

TRADING UPDATE

For the First Quarter Ended 31 March 2026

1. GROUP OPENING STATEMENT

The Board of Directors of Zimplow Holdings Limited presents the Group's Trading Update for the quarter ended 31 March 2026. The first quarter (Q1) demonstrated an encouraging financial performance anchored on revenue growth and improved trading margins with the Group reporting a profit against a loss suffered in the prior year.

This turnaround reflects the combined effect of a strengthened agricultural season, recovery in aftersales revenues across several business units, and the gradual realisation of benefits from the structural business model changes introduced in FY2025. The Group views this recovery with cautious optimism and remains committed to sustaining the positive momentum established in this quarter through the remainder of FY2026.

2. MACROECONOMIC AND OPERATING ENVIRONMENT

Zimbabwe Economic Context

The domestic economic environment in Q1 FY2026 was broadly more favourable to business than the comparable period of FY2025 due to a good 2025/2026 cropping season, global gold prices being firm and as the local currency demonstrated relative stability following monetary policy interventions in the latter part of 2025. However, inflation rose to 4.4% due to the impact of the Middle East conflict resulting in increased fuel prices and supply chain related costs.

The Group expects that the delivery of the tobacco and cereals crop in the second quarter of 2026 (Q2 FY2026) will release meaningful liquidity into its primary agricultural market.

3. GROUP FINANCIAL SUMMARY

The following summary reflects the Group's consolidated financial performance for the quarter ended 31 March 2026 compared to the equivalent period in the prior year. All figures are stated in United States Dollars.

FINANCIAL INDICATOR	Q1 FY2026	Q1 FY2025	
Group Revenue	US\$8.44 million	US\$7.36 million	+15%
Gross Margin	26%	23%	+3 ppts
Profit/(Loss) Before Tax	US\$ 114,921	(US\$ 596,424)	\$711,345

The Group's return to profitability in Q1 FY2026 reflects the structural improvements implemented during FY2025, including staff rationalisation, branch optimisation, the diversification of revenue streams across several business units, and a more disciplined approach to working capital management. The gross margin recovery from 23% to 26% is particularly encouraging and reflects an improved aftersales performance and product mix across Farmec, Trentyre and Scanlink.

4. BUSINESS UNIT PERFORMANCE

4.1 Mealie Brand

Mealie Brand recorded revenue growth of 160% against Q1 FY2025, representing a substantial improvement that was underpinned by the recovery in the agricultural sector following the prior year's El Niño-induced drought. The diversified business model introduced in FY2025, with the objective of reducing the business unit's sole dependence on agricultural revenue, showed encouraging results during the quarter.

In the agricultural implements segment, local implements volumes grew by 81% and export implements volumes grew materially from a prior year perspective, as the restoration of normal to above-normal rainfall patterns in January 2026 following a dry tail-end to FY2025 improved demand and generated a spillover of sales that had been deferred from late 2025. Spares volumes grew by 193% against the prior year. In the mining segment, volumes increased from a zero-base following the business unit's penetration of the segment in Q4 FY2025, representing a strategic new revenue stream that management expects to develop further as the unit further develops its relationships within the mining sector.

4.2 Farmec

Farmec delivered the strongest individual performance in the Group during the quarter, with total revenue growing 35% compared to Q1 FY2025, driven by broad-based demand recovery across all revenue lines. The business unit returned to a pre-tax profit, a substantial improvement from a pre-tax loss in Q1 FY2025, and made the largest contribution to the Group's profitability.

Tractor revenue grew by 22% against the prior year quarter, driven by strong demand for MF200 series tractors and the successful sale of two French series models during the period. Implements sales grew by 35% year on year as farmers invested in productive capacity ahead of the winter cropping season. Workshop service hours increased by 58%, contributing to improved aftersales revenue and supporting gross margin resilience.

The Business Unit is focused on maintaining the financial performance up to year end.

4.3 Trentyre

Trentyre achieved total revenue growth of 30% against Q1 FY2025, with new tyre revenue growing 112% on the prior year, driven principally by strong off-the-road (OTR) tyre volumes underpinned by sustained mining sector activity, improved penetration into key mining accounts and the successful execution of strategic supply contracts.

