
Revenue	12	**53,979,172**	46,981,522
Rooms related costs		**(1,349,098)**	(1,147,036)
Cost of food and beverages sold		**(5,793,974)**	(5,018,856)
Hotel occupancy costs		**(3,576,483)**	(2,949,725)
Repairs and maintenance costs		**(1,598,523)**	(1,307,828)
Property related costs		**(1,295,679)**	(391,392)
Employee benefits expense		**(17,809,834)**	(16,990,038)
Net impairment (losses)/reversal on financial assets	11.2	**(44,600)**	326,907
Other operating expenses	14	**(12,090,562)**	(9,628,815)
Other expenses	16	**(537,962)**	(1,674,251)
Earnings before interest, tax, depreciation and amortisation		**9,882,457**	**8,200,488**
Depreciation and amortisation	15	**(4,485,000)**	(5,069,398)
Operating profit before finance income/(costs)		**5,397,457**	**3,131,090**
Finance income		**132,106**	221,505
Finance costs		**(13,091)**	(9,951)
Finance costs - lease liabilities		**(1,444,194)**	(1,344,478)
Profit before tax		**4,072,278**	**1,998,166**
Tax expense	17	**(4,761,440)**	(1,947,418)
(Loss)/profit for the year from continuing operations		**(689,162)**	**50,748**
Profit/(loss) for the year from discontinued operations	10.1.8	**415,095**	(415,337)
Loss for the year		**(274,067)**	**(364,589)**
Other comprehensive income for the year net of tax:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	21.2	**27,376**	77,324
Items that may not be subsequently reclassified to profit or loss			
Revaluation surplus	21.3	**-**	5,266,482
Other comprehensive income for the year net of tax		**27,376**	**5,343,806**
Total comprehensive (loss)/income for the year		**(246,691)**	**4,979,217**
Loss for the year attributable to:			
Owners of the parent		**(274,067)**	(364,589)
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(246,691)**	4,979,217
(Loss)/earnings per share attributable to:			
Owners of the parent during the year (USD cents)			
Basic and diluted loss per share	20	**(0.02)**	(0.02)
Headline earnings/(loss) per share	20	**0.02**	(0.02)

*The Group restated the prior year's comparative figures to show the effect of discontinued operations and changed the presentation format from a function-based approach to a nature-based approach, which resulted in the reclassification of expenses. For more details on the reclassification of expenses, refer to note 3.1.

Condensed consolidated statement of changes in equity
For the year ended 31 December 2024

All figures in USD	Share capital	Share premium	Equity-settled share based payment reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	**Total equity**
Year ended 31 December 2023							
Balance as at 1 January 2023	**2,476,768**	**14,008,943**	**213,296**	**8,269,216**	**27,543,868**	**44,270,888**	**96,782,979**
Loss for the year	-	-	-	-	-	(364,589)	**(364,589)**
Other comprehensive income/(loss):							
Exchange differences on translation of foreign operations	-	-	-	77,324	-	-	**77,324**
Transfer to retained earnings	-	-	-	-	(213,946)	213,946	**-**
Revaluation surplus - net of tax	-	-	-	-	5,266,482	-	**5,266,482**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**77,324**	**5,052,536**	**(150,643)**	**4,979,217**
Transactions with owners in their capacity as owners:							
Share options cost	-	-	10,004	-	-	-	**10,004**
Dividends	-	-	-	-	-	(1,826,714)	**(1,826,714)**
Balance as at 31 December 2023	**2,476,768**	**14,008,943**	**223,300**	**8,346,540**	**32,596,404**	**42,293,531**	**99,945,486**
Effects of initial application of the lack of exchangeability amendments (IAS21) - note 3.2	-	-	-	-	-	(387,867)	**(387,867)**
Restated balance as at 31 December 2023	**2,476,768**	**14,008,943**	**223,300**	**8,346,540**	**32,596,404**	**41,905,664**	**99,557,619**
Year ended 31 December 2024							
Balance as at 1 January 2024	**2,476,768**	**14,008,943**	**223,300**	**8,346,540**	**32,596,404**	**41,905,664**	**99,557,619**
Loss for the year	-	-	-	-	-	(274,067)	**(274,067)**
Other comprehensive income/(loss):							
Exchange differences on translation of foreign operations	-	-	-	27,376	-	-	**27,376**
Transfer to retained earnings	-	-	(217,776)	-	-	217,776	**-**
Total comprehensive (loss)/income for the year	**-**	**-**	**(217,776)**	**27,376**	**-**	**(56,291)**	**(246,691)**
Transactions with owners in their capacity as owners:							
Shares issued	7,461	20,447	(5,524)	-	-	-	**22,384**
Dividends	-	-	-	-	-	(840,715)	**(840,715)**
Balance as at 31 December 2024	**2,484,229**	**14,029,390**	**-**	**8,373,916**	**32,596,404**	**41,008,658**	**98,492,597**

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African Sun Limited, incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71

Condensed audited consolidated financial statements
for the year ended 31 December 2024

Condensed consolidated statement of cash flows
For the year ended 31 December 2024

All figures in USD	Note	31 December 2024	31 December 2023
Operating activities			
Cash generated from continuing and discontinued operations	18	**8,909,709**	7,998,867
Finance income		**132,106**	229,036
Finance costs		**(13,091)**	(9,951)
Finance costs - lease liabilities		**(1,444,194)**	(1,344,478)
Tax paid		**(2,784,228)**	(1,361,627)
Cash from operating activities		**4,800,302**	**5,511,847**
Investing activities			
Proceeds from sale of subsidiary	10.1.10	**-**	309,293
Purchase of property and equipment	6	**(5,586,797)**	(5,585,513)
Proceeds from sale of investment property		**1,472,235**	788,905
Purchase of equity investments		**(1,234,669)**	(569,234)
Proceeds from sale of equity investments		**136,905**	-
Dividend income		**40,870**	-
Proceeds from sale of property and equipment		**687,976**	200,084
Cash utilised in investing activities		**(4,483,480)**	**(4,856,465)**
Financing activities			
Repayment of lease liabilities		**(178,032)**	(106,887)
Proceeds from issue of shares		**22,384**	-
Dividend paid		**(840,715)**	(1,076,679)
Cash utilised in financing activities		**(996,363)**	**(1,183,566)**
Decrease in cash and cash equivalents		**(679,541)**	**(528,184)**
Cash and cash equivalents at the beginning of the year		**10,869,828**	11,463,432
Exchange loss on foreign currency translations		**-**	(65,420)
Cash and cash equivalents at the end of the year		**10,190,287**	**10,869,828**
Cash and cash equivalents included in disposal group		**(423,205)**	-
Cash and cash equivalents for continuing operations		**9,767,082**	**10,869,828**

Notes to the condensed audited consolidated financial statements
For the year ended 31 December 2024

1 Reporting entity

African Sun Limited (the "Company") is a Zimbabwean corporation operating, together with its subsidiaries, collectively referred to as the "Group". The Group's primary activities involve managing nine hotels, operating two Lodges in Zimbabwe under a timeshare model, and operating a sales and marketing office in South Africa that focuses on international and regional sales. In addition to its hospitality operations, the Group also has a real estate division. This division owns six hotel buildings that are operated by the hotel division. Furthermore, the Group holds more than 3,100 hectares of land across Zimbabwe, with 2,630 hectares primarily held for capital appreciation or future development purposes.

As a Zimbabwean corporation, the Company is incorporated and domiciled in Zimbabwe. It is publicly listed on the Victoria Falls Stock Exchange (VFEX). The majority shareholder of the Company is Brainworks Capital Management (Private) Limited, whose registered address is 26 Endeavor Crescent, Mount Pleasant Business Park, Harare, which owns 60.42% (2023: 60.42%) of the ordinary share capital of the Company.

