



Trading Update Q1 of 2026

Operating Environment

The first quarter of 2026 was marked by a relatively stable macro-economic environment, characterised by a sustained decline in both USD and ZWG annual inflation rates which closed the period under review at 1.3% and 4.4% respectively down from the 2025 closing rates of 12.4% and 15% respectively. The ZWG exchange rate continued to demonstrate remarkable stability building on from prior year to marginally appreciate by 2.5% in the period under review reflecting the effectiveness of the tight monetary policy thus far insofar as controlling the exchange rate volatility is concerned. However, the limited availability of ZWG as a result of the same tight monetary policy continued to strain liquidity in the market. In response, the Group remained proactive in managing its working capital position to sustain its operations and financial stability.

Performance Review

The Group delivered a strong and resilient performance during the period under review, reflecting continued operational efficiency, disciplined project execution, and the strength of its diversified project portfolio. Revenue for the quarter grew by 13% compared to the same period in the prior year to close at US\$8.8 million, while Profit after Tax increased by 12% to US\$453, 000.

This performance was achieved despite above-normal rainfall and a prolonged rainy season compared to prior comparable periods, which created challenging operating and construction conditions across several projects. Nevertheless, the Group's project teams demonstrated strong adaptability, effective planning, and solid execution capabilities, enabling projects to continue progressing efficiently under the circumstances.

The Group's order book remains robust, supported by a healthy mix of private and public sector projects, providing a strong platform for sustained growth and continued confidence in future performance.

Liquidity for the Group remained stable with a current ratio and quick ratio of 1.42 and 1.26 respectively, marginally improving from the closing ratios of 1.41 and 1.26 respectively as at 31 December 2025. The Group also incurred capital expenditure of US\$2m in the period under review mainly on hauling and trenching units to boost its operational capacity and improve its execution efficiency.

The Group remains steadfast in its commitment to best practices and continuous improvement, maintaining certification under internationally recognised ISO standards-ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health & Safety Management System. These certifications reflect the Group's ongoing focus on operational excellence, environmental stewardship, and the well-being of its employees.

While the Group regrettably recorded a fatality during the period under review, the incident has reinforced management's resolve to further strengthen its already robust safety culture. A comprehensive investigation was undertaken, with lessons learned informing enhanced safety protocols, corrective measures, and additional preventative initiatives aimed at reducing risk and promoting a safer working environment across all operations. The Group remains fully committed to prioritising employee health and safety and fostering continuous improvement in all aspects of its operations.

Outlook

The macroeconomic environment is expected to remain stable, with the projected GDP growth rate of 5% for the 2026 financial year looking reasonable supported mainly by the continued upsurge in mining volumes for major minerals backed by firm international commodity prices. However, the geopolitical wars in the middle east, that started subsequent to the period under review, and have resulted in significant 50% increase in fuel prices will likely trigger a chain of general price increases in the local and international markets thus causing both local and imported inflation in the market resulting in cost pressures and margins decline. In addition, the government's announcement to pay contractors in ZWG remains a source of uncertainty and significant risk to cashflow and project planning. Despite these challenges, the Group expects to remain profitable and maintain its growth trajectory anchored by its strong order book.

By Order of the Board



P. Mutiti
Company Secretary

4 June 2026