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## SHORT-FORM ANNOUNCEMENT

### Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement therefore does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement published on the Zimbabwe Stock Exchange Data Portal and the Company website www.tangandatea.com.

The full announcement is available for inspection at no charge at the registered office of the company, 15 Vumba Road, Mutare.

	REVIEWED INFLATION ADJUSTED 2023 vs 2022			UNAUDITED HISTORICAL COST 2023 vs 2022		
	31 MARCH 2023 ZWL			31 MARCH 2023 ZWL		
<b>Financial</b>						
Revenue	10,973,744,327	70%	▲	9,807,188,342	489%	▲
Operating Profit	3,836,395,062	26%	▲	4,423,066,795	245%	▲
Profit attributable to owners of the parent	1,465,441,562	24%	▲	3,330,385,519	218%	▲
Net Asset Value	24,807,914,344	6%	▲	9,345,095,380	52%	▲
Basic Earnings per share (cents)	561	24%	▲	1,276	218%	▲
<b>Volumes (tonnes)</b>						
<b>Bulk Tea</b> : production				5,582	6%	▼
: sales				3,415	9%	▼
<b>Packed Tea</b> : sales				929	7%	▼

### Dividend

The Board has recommended not to declare an interim dividend. Profits earned are to be reinvested into the business.

### Auditor's Statement

The short-form announcement should be read in conjunction with the complete set of the inflation-adjusted financial results for the half year ended 31 March 2023.

The condensed inflation adjusted financial results for the six months ended 31 March 2023 have been reviewed by the Company's external auditors, Deloitte & Touche, who have issued an unmodified review conclusion. The auditor's review conclusion is appended to these Company's condensed interim financial results which are available for inspection at the Company's registered office and on the Company and Zimbabwe Stock Exchange websites.

The engagement partner responsible for this review is Lawrence Nyajeka, PAAB practice certificate number 0598.

H. Nkala  
Chairman  
30 June 2023





## TANGANDA TEA COMPANY LIMITED

### CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

#### SALIENT FEATURES

	INFLATION ADJUSTED	HISTORIC COST
Revenue	Increased by 70% to ZWL 10.97 billion	Increased by 489% to ZWL 9.8 billion
Export sales	Increased by 91% to ZWL 5.37 billion	Increased by 568% to ZWL 4.84 billion
Local sales	Increased by 53% to ZWL 5.6 billion	Increased by 81% to ZWL 4.96 billion
Operating profit	Increased by 26% to ZWL 3.8 billion	Increased by 245% to ZWL 4.4 billion

#### CHAIRMAN'S STATEMENT

##### OPERATING ENVIRONMENT OVERVIEW

The first half of the Financial Year was volatile characterised by currency instability which increased upward inflationary pressures due to the adverse impact from the pass-through effect of exchange rate depreciation. In addition to this, climatic changes and deepened electricity shortages further weighed down economic activity over the reporting period.

On the global markets, continued geopolitical tensions, disruptions to supply chain and trade fragmentation resulted in significant slowdown of economic growth.

Notwithstanding the operating environment challenges, the Company remains focused on its strategic value addition thrust and cost management to mitigate pressures on profit margins.

##### FINANCIAL PERFORMANCE

The commentary on the financial performance is based on inflation adjusted results.

Revenue for the half year grew by 70% to ZWL 10.97 billion from ZWL 6.46 billion in the comparative period.

Profit after tax for the period increased by 24% to ZWL 1.47 billion from a profit of ZWL 1.18 billion in the comparable period.

##### REVIEW OF OPERATIONS

###### Agriculture

Bulk tea production of 5 582 tonnes, despite the late onset of the rainy season exhibited noteworthy endurance being 6% lower than prior year production of 5 935 tonnes. Bulk tea exports of 3 415 tonnes, 9% below 3 747 tonnes followed the season production trend. The export average selling price firmed slightly to US\$1.45 per kg from prior year average selling price of US\$1.43 per kg.