The Company's registered address is Monomotapa Hotel, Number 54 Park Lane Road, Harare, Zimbabwe.

These audited condensed consolidated financial statements were approved for issue by the Directors on 30 April 2025.

2 Basis of preparation

The condensed consolidated financial statements as at 31 December 2024 include the financial statements of African Sun Limited and its subsidiaries. These statements comply with the recognition and measurement requirements of International Financial Reporting Standards (IFRS). Selected explanatory notes are provided to clarify significant events and transactions that impact the Group's performance and financial position. These condensed consolidated financial statements also comply with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), the VFEX Listing Requirements. The condensed consolidated financial statements are prepared using the historical cost convention as the primary basis, with modifications made for the revaluation of investment property, biological assets, financial assets, and property and equipment.

Preparing condensed consolidated financial statements in accordance with IFRS involves the use of critical accounting estimates and requires management to exercise judgement when applying the Group's accounting policies. Note 5 discloses the areas that involve a higher degree of judgement or complexity, including assumptions and estimates that are significant to the financial statements.

The condensed consolidated financial statements are presented in United States dollars (USD), and all amounts are rounded to the nearest dollar, unless otherwise stated.

3 Accounting policies

The accounting policies utilised in the preparation of these condensed consolidated financial statements remain consistent with the most recent financial statements, unless otherwise indicated. For comprehensive disclosures and a complete understanding of the accounting policies employed, please refer to the full set of financial statements provided in our annual report.

3 Accounting policies (continued)

3.1 Change in presentation of expenses

During the financial year ended 31 December 2024, the Group made a change in the presentation of expenses in the consolidated financial statements from presentation by function to presentation by nature. This change in presentation is in line with IAS 1, "Presentation of Financial Statements", which permits the presentation of expenses recognised in profit or loss using a classification based on either their nature or their function.

The Group's statement of comprehensive income has historically been presented based on function. The Directors reassessed the relevance of the current presentation of the statement of comprehensive income and concluded that the presentation of expenses by nature is more reliable and relevant for a hospitality business for the following reasons:

- The presentation of expenses by their nature is widely adopted by hospitality businesses in the region particularly industry peers in South Africa and Botswana. Aligning presentation of the statement of comprehensive income with regional practices enhances consistency and facilitates industry-wide comparisons.
- The nature of expense method offers insights into the fundamental resources consumed by the business, providing granular information for financial analysis. By highlighting direct costs related to production, operations, and core activities, this method enhances transparency in financial statements allowing stakeholders to easily grasp the components of expenses without the complexity of functional allocations.
- The function-based presentation of expenses involves subjective allocation of costs to functions. In contrast, a nature-based presentation enhances the relevance and reliability of presenting costs, leading to improved predictions about future cash flows and margins.

Based on this assessment, Directors resolved to change the presentation of the statement of comprehensive income from presentation by function to presentation by nature for the reporting year beginning 1 January 2024 and beyond.

The change in presentation has no impact on the Group's total operating expenses, net income, or earnings per share for the current or prior years; however, it has resulted in a reclassification of amounts previously presented.

The effect of the change in presentation had the change been effected for the twelve months ended 31 December 2023 would be as follows:

All figures in USD	31 December 2023 As presented	Reclassification	31 December 2023 Reclassified
Cost of sales	13,522,174	(13,522,174)	-
Operating expenses	30,655,165	(30,655,165)	-
Total operating expenses	**44,177,339**	**(44,177,339)**	**-**
Rooms related costs	-	1,147,036	1,147,036
Cost of food and beverages sold	-	5,018,856	5,018,856
Hotel occupancy costs	-	2,949,725	2,949,725
Repairs and maintenance costs	-	1,307,828	1,307,828
Property related costs	-	391,392	391,392
Employee benefits expense	-	16,990,038	16,990,038
Other operating expenses	-	9,628,815	9,628,815
Other expenses	-	1,674,251	1,674,251
Depreciation and amortisation expense	-	5,069,398	5,069,398
Total operating expenses	**-**	**44,177,339**	**44,177,339**

The prior year's comparative information has been restated to conform to the new presentation format. The total operating expenses remain unchanged, but individual expense categories have been reclassified as outlined above.

Management believes this change in the presentation of expenses provides better information to stakeholders and enhances the understandability of the Group's financial statements. There are no adjustments to the reported profit or loss or the financial position as a result of this change in presentation.

3.2 Lack of exchangeability - use of estimated spot rate

The Group operates in a multi currency economy and transacts largely in United States dollar ("USD"), the functional currency and to a lesser extent the Zimbabwe Gold ("ZWG"), the local currency. The ZWG transactions are converted to the USD functional currency at the spot exchange rate on the transaction date, while ZWG monetary assets and liabilities are translated to USD using the closing spot rate as of the reporting date.

Since the introduction of the local currency in 2019, the Group has encountered challenges in converting ZWG to USD through the formal foreign exchange market. In 2020, the Foreign Exchange Auction Market was established and operated until December 2023. During this period the Group was unable to fully participate in this market due to restrictions on entities holding USD balances in their bank accounts. In December 2023, the Auction Market was replaced by the "Willing Buyer, Willing Seller" (WBWS) system, with the aim of liberalizing the foreign exchange market and enabling price discovery through market forces.

Although the Group is now eligible to participate in the WBWS Interbank market, regulatory restrictions have significantly limited the amounts it can obtain. These restrictions prioritize the importation of critical goods, with most of the Group's obligations falling outside the import priority list.

Considering these factors, directors assessed the exchangeability of the ZWG currency for USD and concluded that there is a long term lack of exchangeability between the two currencies.

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3 Accounting policies (continued)

3.2 Lack of exchangeability - use of estimated spot rate (continued)

Following the directors assessment, the Group opted for early adoption of the amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability), effective 1 January 2024, ahead of the official effective date of 1 January 2025.

The IAS 21 amendments require the Group to estimate the exchange rate to reflect the rate at which an orderly exchange transaction would occur between market participants under current economic conditions. The Group adopted an estimation technique that relies on data from trade suppliers, adjusted for market imperfections, as there are no observable exchange rates in the market that meet the specified objectives of IAS 21.

The Group uses the estimated exchange rate to translate ZWG-denominated revenues, expenses, receipts, and payments. Transactions are translated daily using the estimated daily spot exchange rates. Similarly, ZWG monetary assets and liabilities are translated using the estimated rate as of the closing measurement date.

The Group did not restate comparative information when applying the Lack of Exchangeability amendments for the first time.

The impact of the initial application, amounting to USD 387,867, was recorded as an adjustment to the opening balance of retained earnings.

3.3 Change in depreciation estimate

During the financial year ended 31 December 2024, the Group reviewed its depreciation estimation for buildings in accordance with IAS 16: Property, Plant, and Equipment. Following this review, the Group revised the residual value of its buildings from 0% to 25% of the buildings' cost. This change reflects management's updated expectation of the value recoverable at the end of the buildings' useful lives, based on current market conditions and historical trends in property values.

The revision was made to better align the Group's accounting estimates with the expected recoverable value of buildings at the end of their useful lives. Previously, the Group assumed no residual value for its buildings; however, market evidence now indicates that a significant portion of the buildings' value is likely to be recoverable at the end of their useful lives due to factors such as land appreciation and the durability of building structures.

This change in estimate is in line with the requirements of IAS 16, which requires residual values to be reviewed periodically and adjusted when necessary to reflect current conditions.

