

Inflation Adjusted Financial Highlights

| | INFLATION ADJUSTED | | HISTORIC COST | |
|---|------------------------------------|--------------------------------------|-------------------------|------------------------|
| | Audited Year Ended 30-Sep-22 | Audited Year on Year Change | Year Ended 30-Sep-22 | Year on Year Change |
| All figures in ZWL '000 | | | | |
| REVENUE (ZWL'000) | 4,142,399 | -12% | 2,247,856 | 118% |
| EBITDA (excluding fair value adjustments) | (1,178,599) | -227% | (1,269,672) | -731% |
| (LOSS)/ PROFIT AFTER TAXATION (ZWL'000) | (797,001) | 961% | 7,864,955 | -80% |
| BASIC EARNINGS PER SHARE (ZWL'000) | 3.5352 | -7757% | 4.8328 | 2222% |
| HEADLINE EARNINGS PER SHARE (ZWL'000) | (0.5120) | 1011% | 0.0235 | -89% |

CHAIRMAN'S STATEMENT

INTRODUCTION

The financial year ended 30 September 2022 was fraught with a number of major disruptions world wide. The effects of COVID-19 on the world economy continued in the period under review. COVID-19 resulted in a reduction in the macadamia market size. This was particularly the case this year where due to lockdowns in China the macadamia selling season only saw very low volumes finding their way into China. As a result, volumes available for nut cracking were significant resulting in reduction of selling prices. The Ukraine war and effects on the world economy in terms of inflation, and increased costs of agricultural inputs such as fertilisers and chemicals compounded the challenges. Lastly, logistics constraints including container shortages resulted in spiraling costs. The consequences of all the above was a reduction in prices achieved as well as delays in receipts from customers. On the other hand, the tea market held in terms of both demand and prices although the net return would be adversely affected by the same increase in agricultural input costs discussed above.

The agricultural season was characterised by erratic rains and hotter temperatures in the first quarter to the end of December 2021.

FINANCIAL PERFORMANCE (on inflation adjusted terms)

Revenue for the year ended 30 September 2022 reflects a 12% decline to ZWL4.1 billion when compared with the prior comparative period. The Group continued to have significant products sold in United States dollars whose value on the Auction did not reflect inflationary changes. In real terms the revenue line was adversely affected by the reduction in the average selling price of macadamia and lower macadamia nut yield in current year.

A current year loss from operations was posted arising from the impact of the mismatch arising from revenue from exports where Reserve Bank of Zimbabwe (RBZ) retention continued to be paid at a rate significantly lower than the rate being charged by local suppliers resulting in real erosion of value.

After taking into account fair value adjustments, the monetary profit and share of profits from joint ventures, the Group posted a loss before interest and tax of ZWL999 million compared to a loss of ZWL927 million in the prior comparative period.

The Group’s finance costs increased by 43% in inflation adjusted terms when compared with the prior comparative period.

The Group performed a revaluation of its buildings, leasehold and improvements, plant and machinery as at 30 September 2022. This was a change in accounting policy as the Group carried these at cost in prior years. The revaluation was performed in a bid to fairly state the value of the assets which had been translated at a rate of 1:1 upon change of functional currency during the financial year ended 30 September 2019. The revaluation resulted in a revaluation surplus net of taxes of ZWL6.5 billion. The Group’s total comprehensive income for the year closed at ZWL5.7 billion compared to a loss of ZWL75 million for the prior comparative period.

Overall the Group’s balance sheet continued to improve in the period under review as shown by improvements in the Group’s financial ratios.

VOLUMES AND OPERATIONS

Tea

Tea production volume in the current year continued on an upward trajectory with a 15% increase to 3,158 tons from 2,748 tons in the prior comparative period. Improvements made through automation of certain production tasks released labour for harvesting resulting in improved production volumes. As previously communicated the labour shortage is expected to persist in the future thereby necessitating continuous improvements and automation of processes.

Export tea sales volumes improved by 10% signaling a slight recovery in the tea market after the declines suffered with the onset of Covid 19 pandemic disruption. The average export tea selling price declined by 1% when compared to the prior comparative period.

