ARISTON HOLDINGS LIMITED

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

Audited Financial Results

For the year ended 30 September 2024

FINANCIAL HIGHLIGHTS

All figures in USD	AUDITED Year ended 30-Sep-24	Year Ended 30-Sep-23	Year on year change
REVENUE	7,066,043	6,489,945	9%
LOSS BEFORE INTEREST, TAX, DEPRECIATON AND AMORTISATION ("EBITDA") excluding fair value adjustments	(1,311,314)	(4,467,409)	71%
LOSS FOR THE YEAR	(4,282,691)	(6,049,247)	29%
BASIC LOSS PER SHARE	(0.0026)	(0.0037)	30%
HEADLINE LOSS PER SHARE	(0.0026)	(0.0037)	30%

CHAIRMAN'S STATEMENT

Introduction
The 2024 agricultural season presented notable challenges due to El Nino-induced climatic conditions and gradually improving post-COVID selling prices. Lower rainfall was received at all the operations and at Kent, this resulted in a streamlining of dryland crop activity.

The local trading environment continued to be predominantly United States of America dollar ("USD")-based with increased liquidity challenges after the introduction of the Zimbabwe Gold ("ZwG") currency in April 2024.

Operations were impacted by rising input costs of production for key inputs such as electricity, fertilisers and crop chemicals although efficiencies such as solar power adoption mitigated some of these pressures. Ariston Holdings Limited (the "Company") and all its subsidiaries together (the "Group") continued to benefit from the positive impact made by installation of the solar energy plant at Southdown Estate in July 2023. This achieved cost saving through reduced reliance on generators and the associated maintenance cost, whilst contributing towards safeguarding environmental resources through use of a renewable energy source. While solar installation reduced generator reliance, gains were partially offset by increased grid electricity tariffs.

Financial performance
The Group noted that its functional currency had changed to the United States of America dollar ("USD") at the beginning of the year. It is on this basis that the financial results for the year have been prepared and presented in USD. The considerations that were made by the Group are detailed in Note 12.

Revenue of US$7,066,043 generated during the year was 9% ahead of prior year. This was mainly attributable to improved macadamia volumes and selling prices. The cost of sales however, worsened slightly by 3% as a result of the increased costs of fertilizers, crop chemicals and electricity resulting in the Group reporting a gross loss of US$1,389,028 despite improved revenue.

The three joint ventures namely, Bonemarrow Investments (Private) Limited trading as Claremont Powerstation, Claremont Orchards Holdings (Private) Limited and Mombe Shoma (Private) Limited contributed positively to the Group's financial performance.

In the comparative year, the Group had unrealised exchange losses, mainly arising from United States of America dollar denominated liabilities. Since the change in functional currency, exchange gains have been generated arising from Zimbabwe Gold denominated liabilities. Finance cost increased by 23% compared to prior year. As a result of all the above, the Group posted a 29% impovement in the loss for the year before other comprehensive income.

Volumes and operations

Tea
During the year ended 30 September 2024, 3,070 tonnes of tea were produced. This was a 26% improvement on the prior year's volume of 2,427 tonnes.

While average export tea selling prices declined by 21%, local demand strengthened and supported margins. Export tea volume was contained given the prevailing export prices. The exportable volume was fully absorbed locally at better margins. This resulted in a 60% decline in export tea revenue.

Local tea demand remained firm as evidenced by a 39% increase in local tea sales volumes compared to the prior year.

Overall, tea sales revenue ended the year at 0.3% lower than prior year.

Macadamia
Production volumes for the year ended 30 September 2024 at 1,395 tonnes were 3% ahead of the prior year. During the current year, both production and prior year unsold stock amounting to 1,219 tonnes of macadamia nuts and 246 tons of ristonuts were sold. Average selling price improved by 13% during the year indicating improved demand post COVID- era.

Other products
The "Other Products" comprises commercial maize, seed maize, soya beans, avocados and bananas. These products contributed 21% to the Group's revenue, which was similar to the prior year. In response to the dry spell, other products such as potatoes were not grown in order to preserve the dam water for the commercial row crops that were planted under irrigation.

Capital expenditure
As reported at half year, the Group acquired a macadamia scanning machine, which allows for the scanning of nut-in-shell macadamia nuts to determine their quality before export. This enabled the Group to determine nut quality and assisted in pricing the macadamia nuts more effectively for export by being able to grade better and guarantee the quality being sold. The equipment was commissioned in April 2024 in time for the current year macadamia selling season and its benefits were evident.

Outlook
The 2024/2025 agricultural season is expected to have normal to above normal rainfall. The Group will however continue to rely heavily on its irrigation systems in place. It is hoped that the extremely hot conditions at the start of the season will not persist for the duration of the season.