This change in accounting estimate was applied prospectively from 1 January 2024. As a result, the depreciation expense for the current year has decreased compared to prior years. The table below summarizes the financial impact of the change:

	Before Change USD	After Change USD	**Effect of Change USD**
Depreciation Expense - Buildings	904,899	648,250	**256,649**
Net Carrying Amount - Buildings	47,117,201	47,373,850	**(256,649)**

The adjustment to the residual value has no impact on prior years, as the revision represents a change in accounting estimate and not a correction of an error or a change in accounting policy.

4 Going concern

The Directors have assessed the ability of the Group to continue as going concern and are of the view that, the preparation of these condensed consolidated financial statements on a going concern basis is appropriate.

In their going concern assessment, the Directors considered the projected performance of the tourism industry, the cash flow and liquidity projections, including key commitments for a period exceeding 12 months from the reporting date. Despite experiencing after tax losses, the Group remains financially stable and remains optimistic about its ability to recover. The following key factors support its going concern status:

(i) The Group is entirely debt-free, which eliminates the risk of debt repayment obligations or interest burdens that could strain liquidity.

(ii) As of 31 December 2024, the Group holds a healthy cash position of USD 9.77 million for continuing operations, providing a strong liquidity buffer to fund its operations and planned recovery initiatives.

(iii) The Group has consistently generated positive cash flows from operating activities during the year, amounting to USD 4.80 million. This demonstrates the Group's ability to meet its operational obligations and sustain its day-to-day operations without reliance on external funding.

The Group has implemented several key recovery initiatives aimed at driving financial performance and returning to profitability. These include:

(i) Refurbishment of key hotels to enhance guests experience and attract premium clients. The completion of the Hwange Safari Lodge refurbishment is expected to boost performance.

(ii) Sale of non-core properties to free up capital for reinvestment in high-yield projects.

(iii) Rebranding with the focus on repositioning our hotels in the key markets.

Based on management's detailed financial forecasts, the Group expects to return to profitability within the next 12 months. The forecasts are underpinned by:

(i) Improved hotel occupancy rates as tourism recovers.

(ii) Cost optimization initiatives reducing operating expenses by 5%.

The Directors will continue to monitor the Group's financial performance and market conditions closely to ensure that the Group remains on a sustainable recovery path.

5 Accounting estimates

When preparing the condensed consolidated financial statements, management exercises judgement, make estimates, and utilise assumptions regarding the recognition and measurement of assets, liabilities, revenue, and expenses. There are several areas where these estimates, judgments, and assumptions made by management have a significant impact on the condensed consolidated financial statements. These areas include:

(i) Measurement of expected credit losses on financial assets.

(ii) Estimation of spot exchange rates.

(iii) Tax liability computations.

6 Property and equipment

All figures in USD	Freehold properties	Leasehold properties	Equipment	Service stocks	Motor vehicles	Capital work in progress	**Total**
Year ended 31 December 2023							
Cost	66,329,979	6,788,607	26,164,506	135,410	1,807,929	2,317,348	**103,543,779**
Accumulated depreciation	(4,394,500)	(2,513,141)	(16,562,148)	-	(82,901)	-	**(23,552,690)**
Opening net book value	61,935,479	4,275,466	9,602,358	135,410	1,725,028	2,317,348	**79,991,089**
Additions	431,291	1,139,794	2,815,056	303,468	416,393	479,511	**5,585,513**
Transfers in/(out)	-	2,102,274	-	-	-	(2,102,274)	**-**
Foreign exchange difference	-	-	(2,109)	-	-	-	**(2,109)**
Disposals - cost	-	(18,884)	(2,575,442)	-	(122,971)	-	**(2,717,297)**
Disposals - accumulated depreciation	-	6,832	1,953,300	-	21,620	-	**1,981,752**
Revaluation - cost	4,385,148	-	(1,460,507)	-	(314,604)	-	**2,610,037**
Revaluation - depreciation	133,448	-	2,418,144	-	672,163	-	**3,223,755**
Depreciation	(904,766)	(834,059)	(2,563,776)	(198,562)	(617,636)	-	**(5,118,799)**
	65,980,600	**6,671,423**	**10,187,024**	**240,316**	**1,779,993**	**694,585**	**85,553,941**
Cost	71,146,418	10,011,791	24,941,504	438,878	1,786,747	694,585	**109,019,923**
Accumulated depreciation	(5,165,818)	(3,340,368)	(14,754,480)	(198,562)	(6,754)	-	**(23,465,982)**
Net book value	**65,980,600**	**6,671,423**	**10,187,024**	**240,316**	**1,779,993**	**694,585**	**85,553,941**
Year ended 31 December 2024							
Opening net book value	65,980,600	6,671,423	10,187,024	240,316	1,779,993	694,585	**85,553,941**
Additions	-	1,666,826	1,822,156	385,528	1,059,628	652,659	**5,586,797**
Transfers in/(out)	-	308,719	201,690	-	-	(510,409)	**-**
Transfer to asset held for sale	(16,115,174)	(607,438)	(1,426,326)	(34,425)	(50,066)	(79,936)	**(18,313,365)**
Foreign exchange difference	-	-	(471)	-	-	-	**(471)**
Disposals - cost	(246,616)	(20,386)	(740,983)	-	(647,601)	-	**(1,655,586)**
Disposals - accumulated depreciation	-	11,829	639,849	-	262,382	-	**914,060**
Depreciation	(576,924)	(1,019,708)	(1,807,397)	(306,374)	(707,382)	-	**(4,417,785)**
	49,041,886	**7,011,265**	**8,875,542**	**285,045**	**1,696,954**	**756,899**	**67,667,591**
Cost	54,784,628	11,163,700	21,383,748	789,981	2,007,829	756,899	**90,886,785**
Accumulated depreciation	(5,742,742)	(4,152,435)	(12,508,206)	(504,936)	(310,875)	-	**(23,219,194)**
Net book value	**49,041,886**	**7,011,265**	**8,875,542**	**285,045**	**1,696,954**	**756,899**	**67,667,591**

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7 Investment property

All figures in USD	31 December 2024	31 December 2023
Balance at the beginning of the year	**10,680,900**	**12,419,021**
Transfer to assets classified as held for sale	**(1,500,000)**	(1,410,000)
Disposals	**(783,000)**	(1,332,000)
Fair value gain	**54,900**	1,003,879
Balance at the end of the year	**8,452,800**	**10,680,900**

The disposal of the investment property relates to the 8 units of the Elizabeth Windsor Gardens, which were disposed of during the current year. The Elizabeth Windsor Gardens units were previously rented out to tenants.

8 Leases

8.1 Reconciliation of the right-of-use assets is as follows:

All figures in USD	Hotel buildings	Other buildings	Land	Total
As at 01 January 2023	4,473,313	409,991	12,301	**4,895,605**
Additions/re-measurement	9,918,742	3,167,037	-	**13,085,779**
Depreciation	(475,031)	(135,934)	(1,659)	**(612,624)**
As at 31 December 2023	**13,917,024**	**3,441,094**	**10,642**	**17,368,760**
Additions/re-measurement	(641,756)	-	-	**(641,756)**
Foreign exchange differences	-	(17)	-	**(17)**
Depreciation	(503,188)	(207,434)	(829)	**(711,451)**
As at 31 December 2024	**12,772,080**	**3,233,643**	**9,813**	**16,015,536**

The re-measurement relates to changes in lease term and fixed base rent for Holiday Inn Bulawayo and Holiday Inn Harare respectively.