Current year average selling prices for local tea sales improved by 12% in USD terms whilst volumes declined by 16% when compared to the prior comparative period.

Macadamia

Macadamia production volumes declined by 14% when compared to the prior comparative period from 1,292 tons to 1,106 tons. Generally the yield achieved this year was lower than that for the prior comparative period although there was an overall improvement on quality. Unfortunately, due to the effects described above on the macadamia market size and demand, the average selling price declined by 21% when compared to the prior comparative average price. As a result of covid 19 lockdowns, the Chinese market remained largely unavailable to the rest of the world resulting in an oversupply for nut cracking market with a decline in average selling prices.

Other products

The diversification of the Group’s product offering has never been more important than in the current year. Aggressive growth in the crop offering of basic commodities grown from Kent Estate helped the Group immensely in the current financial year.

The “Other Products” category comprising of potatoes, commercial maize, soya beans, seed maize and bananas contributed 10% to the Group’s turnover, down from 11% contribution in the prior comparative period.

Poultry revenue grew by 58% as a result of an increase in the number of placements.

INVESTMENTS

In the period under review, significant investment was made into planting new macadamia orchards, as well as completing the fencing of all macadamia orchards in the Group. Irrigation equipment was rehabilitated where necessary and an additional centre pivot was installed at Kent Estate so as to fully utilise dam water. Further, the tractor fleet was expanded to maintain operations. Lastly, another upgrade of the macadamia drying facility was implemented so as to increase capacity to the match the current macadamia production volumes.

OUTLOOK

The 2022/2023 agricultural season is expected to have normal to above normal rainfall. This will assist in underpinning the Group’s production performance. The Group will continue focusing on quality and volume improvements, further automation of activities and improved production efficiencies.

In the short term, production input costs are expected to remain high. At the same time, average selling prices for macadamia will remain depressed whilst tea prices and volume offtake will continue to improve. It is expected that improvements in the macadamia market will only be truly felt in a positive way in the 2024 year.

DIVIDEND

In view of the need to enhance assets and the need to preserve cash resources, the Board has seen it prudent not to declare a dividend.

DIRECTORATE

There have been no changes in the directorate in the period under review.

APPRECIATION

I would like to extend my appreciation to all our customers, suppliers, staff, shareholders, strategic partners and my fellow Board directors for the continued support for their business.

BY ORDER OF THE BOARD



ALEXANDER CRISPEN JONGWE
CHAIRMAN

28 DECEMBER 2022

Directors: Mr. A.C. Jongwe (Chairman), Mr. P.T. Spear* (Chief Executive Officer), Mr. I. Chagonda, Mr. C.P. Conradie, Mrs.T.C. Mazingi, Mr. J.W. Riekert. * Executive

