



CHAIRMAN'S STATEMENT



Zimbabwe's economy registered a strong rebound in 2025, registering a Gross Domestic Product (GDP) growth.



6.6%



INTRODUCTION

I am pleased to present you with the financial statements for Fidelity Life Assurance of Zimbabwe Limited ("FLA" or "the Company" or "the Group") for the year ended 31 December 2025.

OPERATING ENVIRONMENT

Zimbabwe

Zimbabwe's economy registered a strong rebound in 2025, registering a Gross Domestic Product (GDP) growth of 6.6% up from the drought induced slowdown of 2024. The recovery was primarily driven by a resurgence of the agricultural sector following improved rainfall conditions. Key crops including maize, wheat and tobacco recorded above average harvest with tobacco achieving a record breaking 355 million kilograms. Complementing the agricultural upturn was the high gold output of 46.7 tonnes, supported by sustained high global gold prices and improved policy measures that helped bolster export earnings and strengthened foreign currency inflows.

Inflation eased significantly in 2025 from a peak of 95.8% in July 2025 to 15% in December 2025 as a result of a tight and coordinated monetary policy stance maintained by the Reserve Bank of Zimbabwe (RBZ). The monetary discipline, underpinned by high interest rates and constrained liquidity growth, helped stabilise the Zimbabwe Dollar (ZWG) currency, thereby anchoring inflation expectations and reducing exchange rate volatility.

Encouragingly, multilateral institutions noted Zimbabwe's improved macroeconomic stability and greater predictability in the operating environment. Chief among these institutions was the World Bank which recognized the continued easing of inflation and the resilience of the country's external business driven by mineral exports and remittances. Similarly, the International Monetary Fund (IMF) acknowledged the improved macroeconomic stability and accredited it to, in part, better climatic conditions and stronger commodity prices. While the overall economic environment reflected notable progress, fiscal and structural pressures persisted. Rising domestic expenditure arrears and increased reliance on Treasury Bills contributed to the growth of the country's domestic debt raising concerns around fiscal sustainability. The IMF cautioned that these imbalances risked crowding out private sector credit. Additionally, long standing structural constraints such as infrastructure gaps, intermittent energy supply and fragile investor confidence continued to weigh on the country's medium term growth prospects.

Malawi

Malawi's economy was marked by weak overall performance in 2025, with real GDP growth estimated to be at around 2.4%, as persistent macroeconomic imbalances, elevated inflation, foreign exchange shortages, weather related shocks and subdued investment activity continued to constrain momentum. This followed an already soft outturn in 2024, when growth was estimated at only 1.8%. Inflation eased slightly toward the end of the year, falling to 26.0% in December 2025 but remained high with an annual average of 28.4%, driven by food supply constraints and broad based price pressures.

The Malawi Kwacha broadly stable through much of 2025, though the currency faced continued pressure due to acute foreign currency scarcity and a large current account deficit. Reserves hovered around USD530 million, providing only 2.1 months of import cover—well below recommended adequacy. Underlying foreign exchange pressures were driven by limited export receipts, a persistently high fiscal deficit, and the lapse of the IMF's Extended Credit Facility which automatically terminated in May 2025 after no program review was completed, thereby weakening external financing access and heightening investor caution. Fiscal conditions deteriorated further as rising debt service obligations absorbed more than half of domestic revenues and losses in energy related State-Owned Enterprises added significant quasi fiscal pressures.

The insurance services sector showed resilience in nominal terms, registering approximately 28% premium growth in 2025, aided by inflation linked adjustments and increased uptake. However, the sector faced liquidity and solvency pressures, driven by delayed premium remittances, rising claims costs and slow reinsurance recoveries. The newly implemented Insurance Act and risk based supervision framework are expected to strengthen discipline and improve liquidity going forward. Despite structural challenges, Malawi retains medium term potential, particularly through mining. The World Bank notes that critical mineral projects could generate USD 200–500 million annually by the early 2030s, though delays, weak institutional capacity and profit shifting risks limit near term fiscal benefit.

GROUP FINANCIAL PERFORMANCE REVIEW

Insurance Contract Revenue (ICR) recorded a 46% improvement to USD16.65 million from USD11.43 million in prior year. The growth was on the back of organic growth, and the continued performance of innovative insurance products. The Life and Pension unit in Zimbabwe contributed 78% (2024:76%) to the ICR while the Malawi operation contributed 22% down from 24% in 2024. The improvement in ICR reflected the Group's enduring ability, honed over nine decades of operation, to intuitively read market shifts and respond with innovative products and solutions that remain relevant to evolving customer needs. This performance underscored the effectiveness of the Group's long established market insight and its capacity to translate sector experience into sustained revenue growth.

Insurance service result increased to USD5.48 million from USD2.34 million, a 134% growth from prior year driven by ICR growth outpacing insurance services expense 20% growth. Net investment income increased significantly to USD22.07 million from USD8.92 million, representing a 147% uplift compared to prior year. This strong performance was primarily driven by substantial fair value gains on financial assets notably from listed equities in Malawi where elevated inflation and associated currency dynamics led to upward revaluations of the listed equities. This performance is evidence of the Group's disciplined investment approach in navigating inflation driven markets. Profit for the year increased by 358% to USD7.87 million from USD1.72 million in the prior year. The positive profit growth was driven by the strong increase in ICR and investment income.

BUSINESS OPERATIONS OVERVIEW

Heightened global geopolitical tensions continued to reshape consumer behaviour, with households increasingly prioritising financial products that provide certainty, security and long term protection in an unpredictable environment. In this context, the Life and Pensions business, guided by its Cradle to Grave philosophy, strategically positioned itself to meet the growing demand for solutions that offer comfort and assurance for the future.

Complementing this, the funeral services business remained a critical anchor of stability within the Group. As death is the only unavoidable certainty in the life cycle, it provided a dependable revenue base while simultaneously driving cash generation through the creation of new market segments. The funeral services business has elevated the standard of a dignified burial into a baseline expectation, while offering optional premium enhancements for customers seeking more elaborate arrangements. This combined positioning enabled both units to capitalise on shifting consumer priorities and reinforce the Group's relevance in a rapidly evolving risk landscape. The actuarial function continued to strengthen its strategic contribution to the Group following its significant investment in technology aimed at enhancing operational efficiency, analytical capability and turnaround times.

Leveraging these advancements, the unit accelerated its expansion into continental African markets, with the aim of benefiting from synergies created through the ZHL Group's reinsurance cluster, which provides a natural pipeline for regional business development and cross market penetration. In addition to geographic expansion, the actuarial function broadened its service offering beyond traditional statutory work, diversifying into banking related actuarial services and specialised advisory mandates. This diversification strategy is set not only to improve revenue resilience but also position the unit to capture emerging opportunities in sectors seeking data driven risk assessment, capital optimisation and actuarial based decision-making solutions.