Retread sales declined by 44% against the prior year, primarily reflecting a reduction in processing volumes of 18% against the prior year period. Management has implemented a targeted recovery plan for the retread operation, focused on

increasing casing collections from haulage customers, re-engaging previously inactive accounts, improving plant turnaround times, and securing new customers. Factory utilisation improvement remains a priority, and management expects to restore retread throughput progressively over the coming quarters.

Management expects OTR tyre demand to remain resilient into Q2, supported by the current contracted order pipeline, though a portion of the Q1 uplift reflected the timing of large fleet replacement orders rather than a permanent step-change in run-rate demand.

4.4 Powermec

Powermec recorded a subdued performance in Q1 FY2026, with total revenue remaining broadly flat year-over-year despite meaningful product portfolio changes across the business unit's revenue streams. The principal headwind was a significant reduction in generator set volumes, which declined 59% against Q1 FY2025, driven by two key factors. Firstly, an improvement in the national electricity grid stability which materially reduced the urgency of back-up power investment among both commercial and industrial customers. Second, the increasing availability of competitively priced generator sets manufactured in China displaced premium-brand demand, as price-sensitive customers in a constrained liquidity environment traded down from the Perkins brand to lower-cost alternatives. Powermec has countered this shift in demand by expanding its generator product mix and focusing on improved service delivery to support its premium brand.

Generator revenue for the quarter consequently declined by 52% against Q1 FY2025. Aftersales revenue was also affected by the reduced generator fleet activity, with workshop hours declining by 33% against the prior year period.

Partially offsetting these headwinds, the solar energy business recorded exceptional growth of 144% against Q1 FY2025, reflecting growing demand for renewable energy solutions as customers seek reliable and cost-effective long-term alternatives to fossil fuel and grid-dependent power. Powermec has positioned itself as a one-stop solar solution provider, offering solar panels, battery storage, inverters, accessories and installation services, and this integrated offering is gaining traction in the market.

4.5 Scanlink

Scanlink recorded an improved aftersales performance in Q1 FY2026, with the business unit's profitable units posting strong results. Parts revenue grew by 20% against the prior year, underpinned by management's efforts to attract new customers, re-engage previously inactive accounts and secure supply tenders in the government and mining sectors. Parts margins improved to 38% from 35% in the prior year, benefiting from economies of scale achieved through bulk procurement and a reduction in vehicle-off-road incidents consequent upon improved parts availability and consistent supplier funding.

Wholegoods revenue declined by 40% against the prior year, reflecting the high base effect of strong vehicle sales in Q1 FY2025. The business unit secured sales of four Scania buses and four trucks during the quarter. The Business Unit is however optimistic of the recovery of its financial performance due to a healthy order book and further supported by an Original Equipment Manufacturer (OEM) backed customer financing structures to bolster wholegoods volumes growth.

4.6 CT Bolts

CT Bolts delivered stable performance during Q1 FY2026 amid a competitive, increasingly congested fasteners market. Tonnage sold during the quarter was 2% below Q1 FY2025, as the business unit continued to navigate market conditions shaped by the proliferation of competitively priced imported fasteners. Revenue for the quarter, however, increased 3% against the prior year, reflecting a favourable product mix shift towards higher-margin mild steel and high tensile fasteners, which were supported by sustained demand from key mining customers.

Gross margins remained solid, and the combination of margin resilience and sustained cost containment kept the bottom line positive, with the business unit recording a modest pre-tax profit.

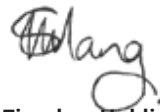
Management is actively expanding the business unit's revenue base through the introduction of a wholesale trading model on selected stock lines which has since been funded, with delivery expected in the third quarter of 2026.

5. OUTLOOK

Management expects the Group's outlook for the remainder of FY2026 to be underpinned by the favourable agricultural season with the delivery of the tobacco and other crops in Q2 2026 and further buttressed by the introduction of customer - centric financing options across the Group.

Sustained mining sector activity, supported by elevated gold prices and ongoing investment in Zimbabwe's gold mining infrastructure, is expected to support demand across Trentyre's OTR tyre segment, Mealie Brand's mining consumables offering and CT Bolts' mining customer base. Management is actively developing its capabilities in this sector across multiple business units.

By Order of the Board



Zimplow Holdings Limited
Harare, Zimbabwe

18 May 2026