8.2 Analysis of lease liabilities is as follows:

All figures in USD	31 December 2024	31 December 2023
Non-current	**13,505,597**	14,438,109
Current	**277,659**	164,935
Total lease liabilities	**13,783,256**	**14,603,044**

Fixed lease payments for the year 31 December 2024 amounted to USD 1,622,226 (2023: USD 1,451,365).

9 Financial assets

All figures in USD	Amortised cost	Fair value through profit or loss	Total
As at 31 December 2024			
Other receivables	1,020,248	-	**1,020,248**
Total non-current	**1,020,248**	**-**	**1,020,248**
Trade receivables	2,440,094	-	**2,440,094**
Other financial assets	-	1,153,346	**1,153,346**
Other receivables	2,987,943	-	**2,987,943**
Cash and cash equivalents	9,767,082	-	**9,767,082**
Total current	**15,195,119**	**1,153,346**	**16,348,465**
Total financial assets	**16,215,367**	**1,153,346**	**17,368,713**
As at 31 December 2023			
Other receivables	136,674	-	**136,674**
Total non-current	**136,674**	**-**	**136,674**
Trade receivables	1,938,603	-	**1,938,603**
Other financial assets	-	617,557	**617,557**
Other receivables	4,425,453	-	**4,425,453**
Cash and cash equivalents	10,869,828	-	**10,869,828**
Total current	**17,233,884**	**617,557**	**17,851,441**
Total financial assets	**17,370,558**	**617,557**	**17,988,115**

During the year ended 31 December 2024, the Group acquired additional equity instruments on the Zimbabwe Stock Exchange worth USD 1,234,669 (2023: 569,234). The shares acquired did not result in significant influence or control of the investee companies.

The Group generated proceeds worth USD 136,905 from the sale of part of the shares held during the year.

10 Discontinued operations and assets classified as held for sale

10.1 Discontinued operations

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," the Group has classified the following operations as discontinued:

10.1.1 Monomotapa Hotel
The Group resolved to sell Monomotapa Hotel during the year and has been actively marketing the hotel. The transaction is expected to be completed before 30 June 2025.

10.1.2 Great Zimbabwe Hotel
The Group resolved to sell Great Zimbabwe Hotel during the year under review. Subsequent to 31 December 2024 an agreement of sale has been executed and the transfer of ownership was effected on 1 April 2025.

10.1.3 Laclede Investments (Private) Limited ("Laclede")
As part of the disposal of the Great Zimbabwe Hotel, Laclede, a subsidiary company that owns the property, will be disposed of concurrently with the hotel.

10.1.4 Sun Leisure Tours
In March 2024, the Group closed it's travel and tours division in line with it's strategy to focus on core hotel operations.

10.1.5 Dawn Property Consultancy (Private) Limited ("DPC")
The group disposed DPC at the beginning of the prior year. Refer to note 10.1.10 for details relating to the disposed assets and liabilities of DPC.

10.1.6 The Kingdom at Victoria Falls ("Kingdom")
The Group mutually terminated the lease agreement of The Kingdom at Victoria Falls Hotel with Makasa Sun (Private) Limited ("the Landlord") effective 31 December 2022.

This was following approval by the Board on 20 June 2022 to exit from the lease and discontinue operations by 31 December 2022. The winding up of the operations was completed in 2023, refer to note 10.1.8 for the costs incurred after the closure of the hotel which are include in loss from discontinued operations.

10.1.7 Harare Sun Casino and Makasa Casino
Following the closure of The Kingdom at Victoria Falls Hotel, the Group terminated "Casino" operations. The Harare Sun Casino license was linked to the Makasa Casino which operated at the Kingdom hotel. Due to the closure of the Kingdom hotel both casinos were subsequently closed.

10.1.8 Analysis of the profit for the year from discontinued operations
The results of the discontinued operations included in the loss for the year are set out as below:

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

All figures in USD	Monomotapa Hotel	Great Zimbabwe Hotel	Sun Leisure Tours	Sun Casinos	Kingdom Hotel	Total
Revenue	6,162,167	2,004,767	69,303	-	-	**8,236,237**
Rooms related costs	(176,232)	(26,290)	-	-	-	**(202,522)**
Cost of food and beverages sold	(701,831)	(217,332)	-	-	-	**(919,163)**
Hotel occupancy costs	(977,257)	(350,330)	-	-	-	**(1,327,587)**
Repairs and maintenance costs	(229,789)	(43,091)	-	-	-	**(272,880)**
Employee benefits expense	(2,251,953)	(615,524)	(69,912)	(2,393)	-	**(2,939,782)**
Net impairment on financial assets	(45,191)	(9,154)	-	-	-	**(54,345)**
Other operating expenses	(1,049,825)	(306,227)	(56,285)	(2,545)	-	**(1,414,882)**
Other expenses	(120,586)	(266,157)	(29,050)	(160,336)	-	**(576,129)**
Earnings before interest, tax, depreciation and amortisation	**609,503**	**170,662**	**(85,944)**	**(165,274)**	**-**	**528,947**
Depreciation and amortisation	(326,262)	(200,174)	(117,800)	-	-	**(644,236)**
Profit/(loss) before tax	**283,241**	**(29,512)**	**(203,744)**	**(165,274)**	**-**	**(115,289)**
Tax expense	(194,249)	(22,213)	-	-	-	**(216,462)**
Profit/(loss) for the year from discontinued operations	**88,992**	**(51,725)**	**(203,744)**	**(165,274)**	**-**	**(331,751)**
Intra-group transactions eliminated	575,144	171,702	-	-	-	**746,846**
Profit/(loss) for the year from discontinued operations	**664,136**	**119,977**	**(203,744)**	**(165,274)**	**-**	**415,095**

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10 Discontinued operations and assets classified as held for sale (continued)

10.1 Discontinued operations (continued)

10.1.8 Analysis of the profit for the year from discontinued operations (continued)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2023

All figures in USD	Monomotapa Hotel	Great Zimbabwe Hotel	Sun Leisure Tours	Sun Casinos	Kingdom Hotel	Total
Revenue	5,592,811	1,825,753	326,148	10,981	3,035	**7,758,728**
Rooms related costs	(153,258)	(25,126)	-	-	-	**(178,384)**
Cost of food and beverages sold	(574,732)	(213,487)	-	-	-	**(788,219)**
Hotel occupancy costs	(1,063,517)	(358,724)	-	-	-	**(1,422,241)**
Repairs and maintenance costs	(217,029)	(52,241)	(740)	-	-	**(270,010)**
Employee benefits expense	(2,192,459)	(603,468)	(138,669)	(265,927)	-	**(3,200,523)**
Net (impairment)/reversal on financial assets	65,214	13,488	-	-	-	**78,702**
Other operating expenses	(831,360)	(273,888)	(214,877)	(112,517)	(293,143)	**(1,725,785)**
Other income/(expenses)	(1,205,564)	608,149	53,061	172,828	(374,547)	**(746,073)**
Earnings before interest, tax, depreciation and amortisation	**(579,894)**	**920,456**	**24,923**	**(194,635)**	**(664,655)**	**(493,805)**
Depreciation and amortisation	(310,930)	(114,590)	(210,161)	(26,344)	-	**(662,025)**
Operating profit before finance income/(costs)	**(890,824)**	**805,866**	**(185,238)**	**(220,979)**	**(664,655)**	**(1,155,830)**
Finance income	7,531	-	-	-	-	**7,531**
Profit before tax	**(883,293)**	**805,866**	**(185,238)**	**(220,979)**	**(664,655)**	**(1,148,299)**
Tax expense	-	(148,728)	-	-	-	**(148,728)**
Loss for the year from discontinued operations	**(883,293)**	**657,138**	**(185,238)**	**(220,979)**	**(664,655)**	**(1,297,027)**
Intra-group transactions eliminated	746,649	135,041	-	-	-	**881,690**
Loss for the year from discontinued operations	**(136,644)**	**792,179**	**(185,238)**	**(220,979)**	**(664,655)**	**(415,337)**