Condensed Group Statement of Profit or Loss and Other Comprehensive Income

| | Notes | Inflation Adjusted | | *Historical | |
|---|-------|------------------------------------|------------------------------------|-------------------------|-------------------------|
| | | AUDITED Year Ended 30-Sep-22 | AUDITED Year Ended 30-Sep-21 | Year Ended 30-Sep-22 | Year Ended 30-Sep-21 |
| All figures in ZWL'000 | | | | | |
| Revenue | 9 | 4,142,399 | 4,684,437 | 2,247,856 | 1,030,220 |
| Cost of production | | (2,286,667) | (2,097,640) | (995,264) | (432,374) |
| Gross profit | | 1,855,732 | 2,586,797 | 1,252,592 | 597,846 |
| Other operating income | | 65,049 | 33,330 | 47,558 | 7,322 |
| Operating expenses | | (2,312,378) | (2,127,105) | (1,111,581) | (427,137) |
| (Loss)/ Profit from operations | | (391,597) | 493,022 | 188,569 | 178,031 |
| Fair value adjustments | | 530,926 | (887,516) | 1,465,297 | (38,380) |
| Exchange loss | | (1,623,530) | 2,569 | (1,694,311) | 5,698 |
| Monetary loss | | 359,174 | (79,968) | - | - |
| (Loss)/ profit on partial disposal of interest | | - | (497,432) | - | 267,860 |
| Share of net profit of a joint ventures accounted for using the equity method | 6 | 125,205 | 42,462 | 222,957 | 10,261 |
| (Loss)/ Profit before interest and taxation | | (999,822) | (926,863) | 182,512 | 423,470 |
| Finance costs | | (218,719) | (161,125) | (171,017) | (35,887) |
| (Loss)/ Profit before taxation | | (1,218,541) | (1,087,988) | 11,494 | 387,583 |
| Income tax benefit/ (expense) | 3 | 421,539 | 1,012,849 | 54,701 | (48,834) |
| (Loss)/ Profit for the year | | (797,001) | (75,139) | 66,196 | 338,749 |
| Other comprehensive income: | | | | | |
| Items that may be reclassified to profit or loss | | - | - | - | - |
| Items that will not be reclassified to profit or loss: | | | | | |
| Gain on revaluation of property, plant and machinery | 10 | 8,701,154 | - | 10,359,669 | - |
| Tax on other comprehensive income | 3 | (2,150,925) | - | (2,560,910) | - |
| Other comprehensive income for the year, net of tax | | 6,550,229 | - | 7,798,759 | - |
| Total comprehensive income for the year | | 5,753,228 | (75,139) | 7,864,955 | 338,749 |
| Number of shares in issue ('000) | | 1,627,396 | 1,627,396 | 1,627,396 | 1,627,396 |
| Weighted average number of shares in issue ('000) | | 1,627,396 | 1,627,396 | 1,627,396 | 1,627,396 |
| Earnings per share (dollars) | | | | | |
| Basic earnings per share | | 3.5352 | (0.0462) | 4.8328 | 0.2082 |
| Diluted earnings per share | | 3.5352 | (0.0462) | 4.8328 | 0.2082 |

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Group Statement of Financial Position

| | Notes | Inflation Adjusted | | *Historical | |
|-------------------------------|-------|-------------------------------|-------------------------------|--------------------|--------------------|
| | | AUDITED As at 30-Sep-22 | AUDITED As at 30-Sep-21 | As at 30-Sep-22 | As at 30-Sep-21 |
| All figures in ZWL'000 | | | | | |
| ASSETS | | | | | |
| Non - current assets | | | | | |
| Property, plant and equipment | | 13,712,737 | 5,260,779 | 10,599,601 | 129,692 |
| Biological assets | | 70,670 | 26,800 | 70,670 | 7,045 |
| Right of use assets | | 75,117 | 94,176 | 4,381 | 710 |
| Investment in joint ventures | 6 | 865,886 | 773,954 | 355,641 | 152,998 |
| | | 14,724,410 | 6,155,709 | 11,030,293 | 290,445 |
| Current assets | | | | | |
| Biological assets | | 1,727,852 | 1,240,796 | 1,727,852 | 326,180 |
| Inventories | | 780,257 | 651,282 | 690,094 | 162,284 |
| Trade and other receivables | | 2,494,725 | 1,819,843 | 2,488,568 | 475,988 |
| Cash and cash equivalents | | 223,807 | 29,922 | 223,807 | 7,867 |
| | | 5,226,641 | 3,741,843 | 5,130,321 | 972,319 |
| TOTAL ASSETS | | 19,951,051 | 9,897,552 | 16,160,614 | 1,262,764 |
| EQUITY | | | | | |
| Share capital and reserves | | | | | |
| Share capital | | 322,744 | 322,744 | 1,627 | 1,627 |
| Share premium | | 2,166,106 | 2,166,106 | 10,922 | 10,922 |
| Revaluation reserve | 10 | 6,550,229 | - | 7,798,759 | - |
| Distributable reserves | | 3,067,886 | 4,045,005 | 475,398 | 503,592 |
| | | 12,106,965 | 6,533,855 | 8,286,706 | 516,141 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 8 | 3,260,902 | 942,798 | 3,260,902 | 247,843 |
| Deferred tax | | 2,542,961 | 813,575 | 2,588,263 | 82,053 |
| Lease liabilities | | 23,128 | - | 23,128 | - |
| | | 5,826,991 | 1,756,373 | 5,872,292 | 329,896 |
| Current liabilities | | | | | |
| Borrowings | 8 | 712,261 | 402,074 | 712,261 | 105,697 |
| Trade and other payables | 7 | 1,278,722 | 826,941 | 1,263,243 | 211,612 |
| Contract liabilities | | 19,816 | 377,558 | 19,816 | 99,221 |
| Lease liabilities | | 6,296 | 751 | 6,296 | 197 |
| | | 2,017,095 | 1,607,324 | 2,001,616 | 416,727 |
| TOTAL EQUITY AND LIABILITIES | | 19,951,051 | 9,897,552 | 16,160,614 | 1,262,764 |