The avocado and macadamia harvest commenced in earnest at the end of the reporting period.

###### Beverage

Despite the liquidity challenges and waning consumer demand affected by reduced disposable income on the local market, packed tea sales volumes of 929 tonnes remained resilient, 7% below 993 tonnes achieved in the prior year.

##### DIVIDEND

The Board has recommended not to declare an interim dividend. Profits earned are to be reinvested into the business.

##### OUTLOOK

The economic and operating environment is expected to remain difficult with the backdrop of continued exchange rate volatility and the resultant inflationary pressures. The Company is optimistic that it has put in place necessary mitigatory strategies to navigate the difficult terrain during the remaining part of the financial year.

##### APPRECIATION

I would like to extend my appreciation to all our stakeholders for their continued support. I also extend my appreciation to my fellow Board members, management and staff for their dedication and commitment to growing the company even under challenging times.

H. Nkala  
Chairman  
30 June 2023



#### REVIEWED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2023

	Note	INFLATION ADJUSTED		HISTORICAL*	
		Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
Revenue	4	10,973,744,327	6,461,246,931	9,807,188,342	1,664,205,181
Cost of sales		(5,359,009,803)	(3,990,848,205)	(4,502,977,107)	(721,339,463)
<b>Gross profit</b>		<b>5,614,734,524</b>	<b>2,470,398,726</b>	<b>5,304,211,235</b>	<b>942,865,718</b>
Other expenses		(2,146,737,918)	(975,170,039)	(1,832,370,404)	(248,964,868)
Selling and distribution expenses		(1,822,473,692)	(1,052,327,464)	(1,624,811,024)	(267,571,344)
Other income		2,190,872,148	2,606,483,187	2,576,036,988	856,212,973
<b>Operating profit</b>		<b>3,836,395,062</b>	<b>3,049,384,410</b>	<b>4,423,066,795</b>	<b>1,282,542,479</b>
Net finance costs		(638,671,699)	(70,423,655)	(561,619,618)	(17,207,188)
Net monetary loss		(1,532,906,162)	(986,181,992)	-	-
<b>Profit before tax</b>		<b>1,664,817,201</b>	<b>1,992,778,763</b>	<b>3,861,447,177</b>	<b>1,265,335,291</b>
Income tax expense	6	(199,375,639)	(814,166,993)	(531,061,658)	(217,559,563)
<b>Profit for the period</b>		<b>1,465,441,562</b>	<b>1,178,611,770</b>	<b>3,330,385,519</b>	<b>1,047,775,728</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>1,465,441,562</b>	<b>1,178,611,770</b>	<b>3,330,385,519</b>	<b>1,047,775,728</b>
<b>Number of issued shares at reporting date</b>		<b>261,064,590</b>	<b>261,064,590</b>	<b>261,064,590</b>	<b>261,064,590</b>
<b>Weighted average number of shares in issue</b>		<b>261,064,590</b>	<b>261,064,590</b>	<b>261,064,590</b>	<b>261,064,590</b>
<b>Earnings per share (cents)</b>					
Basic		561	451	1,276	401
Diluted		561	451	1,276	401

\*Refer to note 2.3

#### REVIEWED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	INFLATION ADJUSTED		HISTORICAL*	
		Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		18,778,677,156	18,495,265,242	1,781,501,767	1,146,235,775
Right of use asset		18,531,486	21,246,002	3,518,274	4,033,635
Intangible assets		-	31,250,436	-	124,141
Biological assets		1,628,449,895	1,384,257,725	1,628,449,895	1,090,814,152
Other financial assets		-	9,224,632	-	7,269,137
		<b>20,425,658,537</b>	<b>19,941,244,037</b>	<b>3,413,469,936</b>	<b>2,248,476,840</b>
<b>Current assets</b>					
Inventories	9	7,380,399,392	6,672,525,524	6,343,037,474	4,261,187,616
Produce on bearer plants		2,834,526,404	185,076,930	2,834,526,404	145,843,170
Trade and other receivables	10	5,411,702,385	4,808,702,275	5,405,752,425	3,637,519,333
Bank and cash balances		781,506,689	175,313,879	781,506,689	138,149,751
		<b>16,408,134,870</b>	<b>11,841,618,608</b>	<b>15,364,822,992</b>	<b>8,182,699,870</b>
<b>Total assets</b>		<b>36,833,793,407</b>	<b>31,782,862,645</b>	<b>18,778,292,928</b>	<b>10,431,176,710</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital		298,853,520	298,853,520	2,610,646	2,610,646
Share premium		7,166,878,227	7,166,878,227	461,663,709	461,663,709
Non-distributable reserve		2,426,825,825	2,426,825,825	9,640,456	9,640,456
Retained earnings		14,915,356,772	13,620,885,199	8,871,180,569	5,682,264,934
<b>Total shareholders' equity</b>		<b>24,807,914,344</b>	<b>23,513,442,771</b>	<b>9,345,095,380</b>	<b>6,156,179,745</b>
<b>Non-current liabilities</b>					
Deferred tax		3,167,781,415	3,322,353,278	575,099,900	376,640,351
Lease liability		29,611,876	30,095,881	29,611,876	23,715,969
Long-term borrowings	12	620,197,870	-	620,197,870	-
		<b>3,817,591,161</b>	<b>3,352,449,159</b>	<b>1,224,909,646</b>	<b>400,356,320</b>
<b>Current liabilities</b>					
Trade and other payables	11	5,115,906,727	3,334,297,082	5,115,906,727	2,627,472,023
Lease liability		11,454,621	9,318,609	11,454,621	7,343,194
Current portion of long-term borrowings	12	2,685,874,747	1,234,209,010	2,685,874,747	972,573,698
Other financial liabilities		395,051,807	339,146,014	395,051,807	267,251,730
		<b>8,208,287,902</b>	<b>4,916,970,715</b>	<b>8,208,287,902</b>	<b>3,874,640,645</b>
<b>Total liabilities</b>		<b>12,025,879,063</b>	<b>8,269,419,874</b>	<b>9,433,197,548</b>	<b>4,274,996,965</b>
<b>Total equity and liabilities</b>		<b>36,833,793,407</b>	<b>31,782,862,645</b>	<b>18,778,292,928</b>	<b>10,431,176,710</b>

\*Refer to note 2.3





## TANGANDA TEA COMPANY LIMITED

### CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

#### REVIEWED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2023

	Share Capital ZWL	Share Premium ZWL	Non Distributable Reserves ZWL	Retained Earnings ZWL	Total Shareholders' Equity ZWL
<b>INFLATION-ADJUSTED</b>					
<b>Reviewed</b>					
Balance at 1 October 2021	298,853,520	6,392,052,667	2,426,825,825	13,204,123,331	22,321,855,343
Profit for the period	-	-	-	1,178,611,770	1,178,611,770
Capital injection	-	14,235,588,278	-	-	14,235,588,278
Transfer to distributable reserves	-	(13,460,762,718)	-	13,460,762,718	-
Dividend paid	-	-	-	(13,460,762,718)	(13,460,762,718)
<b>Balance at 31 March 2022</b>	<b>298,853,520</b>	<b>7,166,878,227</b>	<b>2,426,825,825</b>	<b>14,382,735,101</b>	<b>24,275,292,673</b>
<b>Balance at 1 October 2022</b>					
Balance at 1 October 2022	298,853,520	7,166,878,227	2,426,825,825	13,620,885,199	23,513,442,771
Profit for the period	-	-	-	1,465,441,562	1,465,441,562
Dividend paid	-	-	-	(170,969,989)	(170,969,989)
<b>Balance at 31 March 2023</b>	<b>298,853,520</b>	<b>7,166,878,227</b>	<b>2,426,825,825</b>	<b>14,915,356,772</b>	<b>24,807,914,344</b>
<b>HISTORICAL COST*</b>					
<b>Unaudited</b>					
Balance at 1 October 2021	2,610,646	286,344,708	9,640,456	1,638,065,334	1,936,661,144
Profit for the period	-	-	-	1,047,775,728	1,047,775,728
Capital injection	-	3,142,201,174	-	-	3,142,201,174
Transfer to distributable reserves	-	(2,966,882,173)	-	2,966,882,173	-
Dividend paid	-	-	-	(2,966,882,173)	(2,966,882,173)
<b>Balance at 31 March 2022</b>	<b>2,610,646</b>	<b>461,663,709</b>	<b>9,640,456</b>	<b>2,68,841,062</b>	<b>3,159,755,873</b>
<b>Balance at 1 October 2022</b>					
Balance at 1 October 2022	2,610,646	461,663,709	9,640,456	5,682,264,934	6,156,179,745
Profit for the period	-	-	-	3,330,385,519	3,330,385,519
Dividend paid	-	-	-	(141,469,884)	(141,469,884)
<b>Balance at 31 March 2023</b>	<b>2,610,646</b>	<b>461,663,709</b>	<b>9,640,456</b>	<b>8,871,180,569</b>	<b>9,345,095,380</b>

\*Refer to note 2.3

#### REVIEWED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2023

Note	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
<b>Cash flows from operating activities</b>				
Cashflow generated from/ (utilised in) operations	97,472,784	(1,124,541,280)	(355,954,785)	(305,755,189)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(720,458,329)	(659,472,605)	(624,125,766)	(155,649,113)
Expenditure on biological assets	(35,908,967)	(24,061,516)	(8,700,502)	(6,155,748)
Proceeds on disposal of property, plant and equipment	808,071	-	668,642	-
Interest received	209,524	4,688	209,223	1,170
<b>Net cash utilised in investing activities</b>	<b>(755,349,701)</b>	<b>(683,529,433)</b>	<b>(631,948,403)</b>	<b>(161,803,691)</b>
<b>Cash flows from financing activities</b>				
Increase/(decrease) in borrowings	2,071,863,607	(166,362,805)	2,333,498,919	30,214,985
Capital injection	-	774,825,559	-	175,319,000
Dividend paid	(170,969,989)	-	(141,469,884)	-
Interest paid	(637,145,129)	(70,428,343)	(560,291,361)	(17,208,358)
Lease payments	(6,501,632)	-	(5,769,627)	-
<b>Net cash generated from financing activities</b>	<b>1,257,246,857</b>	<b>538,034,411</b>	<b>1,625,968,047</b>	<b>188,325,627</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>				
	<b>599,369,940</b>	<b>(1,270,036,302)</b>	<b>638,064,859</b>	<b>(279,233,253)</b>
Cash and cash equivalents at the beginning of the period				
	175,313,878	562,346,256	138,149,751	116,491,619
Net effect of exchange rates on cash and bank balances				
	6,822,871	979,007,285	5,292,079	242,895,039
<b>Cash and cash equivalents at the end of the period</b>				
	<b>781,506,689</b>	<b>271,317,239</b>	<b>781,506,689</b>	<b>80,153,405</b>
<b>Comprising of:</b>				
<b>Bank and cash balances</b>	<b>781,506,689</b>	<b>271,317,239</b>	<b>781,506,689</b>	<b>80,153,405</b>

\*Refer to note 2.3

#### NOTES TO THE REVIEWED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

##### 1. Corporate information

The Company is incorporated and domiciled in Zimbabwe.

##### 2. Basis of preparation

The Company's condensed financial statements for the six months ended 31 March 2023 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), (COBE). The Listing Requirements require financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by International Accounting Standards ("IAS") 34 (Interim Financial Reporting). The condensed Company's financial statements have been prepared based on the statutory records that are maintained under the historical cost basis, except for biological assets which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

##### 2. Basis of preparation (continued)

The historical costs have been adjusted for the effects of applying International Accounting Standards ("IAS") 29 - 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.4 for further details.

The condensed financial statements have been prepared under the supervision of Henry Nemaire Chartered Certified Accountant, the Company Finance Director, registered public accountant, PAAB number 04741 and have been reviewed by external auditors in terms of the Companies and Other Business Entities Act (Chapter 24:31).

##### 2.1 Accounting policies

Accounting policies and methods of computation applied in the preparation of the condensed financial statements are consistent, in all material respects, with those used in the preparation of the latest annual report. New applicable standards and improvements which became effective in the current year have been complied with and have had no material impact on these interim financial statements.

##### 2.2 Presentation currency

The Condensed Financial Statements are presented in ZWL which is the company's presentation currency. All foreign currency denominated transactions and balances have been translated to the ZWL in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" at the interbank rate prevailing on the transaction date. Use of the interbank rate as a spot rate is a management judgement and the Directors are satisfied that it is appropriate for use as a spot rate.

##### 2.3 Historical costs financial information\*

Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's review conclusion relates only to the inflation adjusted financial results.

##### 2.4 IAS 29 (Financial Reporting in Hyperinflationary Economies)

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyper Inflationary Economies) compliant. The conversion factors have been computed from the consumer price index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) as reported on the Reserve Bank of Zimbabwe website except the last two months of February and March 2023 which were estimated by the Directors in line with IAS 29. The Directors have utilized the official interbank exchange rates in this determination.

Caution should be taken in considering the financial results due to the use of the estimated ZWL consumer price index for the month of February and March due to the absence of official government statistics on ZWL inflation.

The restatement factors used to restate the financial results are as follows:

MONTH	CPI	Adjustment factor
Estimated CPI as at 31 March 2023	16,133.33	1.00
CPI as at 30 September 2022	12,713.12	1.27
CPI as at 31 March 2022	4,766.10	3.39
Average CPI for the six months to 31 March 2023	14,252.59	1.13
Average CPI for the six months to 31 March 2022	4,122.22	3.91

##### 3. Going Concern

The Directors have satisfied themselves that the Company is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to use the going concern basis in the preparation of these financial statements.

##### 4. Revenue by product

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
Bulk tea	4,227,462,756	2,272,858,288	3,867,034,154	590,797,350
Macadamia	676,632,653	58,456,383	574,356,900	14,411,834
Avocados	-	4,012,678	-	884,432
Coffee	180,801,960	275,886,885	154,943,159	68,150,447
Packed tea	5,570,807,789	3,477,969,028	4,940,822,538	894,210,993
Water	318,039,169	372,063,669	270,031,591	95,750,125
	<b>10,973,744,327</b>	<b>6,461,246,931</b>	<b>9,807,188,342</b>	<b>1,664,205,181</b>

All revenue recognised at a point in time.

##### 5. Depreciation, amortisation and impairment of non-current assets

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
<b>Property, plant and equipment excluding bearer plants:</b>				
Bearer plants	240,734,553	233,097,705	34,481,954	13,189,031
Right of use asset	195,761,778	198,670,553	3,822,785	1,493,084
	2,714,514	-	515,361	-
	<b>439,210,845</b>	<b>431,768,258</b>	<b>38,820,100</b>	<b>14,682,115</b>

##### 6. Taxation

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
Current tax	353,947,489	160,770,367	332,602,108	42,799,512
Deferred tax	(154,571,850)	653,396,626	198,459,550	174,760,051
	<b>199,375,639</b>	<b>814,166,993</b>	<b>531,061,658</b>	<b>217,559,563</b>





## TANGANDA TEA COMPANY LIMITED

### CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

#### NOTES TO THE REVIEWED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

##### 7. Segment Information

For management purposes, the Company is organised into 2 operating segments and information relating to these two segments are as detailed below:

**Agriculture** - This division, based in the Chipinge district, consists of five estates inter-cropped with tea, coffee, avocados and macadamia nuts. Tea and coffee are processed in bulk form for sale, either on the international market or to the Beverage Division for local and regional packed tea sales.

**Beverage** - The division consists of a tea blending and packaging plant, as well as a distribution warehouse in Mutare. Packed tea from this factory is sold and distributed through distribution depots in Harare, Bulawayo, Gweru, and Mutare. Depots handle product in a first in first out method. Packed tea is also exported into various regional markets. Major company brands include, Tanganda, Stella, Silver, Joko, Tanganda Special Blend, Tanganda Tips, Fresh Leaves, Tanganda Healthi Green, Nella Rooibos bags and Natra Fresh Rooibos (leaf and bags), Resurrection, Rosella, Makoni, and High Country Coffee.

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
<b>Revenue</b>				
Agriculture	6,106,296,252	3,028,330,660	5,489,614,884	783,343,846
Beverage	5,888,846,958	3,850,032,698	5,210,854,129	989,961,118
Inter-segment revenue <sup>^</sup>	(1,021,398,883)	(417,116,427)	(893,280,671)	(109,099,783)
<b>External Revenue</b>	<b>10,973,744,327</b>	<b>6,461,246,931</b>	<b>9,807,188,342</b>	<b>1,664,205,181</b>
<b>Operating Profit</b>				
Agriculture	5,204,918,191	1,595,625,089	3,897,067,450	859,777,114
Beverage	1,843,630,188	1,441,618,561	2,288,282,584	430,400,215
<b>Total Operating profit for reportable segments</b>	<b>7,048,548,379</b>	<b>3,037,243,650</b>	<b>6,185,350,034</b>	<b>1,290,177,329</b>

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
<b>Segment Assets<sup>^^</sup></b>				
Agriculture	29,750,868,849	27,479,924,769	14,723,226,667	8,470,619,846
Beverage	5,002,436,051	3,888,009,789	3,117,752,723	1,782,086,383
<b>Total</b>	<b>34,753,304,900</b>	<b>31,367,934,558</b>	<b>17,840,979,390</b>	<b>10,252,706,229</b>
<b>Segment Liabilities<sup>^^</sup></b>				
Agriculture	2,467,378,693	2,039,374,378	2,467,378,693	1,607,055,098
Beverage	580,954,675	386,972,245	580,954,675	304,939,459
<b>Total</b>	<b>3,048,333,368</b>	<b>2,426,346,623</b>	<b>3,048,333,368</b>	<b>1,911,994,557</b>

<sup>^</sup> Inter-segment revenue represents unprocessed agriculture produce transferred to the beverages division for further processing and sale  
<sup>^^</sup> Excluded from Segment assets and liabilities are centrally administered assets such as bank and cash balances, tax assets and liabilities which are centralised.

The accounting policies of the reportable segments are the same as the whole company accounting policies. Segment operating profit represents segment profit before allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

##### Reconciliation of information on reportable segments to IFRS measures

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
<b>Revenue</b>				
Total revenue for reportable segments	11,995,143,210	6,878,363,358	10,700,469,013	1,773,304,964
Elimination of inter-segment revenue	(1,021,398,883)	(417,116,427)	(893,280,671)	(109,099,783)
<b>Consolidated revenue</b>	<b>10,973,744,327</b>	<b>6,461,246,931</b>	<b>9,807,188,342</b>	<b>1,664,205,181</b>
<b>Operating Profit</b>				
Total Operating income for reportable segments	7,048,548,379	3,037,243,650	6,185,350,034	1,290,177,329
Finance income	209,524	4,688	209,223	1,170
Administration and other operating costs	(3,212,558,640)	(966,866,525)	(1,753,335,838)	(250,529,889)
Finance costs	(638,881,223)	(70,428,343)	(561,828,841)	(17,208,358)
Exchange gains/(losses)	405,323	979,007,285	(8,947,401)	242,895,039
Monetary loss	(1,532,906,162)	(986,181,992)	-	-
<b>Consolidated profit before tax</b>	<b>1,664,817,201</b>	<b>1 992 778 763</b>	<b>3,861,447,177</b>	<b>1,265,335,291</b>

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
<b>Assets</b>				
Total assets for reportable segments	34,753,304,900	31,367,934,558	17,840,979,390	10,252,706,229
Other assets	2,080,488,507	414,928,087	937,313,538	178,470,481
<b>Consolidated total assets</b>	<b>36,833,793,407</b>	<b>31,782,862,645</b>	<b>18,778,292,928</b>	<b>10,431,176,710</b>
<b>Liabilities</b>				
Total liabilities for reportable segments	3,048,333,368	2,426,346,623	3,048,333,368	1,911,994,557
Other liabilities	8,977,545,695	5,843,073,251	6,384,864,180	2,363,002,408
<b>Consolidated total liabilities</b>	<b>12,025,879,063</b>	<b>8 269 419 874</b>	<b>9,433,197,548</b>	<b>4,274,996,965</b>

##### 8. Fair Value Measurement

###### 8.1 Fair Value Hierarchy

IFRS 13 Fair Value Measurement specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

##### 8.2 Valuation of Biological Assets

Biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. The present value of expected net cash flows from plantations, discounted at the weighted average cost of capital, was used to determine fair value of timber plantations. The fair value for livestock was determined by reference to the market price and these valuations were carried out by a professional valuer not connected to the Company. Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows.

Fair values of tea bushes on plantations, macadamia nuts on plantations, coffee beans on plantations and avocado fruit on plantations is determined using Level 2 inputs on the fair value hierarchy, whilst fair values for timber plantations and livestock is determined using level 3 inputs.

##### 9. Inventories

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
Raw and packaging materials	1,161,321,824	959,067,846	967,667,420	570,669,876
Finished goods	1,344,817,109	280,993,208	563,020,264	221,426,518
Consumables	1,313,072,890	2,527,684,538	1,251,162,221	1,180,084,628
Agricultural produce	3,561,187,569	2,904,779,932	3,561,187,569	2,289,006,594
	<b>7,380,399,392</b>	<b>6,672,525,524</b>	<b>6,343,037,474</b>	<b>4,261,187,616</b>

##### 10. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
Trade receivables	4,712,723,303	4,399,679,360	4,712,723,303	3,467,007,931
Less: expected credit loss	(63,796,668)	(63,965,915)	(63,796,668)	(50,406,022)
	<b>4,648,926,635</b>	<b>4,335,713,445</b>	<b>4,648,926,635</b>	<b>3,416,601,909</b>
Prepayments	692,385,839	343,897,225	686,435,879	119,191,461
Other receivables	70,389,911	129,091,605	70,389,911	101,725,963
	<b>5,411,702,385</b>	<b>4,808,702,275</b>	<b>5,405,752,425</b>	<b>3,637,519,333</b>

##### 11. Trade and other payables

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
Trade payables	2,567,467,822	1,944,566,186	2,567,467,822	1,532,344,936
Social security and other taxes	190,098,406	220,532,276	190,098,406	173,782,471
Accrued expenses	2,358,340,499	1,169,198,620	2,358,340,499	921,344,616
	<b>5,115,906,727</b>	<b>3,334,297,082</b>	<b>5,115,906,727</b>	<b>2,627,472,023</b>

##### 12. Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at a weighted average rate of 28.51% at the end of the period. The facilities have got different maturity dates and will be reviewed when they mature.

##### 13. Capital expenditure for the period

	INFLATION ADJUSTED		HISTORICAL*	
	Reviewed 31 March 2023 ZWL	Audited 30 September 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 30 September 2022 ZWL
Purchase of property, plant and equipment excluding bearer plants	271,590,968	900,362,267	233,852,990	381,640,794
Capital Expenditure incurred on bearer plants	448,867,361	296,918,701	390,272,776	143,298,705
	<b>720,458,329</b>	<b>1,197,280,968</b>	<b>624,125,766</b>	<b>524,939,499</b>

##### 14. Cashflow information

	INFLATION ADJUSTED		HISTORICAL*	
	Audited 31 March 2023 ZWL	Reviewed 31 March 2022 ZWL	Unaudited 31 March 2023 ZWL	Unaudited 31 March 2022 ZWL
<b>Cash generated from operations</b>				
Profit before tax	1,664,817,201	1,992,778,763	3,861,447,177	1,265,335,291
<b>Adjustment for non-cash items:</b>				
Depreciation	439,210,845	431,768,258	38,820,100	14,682,115
Profit or (loss) on disposal of property, plant and equipment including biological assets	1,151,087,192	18,027,214	(8,170,744)	4,553,685
Net fair value adjustments	(2,622,925,052)	(1,409,271,978)	(2,505,949,820)	(552,873,505)
Impairment of non-current assets	40,475,069	998,645	7,393,256	-
Net finance costs	638,671,699	70,423,655	561,619,618	17,207,188
Net exchange (gains)/losses	(405,323)	(979,007,285)	8,947,401	(242,895,039)
<b>Cash generated from operations before changes in working capital</b>	<b>1,310,931,631</b>	<b>125,717,272</b>	<b>1,964,106,988</b>	<b>506,009,735</b>
<b>Changes in working capital:</b>				
Increase in inventories	(2,094,026,689)	(1,748,222,665)	(3,317,498,193)	(828,175,315)
(Increase)/decrease in trade and other receivables	(603,000,110)	550,267,262	(1,286,196,252)	(137,865,258)
Increase in trade and other payables	1,781,609,647	307,450,022	2,488,434,703	229,316,084
Tax paid	(298,041,695)	(359,753,171)	(204,802,031)	(75,040,435)
<b>Cashflow generated from/ (utilised in) operations</b>	<b>97,472,784</b>	<b>(1,124,541,280)</b>	<b>(355,954,785)</b>	<b>(305,755,189)</b>

##### 15. Subsequent events

The Reserve Bank of Zimbabwe Monetary Policy Committee in its meeting held on 6 June 2023 resolved that with effect from 7 June 2023, the bank was to sell foreign currency at the market determined exchange rate through banks. In order to ensure that the interbank foreign currency market is self financing it was further resolved that the 90 day liquidation requirements on export proceeds would fall away. These new developments have no impact on the financial information for the 6 months ended 31 March 2023.

##### 16. External Auditor's Review Conclusion

The condensed inflation adjusted financial results for the six months ended 31 March 2023 have been reviewed by the Company's external auditors, Deloitte & Touche. An unmodified review conclusion has been issued on the financial results. The auditor's review conclusion is appended to these Company's condensed interim financial results which are available for inspection at the Company's registered office and on the Company and ZSE websites. The audit partner responsible for the review is Lawrence Nyajeka, PAAAB practice certificate number 0598.



## **INDEPENDENT REVIEWER'S REPORT TO THE MEMBERS OF TANGANDA TEA COMPANY LIMITED**

### **REPORT ON REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

#### **Introduction**

We have reviewed the attached condensed inflation adjusted interim statement of financial position of Tanganda Tea Company Limited ("the Company"), as of 31 March 2023 and the condensed inflation adjusted interim statement of profit or loss and other comprehensive income, condensed inflation adjusted interim statement of changes in equity and condensed inflation adjusted interim statement of cash flows for the six-month period then ended.

Directors are responsible for the preparation and presentation of the condensed inflation adjusted interim financial information in accordance with International Accounting Standards on Interim Financial Reporting ("IAS 34") and the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

Our responsibility is to express a conclusion on this condensed inflation adjusted interim financial information based on our review.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410 'Review of Interim Financial Information Performed by the Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim inflation financial information is not prepared, in all material respects, in accordance with International Accounting Standards on Interim Financial Reporting and the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

*Deloitte & Touche*

**Deloitte & Touche**  
Per Lawrence Nyajeka  
Partner  
PAAB Practice Certificate 0598  
Harare

**Date: 30 June 2023**

