starafricacorporation limited

TRADING UPDATE
For The First Quarter Ended 30 June 2026

Trading Update for the first quarter ended 30 June 2026

This Trading Update for the first quarter ended 30 June 2026 is issued in terms of the Zimbabwe Stock Exchange ("ZSE") Practice Note 9 and is released in substitution for the requirement to publish Quarterly Interim Financial Reports in accordance with Section 35(5) of the ZSE Listing Requirements, Statutory Instrument 134 of 2019.

OPERATING ENVIRONMENT

The stability recorded in the macroeconomic environment in the previous quarters persisted throughout the first quarter of the current financial year. Inflation remained largely contained by government policy despite ongoing global cost pressures stemming from geopolitical conflicts in the Middle East. Robust performance in the mining sector and a favourable tobacco crop boosted aggregate demand and generated foreign currency inflows into the economy. This conducive economic backdrop served as a key driver of the Group's positive operational performance during the period.

TRADING UPDATE QUARTER 1

Operations

Granulated sugar sales volumes at Goldstar Sugars ("GSS") were 38% ahead of the prior year comparative period, anchored by competitive local pricing and an overall increase in market demand. This growth was achieved despite production being adversely affected by water supply interruptions and logistics-related plant downtime (delivery of critical spares was delayed by the global logistics disruptions arising from the conflict in the Middle East). Management commissioned additional boreholes to address water supply constraints.

Volumes at the sugar specialties business, Country Choice Foods ("CCF"), increased by 19%, compared with the prior year, driven by sustained customer demand. Management remains focused on expanding distribution networks to drive further market penetration.

Occupancy rates remained steady at Silver Star Properties, with focus on tenant retention. There were no rental rate adjustments during the period, and the modest increase in rental income reflects improved tenant occupancy.

Financial Performance

Revenue for the quarter grew by 31%, compared with the same period in the prior year, driven by volume increases at GSS and CCF. Strategic lower price adjustments implemented in the latter part of the previous financial year to improve competitiveness were successful in defending market share and in stimulating demand. Gross profit margin nonetheless compressed to 17% (2026: 18%) as the benefit of higher volumes was partly absorbed by input cost inflation. Operating profit, measured before the share of profit from the associate, was 58% ahead of the prior year comparative, driven by volume-led revenue growth and higher sundry income, partially offset by increases in operating expenses. Cost containment remains a priority, particularly in view of the inflationary pressure arising from higher fuel prices.

The Group's share of profit from its associate was 25% below the prior year comparative, attributable to product supply constraints in the Botswana market, which Management is working with the associate to address.

OUTLOOK

The operating environment remains favourable for business, underpinned by strong demand, which is expected to persist throughout the remainder of the financial year. Star Africa will continue to build on this trend by unlocking previously underutilised capacity. In addition, the business intends to address the supply gaps at its associate, which presents an opportunity to increase production and sales volumes. Since the end of the quarter, plant availability has improved, supported by stable utilities and delivery of spares for critical equipment. The Group maintains the key quality certifications required to service its major industrial customers.

By Order Of The Board

D. Maworera
COMPANY SECRETARY
12 August 2026

GOLDSTAR SUGARS | country choice foods | Silver Star Properties

Directors: R.J. Mbire (PhD) (Chairman), *M. Sibanda (PhD) (Chief Executive Officer), M.E. Chiremba, O.Kava, C. Matorera, *D. Maworera, S.N. Njerere, G.T. Nyamayi *Executive Director

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