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Group Statement of Cashflows

| | Inflation Adjusted | | *Historical | |
|---|------------------------------------|------------------------------------|-------------------------|-------------------------|
| | AUDITED Year Ended 30-Sep-22 | AUDITED Year Ended 30-Sep-21 | Year Ended 30-Sep-22 | Year Ended 30-Sep-21 |
| All figures in ZWL'000 | | | | |
| Cash flows from operating activities | | | | |
| (Loss)/ profit before interest and taxation | (999,822) | (926,863) | 182,512 | 423,470 |
| Change in working capital | (1,407,710) | (809,586) | (1,811,509) | (99,919) |
| Non-cash items | (234,526) | 2,266,950 | (1,668,234) | (340,735) |
| Cash (utilised in)/ generated from operating activities | (2,642,057) | 530,501 | (3,297,231) | (17,184) |
| Cash flows from investing activities | | | | |
| Payments for property, plant and equipment acquired | (307,864) | (479,304) | (129,208) | (83,694) |
| Proceeds from sale of property, plant and equipment | 751 | 2,291 | 235 | 448 |
| Dividends received on investments | 33,273 | - | 20,314 | - |
| Proceeds from sale of investments | 741,810 | - | 176,507 | - |
| Cash generated from/ (utilised in) investing activities | 467,970 | (477,013) | 67,848 | (83,246) |
| Cash flows from financing activities | | | | |
| Cash utilised in financing activities | (52,572) | (562,562) | (27,550) | (13,213) |
| Cash generated from financing activities | 2,420,544 | 435,733 | 3,472,873 | 103,598 |
| Cash generated from financing activities | 2,367,972 | (126,829) | 3,445,323 | 90,385 |
| Net increase/ (decrease) in cash and cash equivalents | 193,885 | (73,341) | 215,940 | (10,045) |
| Cash and cash equivalents at beginning of the year | 29,922 | 103,263 | 7,867 | 17,912 |
| Cash and cash equivalents at the end of the year | 223,807 | 29,922 | 223,807 | 7,867 |

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.



ARISTON

HOLDINGS LIMITED

Registered Office: 18 Coghlan Road, Harare, Zimbabwe, P.O. Box 4019,

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Condensed Group Statement of Changes in Equity

| All figures in ZWL'000 | Inflation Adjusted | | | | |
|--|--------------------|---------------|---------------------|------------------------|------------|
| | Share Capital | Share Premium | Revaluation Reserve | Distributable Reserves | Total |
| Balance as at 30 September 2020 | 322,744 | 2,166,106 | - | 4,120,144 | 6,608,994 |
| Total comprehensive income for the period | - | - | - | (75,139) | (75,139) |
| Balance as at 30 September 2021 | 322,744 | 2,166,106 | - | 4,045,005 | 6,533,855 |
| Dividends declared for the 2021 financial year | - | - | - | (180,118) | (180,118) |
| Total comprehensive income for the period | - | - | 6,550,229 | (797,001) | 5,753,228 |
| Balance as at 30 September 2022 | 322,744 | 2,166,106 | 6,550,229 | 3,067,886 | 12,106,965 |