10.1.9 Analysis of cash flows from discontinued operations

The cash flows attributable to the discontinued operation for the year ended 31 December 2024 are as follows:

All figures in USD	Monomotapa Hotel	Great Zimbabwe Hotel	Sun Leisure Tours	Sun Casinos	Kingdom Hotel	Total
Net cash flow from/(utilised) operating activities	255,623	(39,234)	(351,781)	(16,518)	(178,106)	**(330,016)**
Net cash (utilised in)/from investing activities	(460,517)	(63,515)	334,761	16,486	287,732	**114,947**
Net cash (decrease)/increase in cash and cash equivalents	**(204,894)**	**(102,749)**	**(17,020)**	**(32)**	**109,626**	**(215,069)**

10.1.10 Disposal of Dawn Property Consultancy (Private) Limited

On 7 January 2023, the Group disposed of its 100% equity interest in its subsidiary, Dawn Property Consultancy (Private) Limited. The consideration was received fully in cash on 07 January 2023. effective date of loss of control in DPC. At the date of disposal, the carrying amounts of DPC net assets were as follows:

All figures in USD	**31 December 2024**	31 December 2023
Net assets		
Property and equipment	**-**	297,115
Inventories	**-**	18,386
Trade and other receivables	**-**	118,344
Cash and cash equivalents	**-**	190,707
Trade and other payables	**-**	(151,891)
Deferred tax liabilities	**-**	(69,726)
Current income tax liabilities	**-**	(18,277)
Provisions for other liabilities	**-**	(1,367)
Net assets and liabilities	**-**	**383,291**
Purchase consideration received	**-**	500,000
Profit on disposal of subsidiary	**-**	**116,709**
Purchase consideration received in cash	**-**	**500,000**
Cash and cash equivalents in subsidiary disposed	**-**	**(190,707)**
Net cash inflow from sale of subsidiary	**-**	**309,293**

10 Discontinued operations and assets classified as held for sale (continued)

10.2 Assets classified as held for sale

All figures in USD	**31 December 2024**	31 December 2023
Balance at the beginning of the year	**3,600,000**	**3,533,845**
Transfer from Investment property	**1,500,000**	1,410,000
Disposal group assets	**19,138,154**	-
Disposal	**(950,000)**	(433,845)
Fair value loss	**(515,174)**	(910,000)
Balance at the end of the year	**22,772,980**	**3,600,000**

The disposal Group assets relates to Monomotapa Hotel, Great Zimbabwe Hotel and Laclede Investments (Private) Limited.

From the opening balance, Beitbridge Express Hotel and one commercial stand remained unsold as of 31 December 2024. Management remain committed to the sale of these properties and all the properties are expected to be sold before the year ending 31 December 2025.

Disposal amount relates a commercial stand which was successfully disposed during the current year.

At the reporting date, the major classes of assets and liabilities of the discontinued operations classified as held for sale are as follows:

All figures in USD	**31 December 2024**	31 December 2023
Assets		
Property and equipment	**18,048,192**	-
Investment property	**3,900,000**	3,600,000
Inventories	**385,628**	-
Other receivables	**15,955**	-
Cash and cash equivalents	**423,205**	-
Total assets held for sale	**22,772,980**	**3,600,000**

10.3 Liabilities associated with assets held for sale

As of 31 December 2024, the Group has classified certain assets and liabilities as held for sale in accordance with IFRS 5. The major classes of liabilities directly associated with the assets classified as held for sale are as follows:

All figures in USD	**31 December 2024**	31 December 2023
Liabilities		
Deferred tax liability	**987,500**	-
Trade and other payables	**425,329**	-
Total liabilities associated with assets held for sale	**1,412,829**	**-**

These liabilities are expected to be settled upon the completion of the sale, which is anticipated to occur within the next 12 months.

The liabilities are measured at the lower of their carrying amount and fair value less costs to sell.

11 Financial risk management

11.1 Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Cash flow forecasting is performed at the operating entity level of the Group and aggregated by the Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

Surplus cash held by the operating entities in excess of the amount required for working capital management are transferred to the Group Finance. Group Finance invests surplus cash in interest bearing current accounts, time deposits and money markets deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The tables below analyse the Group's liquidity gap in to relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the condensed audited consolidated financial statements (continued)

For the year ended 31 December 2024

11 Financial risk management (continued)

11.1 Liquidity risk (continued)

All figures in USD	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 December 2024				
Liabilities				
Trade and other payables	(10,008,820)	-	-	**(10,008,820)**
Lease liabilities	(277,659)	(1,389,867)	(12,115,730)	**(13,783,256)**
Total liabilities	**(10,286,479)**	**(1,389,867)**	**(12,115,730)**	**(23,792,076)**
Assets held for managing liquidity risk				
Trade receivables	2,440,094	-	-	**2,440,094**
Other financial assets	4,141,289	1,020,248	-	**5,161,537**
Cash and cash equivalents	9,767,082	-	-	**9,767,082**
Total assets held for managing liquidity risk	**16,348,465**	**1,020,248**	**-**	**17,368,713**
Liquidity surplus/(gap)	**6,061,986**	**(369,619)**	**(12,115,730)**	**(6,423,363)**
Cumulative liquidity surplus/(gap)	**6,061,986**	**5,692,367**	**(6,423,363)**	**-**
As at 31 December 2023				
Liabilities				
Trade and other payables	(13,200,844)	-	-	**(13,200,844)**
Lease liabilities	(164,935)	(755,853)	(13,682,256)	**(14,603,044)**
Total liabilities	**(13,365,779)**	**(755,853)**	**(13,682,256)**	**(27,803,888)**
Assets held for managing liquidity risk				
Trade receivables	1,938,603	-	-	**1,938,603**
Other financial assets	4,425,453	136,674	617,557	**5,179,684**
Cash and cash equivalents	10,869,828	-	-	**10,869,828**
Total assets held for managing liquidity risk	**17,233,884**	**136,674**	**617,557**	**17,988,115**
Liquidity surplus/(gap)	**3,868,105**	**(619,179)**	**(13,064,699)**	**(9,815,773)**
Cumulative liquidity surplus/(gap)	**3,868,105**	**3,248,926**	**(9,815,773)**	**-**

11.2 Credit risk

(i) Trade receivables

The Group utilises the simplified approach outlined in IFRS 9 for measuring expected credit losses, which involves employing a lifetime expected credit loss allowance for all trade receivables. In order to assess the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the number of days past due.

The expected credit loss rates are derived from the payment profiles of sales made within a period of 60 months leading up to 31 December 2024.

The historical expected credit loss rates are modified to incorporate current and forward-looking information regarding macroeconomic factors that impact the customers' ability to settle the receivables. The Group has identified certain factors, such as current liquidity challenges, inflation, high interest rates, and foreign currency shortages, as the most significant in this regard. As a result, the historical credit loss rates have been adjusted to reflect the anticipated changes in these factors.