THE BRAND

The Fidelity Life Assurance of Zimbabwe Limited brand voice remains rooted in trust, empathy and innovation. The brand promise is defined by its commitment to financial security, innovation and long-term value creation. The brand's strategic intent is premised on a holistic product approach which seeks to provide practical, innovative solutions through the circle of life, hence 'Cradle to Grave' mantra.

In 2025, in line with the brand voice, promise and strategic intent, the Group launched the Fidelity Flexi Combo, an affordable assurance product with a cash benefit in lieu of traditional funeral services. Major considerations in the Fidelity Flexi Combo product development process were issues of affordability and convenience. This latest product innovation further demonstrates the Group's alertness to evolving social demands, providing an accessible and practical solution that also enhances financial comfort for pensioners who require dependable protection in their later years.

Going forward, the FLAs flagship offerings such as life and pension products and innovative solutions like housing-linked investment plans will remain at the core of the Group's product offering, underpinned by consistent innovation and growth.

REGULATORY ASSET SEPARATION EXERCISE

Post the reporting period, the Company received regulatory approval to conclude the Asset Separation Exercise, which will result in the transfer of the micro lending and asset management businesses to the shareholder in exchange for an immovable asset. This development represents a significant milestone in strengthening the Group's governance architecture by ensuring clearer ring fencing of policyholder assets and enhancing transparency for both policyholders and shareholders. The separation will allow policyholders to fully exercise and benefit from their investment rights, thereby supporting long term capital formation and improved asset liability alignment. In the context of prevailing global geopolitical uncertainty, the exercise provides an important safeguard by reinforcing balance sheet resilience, reducing structural conflicts of interest, and positioning the core insurance business to operate with greater strategic focus and regulatory clarity.

DIRECTORATE

There were no changes to the Company's Directorate during the period under review, following the reconstitution of the Board in 2022. The resulting stability has enabled the Board to consolidate its oversight role and support the execution of the Company's long term strategic objectives. Looking ahead, the Company remains committed to upholding strong corporate governance standards by ensuring the orderly rotation of Directors in line with best practice tenure guidelines, while strategically infusing new skills and perspectives to maintain an effective and well balanced Board.

DIVIDEND

FLA remains steadfast in its commitment to delivering sustainable value to both its policyholders and shareholders. In line with this commitment and reflecting the Group's strengthened financial performance and improved cash generation capacity, the Board is pleased to recommend the declaration of a final dividend of USD450 000 or 0.0041 USD cents per share. This represents a 50% increase from the prior year's distribution, signaling the Group's emergence as a consistent dividend paying entity. The proposed dividend is fully aligned with the Company's Dividend Policy, which provides for the distribution of 40% of realized cash profit from the Shareholder Fund, and affirms the Board's confidence in the resilience of the business, the quality of earnings, and the Group's capacity to continue honouring its obligations to policyholders while delivering competitive returns to shareholders. A dividend notice will be published in accordance with the Company's Articles of Association and the Zimbabwe Stock Exchange Listing Requirements.

SUSTAINABILITY

The business is committed to integrating sustainability principles within its strategy and operations and continues to implement initiatives that contribute to community development, environmental stewardship and social well-being in the areas in which it operates. During the year under review, FLA strengthened its community engagement through partnerships and initiatives focused on health, environmental conservation, financial empowerment and community infrastructure development.

Key initiatives included support for national sporting and conservation events such as the Zimbabwe Open Golf Tournament and the Kariba International Tiger Fish Tournament. These events contribute respectively to charitable fundraising for cancer treatment and environmental conservation while strengthening stakeholder engagement.

The Group also supported community development initiatives, health care and social welfare programmes through various partnerships. In addition, the business continued to promote financial inclusion and economic empowerment through financial literacy and business management workshops for small and medium-sized enterprises. Looking ahead, FLA will continue to strengthen the integration of Environmental, Social and Governance (ESG) considerations across its operations, investments and stakeholder engagements.

OUTLOOK

The business looks forward to another year of success leveraging on the turbulent geopolitical and uncertain economic climates to reinforce its core mandate of improving financial assurance and long-term security. The growth of the business will hinge on deepening its value proposition by offering solutions that address the rising demand for security. Central to this strategy is the opening of new markets, namely underserved and marginalized sections of the economy, for whom security and planning are luxuries. Through customer-centric innovation that speaks directly to emerging risk and evolving expectations, the Company will also penetrate the diaspora and existing markets in both its jurisdictions. This strategic direction will allow FLA to transform uncertainty into a catalyst for growth, security and sustained profitability for its policyholders and shareholders alike.

APPRECIATION

I wish to extend my sincere appreciation to our shareholders and policyholders for their continued confidence in the Group. I also wish to acknowledge my fellow Board members, Management, and all Staff of FLA for their unwavering dedication and collective effort throughout the year.



Livingstone T. Gwata
Chairman
27 March 2026



**ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

| | Notes | GROUP | |
|---|-------|--------------------|---------------------|
| | | AUDITED | AUDITED |
| | | 31-Dec-25 USD | 31-Dec-24 USD |
| ASSETS | | | |
| Property and equipment | 5 | 7 466 652 | 6 740 743 |
| Right of use asset | | 792 136 | 105 224 |
| Investment property | 6 | 55 933 282 | 47 075 151 |
| Intangible assets | | 109 963 | 175 296 |
| Other non current assets | | 284 747 | 170 020 |
| Insurance Contract Assets | | 1 183 199 | 278 006 |
| Inventories | | 40 153 | 33 754 |
| Income tax asset | | 1 070 567 | 428 031 |
| Trade and other receivables | 8 | 6 310 835 | 7 872 620 |
| Financial assets at fair value through other comprehensive income | | 21 582 | 21 582 |
| Financial assets at fair value through profit or loss | 9 | 63 361 287 | 20 313 922 |
| Debt securities at amortised cost | | 5 462 389 | 4 331 448 |
| Biological assets | | 132 502 | 98 280 |
| Cash and deposits with banks | 10 | 6 668 572 | 3 771 350 |
| Total assets | | 148 837 866 | 91 415 427 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Issued share capital | | 1 089 233 | 1 089 233 |
| Share premium | | 671 409 | 671 409 |
| Treasury shares | | (10 037) | (10 037) |
| Retained earnings | | 18 422 122 | 14 169 856 |
| Revaluation reserve | | 2 541 912 | 2 208 836 |
| Foreign currency translation reserve | | (32 028 277) | (31 939 147) |
| Total ordinary shareholder's equity | | (9 313 637) | (13 809 850) |
| Insurance Reserve | | 1 100 111 | 1 100 111 |
| Non-controlling interests | | 12 069 699 | 8 996 366 |
| Total equity | | 3 856 173 | (3 713 373) |
| Liabilities | | | |
| Insurance contract liabilities | 11 | 96 743 162 | 65 755 000 |
| Investment contract liabilities without direct participating features | 12 | 34 363 115 | 16 669 824 |
| Borrowings | 15 | 3 602 571 | 3 180 610 |
| Deferred tax liabilities | | 2 453 041 | 2 114 713 |
| Lease Liability | | 768 965 | 91 825 |
| Trade and other payables | 16 | 7 050 839 | 7 316 828 |
| Total liabilities | | 144 981 693 | 95 128 800 |
| Total equity and liabilities | | 148 837 866 | 91 415 427 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes. Further information on the restatement is included in Note 14 to the financial statements.

L.T. Gwata
Chairman

R. Chihota
Managing Director

**ABRIDGED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025**

| | Notes | GROUP | |
|---|-------|--------------------|--------------------|
| | | AUDITED | AUDITED |
| | | 31-Dec-25 USD | 31-Dec-24 USD |
| REVENUE AND EXPENSES | | | |
| Insurance contracts revenue | 13 | 16 649 840 | 11 430 560 |
| Insurance service expenses | 13 | (10 733 433) | (8 941 428) |
| Insurance service result from insurance contracts issued | | 5 916 407 | 2 489 132 |
| Allocation of reinsurance paid | 13 | (519 460) | (354 078) |
| Amount recoverable from reinsurers for incurred claims | 13 | 80 154 | 202 318 |
| Net expenses from reinsurance contracts held | | (439 306) | (151 760) |
| Insurance service result | | 5 477 101 | 2 337 372 |
| Interest revenue from financial instruments not measured at fair value through profit or loss | | 2 225 091 | 1 862 288 |
| Net income from other financial instruments at fair value through profit or loss | | 47 168 094 | 4 615 908 |
| Net gains from fair value adjustments to investment properties | | 2 982 947 | 6 030 679 |
| Net change in investment contract liabilities | 12 | (35 015 772) | (3 751 688) |
| Other net investment revenue | | 4 808 000 | 131 935 |
| Net gain from foreign exchange | | (93 444) | 33 282 |
| Net Investment Income | | 22 074 916 | 8 922 404 |
| Insurance finance expenses for insurance contracts issued | | (7 681 488) | (3 671 752) |
| Reinsurance finance income for reinsurance contracts held | | - | - |
| Net insurance finance expenses | | (7 681 488) | (3 671 752) |
| Net insurance and investment result | | 19 870 529 | 7 588 024 |
| Rental income from investment property | | 869 283 | 381 166 |
| Fair value adjustments to investment properties | | 38 000 | 79 250 |
| Fair value gains from financial instruments at fair value through profit or loss | | 17 615 | 60 283 |
| Interest income from micro - lending | | - | 637 405 |
| Other income | | 2 889 454 | 4 525 657 |
| Property operating costs | | (497 319) | (278 710) |
| Operating and administrative expenses | | (13 657 679) | (10 357 013) |
| Allowance for expected credit losses on receivables | | (325 532) | (297 597) |
| Finance costs | | (834 821) | (446 771) |
| Profit before income tax expense | | 8 369 530 | 1 891 694 |
| Income tax expense | | (496 765) | (171 193) |
| Profit for the year | | 7 872 765 | 1 720 501 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Gains on property, plant and equipment revaluations | | 349 787 | 651 733 |
| Finance income/finance expenses from insurance contracts | | - | 2 252 085 |
| Income tax relating to components of other comprehensive income | | (12 395) | - |
| | | 337 392 | 2 903 818 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translating foreign operations | | (144 294) | 48 539 |
| Investments in equity instruments | | - | 3 994 |
| | | (144 294) | 52 533 |
| Other comprehensive income for the period net of tax | | 193 098 | 2 956 351 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 8 065 863 | 4 676 852 |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 4 552 266 | 1 352 393 |
| Non-controlling interests | | 3 320 499 | 368 108 |
| Total profit for the period | | 7 872 765 | 1 720 501 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 4 796 212 | 4 205 528 |
| Non-controlling interests | | 3 269 651 | 471 324 |
| Total comprehensive income for the period | | 8 065 863 | 4 676 852 |
| Basic and diluted earnings per share (cents) | 4 | 4.22 | 1.25 |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. Further information on the restatement is included in Note 14 to the financial statements.

**ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

| | Notes | AUDITED | | | | | | | | | |
|--|-------|----------------------|----------------------|---------------------------|-----------------------------|-------------------------------|---|--|-----------------------------|------------------------------------|------------------------|
| | | Share capital USD | Share Premium USD | Treasury shares USD | Retained earnings USD | Revaluation reserve USD | Foreign currency translation reserve USD | Attribute to shareholders of parent USD | Insurance reserve USD | Non-controlling interest USD | Total equity USD |
| Year ended 31 December 2024 | | | | | | | | | | | |
| Balance at 1 January 2024 | | 1 089 233 | 671 409 | (10 037) | 12 817 463 | 1 656 325 | (31 987 686) | (15 763 293) | 13 042 195 | 8 525 042 | 5 803 944 |
| Profit for the year restated | | - | - | - | 1 352 393 | - | - | 1 352 393 | - | 368 108 | 1 720 501 |
| Other comprehensive income for the year | | - | - | - | - | 552 511 | 48 539 | 601 050 | 2 252 085 | 103 216 | 2 956 351 |
| Comprehensive income for the year | | - | - | - | 1 352 393 | 552 511 | 48 539 | 1 953 443 | 2 252 085 | 471 324 | 4 676 852 |
| Bonus Smoothing Reserve | | - | - | - | - | - | - | - | (14 194 169) | - | (14 194 169) |
| Balance at 31 December 2024 | | 1 089 233 | 671 409 | (10 037) | 14 169 856 | 2 208 836 | (31 939 147) | (13 809 850) | 1 100 111 | 8 996 366 | (3 713 373) |
| Year ended 31 December 2025 | | | | | | | | | | | |
| Balance at 1 January 2025 | | 1 089 233 | 671 409 | (10 037) | 14 169 856 | 2 208 836 | (31 939 147) | (13 809 850) | 1 100 111 | 8 996 366 | (3 713 373) |
| Profit for the year | | - | - | - | 4 552 266 | - | - | 4 552 266 | - | 3 320 499 | 7 872 765 |
| Other comprehensive income for the year | | - | - | - | - | 333 076 | (89 130) | 243 946 | - | (50 848) | 193 098 |
| Comprehensive income for the year | | - | - | - | 4 252 266 | 333 076 | (89 130) | 4 796 212 | - | 3 269 651 | 8 065 863 |
| Non controlling interest on disposal of subsidiary | | - | - | - | - | - | - | - | - | (196 318) | (196 318) |
| Dividend | 19 | - | - | - | (300 000) | - | - | (300 000) | - | (300 000) | (300 000) |
| Balance at 31 December 2025 | | 1 089 233 | 671 409 | (10 037) | 18 422 122 | 2 541 912 | (32 028 277) | (9 313 637) | 1 100 111 | 12 069 699 | 3 856 173 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. Further information on the restatement is included in Note 14 to the financial statements.



**ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

| | GROUP | |
|---|--------------------|------------------|
| | AUDITED | |
| Notes | 31-Dec-25 USD | 31-Dec-24 USD |
| Cash flows from operating activities | | |
| Profit before income tax expense | 8 369 530 | 1 891 694 |
| Non-cash movements in profit before tax | (762 751) | 237 089 |
| Operating profit before working capital | 7 606 779 | 2 128 783 |
| Working capital changes | 1 289 397 | 37 097 |
| Cash generated from operations | 8 896 176 | 2 165 880 |
| Income tax paid | (824 496) | (518 354) |
| Net generated from operating activities | 8 071 680 | 1 647 526 |
| Net cash utilised from investing activities | (6 860 720) | (2 676 924) |
| Net cash generated from financing activities | 1 686 262 | 1 999 362 |
| | (5 174 458) | (677 562) |
| Net increase in cash and cash equivalents | 2 897 222 | 969 964 |
| Cash and cash equivalent at beginning of the period | 3 771 350 | 2 801 386 |
| Cash and cash equivalents at the end of period | 6 668 572 | 3 771 350 |
| Comprising: | | |
| Bank and cash | 1 308 246 | 946 090 |
| Investments maturing within 3 months | 5 360 326 | 2 825 260 |
| | 6 668 572 | 3 771 350 |

**NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1 DIRECTORS'S RESPONSIBILITY STATEMENT

The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Group's abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Group's abridged financial statements fairly present the state of affairs of the Group as at the end of the financial reporting period and the results of its operations and cash flows for the year then ended in conformity with International Financial Reporting Standards ("IFRS").

2 INDEPENDENT AUDITOR'S STATEMENT

These abridged consolidated financial statements derived from the audited consolidated financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries "the Group" for the financial year ended 31 December 2025, should be read together with the complete set of audited consolidated financial statements, for the year ended 31 December 2025, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

A qualified opinion has been issued on the audited consolidated financial statements, for the year then ended. The qualified opinion was with respect to the impact of enhancements and refinements to the Group's IFRS 17 modelling approaches and assumptions.

Other than the matter described in the Basis for Qualified Opinion section above, we have determined that there are no other key audit matters to communicate in our report. The auditor's opinion is not modified in respect of these matters. The audit report contains an emphasis of matter describing the restatement of prior year comparatives as a result of enhancements and refinements of the IFRS 17 assumptions and modelling approaches.

Our opinion is not modified in respect of this matter. 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 Zimbabwe Stock Exchange.

3 ACCOUNTING POLICIES

3.1 Basis of preparation

The abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Zimbabwe Stock Exchange listing requirements. The financial statements are based on statutory records that are maintained under the historical cost convention basis, except for revaluation of investment properties, land and buildings and financial assets at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis.

The abridged consolidated financial statements do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, these abridged consolidated financial statements are to be read in conjunction with the Annual Report for the year ended 31 December 2025 and any public announcements made by the Company during the reporting period.

3.2 Functional and presentation currency

The abridged consolidated financial statements are presented in United States Dollars (USD), which is also the functional and presentation currency of the Group. The Group adopted the USD as the functional and presentation currency effective 1 January 2024 after making an assessment of its functional currency in accordance with the requirements of International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21). In assessing the functional currency the following factors were considered.

- The currency that mainly influences sales prices for goods or services
- The currency used by its competitive forces and regulations that mainly determine the sale price of its goods and service
- The currency that mainly influence labour materials and other costs of providing goods or services
- The currency in which funds from financing activities (i.e. issuing debt and equity instruments) are generated
- The currency in which receipts from operating activities are usually retained

The abridged consolidated financial statements of the regional foreign subsidiaries were dealt with in accordance with IAS 21. The items included in statement of profit or loss and comprehensive income were translated using average exchange rates and statement of financial position items were translated at the closing rates.

3.3 Material accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period except for the new standards and interpretations adopted from 1 January 2025.

3.4 Changes in material accounting policies

There were no material accounting policies changes applicable to the current reporting year.

3.5 New and amended standards and interpretations

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments.

Effective date is annual periods beginning on or after 1 January 2026 (early adoption is available). The amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements

Applicable to annual periods beginning on or after 1 January 2027 with early adoption possible subject to local endorsement where required. This standard, issued in April 2024, replaces IAS 1 and introduces new requirements for the statement of profit or loss, disclosure of management-defined performance measures, and principles for grouping information.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date is for annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements, balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

Amendment to IAS 21- Translation to a Hyperinflationary presentation currency

Effective date is for annual periods beginning on or after 1 January 2027. Earlier application is permitted. The amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy, or it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. The amendments had no impact on the abridged consolidated financial statements.

The amendments excluding IAS 21 had no impact on the abridged consolidated financial statements.

4 EARNINGS PER SHARE (EPS)

| | AUDITED | |
|--|--------------------|--------------------|
| | 31-Dec-25 USD | 31-Dec-24 USD |
| Profit for the year attributable to owners of the parent and profit used in EPS | 4 552 266 | 1 352 393 |
| Add/(deduct) non recurring items | - | - |
| Impairment of intangible assets | - | - |
| (Profit)/loss on disposal of property | 19 308 | 3 089 |
| Profit on disposal of investment property | - | - |
| Taxation on headline earnings adjustable items | 4 972 | 795 |
| Headline earnings attributable to ordinary shareholders | 4 576 545 | 1 356 276 |
| Denominator | | |
| Weighted number of ordinary shares in issue | 108 923 291 | 108 923 291 |
| Less: Shares purchased for the Employee Share Ownership Plan | (1 003 743) | (1 003 743) |
| Weighted average number of shares used in basic EPS | 107 919 548 | 107 919 548 |
| Less: Dilutive adjusting effects | - | - |
| Weighted average number of shares used in diluted EPS | 107 919 548 | 107 919 548 |
| Basic and diluted earnings per share (cents) | 4.22 | 1.25 |
| Headline earnings per share (cents) | 4.24 | 1.26 |

Basic earnings per share

Basic earnings per share is basic earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Headline earnings per share

Headline earnings per share is a disclosure requirement in terms of Statutory Instrument 134 of 2019 of the Zimbabwe Stock Exchange (ZSE) listing requirements for companies listed on the ZSE. Headline earnings per share is calculated by dividing the headline earnings by the weighted average number of shares in issue during the year. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS).

5 PROPERTY AND EQUIPMENT

| GROUP | Land and buildings USD | Motor vehicles and computers USD | Equipment and fittings USD | Furniture and fittings USD | Total USD |
|--|---------------------------|-------------------------------------|-------------------------------|-------------------------------|------------------|
| Net carrying amount at 1 Jan 24 | 4 205 308 | 354 307 | 468 004 | 133 451 | 5 161 070 |
| Gross carrying amount - cost/valuation | 4 225 512 | 504 439 | 682 613 | 186 471 | 5 599 035 |
| Accumulated depreciation | (20 204) | (150 132) | (214 609) | (53 020) | (437 965) |
| Additions | - | 10 502 | 334 868 | 7 312 | 352 682 |
| Exchange rate movement on foreign operations | 23 363 | 13 084 | 19 961 | 6 635 | 63 043 |
| Disposals | - | - | - | - | - |
| Gross carrying amount - cost/valuation | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - |
| Depreciation charge for the year | (2 068) | (107 128) | (150 643) | (41 301) | (301 140) |
| Revaluation surplus | 500 000 | 965 088 | - | - | 1 465 088 |
| Gross carrying amount - cost/valuation | 500 000 | 965 088 | - | - | 1 465 088 |
| Accumulated depreciation | - | - | - | - | - |
| Net carrying amount at 31 Dec 24 | 4 726 603 | 1 235 853 | 672 190 | 106 097 | 6 740 743 |
| Gross carrying amount - cost/valuation | 4 748 875 | 1 493 113 | 1 037 442 | 200 418 | 7 479 848 |
| Accumulated depreciation | (22 272) | (257 260) | (365 252) | (94 321) | (739 105) |
| Additions | 8 095 | 464 986 | 521 820 | 85 434 | 1 080 335 |
| Exchange rate movement on foreign operations | 36 080 | - | 56 444 | 41 350 | 133 874 |
| Disposals | - | (41 282) | (69 802) | (30 498) | (141 582) |
| Gross carrying amount - cost/valuation | - | (64 368) | (140 769) | (55 507) | (260 644) |
| Accumulated depreciation | - | 23 086 | 70 967 | 25 009 | 119 062 |
| Depreciation charge for the year | (2 665) | (324 558) | (185 473) | (64 021) | (576 717) |
| Revaluation surplus | 230 000 | - | - | - | 230 000 |
| Gross carrying amount - cost/valuation | 4 820 000 | - | - | - | 4 820 000 |
| Accumulated depreciation | (4 590 000) | - | - | - | (4 590 000) |
| Net carrying amount at 31 Dec 25 | 4 998 113 | 1 334 999 | 995 178 | 138 362 | 7 466 652 |
| Gross carrying amount - cost/valuation | 9 613 050 | 1 893 731 | 1 474 936 | 271 695 | 13 253 412 |
| Accumulated depreciation | (4 614 937) | (558 732) | (479 758) | (133 333) | (5 786 760) |

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair values were estimated as at 31 December 2025. There were no buildings pledged as collateral as at 31 December 2025. The value of land and buildings is categorised as a level 3 recurring fair value measurement.



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FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

6 INVESTMENT PROPERTY

| GROUP | AUDITED | |
|--|-------------------|-------------------|
| | 31-Dec-25 USD | 31-Dec-24 USD |
| Balance at the beginning of the year | 47 075 151 | 36 806 252 |
| Additions | 6 249 371 | 4 277 959 |
| Disposals | (294 000) | (117 750) |
| Exchange rate movement on foreign operations | (118 187) | (1 239) |
| Fair value gains through profit or loss | 3 020 947 | 6 109 929 |
| Balance at the end of the year | 55 933 282 | 47 075 151 |
| A further analysis of fair value gains recognised in profit and loss is as indicated below | | |
| Insurance business units | 2 982 947 | 6 030 679 |
| Non insurance business units | 38 000 | 79 250 |
| Total | 3 020 947 | 6 109 929 |

As at 31 December 2025, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

There were no transfers between Levels 1 or 2 to Level 3 during the year. The fair value of investment properties is categorised as level 3. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in United States dollars using the comparison method and/or market evidence..

7.1 Segment Information

| Dec-25 | AUDITED | | | | | Total USD |
|--|--------------------|---------------------|------------------------------|--------------------|-------------------------------------|--------------------|
| | Insurance USD | Microlending USD | Property Investment SD | Other USD | Consolidation adjustments USD | |
| Insurance contract revenue | 16 649 840 | - | - | - | - | 16 649 840 |
| Insurance service expenses | (10 733 433) | - | - | - | - | (10 733 433) |
| Net expenses from reinsurance contracts held | (439 306) | - | - | - | - | (439 306) |
| Insurance service result | 5 477 101 | - | - | - | - | 5 477 101 |
| Net insurance finance expenses | (7 681 488) | - | - | - | - | (7 681 488) |
| Net investment income | 27 611 449 | - | - | - | (5 536 533) | 22 074 916 |
| Net insurance and investment result | 25 407 062 | - | - | - | (5 536 533) | 19 870 529 |
| Non insurance income | 1 090 102 | - | - | 2 279 043 | (479 691) | 2 889 454 |
| Indirect expenses | (10 404 312) | - | (204 067) | (3 528 991) | 479 691 | (13 657 679) |
| Income tax expense | (376 052) | - | - | (120 713) | - | (496 765) |
| Profit/(loss) for the year | 15 077 295 | - | (204 067) | (1 463 930) | (5 536 533) | 7 872 765 |
| Segment assets | 158 288 920 | - | 25 040 000 | 3 086 193 | (37 577 247) | 148 837 866 |
| Segment liabilities | 143 168 612 | - | 2 095 608 | 4 710 784 | (4 993 311) | 144 981 693 |

| Dec-24 | AUDITED | | | | | Total USD |
|--|-------------------|---------------------|-------------------------------|------------------|-------------------------------------|-------------------|
| | Insurance USD | Microlending USD | Property Investment USD | Other USD | Consolidation adjustments USD | |
| Insurance contract revenue | 11 430 560 | - | - | - | - | 11 430 560 |
| Insurance service expenses | (8 941 428) | - | - | - | - | (8 941 428) |
| Net expenses from reinsurance contracts held | (151 760) | - | - | - | - | (151 760) |
| Insurance service result | 2 337 372 | - | - | - | - | 2 337 372 |
| Net Investment Income | 10 080 419 | 84 731 | - | 243 044 | (1 485 790) | 8 922 404 |
| Net insurance finance expenses | (3 671 752) | - | - | - | - | (3 671 752) |
| Net insurance and investment result | 8 746 039 | 84 731 | - | 243 044 | (1 485 790) | 7 588 024 |
| Other income | 1 656 717 | 1 432 272 | - | 3 254 610 | (1 817 942) | 4 525 657 |
| Indirect expenses | (6 735 630) | (1 513 491) | (130 995) | (3 799 346) | 1 822 449 | (10 357 013) |
| Income tax expense | (204 833) | (35 847) | (49 808) | 119 295 | - | (171 193) |
| Profit/(loss) for the year | 3 462 293 | (32 335) | (180 803) | (182 397) | (1 346 257) | 1 720 501 |
| Segment assets | 89 984 562 | 2 389 907 | 25 040 000 | 3 649 567 | (29 648 609) | 91 415 427 |
| Segment liabilities | 89 427 013 | 2 420 730 | 1 891 541 | 2 980 896 | (1 591 380) | 95 128 800 |

7.2 Geographical Information

| GROUP 31 Dec-25 | AUDITED | | | Total USD |
|--|--------------------|-------------------|-------------------------------------|--------------------|
| | Zimbabwe USD | Malawi USD | Consolidation adjustments USD | |
| Insurance contract revenue | 11 918 643 | 4 731 197 | - | 16 649 840 |
| Insurance service expenses | (8 357 670) | (2 375 763) | - | (10 733 433) |
| Net expenses from reinsurance contracts held | (388 566) | (50 740) | - | (439 306) |
| Insurance service result | 3 172 407 | 2 304 694 | - | 5 477 101 |
| Net insurance finance expenses | (7 681 488) | - | - | (7 681 488) |
| Net investment income | 17 077 355 | 10 534 094 | (5 536 532) | 22 074 917 |
| Net insurance and investment result | 12 568 274 | 12 838 788 | (5 536 532) | 19 870 529 |
| Non insurance income | 1 339 987 | 970 550 | 578 917 | 2 889 454 |
| Income tax expense | (152 989) | (343 776) | - | (496 765) |
| Profit/(loss) for the year | 4 621 067 | 8 788 231 | (5 536 533) | 7 872 765 |
| Segment assets | 118 447 312 | 67 967 801 | (37 577 247) | 148 837 866 |
| Segment liabilities | 91 151 170 | 58 823 831 | (4 993 308) | 144 981 693 |

| GROUP 31 Dec-24 | Zimbabwe USD | Malawi USD | Consolidation adjustments USD | Total USD |
|--|-------------------|-------------------|-------------------------------------|-------------------|
| Insurance contract revenue | 8 772 180 | 2 658 380 | - | 11 430 560 |
| Insurance service expenses | (6 878 625) | (2 062 803) | - | (8 941 428) |
| Net expenses from reinsurance contracts held | (158 331) | 6 571 | - | (151 760) |
| Insurance service result | 1 735 224 | 602 148 | - | 2 337 372 |
| Net Investment Income | 7 808 186 | 2 600 008 | (1 485 790) | 8 922 404 |
| Net insurance finance expenses | (3 671 752) | - | - | (3 671 752) |
| Net insurance and investment result | 5 871 658 | 3 202 156 | (1 485 790) | 7 588 024 |
| Non insurance income | 6 170 435 | 173 164 | (1 817 942) | 4 525 657 |
| Indirect expenses | (10 036 113) | (2 143 349) | 1 822 449 | (10 357 013) |
| Income tax expense | 348 513 | (177 320) | - | 171 193 |
| Profit/(loss) for the year | 2 012 107 | 1 054 651 | (1 346 257) | 1 720 501 |
| Segment assets | 97 340 595 | 23 723 441 | (29 648 609) | 91 415 427 |
| Segment liabilities | 73 485 483 | 23 234 697 | (1 591 380) | 95 128 800 |

8 TRADE AND OTHER RECEIVABLES

| GROUP | AUDITED | |
|---|------------------|------------------|
| | 30-Dec-25 USD | 31-Dec-24 USD |
| Residential stand sales debtors | 27 363 | 10 135 |
| Micro-finance loans receivable | - | 1 824 784 |
| Other trade debtors | 3 688 232 | 5 233 704 |
| Trade receivables - gross | 3 715 595 | 7 068 623 |
| Less: allowance for expected credit losses ("ECL") | (50 559) | (322 461) |
| Trade receivables - net | 3 665 036 | 6 746 162 |
| Receivables from related parties, net of ECL | 589 799 | 161 421 |
| Loans to employees, net of ECL | 952 583 | 584 709 |
| Total receivables classified as financial assets at amortised cost | 5 207 418 | 7 492 292 |
| Prepayments | 578 604 | 263 385 |
| Other receivables, net of ECL | 524 813 | 116 943 |
| Total trade and other receivables | 6 310 835 | 7 872 620 |

The carrying value of trade and other receivables classified as financial assets at amortised cost approximates their fair value. Included in other receivables balance are debtors arising from non core business activities such as rental debtors and debtors arising from disposal of non core assets from the Southview Development Project.

Receivables from related parties, loans to employees and other receivables are shown net of expected credit losses. The amount of expected credit losses for these receivables are as shown in the table below.

The total impairment allowance is made up of the following:

| | | |
|---|-----------------|------------------|
| Expected credit loss on trade receivables- stand sales debtors | (8 911) | (315) |
| Expected credit loss on trade receivables- micro-finance loans receivable | - | (121 725) |
| Expected credit loss on trade receivables- other debtors | (41 648) | (200 421) |
| | (50 559) | (322 461) |

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| GROUP | AUDITED | |
|--|-------------------|-------------------|
| | 31-Dec-25 USD | 31-Dec-24 USD |
| Balance at the beginning of the year | 20 313 922 | 11 037 898 |
| Additions | 1 295 823 | 4 091 066 |
| Fair value adjustments - through profit or loss | 47 185 709 | 4 676 191 |
| Exchange gain/(loss) | (312 707) | 615 329 |
| Disposals | (5 121 460) | (106 562) |
| Financial assets at fair value through profit or loss | 63 361 287 | 20 313 922 |
| A further analysis of fair value gains recognised in profit and loss is as indicated below | | |
| Insurance business units | 47 168 094 | 4 615 908 |
| Non insurance business units | 17 615 | 60 283 |
| Total | 47 185 709 | 4 676 191 |

Listed equities are the only financial instruments held by the Group that are measured at fair value. These are shown as equities at fair value through profit or loss in the statement of financial position. The fair values of the equities are determined as Level 1 fair values in the fair value hierarchy. Level 1 fair values are determined based on observable quoted prices in active markets for identical assets that the Group can access.

10 CASH AND DEPOSITS WITH BANKS

| GROUP | 31-Dec-2025 USD | 31-Dec-2024 USD |
|-------------------------------------|--------------------------|--------------------|
| | Money market investments | 5 360 326 |
| Bank and cash | 1 308 246 | 946 090 |
| Cash and deposits with banks | 6 668 572 | 3 771 350 |

Cash and deposits with banks

The Group and Company's cash and cash equivalents include cash in hand, other short term highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less, and-for the purpose of the cash flow statement it includes bank overdraft. The cash and cash equivalents is subsequently measured at amortised cost.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. In the consolidated statement of financial position bank overdrafts are shown within borrowings.



**NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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11 INSURANCE CONTRACT ASSETS AND LIABILITIES

11.1 An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts, investment contracts with DPF and investment contracts without DPF is included in the table below along with the presentation of current and non-current portions of the balances:

| GROUP | Direct participating contracts USD | Investment contracts with Discretionary Participation Features USD | Investment contracts without Discretionary Participation Features USD | Total USD | Current portion USD | Non Current portion USD | Total USD |
|----------------------------------|------------------------------------|--|---|------------|---------------------|-------------------------|------------|
| Balance as at 31 Dec 2025 | | | | | | | |
| Insurance contract liabilities | 42 425 647 | 54 317 515 | - | 96 743 162 | 9 674 316 | 87 068 846 | 96 743 162 |
| Investment contract liabilities | - | - | 34 363 115 | 34 363 115 | 3 436 312 | 30 926 803 | 34 363 115 |
| Balance as at 31 Dec 2024 | | | | | | | |
| Insurance contract liabilities | 36 566 022 | 29 188 978 | - | 65 755 000 | 6 575 500 | 59 179 500 | 65 755 000 |
| Investment contract liabilities | - | - | 16 669 824 | 16 669 824 | 1 666 982 | 15 002 842 | 16 669 824 |

11.2 Analysis of Insurance contract liability by liability for remaining coverage and liability for incurred claims

| Dec-2 | Liability for remaining coverage USD | Liability for incurred claims USD | Total USD |
|--|--------------------------------------|-----------------------------------|-------------------|
| Direct Participating Contracts | 35 257 224 | 7 168 424 | 42 425 648 |
| Investment contracts with direct participating contracts | 50 426 389 | 3 891 125 | 54 317 514 |
| | 85 683 613 | 11 059 549 | 96 743 162 |

| Dec-24 | Liability for remaining coverage USD | Liability for incurred claims USD | Total USD |
|--|--------------------------------------|-----------------------------------|-------------------|
| Direct Participating Contracts | 34 107 439 | 2 458 583 | 36 566 022 |
| Investment contracts with direct participating contracts | 28 010 850 | 1 178 128 | 29 188 978 |
| | 62 118 289 | 3 636 711 | 65 755 000 |

**12 INVESTMENT CONTRACT LIABILITIES WITHOUT DIRECT PARTICIPATING FEATURES
RECONCILIATION OF INVESTMENT CONTRACT LIABILITIES**

| | AUDITED 31-Dec-25 USD | AUDITED 31-Dec-24 USD |
|--|-----------------------------|-----------------------------|
| Opening balance 1 January 2024 | 16 669 824 | 10 038 882 |
| Contributions received | 3 050 936 | 5 139 799 |
| Benefits paid | (6 458 426) | (2 161 354) |
| Investment return from underlying assets | 19 576 050 | 3 751 688 |
| Asset management fees charged | (207 699) | (99 191) |
| Exchange rate movement on foreign operations | 1 732 430 | - |
| Closing balance | 34 363 115 | 16 669 824 |


12.1 Analysis of the investment return from underlying assets

| | | |
|---|-------------------|------------------|
| Investment contract liabilities without direct participating features | 19 576 050 | 3 751 688 |
| Bonus smoothing reserve (BSR) | 15 439 722 | - |
| Total | 35 015 772 | 3 751 688 |

13 Insurance contract revenue and expenses

An analysis of insurance revenue, insurance service expense and net expenses from insurance contracts held by product line for 2025 and 2024 is included in the following tables

| | AUDITED | | |
|--|------------------------------------|-----------------------------------|---------------------|
| | Direct participating contracts USD | Investment contracts with DPF USD | Total USD |
| Dec-25 | | | |
| Insurance contract revenue | | | |
| Amounts relating to the changes in the Liability for remaining coverage (LRC) | | | |
| Expected incurred claims and other expenses after loss component allocation | 2 835 716 | 5 802 286 | 8 638 002 |
| Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation | 759 467 | 866 217 | 1 625 684 |
| CSM recognised in profit or loss for the services provided | 1 559 533 | 2 637 818 | 4 197 351 |
| Insurance acquisition cash flow recovery | (1 039 337) | 38 825 | (1 000 512) |
| Less any Unwind/release of loss component over the period | (320 688) | (308 279) | (628 967) |
| Insurance revenue from contracts not measured under the PAA | 3 794 691 | 9 036 867 | 12 831 558 |
| Insurance revenue from contracts measured under the PAA | 1 284 212 | 2 035 891 | 3 320 103 |
| Insurance revenue from contracts measured under VFA | 498 179 | - | 498 179 |
| Total insurance revenue | 5 577 082 | 11 072 758 | 16 649 840 |
| Insurance service expenses | | | |
| Incurred claims | (2 022 192) | (3 641 832) | (5 664 024) |
| Directly attributable expenses | (811 314) | (1 873 608) | (2 684 992) |
| Changes that relate to past service -adjustments to the LIC | - | - | - |
| Changes Related to Past Services - IBNR | (148 972) | - | (148 972) |
| Changes Related to Past Services - Gross Outstanding Claims | (325 239) | (227 037) | (552 276) |
| Losses on onerous contracts and reversal of those losses | - | - | - |
| Insurance acquisition cashflows amortisation | (606 143) | (1 077 096) | (1 683 239) |
| Total insurance service expenses | (3 913 860) | (6 819 573) | (10 733 433) |
| Reinsurance expenses-contracts measured under the PAA | (519 460) | - | (519 460) |
| Claims recovered | 80 154 | - | 80 154 |
| Total net expenses from reinsurance contracts held | (439 306) | - | (439 306) |
| Total insurance service result | 1 223 916 | 4 253 185 | 5 477 101 |
| Dec-24 | | | |
| Insurance contract revenue | | | |
| Amounts relating to the changes in the Liability for remaining coverage (LRC) | | | |
| Expected incurred claims and other expenses after loss component allocation | 1 211 971 | 2 671 734 | 3 883 705 |
| Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation | 56 536 | 396 014 | 452 550 |
| CSM recognised in profit or loss for the services provided | 556 995 | 4 972 286 | 5 529 281 |
| Less any Unwind/release of loss component over the period | - | - | - |
| Insurance acquisition cash flow recovery | 67 | (877 846) | (877 779) |
| Insurance revenue from contracts not measured under the PAA | 1 825 569 | 7 162 188 | 8 987 757 |
| Insurance revenue from contracts measured under the PAA | - | 1 820 948 | 1 820 948 |
| Insurance revenue from contracts measured under VFA | 621 855 | - | 621 855 |
| Total insurance revenue | 2 447 424 | 8 983 136 | 11 430 560 |
| Insurance service expenses | | | |
| Incurred claims | 1 588 093 | 1 666 169 | 3 254 262 |
| Directly attributable expenses | 739 606 | 1 803 295 | 2 542 901 |
| Changes that relate to past service -adjustments to the LIC | - | - | - |
| Changes Related to Past Services - IBNR | - | - | - |
| Changes Related to Past Services - Gross Outstanding Claims | - | - | - |
| Losses on onerous contracts and reversal of those losses | (90 833) | 1 842 482 | 1 751 649 |
| Insurance acquisition cashflows amortisation | 202 740 | 1 189 876 | 1 392 616 |
| Total insurance service expenses | 2 439 606 | 6 501 822 | 8 941 428 |
| Reinsurance expenses-contracts measured under the PAA | 354 078 | - | 354 078 |
| Claims recovered | (202 318) | - | (202 318) |
| Total net expenses from reinsurance contracts held | 151 760 | - | 151 760 |
| Total insurance service result | (143 942) | 2 481 314 | 2 337 372 |



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14 RESTATEMENT OF IFRS 17 RESULTS - FLA THE COMPANY

Fidelity Life Assurance of Zimbabwe (FLA) restated the insurance liabilities balances as at 31 December 2024 to reflect updates to actuarial modelling assumptions and the incorporation of additional prudential margins within the insurance contract liabilities. These changes arise from refinements to the valuation methodology and assumptions applied under IFRS 17, including enhancements to the measurement of fulfilment cash flows and risk adjustment. The impact of these changes is an increase in insurance contract liabilities at 31 December 2024 by USD4 676 580 and an increase in insurance finance expenses of contracts issued by USD 4 676 580. The adjustment represents a change in estimate and modelling approach rather than a change in accounting policy.

Statement of profit or loss as at 31 Dec 2024

| | As previously stated 2024 USD | Effect of restatement 2024 USD | Restated 2024 USD |
|--|--|---|-------------------------|
| Insurance finance income/(expenses) for insurance contracts issued | 1 004 828 | (4 676 580) | (3 671 752) |
| Profit for the year | 6 397 081 | (4 676 580) | 1 720 501 |

Impact on statement of financial position as at 31 Dec 24

| | As previously stated 2024 USD | Effect of restatement 2024 USD | Restated 2024 USD |
|--------------------------------|--|---|-------------------------|
| Insurance contract liabilities | 61 078 420 | 4 676 580 | 65 755 000 |
| Retained earnings | 18 846 436 | (4 676 580) | 14 169 856 |

15 BORROWINGS

| | AUDITED 31-Dec-25 USD | AUDITED 31-Dec-24 USD |
|------------------------------------|-----------------------------|-----------------------------|
| 15.1 Short-Term Borrowings | | |
| AFC Bank | 2 166 474 | - |
| ZB Bank | - | 568 565 |
| Steward Bank | - | 511 644 |
| National Social Security Authority | - | 1 000 000 |
| Nedbank Limited | 321 535 | 330 566 |
| NBS | 1 114 562 | 769 835 |
| | 3 602 571 | 3 180 610 |

AFC Bank

Fidelity Life Assurance of Zimbabwe secured a USD2.4 million loan from AFC Bank in August 2025 to fund development of Stoneridge stands under the Vaka Yako Product. The loan is repayable over 24 months from the drawdown date and attracts interest at 16% per annum.

ZB Bank Limited

The loan facility with ZB was obtained in 2024 as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility was denominated in USD and accrued interest at 18.6% per annum on a 18 month tenure and expires on 31 January 2026.

Steward Bank

The loan facility amounting to USD500,000 was obtained in 2024 as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility was denominated in USD and accrued interest at 25% per annum on a one year tenure and expired on 31 October 2025.

National Social Security Authority

A loan facility with the National Social Security Authority ("NSSA") amounting to USD1,00 0000 was obtained as a line of credit to bolster the microlending business unit lending capacity. The facility accrued interest at 24% per annum on a one year tenure and expired on 31 May 2025 and was secured by a mortgage bond supported by Zimre Holdings Limited guarantee.

Nedbank Limited

Fidelity Life Assurance of Zimbabwe Limited obtained a loan amounting to USD398,296 for asset financing in 2024. The facility accrues interest at the rate of 14% per annum and is repayable over 36 months. The loan is secured over the assets acquired.

NBS Bank

Fidelity Life Assurance of Zimbabwe Limited obtained an asset financing facility amounting to USD837 488,94 from NBS Bank in 2024. The facility accrues interest at 18% per annum repayable in 24 months expiring on 31 October 2027. The loan is secured over the assets acquired.

15.2 Movements in borrowings during the year were as follows:

| | AUDITED 31-Dec-25 USD | AUDITED 31-Dec-24 USD |
|---------------------------------|-----------------------------|-----------------------------|
| Balance at 1 January | 3 180 610 | 752 288 |
| Net cash out flow on borrowings | 2 502 170 | 2 428 322 |
| Proceeds from borrowings | 3 352 456 | 2 655 329 |
| Repayment of borrowings | (736 714) | (174 774) |
| Finance costs capitalised | (434 943) | 242 138 |
| Finance costs paid | 321 371 | (294 371) |
| Non cash movement | (2 080 209) | - |
| Balance at 31 December | 3 602 571 | 3 180 610 |

16 TRADE AND OTHER PAYABLES

| | AUDITED 31-Dec-25 USD | AUDITED 31-Dec-24 USD |
|------------------------|-----------------------------|-----------------------------|
| Trade payables | 2 363 962 | 611 165 |
| Related party payables | 239 055 | 157 807 |
| Statutory liabilities | 567 136 | 271 752 |
| Other payables | 3 880 686 | 6 276 104 |
| | 7 050 839 | 7 316 828 |

17 LITIGATIONS AGAINST THE COMPANY

In 2015, Fidelity Life Assurance of Zimbabwe Limited, ("FLA") entered into a sale of shares agreement with CFI Holdings Limited ("CFI") acquiring 80.77% shares in Langford Estates 1962 (Private) Limited, a company whose sole asset is land measuring 834 hectares. The purchase entailed the assumption of CFI Holdings' Limited USD16million debt owed to a consortium of banks by the Company. Subsequently a Debt Assumption and Compromise Agreement was signed between the Company, Langford Estates (1962) (Private) Limited, CFI Holdings, Crest Poultry (Private) Limited t/a Agrifoods, and FBC Bank Limited, Agricultural Bank of Zimbabwe Limited, Infrastructure Development Bank of Zimbabwe Limited, Standard Chartered Bank Zimbabwe Limited and CBZ Bank Limited. The Company assumed the CFI debt and ownership of 80.77% of Langford Estates and duly paid off the debt.

In March 2018, the Company received a letter from CFI contesting the Sale of Shares Agreement and Debt Assumption and Compromise Agreement. The parties failed to reach an amicable resolution and CFI instituted legal proceedings against the Company in the High Court and Arbitration for cancellation of the debt assumption agreement and setting aside of the agreement of sale of shares respectively. Both matters are pending resolution before the two forums. The directors have engaged external legal counsel to defend the interests of Fidelity Life. There is a high probability that the matter will be determined in FLA's favour given that the transaction met all the regulatory compliance conditions including director and shareholder approvals, prior to its conclusion.

18 IFRS 17 IMPLEMENTATION

During the year 2024, the company successfully implemented an IFRS 17-compliant actuarial engine, facilitating contract-level calculations. This process has now reached completion, necessitating rigorous checks and validations to ensure accuracy and compliance with the standard.

In alignment with IFRS 17, the company has refined its policies and processes related to the calculations and reporting of insurance contracts. However, it is important to note that there is potential for further enhancements in the reporting and measurement of these contracts. Such improvements may have significant implications for both insurance contract liabilities and insurance finance expenses for insurance contracts issued in future reporting periods.

Ongoing monitoring and adjustments will be essential as the company continues to navigate the complexities of IFRS 17 to optimize its financial reporting and risk management practices.

19 DIVIDEND DECLARATION

| | AUDITED 31-Dec-25 USD | AUDITED 31-Dec-24 USD |
|--------------------|-----------------------------|-----------------------------|
| As at 1 January | | |
| Dividends declared | 300 000 | - |
| Dividends paid | - | - |
| | 300 000 | - |

The Board of Directors declared a final dividend payable of USD 300 000 or USD0.00028 per share for the year ended 31 December 2025.



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