| All figures in ZWL'000 | *Historical | | | | |
|--|---------------|---------------|---------------------|------------------------|-----------|
| | Share Capital | Share Premium | Revaluation Reserve | Distributable Reserves | Total |
| Balance as at 30 September 2020 | 1,627 | 10,922 | - | 164,843 | 177,392 |
| Total comprehensive income for the period | - | - | - | 338,749 | 338,749 |
| Balance as at 30 September 2021 | 1,627 | 10,922 | - | 503,592 | 516,141 |
| Dividends declared for the 2021 financial year | - | - | - | (94,390) | (94,390) |
| Total comprehensive income for the period | - | - | 7,798,759 | 66,196 | 7,864,955 |
| Balance as at 30 September 2022 | 1,627 | 10,922 | 7,798,759 | 475,398 | 8,286,706 |

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

Condensed Notes and Supplementary Information

| All figures in ZWL'000 | Inflation Adjusted | | *Historical | |
|---|------------------------------|------------------------------|----------------------|----------------------|
| | AUDITED Year Ended 30-Sep-22 | AUDITED Year Ended 30-Sep-21 | Year Ended 30-Sep-22 | Year Ended 30-Sep-21 |
| 1. Depreciation and amortisation | | | | |
| Depreciation of property, plant and equipment excluding bearer plants | 215,139 | 267,828 | 11,320 | 5,825 |
| Depreciation of bearer plants | 100,249 | 68,228 | 505 | 631 |
| Depreciation of right of use assets | 36,760 | 33,220 | 1,289 | 297 |
| | 352,148 | 369,276 | 13,114 | 6,753 |
| 2. Impairment | | | | |
| Impairment loss recognised | - | 62,644 | - | 316 |
| | - | 62,644 | - | 316 |
| 3. Income tax (benefit)/ expense | | | | |
| Current tax | - | 92,776 | - | 24,389 |
| Deferred tax movement through profit or loss | (421,539) | (1,105,625) | (54,701) | 24,445 |
| Total income tax through profit or loss | (421,539) | (1,012,849) | (54,701) | 48,834 |
| Deferred tax movement through comprehensive income | 2,150,925 | - | 2,560,910 | - |
| | 1,729,386 | (1,012,849) | 2,506,209 | 48,834 |
| 4. Capital expenditure for the period | | | | |
| Purchase of property plant and equipment excluding bearer plants | 274,531 | 403,445 | 120,384 | 67,885 |
| Capital expenditure incurred on bearer plants | 39,588 | 75,859 | 12,078 | 15,809 |
| | 314,119 | 479,304 | 132,462 | 83,694 |
| 5. Commitments for capital expenditure | | | | |
| Authorised by directors but not contracted | 446,034 | 66,788 | 446,034 | 17,557 |
| | 446,034 | 66,788 | 446,034 | 17,557 |

The capital expenditure will be financed out of the Group's own resources and existing facilities.

| All figures in ZWL'000 | Inflation Adjusted | | *Historical | |
|---|------------------------------|------------------------------|----------------------|----------------------|
| | AUDITED Year Ended 30-Sep-22 | AUDITED Year Ended 30-Sep-21 | Year Ended 30-Sep-22 | Year Ended 30-Sep-21 |
| 6. Investment in joint ventures | | | | |
| Beginning of the period | 773,954 | 147,770 | 152,998 | 5,555 |
| Addition | - | 120,558 | - | 25,593 |
| Fair value of retained investment | - | 463,164 | - | 111,589 |
| Share of profit for the period | 125,205 | 42,462 | 222,957 | 10,261 |
| Dividends received | (33,273) | - | (20,314) | - |
| End of the period | 865,886 | 773,954 | 355,641 | 152,998 |
| 7. Trade and other payables | | | | |
| Trade payables | 756,538 | 595,329 | 756,538 | 156,502 |
| Dividends declared for the 2021 financial year | 63,552 | - | 63,552 | - |
| Other payables* | 458,632 | 231,612 | 443,153 | 55,110 |
| | 1,278,722 | 826,941 | 1,263,243 | 211,612 |
| <i>*Other payables include provisions and statutory liabilities</i> | | | | |
| 8. Borrowings | | | | |
| At amortised cost | | | | |
| Loans from banks | 1,540,862 | 341,660 | 1,540,862 | 89,815 |
| Bank overdrafts | 105,375 | 71,403 | 105,375 | 18,771 |
| Loans from related parties | 2,326,926 | 931,809 | 2,326,926 | 244,954 |
| | 3,973,163 | 1,344,872 | 3,973,163 | 353,540 |
| Long-term | 3,260,902 | 942,798 | 3,260,902 | 247,843 |
| Short-term | 712,261 | 402,074 | 712,261 | 105,697 |
| | 3,973,163 | 1,344,872 | 3,973,163 | 353,540 |