The closing expected credit loss allowances for trade receivables as at 31 December 2024 reconcile to the opening expected credit loss allowances as follows:

All figures in USD	31 December 2024	31 December 2023
Opening expected credit loss allowance as at 01 January	**219,282**	640,382
Movement in discontinued operations	**54,345**	(134,636)
Increase/(decrease) in expected credit loss allowance recognised in profit or loss during the year	**45,231**	(286,464)
Closing expected credit loss allowance	**318,858**	**219,282**

(ii) Other financial assets at amortised cost

Other financial assets at amortised cost include staff and key management personnel debtors and receivables from related parties.

All figures in USD	31 December 2024	31 December 2023
Opening expected credit loss allowance as at 01 January	**87,836**	128,279
Decrease in expected credit loss allowance recognised in profit or loss during the year	**(631)**	(40,443)
Closing expected credit loss allowance	**87,205**	**87,836**
Net impairment/(reversal) on financial assets recognised in profit or loss during the year	**44,600**	**(326,907)**

12 Segment analysis

The executive committee assesses the performance of the operating segments based on:

(i) hotel occupancies;
(ii) hotel revenue per available room ("RevPAR");
(iii) hotel average daily room rate ("ADR"); and
(iv) profitability.

During the financial year ended 31 December 2024, the Group revised the composition of its reportable operating segments. This change was made to better reflect the Group's strategic priorities and to improve the alignment of its operating segments with the management's internal reporting and decision-making processes. The new segmentation aligns with how the Group's chief operating decision maker reviews performance and allocates resources. As of 31 December 2024, the Group's reportable operating segments are as follows:

1. **Hotels**
This segment includes hotels operated under the InterContinental Hotel Group (IHG) Holiday Inn brand, such as Holiday Inn Harare, Holiday Inn Bulawayo, and Holiday Inn Mutare. It also features hotels managed under local brands, including Elephant Hills Resort and Conference Centre, Hwange Safari Lodge, Caribbea Bay Resort, Troutbeck Resort, and The Victoria Falls Hotel. The Victoria Falls Hotel is jointly operated with Meikles Hospitality (Private) Limited.

Monomotapa Hotel and Great Zimbabwe Hotel, previously part of this segment, were classified as held for sale during the year and are reported under discontinued operations.

2. **Real Estate**
This segment owns seven hotels, six of which are leased to the hotel operating segments above, two timeshare lodges, residential properties in Harare, vast undeveloped land across Zimbabwe, held either for sale or capital appreciation. Monomotapa, Great Zimbabwe and Laclede which fall under this segment are currently held for sale and were reported under discontinued operations and excluded from the segment performance.

3. **Other**
This segment consists of Central Office, and the South Africa Reservation Office. The Central Office provides centralised administrative and support functions to facilitate the operations of the Group. The South Africa Reservation Office operates as a regional sales and marketing office based in South Africa, with a primary focus on international and regional sales activities. Sun Leisure Tours, which served as the Group's travel and tours division under this segment, was discontinued during the current year and reported under discontinued operations. There were no other changes to this segment.

The segment information provided to the Executive Committee for the reportable segments is as follows:

All figures in USD	Hotels	Real Estate	Other	Inter segments	Consolidated
For the year ended 31 December 2024					
Sale of rooms	27,048,779	-	-	-	**27,048,779**
Sale of food and beverages	19,701,402	-	-	-	**19,701,402**
Management fees and commissions	-	-	970,843	(894,807)	**76,036**
Conferencing	1,934,469	-	-	-	**1,934,469**
Property development sales	-	2,850,941	-	-	**2,850,941**
Property rentals	-	3,541,945	-	(3,377,295)	**164,650**
Other income	2,202,895	-	-	-	**2,202,895**
Revenue from contracts with customers	**50,887,545**	**6,392,886**	**970,843**	**(4,272,102)**	**53,979,172**
Revenue from discontinued operations					
Sun Leisure Tours	-	-	69,303	-	**69,303**
Monomotapa Hotel	6,162,167	-	-	-	**6,162,167**
Great Zimbabwe Hotel	2,004,767	-	-	-	**2,004,767**
Material items included in profit/(loss) before tax					
Rooms related costs	(1,349,098)	-	-	-	**(1,349,098)**
Cost of food and beverages sold	(5,793,974)	-	-	-	**(5,793,974)**
Hotel occupancy costs	(6,191,372)	-	(15,558)	2,630,447	**(3,576,483)**
Repairs and maintenance costs	(1,528,570)	-	(69,953)	-	**(1,598,523)**
Property related costs	-	(1,295,679)	-	-	**(1,295,679)**
Employee benefits expense	(13,604,166)	(40,226)	(4,165,442)	-	**(17,809,834)**
Fair value loss on investment property	-	(195,100)	-	-	**(195,100)**
Exchange (loss)/gain	(700,379)	419,847	(282,922)	387,867	**(175,587)**
Other information					
Earnings before interest, tax, depreciation and amortisation	**12,490,968**	**3,988,173**	**(4,710,074)**	**(1,886,610)**	**9,882,457**
Depreciation and amortisation	(2,905,295)	(6,650)	(414,547)	(447,057)	**(3,773,549)**
Rights of use assets depreciation	(621,296)	-	(90,155)	-	**(711,451)**
Finance income/(costs) - net	17,708	32,802	68,505	-	**119,015**
Finance costs - lease liabilities	(1,359,994)	-	(84,200)	-	**(1,444,194)**
Profit/(loss) before tax from continuing operations	**7,622,091**	**4,014,325**	**(5,230,471)**	**(2,333,667)**	**4,072,278**
Total assets as at 31 December 2024	**43,936,996**	**76,051,724**	**30,490,975**	**(12,773,164)**	**137,706,531**
Total assets include:					
Additions to non-current assets (other than financial instruments and deferred tax assets):					
-Property and equipment	**4,059,425**	**11,848**	**1,515,524**	**-**	**5,586,797**
Total liabilities as at 31 December 2024	**23,157,503**	**4,124,269**	**9,052,213**	**2,879,949**	**39,213,934**

The change in operating segments has been applied retrospectively, and comparative segment information for the prior year has been restated to conform to the new operating segment structure. The total revenue and profit for the Group remain unchanged, but individual segment results have been reallocated as per the new reporting segments.

Notes to the condensed audited consolidated financial statements (continued)