The tea production season commenced well with harvests being slightly lower than those harvested in the prior period. Macadamia orchards, so far, have better nut set than the prior period. Macadamia export prices being indicated for the 2024/2025 season are higher than prices achieved in the current year. Indications are that the global macadamia oversupply situation that arose during the COVID-19 period has now come to an end with the market being undersupplied. Increasingly buyers are now trying to secure offtake agreements for the upcoming season.

The Group will continue to focus on quality, production efficiencies and cost cutting measures in order to maximise shareholder value.

Dividend
To preserve liquidity and support asset revitalization, the Board has prudently resolved to defer dividend declarations for the year.

Directorate
Mr. Paul Timothy Spear retired from the position of Group Chief Executive Officer with effect from 1 March 2024. He served the Group for 27 years in various capacities. Among his many achievements at the Group, Mr. Spear led the Group to being the first large scale macadamia producer for export in Zimbabwe. To maximise on his invaluable agricultural expertise, the Group retained Mr. Spear in a consultancy role for a period of twelve months.

Mr. Leon Wilhelm Nortier was appointed as the Group Chief Executive Officer. He has 23 years' experience farming in Southern Africa. His agricultural experience covers oil seed production, grain crops, horticulture, plantation crops, fibre, tobacco and livestock.

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

By order of the board

Alexander Crispen Jongwe
CHAIRMAN

11 April 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures in USD	Notes	Year ended 30-Sep-24	Year ended 30-Sep-23
Revenue	8	7,066,043	6,489,945
Cost of production		(8,455,071)	(8,201,168)
Gross loss		**(1,389,028)**	**(1,711,223)**
Other operating income		35,520	80,888
Operating expenses		(4,640,854)	(4,617,252)
Fair value adjustments		1,807,884	1,359,248
Loss from operations		**(4,186,478)**	**(4,888,339)**
Exchange gain/ (loss)		300,299	(10,438,028)
Gain on net monetary position		-	8,135,215
Share of net profit of a joint ventures accounted for using the equity method	5	160,245	459,583
Loss before interest and income tax		**(3,725,934)**	**(6,731,569)**
Finance costs		(728,372)	(592,850)
Loss before income tax		**(4,454,306)**	**(7,324,419)**
Income tax expense	4	171,615	1,275,172
Loss for the year		**(4,282,691)**	**(6,049,247)**
Other comprehensive income		-	6,443,710
Tax on other comprehensive income		-	(1,592,885)
Total comprehensive loss for the year		**(4,282,691)**	**(1,198,422)**
Number of shares in issue		**1,627,395,595**	**1,627,395,595**
Weighted average number of shares in issue		**1,627,395,595**	**1,627,395,595**
Losses per share (USD)			
Basic loss per share		(0.0026)	(0.0037)
Diluted loss per share		(0.0026)	(0.0037)
Headline loss per share		(0.0026)	(0.0037)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures in USD	Notes	As at 30-Sep-24	As at **30-Sept-23	As at **30-Sept-22
ASSETS				
Non - current assets				
Property, plant and equipment		21,855,143	23,945,993	22,050,023
Biological assets		113,636	113,636	113,637
Right of use assets		31,616	84,772	120,789
Investment in joint ventures	5	1,604,748	1,444,503	1,392,341
		23,605,143	**25,588,904**	**23,676,790**
Current assets				
Biological assets		1,895,477	1,774,726	2,778,379
Inventories		1,073,221	742,603	1,254,650
Trade and other receivables		3,294,094	3,555,405	4,011,507
Cash and cash equivalents		16,632	107,158	359,880
		6,279,424	**6,179,892**	**8,404,416**
TOTAL ASSETS		**29,884,567**	**31,768,796**	**32,081,206**
EQUITY				
Share capital and reserves				
Share capital		440,460	440,460	518,972
Share premium		2,956,158	2,956,158	3,483,089
Revaluation reserve		13,790,146	13,790,146	10,532,740
Distributable reserves		(6,145,094)	(1,862,403)	4,933,147
		11,041,670	**15,324,361**	**19,467,948**
LIABILITIES				
Non-current liabilities				
Borrowings	7	5,658,025	5,996,532	5,243,517
Deferred tax	4b	3,616,563	3,788,178	4,089,071
Lease liabilities		59,142	70,598	37,189
		9,333,730	**9,855,308**	**9,369,777**
Current liabilities				
Borrowings	7	3,575,122	1,033,050	1,145,313
Trade and other payables	6	5,922,588	5,545,707	2,056,179
Lease liabilities		11,457	10,370	31,864
Contract liabilities		-	-	10,125
		9,509,167	**6,589,127**	**3,243,481**
TOTAL LIABILITIES		**18,842,897**	**16,444,435**	**12,613,258**
TOTAL EQUITY AND LIABILITIES		**29,884,567**	**31,768,796**	**32,081,206**