(i) Bank loans of ZWL 1,540,862,323 (2021: ZWL 341,659,617) (inflation-adjusted) are secured by an assignment of export receivables between Ariston Management Services and 2 customers and an act of surety signed for the full amount of exposure.

The average effective interest rate on bank loans approximates 10% (2021: 8.5%) per annum.

(ii) Bank overdrafts are repayable on demand. Overdrafts of ZWL 105,375,301 (2021: ZWL 71,403,412) (inflation-adjusted) have been secured by joint and several guarantees. The average effective interest rate on bank overdrafts approximates 100% (2021: 12% to 40%) per annum.

(iii) Loans repayable to related parties of the Group are secured by inventories and a mortgage bond over Kent Estate and carry interest of 6% (2021: 6%) per annum charged on the outstanding loan balances. The loans are not payable on demand, they are due at the end of the loan agreement.

(iv) Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The Group did not have any debt covenants.

9. Reportable segments

| Revenue from major products | Inflation Adjusted | | *Historical | |
|-----------------------------|------------------------------|------------------------------|----------------------|----------------------|
| | AUDITED Year Ended 30-Sep-22 | AUDITED Year Ended 30-Sep-21 | Year Ended 30-Sep-22 | Year Ended 30-Sep-21 |
| Tea | 1,945,050 | 1,763,486 | 1,098,535 | 381,800 |
| Macadamia nuts | 1,168,082 | 1,441,643 | 603,220 | 323,290 |
| Vegetables and fruits | 146,230 | 753,058 | 67,328 | 160,708 |
| Poultry | 586,481 | 370,704 | 287,602 | 82,513 |
| Other | 296,556 | 355,546 | 191,171 | 81,909 |
| Total | 4,142,399 | 4,684,437 | 2,247,856 | 1,030,220 |

All revenue is recognised at a point in time.

| All figures in ZWL'000 | Inflation Adjusted | | | | Total |
|--|--------------------|------------------|-------------|------------------|-------------|
| | Southdown Estates | Claremont Estate | Kent Estate | Corporate Office | |
| 30-Sep-22 | | | | | |
| Segment revenue | 3,201,958 | 3,443 | 936,998 | - | 4,142,399 |
| Segment EBITDA (excluding fair value adjustments) | 38,990,341 | (7,745,600) | 6,577,651 | (39,000,992) | (1,178,599) |
| Segment depreciation and impairment | 268,734 | 6,506 | 38,626 | 38,282 | 352,148 |
| Segment assets (excluding intersegment assets) | 14,391,204 | 182,774 | 2,064,826 | 3,312,247 | 19,951,051 |
| Segment liabilities (excluding intersegment liabilities) | (3,437,497) | (54,412) | (101,219) | (4,250,958) | (7,844,086) |
| Net segment assets/ (liabilities) | (600,135) | (55,849) | 32,215 | 623,769 | - |
| 30-Sep-21 | | | | | |
| Segment revenue | 3,287,940 | 547,262 | 849,235 | - | 4,684,437 |
| Segment EBITDA (excluding fair value adjustments) | 9,708,265 | (3,144,996) | (268,925) | (5,365,515) | 928,829 |
| Segment depreciation and impairment | 204,125 | 55,417 | 35,571 | 136,807 | 431,920 |
| Segment assets (excluding intersegment assets) | 6,412,788 | 666,486 | 665,473 | 2,152,805 | 9,897,552 |
| Segment liabilities (excluding intersegment liabilities) | (1,578,771) | (106,905) | (28,957) | (1,649,064) | (3,363,697) |
| Net segment assets/ (liabilities) | 295,869 | (175,781) | (5,290) | (114,798) | - |

