



ENVIRONMENT

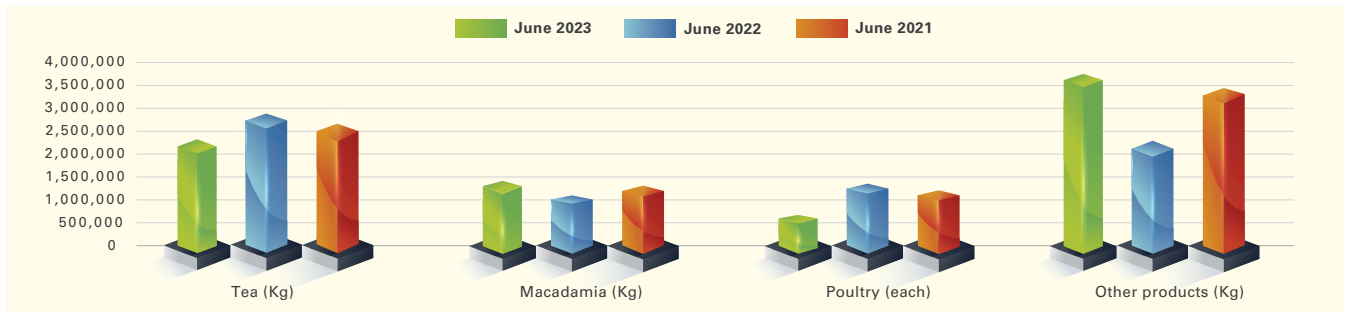
As previously stated, in spite of the dry spell that was experienced at the operations in Chipinge and Chimanimani in October 2022, higher rainfall was received for the 2022/2023 rainfall season. This rainfall was significantly higher than what was received in the comparative prior period. Adequate rains were received at Kent Estate to germinate dryland planted maize however, yield was affected by the dry spell experienced end of February 2023 into March 2023.

Operations continued to be affected by increasing cost of production for key production inputs such as fertilisers and crop chemicals, as well as incessant power outages resulting in increased fuel usage for generators. The fuel expense became so significant that the Board made a decision to invest in a solar power generating project, which was completed in July 2023. This will have the effect of underpinning uninterrupted production whilst at the same time reducing the cost of producing tea to sustainable levels. The full effect of this significant investment will be felt in the year ending 30 September 2024 and not in the current year's performance.

BUSINESS PERFORMANCE

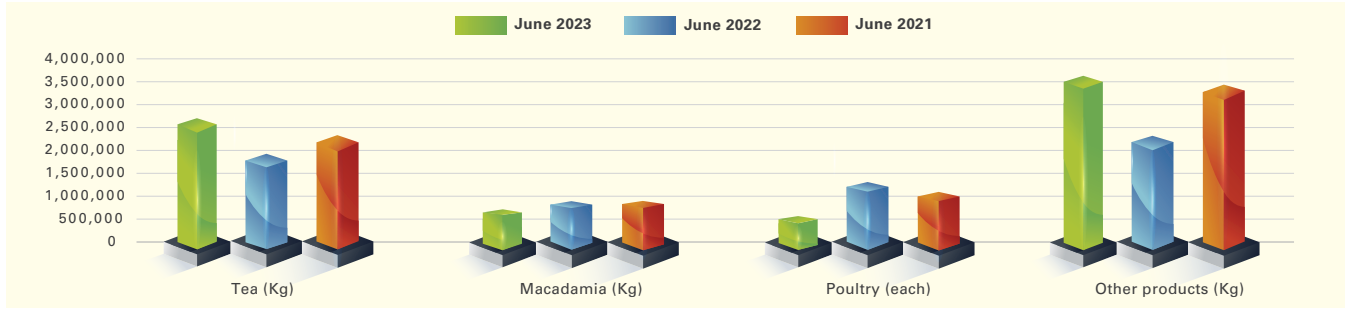
Volume performance:

3rd Quarter Production Volumes



- During the current year, the Group made the decision to drop 20% of the lowest yielding tea gardens where fertiliser application at the new increased price could not be justified. At the same time, harvesting was changed to ensure better quality of Greenleaf and finally, production equipment was also further enhanced to improve made-tea quality so as to increase export tea quantity. This strategy resulted in tea production volumes reducing by 21% from 2,850 tonnes to 2,245 tonnes, and export tea sales volumes improving to 1,343 tonnes from 897 tonnes in prior comparative period.
- Macadamia production volumes at the end of the 3rd Quarter at 1,313 tonnes were 29% above prior comparative year's production volume of 1,020 tonnes.
- Poultry production volume was reduced in the current year as the out grower model is being reviewed due to its unsustainable nature from the mismatch of revenues being in ZWL whilst input costs are all in USD and the ZWL revenue being paid out at prices not enabling the out grower to settle the input creditors.
- Other products consist of commercial maize, seed maize, commercial soya beans, seed soya beans, potatoes and bananas. There was a significant improvement in the yields on these products.

3rd Quarter Sales Volumes



- Total tea sales volumes improved considerably when compared to the last two prior comparative periods. Export tea sales volume improved to 1,343 tonnes, which made up 57% of total tea sales for the current period compared to 897 tonnes which represented 46% of total sales in the prior comparative period. This significant shift in the sales volume make up is attributed to improved tea quality coupled with improving logistics post the COVID-19 induced logistics bottleneck. Logistics challenges have not yet recovered to the pre-COVID 19 pandemic period but there are some improvements. Average selling prices for both export tea sales and local tea sales remained firm during the period.
- Macadamia harvest started towards the end of March 2023 as that was when the nuts had reached maturity. The harvesting season was later than prior year which also resulted in the selling season starting later. Macadamia export sales volumes at 513 tonnes are currently 35% lower than the 785 tonnes sold in the prior comparative period. Export supply contracts are on hand with various customers for the majority of the tonnage produced to date, however shipping delays have been experienced which has resulted in slower movement of the macadamia nuts.
- Sales of Poultry and Other Products were in line with production volumes.

FINANCIAL PERFORMANCE

In inflation adjusted terms, revenue for the period was ZWL28,268,600,193. This was 18% ahead of prior comparative period revenue of ZWL23,882,566,024. In addition, as stated above, a number of products had not yet been sold as at record date and were being held in stock awaiting dispatch.

OUTLOOK

The improvement experienced in the average selling prices of both local and export tea is expected to continue to the end of the financial year. Macadamia volumes will be ahead of the prior comparative year; however, average selling price is expected to end the year 20% behind prior comparative year. The revenue from the "other products" category is expected to exceed prior comparative period. The combination of all the changes implemented in the Group is expected to have a positive financial impact on the Group's financial performance in the current year and an even greater effect on the forthcoming year.

The Group continues to focus on cost containment measures, and improving production processes and product quality.

By Order of the Board

N. Ncube
Company Secretary

16 August 2023

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, Mr. Z.T. Zifamba. * Executive