*** The comparative numbers were previously presented in hyperinflation adjusted ZWL. Following the change in functional currency, these have been converted to the new reporting currency (USD).*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All figures in USD	Share capital	Share premium	Revaluation reserve	Distributable reserves	Total
Year ended 30 September 2023					
Balance as at 1 October 2022 Restated**	**518,972**	**3,483,089**	**10,532,740**	**4,933,147**	**19,467,948**
Revaluation surplus for the year	-	-	4,850,825	-	**4,850,825**
Loss for the year	-	-	-	(6,049,247)	**(6,049,247)**
Foreign exchange impact of translating to presentation currency	(78,512)	(526,931)	(1,593,419)	(746,303)	**(2,945,165)**
Balance as at 30 September 2023	**440,460**	**2,956,158**	**13,790,146**	**(1,862,403)**	**15,324,361**
Year ended 30 September 2024					
Balance as at 1 October 2023 Restated**	**440,460**	**2,956,158**	**13,790,146**	**(1,862,403)**	**15,324,361**
Loss for the year	-	-	-	(4,282,691)	(4,282,691)
Balance as at year ended 30 September 2024	**440,460**	**2,956,158**	**13,790,146**	**(6,145,094)**	**11,041,670**

*** The comparative numbers were previously presented in hyperinflation adjusted ZWL. Following the change in functional currency, these have been converted to the new reporting currency (USD).*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

All figures in USD	Year ended 30-Sep-24	Year ended 30-Sep-23
Cash flows from operating activities		
Loss before interest and income tax	(3,725,934)	(6,731,569)
Exchange rates movement	519,182	(845,915)
Change in working capital	307,575	4,425,812
Non-cash items	2,971,174	8,208,464
Monetary losses	-	(8,135,215)
Cash generated from/ (utilised in) from operating activities	**71,997**	**(3,078,423)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(282,968)	(999,050)
Proceeds from sale of property, plant and equipment	1,701	692
Dividends received on investments	-	196,785
Cash utilised in investing activities	**(281,267)**	**(801,573)**
Cash flows from financing activities		
Proceeds from borrowings	750,000	6,891,407
Repayment of borrowings	(613,256)	(3,743,533)
Repayment of lease arrangements	(18,000)	(15,248)
Cash generated from financing activities	**118,744**	**3,132,626**
Net (decrease)/ increase in cash and cash equivalents	**(90,526)**	**(747,370)**
IAS 29 Impact on cash flows	-	494,648
Cash and cash equivalents at beginning of the year	107,158	359,880
Cash and cash equivalents at the end of the year	**16,632**	**107,158**

CONDENSED NOTES AND SUPPLEMENTARY INFORMATION

	All figures in USD	Year ended 30-Sep-24	Year ended 30-Sep-23
1	**Depreciation and amortisation**		
	Depreciation of property, plant and equipment excluding bearer plants	2,223,821	2,073,865
	Depreciation of bearer plants	137,643	137,139
		2,361,464	**2,211,004**
2	**Capital expenditure for the year**		
	Purchase of property plant and equipment excluding bearer plants	145,552	685,523
	Capital expenditure incurred on bearer plants	137,416	313,527
		282,968	**999,050**
3	**Commitments for capital expenditure**		
	Authorised by directors but not contracted	467,032	467,520
	The capital expenditure will be financed out of the Group's own resources and existing facilities.		
4	**Income tax expense**		
	Current income tax	-	-
	Deferred tax	171,615	(1,275,172)
		171,615	**(1,275,172)**
	Deferred tax movement through comprehensive income	-	1,592,885
		171,615	**317,713**
4b	**Deferred tax liability**		
	Carrying amount at the beginning of the year	3,788,178	3,470,465
	Movement through profit or loss	(171,615)	(1,275,172)
	Movement through other comprehensive income	-	1,592,885
	Carrying amount at the end of the year	**3,616,563**	**3,788,178**
	Analysis of deferred tax liability		
	Property, plant and equipment	4,438,236	4,596,854
	Biological assets	517,347	466,803
	Right of use	8,141	20,956
	Allowance on expected credit losses on trade and other receivables	46	(778)
	Provisions	-	286,269
	Unrealised exchange losses	20,933	(1,013,711)
	Assessed losses	(1,368,140)	(568,215)
		3,616,563	**3,788,178**
5	**Investment in joint ventures**		
	Beginning of the year	1,444,503	1,181,704
	Share of profit for the year	160,245	459,584
	Dividends received	-	(196,785)
	End of the year	**1,604,748**	**1,444,503**
6	**Trade and other payables**		
	Trade payables	3,399,694	2,671,486
	Other payables*	2,522,894	2,874,221
		5,922,588	**5,545,707**
	**Other payables include provisions and statutory liabilities*		
7	**Borrowings**		
	At amortised cost		
	Loans from banks	3,005,707	2,487,298
	Bank overdrafts	-	17,497
	Loans from related parties	6,227,440	4,524,787
		9,233,147	**7,029,582**
	Long-term	5,658,025	5,996,532
	Short-term	3,575,122	1,033,050
		9,233,147	**7,029,582**
	The movement of borrowings is shown below:		
	Carrying amount at the beginning of the year	7,029,582	5,422,306
	Proceeds	750,000	6,891,407
	Interest	667,215	531,672
	Repayments	(613,256)	(3,743,533)
	Movements in exchange rates	-	21,703,580
	Inflation adjustments	-	(23,775,850)
	Transfer from payables**	1,399,606	-
	Carrying amount at the end of the year	**9,233,147**	**7,029,582**

(i) Bank loans of USD 3,005,707 (2023: USD 2,487,298) are secured by an assignment of export receivables of Ariston Management Services (Private) Limited and an act of surety signed for the full amount of exposure.

The average effective interest rate on bank loans approximates 13% (2023: 12%) per annum.

(ii) Bank overdrafts are repayable on demand. There were no overdraft balances as at year end (2023: USD 17,497) previously secured by joint and several guarantees. The average effective interest rate on bank overdrafts was 80% per annum (2023: 75% per annum.)

(iii) Loans from related parties of the Group are secured by mortgage bond of USD2 million over Clearwater Estate and carry interest of 6% (2023: 6%) per annum charged on the outstanding loan balances. The loans are due at the end of the loan agreement which has an undefined tenure.

(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.

*** This amount relates to the reclassification of the Richtrau loan, previously disclosed under Other Payables.*

The Group did not have any debt covenants

8. Reportable segments
Operating segments were identified by estates as monthly financial reports are produced and regularly reviewed by executive management to make decisions about resources to be allocated to the estates and assess its performance.

All figures in USD	Southdown Estates	Claremont Estate	Kent Estate	Corporate Office	Total
30-Sep-24					
Segment revenue	6,414,756	-	651,287	-	**7,066,043**
Segment depreciation and impairment	1,843,368	-	420,706	97,390	**2,361,464**
Segment assets (excluding intersegment assets)	19,022,227	289,050	3,550,495	7,022,795	**29,884,567**
Segment liabilities (excluding intersegment liabilities)	(7,435,818)	(84,785)	(346,324)	(10,975,970)	**(18,842,897)**
Net segment assets/ (liabilities)	(2,049,774)	(12,092)	(452,822)	2,514,688	-
30-Sep-23					
Segment revenue	5,478,537	-	1,011,408	-	**6,489,945**
Segment depreciation and impairment	1,125,480	-	442,466	643,058	**2,211,004**
Segment assets (excluding intersegment assets)	18,536,994	289,049	4,072,715	8,870,038	**31,768,796**
Segment liabilities (excluding intersegment liabilities)	(6,115,054)	(84,831)	(398,849)	(9,845,701)	**(16,444,435)**
Net segment assets/ (liabilities)	(1,400,872)	(12,092)	(64,039)	1,477,003	-

9 Basis of preparation
The financial information have been prepared based on statutory records which are maintained on a cost basis except for certain biological assets, property, plant and equipment and financial instruments that are measured at fair value, and have been adjusted to fully comply with IFRS Accounting Standards and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

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

11 Change in functional currency
Due to the changes experienced in the economic environment, on 1 October 2023 the Group reassessed whether the Zimbabwe Dollar ("ZWL") remained the functional currency of the Group. In making the assessment, the following were considered:
- the currency in which sales prices for products are denominated and settled
- the currency in which most costs are denominated and settled
- the currency in which funds from financing activities are generated
- the currency in which receipts from operating activities are usually retained.

Based on the above, it was determined that the Group primarily generates and expends funds in the USD. It is on this basis that the functional currency was changed to the USD, effective 1 October 2023.

The comparative figures which were audited in the prior comparative year by the independent auditors; as well as comparative information for the year ended 30 September 2023 which was audited while the functional currency was the ZWL, have been translated to USD in line with the guidelines provided by IAS21.

The following exchange rates applied as at the end of the comparative periods presented:

	30-Sep-24	30-Sep-23	30-Sep-22
Official exchange rates (interbank) - ZWL to USD	-	5,466.75	621.89
Official exchange rates - ZWG to USD	24.88	-	-

12 Currency of reporting
The Group's condensed consolidated financial statements are presented in United States of America Dollars ("USD") which is the functional currency of all its components, except for one joint venture, Bonemarrow Investments (Private) Limited trading as Claremont Power Station. For consolidation purposes the financial statements of that joint venture, whose functional currency is still the ("ZWG"), have been translated to USD in line with the requirements of The Effects of Changes in Foreign Exchange Rates ("IAS 21").

13 Accounting policies
The Group has adopted all the new and revised accounting pronouncements applicable for the period ended 30 September 2024 as issued by the IASB. The accounting policies adopted in the preparation of the condensed consolidated financial statements as at 30 September 2024 have been consistently applied in these Group financial results.

14 Revaluation reserve
In 2023, the Group changed its accounting policy from cost model to revaluation model for two categories within its property, plant and equipment. The two categories were buildings and leasehold improvements as well as plant and machinery. The revaluation was performed in a bid to fairly state the value of the assets during the Zimbabwe Dollar ("ZWL") hyperinflationary period for the take on balances as at 1 October 2023, translated as a change of functional currency to USD.

No revaluation of buildings, leasehold improvements, plant and machinery for the current period was carried out as at 30 September 2024. The depreciated replacement cost was used as a reasonable cost for the two categories of assets as there have been no significant improvements done and stability as a result of the United States of America Dollar currency used. 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.

The revaluation reserves cannot be distributed to shareholders.

15 Going concern
The Directors have undertaken a detailed review of the going concern status of the Group and are satisfied that the Group has adequate resources to continue operating for the foreseeable future. In forming this view, they considered the diminishing impact of the COVID-19 pandemic and the ongoing implications of the Russia-Ukraine conflict. These global developments have contributed to increased production costs and continued pressure on commodity pricing.

For the year ended 30 September 2024, the Group incurred a loss for the year of USD 4,282,691, an 29% improvement compared to the prior year's loss of USD 6,049,247.

At year end, the Group's current liabilities exceeded current assets by USD 3,229,743, largely due to the process of replacing short-term borrowings with longer-term facilities that was ongoing. Loans amounting to USD 2,067,650, which were due at year end, therefore were classified as current liabilities, were restructured, post year-end and the last repayment was extended to 31 January 2026. In addition, loans amounting to USD 453,660 were repaid shortly after the reporting date.

To further strengthen its financial position, the Group secured longer-term funding for capital expenditure (USD1,000,00) and working capital loans (USD2,000,000) totalling USD 3,000,000 post year-end. The maturity profiles for these loans are April 2026 for the working capital and December 2027 for the capital expenditure repayments. This will afford the Group sufficient time to stabilise operations, improve liquidity, and return to profitability.

During the reporting period, the Group intensified efforts to improve tea quality in order to grow export volumes and achieve better pricing. The Group has also signed off-take agreements with major macadamia buyers, with indicative prices expected to exceed those achieved in the current year.

To address the impact of erratic rainfall, the Group invested in irrigation infrastructure. In 2023, a solar power plant was commissioned to reduce reliance on diesel generators and mitigate the effects of ongoing power outages. This initiative has led to significant cost savings and supports the Group's environmental sustainability objectives through the use of renewable energy. Further solar installations are planned at Roscommon, Clearwater, and Kent estates.

To stabilise operations and enhance efficiency, several cost-reduction initiatives are currently underway and will be implemented in the 2025 financial year. These include a comprehensive staff rationalisation exercise and increased automation of key processes.

The Directors' assessment included a review of the Group's financial performance and position as at 30 September 2024, as well as an evaluation of short-and medium-term prospects. This assessment took into account the prevailing economic environment in Zimbabwe, global market dynamics for the Group's export commodities, climate change risks, and supply chain considerations.

The Directors are confident that the Group's strategic plans and initiatives demonstrate its ability to remain viable and meet its obligations as they fall due. Consequently, these financial statements have been prepared on the basis that the Group will continue as a going concern.

16 Audit Opinion
The consolidated condensed financial statements have been audited by Vista Chartered Accountants (Zimbabwe). The engagement partner on the audit is Clive K Mukondiwa (PAAB Practicing Number 0439). The auditors have issued an unqualified audit opinion on the Group's consolidated condensed financial statements.

17 Events after reporting date
There have been no significant events after the reporting date.

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