Directors: Mr. A.C. Jongwe (Chairman), Mr. P.T. Spear* (Chief Executive Officer), Mr. I. Chagonda, Mr. C.P. Conradie, Mrs.T.C. Mazingi, Mr. J.W. Riekert. * Executive

Condensed Notes and Supplementary Information (Continued)

9. Reportable segments (Continued)

| All figures in ZWL'000 | *Historical | | | | |
|--|-------------------|------------------|-------------|------------------|-------------|
| | Southdown Estates | Claremont Estate | Kent Estate | Corporate Office | Total |
| 30-Sep-22 | | | | | |
| Segment revenue | 1,748,172 | 2,234 | 497,450 | - | 2,247,856 |
| Segment EBITDA (excluding fair value adjustments) | (116,331) | 111,817 | 33,601 | (1,298,759) | (1,269,672) |
| Segment depreciation and impairment | 10,379 | 348 | 1,827 | 560 | 13,114 |
| Segment assets (excluding intersegment assets) | 11,627,205 | 179,755 | 1,996,246 | 2,357,408 | 16,160,614 |
| Segment liabilities (excluding intersegment liabilities) | (3,467,319) | (54,412) | (101,219) | (4,250,958) | (7,873,908) |
| Net segment assets/ (liabilities) | (600,135) | (55,849) | 32,215 | 623,769 | - |
| 30-Sep-21 | | | | | |
| Segment revenue | 723,363 | 118,257 | 188,600 | - | 1,030,220 |
| Segment EBITDA (excluding fair value adjustments) | 174,720 | 6,282 | 44,996 | (24,938) | 201,060 |
| Segment depreciation and impairment | 4,163 | 1,320 | 674 | 912 | 7,069 |
| Segment assets (excluding intersegment assets) | 713,116 | 110,195 | 47,912 | 391,541 | 1,262,764 |
| Segment liabilities (excluding intersegment liabilities) | (277,402) | (28,104) | (7,612) | (433,505) | (746,623) |
| Net segment assets/ (liabilities) | 77,778 | (46,209) | (1,391) | (30,178) | - |

* Historical amounts have been presented as supplementary information and were not subject to an audit or review.

10. Total comprehensive income

10.1 Change in accounting policy - Revaluation of property, plant and equipment

The Group changed its accounting policy from cost model to revaluation model for two categories within its property, plant and equipment. The two categories are Buildings and leasehold improvements as well as and Plant and machinery. The revaluation was performed in a bid to fairly the state the value of the assets which had been translated at a rate of 1:1 upon change of functional currency during the financial year ended 30 September 2019. This change is effective from 30 September 2022 and has been prospectively applied in terms of IAS 8 paragraph 17.

The revaluation of buildings, leasehold improvements, plant and machinery was carried out as at 30 September 2022 (being the effective date of the revaluation) by EPG Global Real Estate, an independent valuer. The Depreciated Replacement cost has been used as a basis of valuation. This is the cost of erecting and or acquiring, installing and commissioning a new or modern substitute asset with the same or similar productive capacity as the existing one, together with associated charges directly related to the installation of the asset but excluding finance charges. The said cost is then depreciated according to age, obsolescence, use and condition. This method is applied as a last resort where it is difficult to estimate inputs required in computing fair value using the income approach. The Group's property, plant and machinery, is so specialised that there is no active markets for the assets. As such, market inputs which would be applied in the income approach, such as the market capitalisation rate of these assets could not be determined by the valuers. Therefore the Depreciated Replacement Cost has been applied.

A net revaluation surplus after tax of ZWL6,550,228,007 inflation adjusted, has been recognised. The revaluation has contributed both basic and diluted Earnings Per Share of ZWL4.0250. Had no revaluation been performed, buildings and leasehold improvements would have had a carrying amount of ZWL990,099,632 while plant and machinery would have had a carrying amount of ZWL839,027,694. Movement in the Revaluation Reserve is found on the Statement of Changes in Equity. The net replacement method has been used for the purposes of the revaluation.

There are no restrictions on the distribution of the Revaluation balance to shareholders.

Management believes that the change in accounting policy will result in fair presentation of the Group's property, plant and equipment.

11. Currency of reporting

The Group's consolidated and condensed financial statements are presented in Zimbabwe Dollars (ZWL) which is the functional currency of all its components.

12. Statement of compliance

The Group's consolidated financial statements which are summarised by these Group financial results have been prepared in compliance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC), the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Stock Exchange rules and the relevant Statutory Instruments. The Group financial results do not include all the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's consolidated financial statements which are available for inspection at the Company's registered office.

13. Basis of preparation

The financial results have been prepared based on statutory records which are maintained on a historical cost basis except for certain biological assets and financial instruments that are measured at fair value, and have been adjusted to fully comply with IFRS; these adjustments include restatements of financial information to reflect the effects of the application of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies" as more fully described on Note 14 below.

Accordingly the inflation adjusted financial statements represent primary financial statements of the Group. The historical cost information has been provided as supplementary information only.

14. Hyperinflation

On 11 October 2019, the Public Accountants and Auditors Board (PAAB) announced that the requisite economic factors and characteristics necessary for the application of IAS 29 in Zimbabwe had been met. This pronouncement applies to reporting for financial periods ending on or after 1 July 2019.

Historical cost basis have been restated to comply with IAS 29 which requires that financial results be prepared and presented in terms of the measuring unit current at the reporting date, with comparative information being restated in the same manner. The restatements to cater for the changes in the General Purchasing Power of the Zimbabwean Dollar (ZWL) are based on indices and conversion factors derived from the Consumer Price Index (CPI) compiled by the Zimbabwe National Statistics Agency.

Judgement has been used in some of the assumptions including CPIs for some previous years due to limitation of available data.

Key CPIs and conversion factors used are shown below:

| Month | CPI | Conversion Factor |
|--|-----------|-------------------|
| 30 September 2022 | 12,713.12 | 1.00 |
| Average CPI (October 2021 to September 2022) | 6,795.18 | 2.30 |
| 30 September 2021 | 3,342.02 | 3.80 |

15. Accounting policies

The Group has adopted all the new and revised accounting pronouncements applicable for the period ending 30 September 2022 as issued by the International Accounting Standards Board (IASB). The accounting policies adopted in the preparation of the consolidated financial statements as at 30 September 2021 have been consistently applied in these Group financial results, with the exception of the measurement model used for measuring Property, plant and equipment as described in Note 10 above.

16. Going concern

The Directors of the Group have continued to review the financial impact of the effects of COVID-19 and the related global lockdown orders on the business. The Directors have also assessed the impact of the war between Russia and Ukraine on the business which has had a negative impact on the Group's cost of production and pricing. They have also performed an overall assessment of the ability of the Group to continue operating as a going concern by reviewing the prospects of the Group. These assessments considered the Group's financial performance for the period ended 30 September 2022, the financial position as at 30 September 2022 and the current and medium term forecasts for the Group taking into account the economic environment in Zimbabwe, climate change, the global supply chain and the expected impact on prices and demand for the Group's products. The directors believe that the Group's plans and activities adequately mitigate the risks. Based on this background, the Directors have every reason to believe that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, these financial results were prepared on a going concern basis.

17. Audit Opinion

The inflation adjusted consolidated financial statements from which the condensed version was derived have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe). The engagement partner on the audit is Esther Antonio (PAAB Practising Number 0661). The auditors have issued an unqualified audit opinion on the Group's inflation adjusted consolidated financial statements. The auditors have also highlighted Key Audit Matters in relation to the Valuation of Biological Assets and the Change in Accounting Policy On Revaluation of Property, Plant and Equipment. There is no separate opinion on these Key Audit Matters.

18. Events after reporting date

There have been no significant events after the reporting date.