For the year ended 31 December 2024

12 Segment analysis (continued)

All figures in USD	Hotels	Real Estate	Other	Inter segments	Consolidated
For the year ended 31 December 2023					
Sale of rooms	24,294,450	-	-	-	**24,294,450**
Sale of food and beverages	18,637,102	-	-	-	**18,637,102**
Management fees and commissions	-	-	345,716	(307,396)	**38,320**
Conferencing	2,076,613	-	-	-	**2,076,613**
Property development sales	-	390,815	-	-	**390,815**
Property rentals	-	4,210,499	-	(3,742,645)	**467,854**
Other income	1,076,368	-	478,971	(478,971)	**1,076,368**
Revenue from contracts with customers	**46,084,533**	**4,601,314**	**824,687**	**(4,529,012)**	**46,981,522**
Revenue from discontinued operations					
Sun Casinos	-	-	10,981	-	**10,981**
The Kingdom Hotel	3,035	-	-	-	**3,035**
Sun Leisure Tours	-	-	326,148	-	**326,148**
Monomotapa Hotel	5,592,811	-	-	-	**5,592,811**
Great Zimbabwe Hotel	1,825,753	-	-	-	**1,825,753**
Material items included in profit/(loss) before tax					
Rooms related costs	(1,147,036)	-	-	-	**(1,147,036)**
Cost of food and beverages sold	(5,018,856)	-	-	-	**(5,018,856)**
Hotel occupancy costs	(5,810,680)	-	-	2,860,955	**(2,949,725)**
Repairs and maintenance costs	(1,299,591)	-	(8,237)	-	**(1,307,828)**
Property related costs	-	(391,392)	-	-	**(391,392)**
Employee benefit expenses	(12,831,237)	(263,716)	(3,895,085)	-	**(16,990,038)**
Fair value gain/(loss) on investment property	-	897,709	-	(803,830)	**93,879**
Exchange gain/(loss)	4,904,534	(4,439,952)	(739,135)	(1,306,886)	**(1,581,439)**
Other information					
Earnings before interest, tax, depreciation and amortisation	**17,771,913**	**93,928**	**(4,176,785)**	**(5,488,568)**	**8,200,488**
Depreciation and amortisation	(3,380,429)	(6,389)	(215,937)	(854,019)	**(4,456,774)**
Rights of use assets depreciation	(558,482)	-	(54,142)	-	**(612,624)**
Finance income	30,962	35,724	144,868	-	**211,554**
Finance costs - lease liabilities	(1,300,333)	-	(44,145)	-	**(1,344,478)**
Profit/(loss) before tax from continuing operations	**12,563,631**	**123,263**	**(4,346,141)**	**(6,342,587)**	**1,998,166**
Total assets as at 31 December 2023	**51,466,471**	**77,963,317**	**25,452,576**	**(12,549,818)**	**142,332,546**
Total assets include:					
Additions to non-current assets (other than financial instruments and deferred tax assets):					
-Property and equipment	**4,783,241**	**-**	**370,981**	**431,291**	**5,585,513**
Total liabilities as at 31 December 2023	**23,536,441**	**5,203,287**	**8,799,780**	**4,847,552**	**42,387,060**

13 Provisions

The provisions balance is made up of the following:

All figures in USD	31 December 2024	31 December 2023
Leave pay	**627,506**	584,786
Bonus	**8,444**	136,306
Other	**-**	1,062,324
	635,950	**1,783,416**

(i) Leave pay

This amount is the Group's liability to pay employees for their annual leave days. Current year movement is included in the statement of comprehensive income under operating expenses.

(ii) Performance bonus

The Group has a bonus policy for its employees, and the provision for employee bonuses is calculated based on this policy. The amount is for 2024 unpaid bonuses.

(iii) Other

The amount relates to the legal claims made against the Group by it's contractors. Management concluded that the probability of settling the amount was now remote and the reversal of the balance during the year was more appropriate.

14 Other operating expenses

All figures in USD	31 December 2024	31 December 2023
Contracted services	**1,852,764**	1,414,983
Sales and marketing	**1,446,892**	1,304,383
Information technology systems costs	**2,109,129**	1,427,388
Franchise fees	**988,866**	527,140
Insurance	**560,201**	480,314
Security	**858,612**	682,928
Bank charges	**598,443**	517,002
Directors' fees	**166,785**	209,147
Legal fees	**150,915**	139,497
Community social responsibility	**72,776**	310,897
Travel and transport	**491,261**	371,850
Office costs	**268,955**	249,650
Transaction tax	**598,443**	514,160
Audit fees	**166,918**	171,870
Vehicle running expenses	**205,956**	183,376
Consultancy costs	**332,690**	348,847
Subscriptions	**273,960**	257,703
Licenses	**326,698**	325,830
Other expenses	**620,298**	191,850
Total other operating expenses	**12,090,562**	**9,628,815**

15 Depreciation and amortisation

All figures in USD	31 December 2024	31 December 2023
Depreciation and amortisation: property and equipment (note 6)	**4,417,785**	5,118,799
Depreciation and amortisation: right of use assets (note 8.1)	**711,451**	612,624
Total depreciation and amortisation	**5,129,236**	5,731,423
Depreciation and amortisation: discontinued operations (note 10.1.8)	**(644,236)**	(662,025)
Depreciation and amortisation: continuing operations	**4,485,000**	**5,069,398**

16 Other expenses

All figures in USD	31 December 2024	31 December 2023
Foreign exchange loss	**175,587**	1,581,439
Profit on disposal of subsidiary - note 10.1.10	**-**	(116,709)
Fair values loss/(gain) on financial assets	**561,975**	(48,323)
Dividend received	**(40,870)**	-
Penalties	**-**	13,703
Guest deposits reallocation	**58,650**	507,845
Provision reversal	**(2,125,859)**	(100,000)
Fair value loss/(gain) on biological assets	**1,889**	(49,170)
Fair value gain on investment property	**(54,900)**	(1,003,879)
Fair value loss on assets held for sale (excluding discontinued operations)	**250,000**	910,000
Loss/(profit) on sale of investment property	**260,765**	(125,279)
Loss on disposal of property and equipment	**30,288**	71,916
Termination pay	**1,420,437**	32,708
Total other expenses	**537,962**	**1,674,251**

17 Tax expense

All figures in USD	31 December 2024	31 December 2023
Tax expense is made of the following:		
Current tax expense	**1,782,176**	1,861,861
Prior years tax assessments	**2,570,478**	-
Capital gains tax	**26,476**	-
Deferred tax expense	**382,310**	85,557
Total tax expense	**4,761,440**	**1,947,418**

During the year ended 31 December 2024, the Zimbabwe Revenue Authority issued an additional tax assessment pertaining to the 2019 year of assessment. The principal amount and accrued interest from prior years amounted to USD 2,570,478.

Notes to the condensed audited consolidated financial statements (continued)

For the year ended 31 December 2024

18 Cash generated from continuing and discontinued operations

All figures in USD	31 December 2024	31 December 2023
Profit before tax from continuing operations	**4,072,278**	1,998,166
Loss before tax from discontinued operations	**(115,289)**	(1,148,299)
Intra-group transactions included in discontinued operations	**746,846**	881,690
Profit before tax including discontinued operations	**4,703,835**	**1,731,557**
Adjustments for non-cash items:		
Depreciation expense - property and equipment	**4,417,785**	5,118,799
Depreciation expense - right of use assets	**711,451**	612,624
Loss on disposal of property and equipment	**314,315**	410,245
Provision (reversal)/expenses	**(1,147,463)**	88,304
Fair value adjustment on biological assets	**1,889**	(49,170)
Fair value adjustment on investments property	**195,100**	(93,879)
Equity-settled share based payments costs	**-**	10,004
Fair value adjustment on assets held for sale	**265,173**	-
Fair value adjustment on shares	**561,975**	(48,323)
Exchange loss on foreign currency translations	**27,730**	-
Effects of initial application of the Lack of Exchangeability amendments (IAS21) - note 3.2	**(387,867)**	-
Gain from disposal of subsidiary	**-**	(116,709)
Dividend received	**(40,870)**	-
Finance costs - lease liabilities	**1,444,194**	1,344,478
Finance costs net	**(119,015)**	(219,085)
Cash generated from operations before changes in working capital	**10,948,232**	**8,788,845**
Changes in working capital:		
Decrease/(increase) in inventories	**1,324,404**	(2,148,303)
Decrease/(increase) in current trade and other receivables	**52,445**	(2,386,487)
(Decrease)/increase in current trade and other payables	**(3,415,372)**	3,744,812
Cash generated from continuing and discontinued operations	**8,909,709**	**7,998,867**

19 Capital commitments

All figures in USD	31 December 2024	31 December 2023
Authorised by Directors and contracted for	**944,984**	1,800,000
Authorised by Directors, but not contracted for	**21,953,840**	9,219,317
	22,898,824	**11,019,317**

The revaluation reserve is used to record increases in the fair value of property and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. Property and equipment was not revalued during the year 2024.

20 Earnings and net asset value per share

All figures in USD	31 December 2024	31 December 2023
(i) Loss)/earnings per share		
Basic and diluted loss per share (USD cents)	**(0.02)**	(0.02)
Headline earnings/(loss) per share (USD cents)	**0.02**	(0.02)
(ii) Reconciliation of headline earnings used in calculating loss per share is as follows;		
Loss attributable to owners of the parent	**(274,067)**	(364,589)
Adjustments for:		
Loss from disposal of property and equipment	**30,288**	71,916
Loss/(profit) on sale of investment property	**260,765**	(125,279)
Profit on disposal of subsidiary - note 10.1.10	**-**	(116,709)
(Profit)/loss for the year from discontinued operations	**(415,095)**	415,337
Fair values loss/(gain) on financial assets	**561,975**	(48,323)
Fair value gain on investment property - note 7	**(54,900)**	(1,003,879)
Fair value loss on assets classified as held for sale (excluding discontinued operations)	**250,000**	910,000
Headline earnings/(loss) attributable to owners of the parent	**358,966**	(261,526)
Number of shares in issue	**1,478,647,608**	**1,477,901,495**
(iii) Net assets value and net tangible asset value per share		
Net asset value per share (cents)	**6.66**	6.76
Net tangible asset value per share (cents)	**6.66**	6.76
Net asset value as per condensed consolidated statement of financial position	**98,492,597**	99,945,486

21 Reserves

21.1 Equity-settled share based payment reserve

According to the Group's share option scheme rules, options were granted on 18 March 2020, and were recognized at their fair value. The granted options had a vesting period of 3 years, meaning they became exercisable on 17 March 2023. Consequently, the fair value of the options was amortized over the course of the three year vesting period.

The amortization expense represents the recognition of the share-based compensation cost over the vesting period, providing a systematic allocation of the fair value of the options granted.

During the year, 746,113 options were exercised while a total of 29,415,899 options were forfeited.

Movements in share options during the year is as follows:

All figures in USD	31 December 2024	31 December 2023
Outstanding at the beginning of the year	**223,300**	213,296
Expensed during the year	**-**	10,004
Exercise share options	**(5,524)**	-
Forfeited share options	**(217,776)**	-
Outstanding at the end of the year	**-**	**223,300**

21.2 Foreign currency translation reserve ("FCTR")

The foreign currency translation reserve (FCTR) balance is specific to the African Sun South African Branch, which uses the South African rand as its functional currency. The reserve represents the cumulative gains or losses arising from the translation of the South African branch's financial statements from its functional currency (South African rand) to the Group's functional currency, which is the United States of America dollar (USD). This reserve is used to account for the effects of exchange rate fluctuations between the functional currency and the reporting currency (USD). It ensures that the financial statements accurately reflect the impact of currency exchange rate changes on the South African branch's financial position and results.

21.2 Foreign currency translation reserve ("FCTR") (continued)

Movements in FCTR reserve during the year are as follows:

All figures in USD	31 December 2024	31 December 2023
Balance at the beginning of the year	**8,346,540**	8,269,216
Recognised during the year	**27,376**	77,324
Balance at the end of the year	**8,373,916**	**8,346,540**

21.3 Revaluation reserve

The revaluation surplus net of deferred tax transferred to the revaluation reserve is as follows:

All figures in USD	31 December 2024	31 December 2023
As at 01 January	**32,596,404**	27,543,868
Revaluation - gross	**-**	5,833,792
Deferred tax	**-**	(567,310)
Revaluation surplus - net of tax	**-**	5,266,482
Transfer to retained earnings	**-**	(213,946)
As at December	**32,596,404**	**32,596,404**

The revaluation reserve is used to record increases in the fair value of property and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. Property and equipment was not revalued during the year 2024.

22 Events after reporting date

22.1 Sale of Great Zimbabwe Hotel

Subsequent to year end, a contract of sale for the Great Zimbabwe Hotel was executed, with the transaction date being 1 April 2025. This new development does not constitute an adjusting event for the 2024 financial period. However, the recognition of the hotel asset sale and disposal will occur in 2025.

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INDEPENDENT AUDITOR'S REPORT

To the members of African Sun Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of African Sun Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of the Group's significant accounting policies.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of African Sun Limited and its subsidiaries as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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 Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Change in presentation of expenses from a classification based on their function to a classification based on their nature

Without modifying our opinion, we draw attention to note **2.1.3** of the consolidated financial statements, which details the change in the presentation of expenses from a classification based on their function to a classification based on their nature, effective 1 January 2024. The prior year expenses have been reclassified accordingly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual consolidated financial statements:

Key Audit Matter	How our audit addressed the Key Audit Matter
IFRS 15 - Revenue from Contracts with Customers • ISA 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements provides that the auditor is required, based on a presumption that there are risks of fraud in revenue recognition, to evaluate which types of revenue, revenue transactions or assertions give rise to such risks. • The risk is exacerbated by the fact that the Group's revenue streams are characterised by high volumes of transactional data which is generated in an automated environment across the Group's several revenue sources which have varying recognition criteria such as: i. Sale of room nights; ii. Sale of food and beverages; iii. Conferencing; iv. Property and related consultancy services; and sundry revenue	Our audit procedures included the following: • Reviewed that the revenue recognition criteria are appropriate and in line with the requirements of IFRS 15. • Tested the design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • We identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Furthermore, we performed analytical procedures and assessed the reasonableness of explanation provided by management. • Performed cut-off tests on year end balances to ensure revenue is recognized in the correct period. • Inspected reversals and credit memos performed in the period subsequent to year

v. Rental income and vi. Revenue from the sale of stands. • Revenue recognition was identified as a significant risk area and accordingly a key audit matter.	end and established if they were for valid revenue transactions. Based on the audit work performed, we satisfied ourselves that the Group's revenue recognition is appropriate and in compliance with the requirements of IFRS 15 - Revenue from Contracts with Customers.
Compliance with International Accounting Standard (IAS) 21 "The effects of Changes in Foreign Currency Rates" on estimation of appropriate exchange rate • As described in Note 3.2, the entity's monetary assets and liabilities denominated in Zimbabwe Gold (ZWG), were translated to USD using an estimated exchange rate due to lack of exchangeability. • The Group early adopted the amendments to IAS 21 (Lack of Exchangeability), effective 1 January 2024 to estimate the appropriate spot rate that faithfully represents the Group's economics. • The estimation process involved a lot of management's judgement and reliance on alternative market data. Accordingly, the matter was identified as a key audit matter.	Our audit procedures included the following: • Tested management's application of the exchange rate estimation process for compliance with IAS 21 and the related amendments; • Obtained and reviewed the detailed technical write-up from management explaining their process of estimation in determining the exchange rates; • Obtained an understanding of the assumptions used and assessed the reasonableness of the assumptions used therein; • Reviewed management's methodology and assessment of their application of the estimated appropriate spot rates and compared the application to compliance with IFRS. • Tested the inputs to management's calculation or estimation of the appropriate spot rate for accuracy; • Recompute the estimated exchange rates used for a selection of transactions and compared it to management's computation; • Performed technical consultations on the appropriateness of estimating an exchange rate in the context of the requirements of IAS 21; • Verified that the exchange rates utilised throughout the period were in line with the estimated rates by testing foreign exchange transactions and balances; and • Assessed the disclosures made by management against the requirements of IAS 21.

	Based on the audit work performed, we concluded that the accounting treatment and disclosures were appropriate and in compliance with the requirements of IAS 21.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Chief Executive Officers' report', which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated 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 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 Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 our opinion, the consolidated financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Edmore Chimhowa.

Grant Thornton

Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

30 April 2025

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE