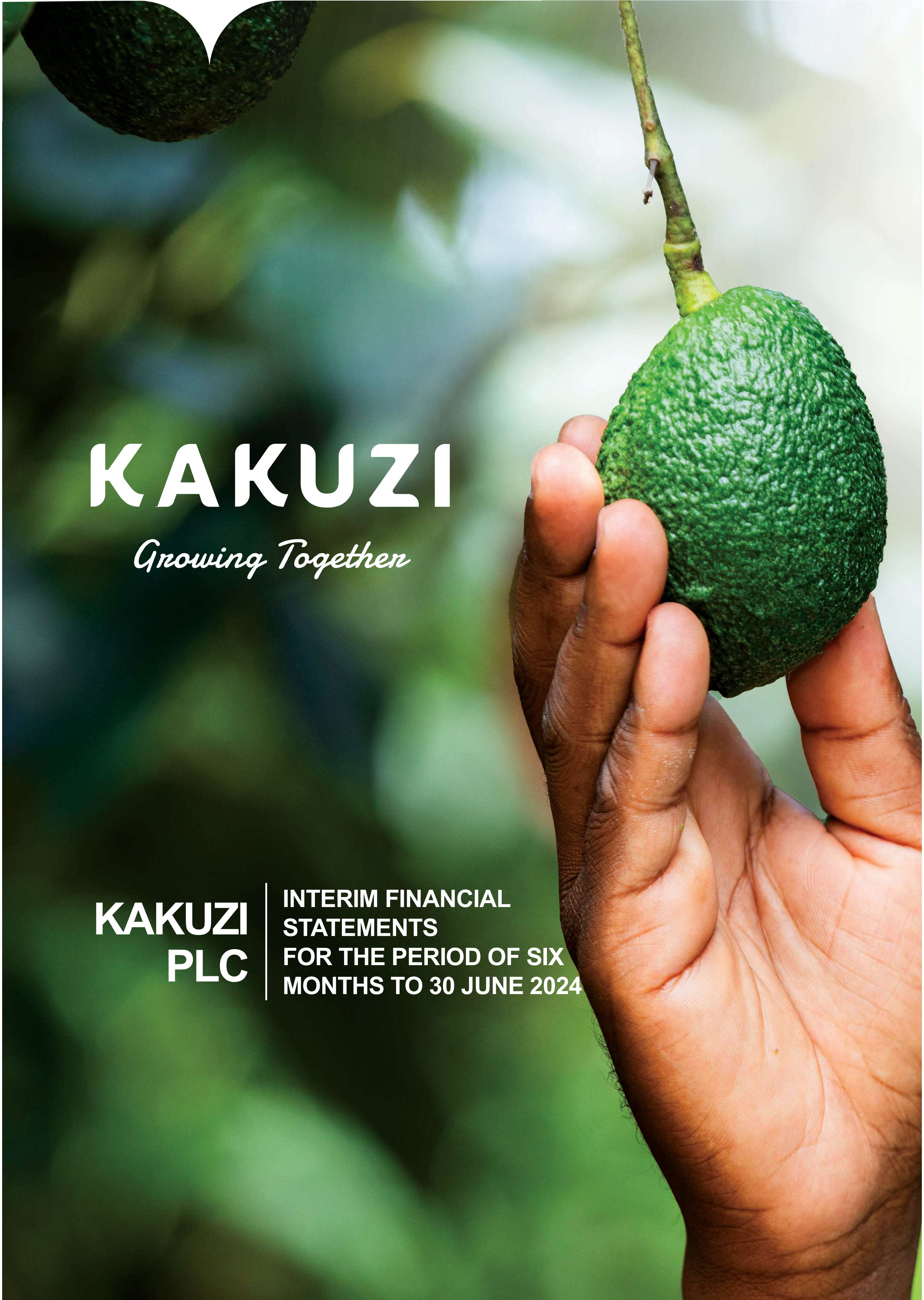

KAKUZI

Growing Together

KAKUZI PLC

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS TO 30 JUNE 2024

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Chairman's Statement

NICHOLAS NG'ANG'A
CHAIRMAN

KEY HIGHLIGHTS

- Avocado profits were **Ksh 951 million**, up **42%** on the same period last year.
- Macadamia markets are recovering from last year's slump. A profit of **Ksh 32 million** has been recorded against a loss of **Ksh 329 million** last year.
- The diversification into an expanded range of value addition products, sold through our Kakuzi Farm Market and the Boran Barn has made a positive contribution to sales.
- Pretax profit for the half year is significantly higher than last year at **Ksh 507 million**.
- Profits have been negatively impacted by a foreign exchange loss of **Ksh 163 million**

TRADING PERFORMANCE

The half-year trading period for the financial year 2024 has been positively impacted by a buoyant international avocado market, created predominantly by reduced global supply. Demand for macadamia nuts has returned to pre-COVID levels. Although Macadamia prices have recovered some ground, they remain below pre-COVID levels.

In line with our expectations, the global macadamia industry has taken a positive turn, with all markets recording a return to normal demand levels. Global stock levels from 2023 have largely been consumed, and 2024's production, which is currently being harvested and processed, is well-committed in the market.

Lower global avocado supply has arisen primarily through reduced Peruvian production and, to some extent Mexican production. Kakuzi's own production has also been negatively impacted by the significant higher rainfall experienced in April this year, which was nearly double the average.

Blueberry exports have begun, mainly to the Middle East, and we are seeing favorable results from this new crop.

Demand for our sustainable wood products continues to rise, with profits growing **54%** up from Ksh **46 million** last year to **Ksh 71 million**.

Our commitment to promoting responsibly grown Kenyan superfoods in both traditional and emerging markets is unwavering. Quality, traceability, and sustainability are our key drivers, and we are encouraged to see a growing customer base appreciating our value-added produce range of edible oil, fresh meats, roasted and coated macadamia nuts.

Our shared prosperity business model continues to provide local entrepreneurs with commercial opportunities in partnership with Kakuzi, which we hope to expand as demand increases.

DIVIDEND

The Directors do not recommend the payment of an Interim Dividend.

OVERVIEW & OPERATIONS

The heavy rains in the first half of the year negatively impacted avocado growing conditions, but thankfully, no significant damage was caused. The 19 dams were filled to capacity, and the overflow channels (spillways) all performed according to their engineering design.

The Kakuzi Farm Market, which opened its doors last year, has not only established itself but also successfully launched as an enterprise hub. This hub, a platform for local entrepreneurs to form business partnerships with Kakuzi is not just improving our product sales but, also creating a winning business model for all involved. This is an achievement to be proud off.

Our recently launched cold-pressed macadamia oil plant has already expanded its capacity to meet increasing demand. The trend towards food with farm-to-fork credentials, whether meat products, blueberries, avocados, or macadamia nuts, clearly indicates the evolving preferences of discerning consumers.

As this demand increases, we will continue to evaluate our capacity to satisfy the market. We have had to intensify our arable operations to provide more feed for our livestock. In turn, livestock numbers may also have to be increased to meet the demand from both the Butchery and Boran Barn restaurant. The goat meat and newly established mutton ranges will also add further variety for our customers.

We have also increased the production of commercial forestry as demand for sustainably grown wood products escalates. Customers are seeing the financial benefits of quality-treated posts and construction materials for small and large-scale projects.

Avocado

OVERVIEW & OPERATIONS (continued)

The international Hass avocado markets have defied the typical behavioral patterns of reduced June and July prices and have attained seasonally abnormal high prices. The projection for the rest of the year is that demand will marginally exceed supply.

Peru, a traditional supplier of large fruit volumes to Europe from June to August, is grappling with the adverse effects of climate change. This has significantly impacted many of its fruit exports, a situation that highlights the issues which we may all have to contend with in future years.

Consequently, volumes from Peru are being sent to the USA rather than supplying Europe, thus creating high market prices. Coincidentally, Mexico, which supplies the USA market, is also experiencing reduced production.

Whilst the impact on price is positive for African producers, there are considerable challenges for Kenya's logistics this year. The political situation in and around the Red Sea has effectively forced all the major shipping lines to travel around the Cape rather than through the Suez Canal. As a result, transit times for Kenyan avocados have been extended to almost beyond the point of feasibility, which, understandably is manifesting in some quality problems.

These challenges underscore the critical need to diversify our markets. We acknowledge that while China, India, and the Middle East offer long-term growth possibilities, they currently lack the scale to substitute Europe. However, exploring these markets could provide a buffer against future market disruptions.

Macadamia

It is encouraging to see demand for macadamia products return to pre-COVID levels. Most of our macadamia output, is already sold. Encouragingly, our production volumes appear to be in line with estimate and are increasing, as our orchards mature.

The recovery of demand in all key international markets, including the USA, Europe, and China, is a positive sign for the global macadamia market. The fact that we are receiving enquiries for delivery into 2025 already, further reinforces this trend, providing reassurance about the future of our industry.

Kenya has lifted its ban on the export of Nuts in Shell, which has assisted other Kenyan producers in selling their produce. Kakuzi, however, continues to process all of its production to meet the demand for traceable products.

Demand for the value-added range of roasted and coated kernels along with macadamia oil continues to grow, and we are investigating further value-addition opportunities for both national and international markets.

We have completed our macadamia orchard development this year. A small organic orchard has also been established, as a trial, to explore the viability of niche value-added markets.

Other Products

OVERVIEW & OPERATIONS (continued)

Our Boran Barn, nyama choma restaurant and butchery have been instrumental in boosting sales of our meat products. The increased foot fall and sales in our Farm Market are clear indicators of this success.

The tea industry remains in a difficult position, simply because supply is outstripping demand for some teas. With an abundance of Kenyan production, buyers are purchasing only the better-quality teas, albeit at lower prices. This situation will continue until the supply-demand equation is rebalanced. There appears to be a move to focus on producing high quality valuable teas, rather than a focus on large volumes of tea.

Blueberry

The new blueberry varieties are now in production, and we have embarked on palate quality and yield assessments. These varieties are producing more fruit than those previously trialed, and they have an improved berry size and taste profile.

Our export operations to premium markets and sales to domestic customers are both thriving, with our order books filled to capacity, indicating a strong market demand for our blueberries.

The Board hopes to appraise this crop's investment feasibility later in the year.

COMMUNITY-COMPANY PARTNERSHIP JANUARY- JUNE 2024

Our Community-Company Partnership (CCP) programs continue to be recognised as important positive contributors to our surrounding stakeholders.
This community and stakeholder engagement is based on the outcome of a strategic needs assessment based on the UN Sustainable Development Goals (SDGs) focus areas i.e. Good health and Well-being (SDG 3); Quality Education (SDG 4); Gender Equality (SDG 5); Clean water & Sanitation (SDG 6); Decent Work and Economic growth (SDG 8); and Climate Action (SDG 13).

Our sustainability credentials are underpinned by good agricultural practices, including regenerative agriculture, environmental conservation and effective use of water resources. These credentials are adequately demonstrated by our long held international accreditations in the areas of production, environment and socio-economic compliance. We have, in the period under review, had major audits leading to the recertifications in Global Gap, FSSC 22000, Rainforest Alliance, GRASP, Halal, KEBS and Kosher, all of which were successful with a focus to address the areas of improvement identified.

Our Operational Level Grievance Mechanism (OGM), SIKIKA, continues to listen to, fact-find and give feedback to parties who, raise grievances with Kakuzi or its agents. The OGM provides multiple avenues for our employees and the community to raise any issues they would like addressed by the Company. The Independent reports on the work done by SIKIKA feature on our website.

We are excited to announce that we won the National Occupational Safety and Health Award in the Agricultural category, a major milestone for our business. This is a demonstration of our continued work with employees to create a safe working environment.

Over the period the Company awarded scholarships to seven students from the local community, who attend various extra-County and County schools. Other than financial support, the Company has developed strategies that promote the wholesome development of these individuals through a mentorship program targeting learners in both Secondary and Primary schools.

The Kitito Primary School was completely rehabilitated to provide a suitable learning environment for over 300 learners in the primary and junior secondary sections. This now brings the total number of complete renovations to three with Kinyangi Primary School and Kakuzi Primary School having received their infrastructural facelift in 2023 and 2022 respectively.

To further improve the quality of education, reduce pupil teacher ratio and strengthen performance for learners in the neighboring communities, we continued to support eight Board of Management teachers (up from six in 2023) at Kakuzi, Kitito, Kinyangi primary schools and Gititu Secondary school.

The Company donated classroom furniture to over 24 local learning institutions to address challenges of inadequate facilities which largely impacts academic performance.

Through our student placement program, we remain committed to giving students an opportunity to gain skills by way of career related work experience on industrial placement. Cumulatively the Company engaged 30 students on industrial placement to attain skills in their different fields of specialization.

In addition, to build capacity in the local community, the Company is sponsoring five youths from Kinyangi and Kakuzi hills areas for vocational training, pursuing courses in motor vehicle mechanics and masonry at Don Bosco training Centre to acquire skills that match market demands.

COMMUNITY-COMPANY PARTNERSHIP JANUARY- JUNE 2024 **(continued)**

Kakuzi has for many years focused on providing clean water and sanitation within our local communities, which in turn assist in reducing the burden of water borne diseases. Over the last six months further investments have been made to improve clean water and sanitation in Kimorori, Ciumbu, Ithanga, Kituamba and 6 other villages.

The Company's commitment to enhancing the socio-economic capabilities is further demonstrated by partnering with seven community bee keeping groups supporting over 100 households. This is up from two groups in 2023.

In addition, Kakuzi has continued to provide opportunities for the local suppliers to supply various goods and services to the Company, the value of which stood at KSh 21 million, during H1 of 2024.

Tabasamu Program

The month of May dubbed "Tabasamu month" at Kakuzi is dedicated towards reproductive and menstrual health sensitization. This year's theme was "Together for a period-friendly world". Training on period; myths, stigma and taboos were conducted throughout the farm and in local learning institutions to pass factual information about menstruation, and provide absorbents to employees and learners in neighbouring schools.

Community Roads

The Company has a network of roads which it has constructed for use by local communities. These roads are maintained on a continuous basis. In the period the Company graveled and constructed culverts on a long section of the Kangangu road as well as undertook further work on the Kakuzi Hills road to maintain these in a good state for use by the surrounding communities.

STRATEGIC GOALS & DEVELOPMENTS

The Board continues to maintain its strategy to develop a portfolio of responsibly grown super foods both for international and domestic markets.

Conscious of the prevailing socioeconomic perspectives, we are also exploring avenues to ensure that our products continue to appeal to a youthful demographic. In tandem, we are scaling up our efforts to popularise agriculture and agribusiness to a youthful demographic through e-learning, internship, and research collaboration programmes, among other initiatives.

LOOKING AHEAD

The global demand for super foods is encouraging and we believe our strategy to be one of the leading producers of such products is responsive to this.

We operate in a challenging international environment, and we continue to appraise our business model to mitigate risk, create diversity of income and markets as well as exploring new opportunities as they present themselves.

Taking a long-term and prudent view remains the foundation of your Boards decision making process, which we believe continues to provides the best value for both our shareholders and wider stakeholders.

NICHOLAS NG'ANG'A
CHAIRMAN

20 August 2024

Consolidated and separate statement of profit or loss and comprehensive income

	Notes	6 Months to 30 June 2024 Shs'000	6 Months to 30 June 2023 Shs'000
Sales	3	1,175,166	873,155
Gain arising from changes in fair value less cost to sell of non current biological assets	10(i)	21,509	21,591
		1,196,675	894,746
Cost of sales		(439,934)	(717,057)
Gross profit		756,741	177,689
Other (losses)/income	4	173,342	74,269
Selling and Distribution costs	3	(115,434)	(123,243)
Operating profit		467,965	128,715
Interest income	5	39,160	42,437
Finance costs	5	(33)	(33)
Profit before income tax		507,092	171,119
Income tax expense	6	(159,581)	(53,621)
Profit for the period		347,511	117,498
Other comprehensive income		-	-
Total comprehensive income		347,511	117,498
		Shs	Shs
Earnings per share:			
Basic and diluted earnings per ordinary share	7	17.73	5.99

The notes on pages 14 to 20 are an integral part of these consolidated and separate interim financial statements.

Consolidated statement of financial position

	Notes	30 June 2024	30 June 2023	Audited 31 December 2023
		Shs'000	Shs'000	Shs'000
EQUITY				
Share capital		98,000	98,000	98,000
Other reserves		34,929	32,815	34,929
Retained earnings		5,678,264	5,465,134	5,330,753
Proposed dividend		-	-	470,400
Total equity		5,811,193	5,595,949	5,934,082
Non-current liabilities				
Deferred income tax		1,122,163	1,100,085	1,189,385
Post employment benefit obligations		122,232	102,668	109,502
Lease obligations		279	326	326
		1,244,674	1,203,079	1,299,213
Total equity and non current liabilities		7,055,867	6,799,028	7,233,295
REPRESENTED BY				
Non current assets				
Property, plant and equipment	9	3,007,491	3,089,920	3,064,961
Biological assets	10(i)	922,760	861,380	935,224
Right of use assets		4,137	4,187	4,187
Financial assets held at amortised cost	12	-	100,000	-
Non current receivables		51,703	42,159	50,763
		3,986,091	4,097,646	4,055,135
Current assets				
Biological assets – growing agricultural produce	10(ii)	1,359,071	1,076,895	800,486
Inventories		1,406,974	1,275,229	551,635
Receivables and prepayments		590,395	490,455	628,305
Current tax recoverable		-	-	72,420
Financial assets held at amortised cost	12	100,000	-	100,000
Cash and cash equivalents		130,377	239,675	1,408,131
		3,586,817	3,082,254	3,560,977
Current liabilities				
Payables and accrued expenses		318,314	308,161	329,612
Current tax payable		148,949	24,954	-
Lease obligations		281	201	201
Post employment benefit obligations		49,497	47,556	53,004
		517,041	380,872	382,817
Net current assets		3,069,776	2,701,382	3,178,160
		7,055,867	6,799,028	7,233,295

The notes on pages 14 to 20 are an integral part of these consolidated and separate interim financial statements.

Separate statement of financial position

	Notes	30 June 2024	30 June 2023	Audited 31 December 2023
		Shs'000	Shs'000	Shs'000
EQUITY				
Share capital		98,000	98,000	98,000
Other reserves		34,929	32,815	34,929
Retained earnings		5,674,123	5,460,993	5,326,612
Proposed dividend		-	-	470,400
Total equity		5,807,052	5,591,808	5,929,941
Non current liabilities				
Deferred income tax		1,122,163	1,100,085	1,189,385
Post employment benefit obligations		122,232	102,668	109,502
Lease obligations		279	326	326
		1,244,674	1,203,079	1,299,213
Total equity and non current liabilities		7,051,726	6,794,887	7,229,154
REPRESENTED BY				
Non current assets				
Property, plant and equipment	9	3,007,491	3,089,920	3,064,961
Biological assets	10(i)	922,760	861,380	935,224
Right of use assets		4,137	4,187	4,187
Investments in subsidiaries		4,295	4,295	4,295
Financial assets held at amortised cost	12	-	100,000	-
Non current receivables		51,703	42,159	50,763
		3,990,386	4,101,941	4,059,430
Current assets				
Biological assets – growing agricultural produce	10(ii)	1,359,071	1,076,895	800,486
Inventories		1,406,974	1,275,229	551,635
Receivables and prepayments		590,395	490,455	628,305
Current tax recoverable		-	-	72,367
Financial assets held at amortised cost	12	100,000	-	100,000
Cash and cash equivalents		130,377	239,675	1,408,131
		3,586,817	3,082,254	3,560,924
Current liabilities				
Payables and accrued expenses		326,697	316,544	337,995
Current tax payable		149,002	25,007	-
Lease obligations		281	201	201
Post employment benefit obligations		49,497	47,556	53,004
		525,477	389,308	391,200
Net current assets		3,061,340	2,692,946	3,169,724
		7,051,726	6,794,887	7,229,154

The notes on pages 14 to 20 are an integral part of these consolidated and separate interim financial statements.

Consolidated statement of changes in equity

	Share capital	Other reserves	Retained earnings	Proposed dividend	Total equity
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Period ended 30 June 2024					
At start of year	98,000	34,929	5,330,753	470,400	5,934,082
Total comprehensive income for the period:					
Profit for the period	-	-	347,511	-	347,511
Other comprehensive income	-	-	-	-	-
Total	-	-	347,511	-	347,511
Transactions with owners:					
Dividends:					
- Final for 2023	-	-	-	(470,400)	(470,400)
	-	-	-	(470,400)	(470,400)
At end of period	98,000	34,929	5,678,264	-	5,811,193
Period ended 30 June 2023					
At start of year	98,000	32,815	5,347,636	470,400	5,948,851
Total comprehensive income for the period:					
Profit for the period	-	-	117,498	-	117,498
Other comprehensive income	-	-	-	-	-
Total	-	-	117,498	-	117,498
Transactions with owners:					
Dividends:					
- Final for 2022	-	-	-	(470,400)	(470,400)
	-	-	-	(470,400)	(470,400)
At end of period	98,000	32,815	5,465,134	-	5,595,949

The notes on pages 14 to 20 are an integral part of these consolidated and separate interim financial statements.

Separate statement of changes in equity

	Share capital	Other reserves	Retained earnings	Proposed dividend	Total equity
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Period ended 30 June 2024					
At start of year	98,000	34,929	5,326,612	470,400	5,929,941
Total comprehensive income for the period:					
Profit for the period	–	–	347,511	–	347,511
Other comprehensive income	–	–	–	–	–
Total	–	–	347,511	–	347,511
Transactions with owners:					
Dividends:					
– Final for 2023	–	–	–	(470,400)	(470,400)
	–	–	–	(470,400)	(470,400)
At end of period	98,000	34,929	5,674,123	–	5,807,052
Period ended 30 June 2023					
At start of year	98,000	32,815	5,343,495	470,400	5,944,710
Total comprehensive income for the period:					
Profit for the period	-	-	117,498	-	117,498
Other comprehensive income	-	-	-	-	-
Total	-	-	117,498	-	117,498
Transactions with owners:					
Dividends:					
- Final for 2022	-	-	-	(470,400)	(470,400)
	-	-	-	(470,400)	(470,400)
At end of period	98,000	32,815	5,460,993	-	5,591,808

The notes on pages 14 to 20 are an integral part of these consolidated and separate interim financial statements.

Consolidated and separate statement of cash flows

	Notes	6 months to 30 June 2024 Shs'000	6 months to 30 June 2023 Shs'000
Operating activities			
Proft before income tax	14	507,092	171,119
Adjustment for non-cash items	14	(256,505)	(411,846)
Changes in working capital	14	(820,444)	(304,140)
Cash utilized by operations		(569,857)	(544,867)
Interest received	5	39,160	42,437
Income tax paid		(5,434)	(94,739)
Net cash utilized by operating activities		(536,131)	(597,169)
Investing activities			
Purchase of property, plant and equipment	9	(93,150)	(146,192)
Purchase and development of biological assets	10(i)	(14,741)	(13,649)
Net cash used in investing activities		(107,891)	(159,841)
Financing activities			
Dividend paid		(470,400)	(470,400)
Net cash used in financing activities		(470,400)	(470,400)
Decrease in cash and cash equivalents		(1,114,422)	(1,227,410)
Movement in cash and cash equivalents			
At start of year		1,408,131	1,408,744
Decrease in cash and cash equivalents		(1,114,422)	(1,227,410)
Net exchange (losses)/gains on foreign currency cash and cash equivalents	4	(163,332)	58,341
At end of period	11	130,377	239,675

The notes on pages 14 to 20 are an integral part of these consolidated and separate interim financial statements.

Notes

1. General information

Kakuzi Plc is incorporated in Kenya under the Kenyan Companies Act 2015 as a public limited liability company and is domiciled in Kenya.

2. Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

These interim financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). These interim financial statements are presented in the functional currency, Kenya Shillings (Shs), rounded to the nearest thousand, and prepared under the historical cost convention as modified by the carrying of biological assets and agricultural produce at fair values less costs to sell.

These unaudited interim consolidated and company financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated and company financial statements as at and for the year ended 31 December 2023 ('last annual financial statements'). Selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last annual financial statements. Where necessary, comparative figures have been adjusted to conform with presentation in the current year.

The Consolidated and Company statement of profit or loss and other comprehensive income are presented as one and the same since the subsidiaries are dormant and did not have any transactions during the period.

2.2 Use of judgements and estimates

In preparing these interim consolidated and company financial statements, the Directors have made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may ultimately differ from these estimates.

The significant judgements made by the Directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2.3 New standards, interpretations and amendments adopted by the Group.

The accounting policies adopted in the preparation of the interim consolidated and company financial statements are consistent with those followed in the preparation of the last annual financial statements, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.4 Costs that incur unevenly during the financial year are anticipated or deferred in the interim only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

2.5 Income tax expense is recognised based on the annual income tax rate expected for the full financial year. The annual tax rate used for 2024 is 30% (2023 was 30%).

2.6 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The following comparative figures and presentations has been made.

- The presentation of the statement of consolidated and separate statement of profit or loss, other comprehensive income and finance costs have been changed to present other income or expenses arising from net foreign exchange gains/losses on cash and cash equivalents as part of other income on Note 4 as opposed to them being presented together with finance costs or together with interest income calculated based on effective interest rate method in accordance IAS 1.82(a) (as updated from 1 January 2018). The standard explicitly requires that entities to present a specific line called, "Interest revenue, calculated using the effective interest method" within their Revenue, implying that interest revenue calculated using the effective interest rate method (EIR) would now need to be differentiated from interest income calculated using other methods and presented separately.

3. Segmental reporting – Group

The Executive Directors are the operating decision makers of the Group. They make decisions based on the review of the operating segments reports.

The Group operates in two geographical areas in Kenya, Makuyu and Nandi Hills, and under several operating segments. The principal operating segments currently consist of Avocados and Macadamia whose reported sales are greater than 10% of combined sales of all operating segments and Tea and Forestry whose assets are more than 10% of combined assets of all operating segments. The business activities of livestock, joint projects and blueberries are included under "all other segments" as they relate to agricultural operations and do not meet any set criteria for individual reportable segments. There is no single customer whose revenue amounts to 10% or more of the Groups revenue.

The Group derives all revenues from contracts with customers for the transfer of goods at a point in time.

Segment assets consist primarily of property, plant and equipment, biological assets, inventories, receivables and prepayments. Unallocated assets are cash, financial assets, property, plant and equipment, and inventories relating to Main Office and Engineering Stores. Segmental liabilities consist primarily of payables and accrued expenses. Unallocated liabilities are taxes, payables, accrued expenses and non-current liabilities.

Notes (continued)

3. Segmental reporting (continued)

The segment information for the reportable segments for the six months period ended 30 June 2024 and 30 June 2023 is as follows:

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Tea		Avocados		Macadamia		Forestry		All other segments		Consolidated	
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Sales												
Sales to external customers	177,949	165,733	266,044	309,394	453,771	170,179	192,733	178,194	84,669	49,655	1,175,166	873,155
Comprising												
Major external customers sales	177,949	165,733	197,586	256,582	440,564	149,110	-	-	-	-	816,099	571,425
All other external customers sales	-	-	68,458	52,812	13,207	21,069	192,733	178,194	84,669	49,655	359,067	301,730
	177,949	165,733	266,044	309,394	453,771	170,179	192,733	178,194	84,669	49,655	1,175,166	873,155
Geographical analysis												
UK & Continental Europe	-	-	189,016	245,204	223,661	36,782	-	-	-	-	412,677	281,986
Kenya	177,949	165,733	72,068	64,190	13,207	25,691	192,733	178,194	84,669	49,655	540,626	483,463
Others	-	-	4,960	-	216,903	107,706	-	-	-	-	221,863	107,706
	177,949	165,733	266,044	309,394	453,771	170,179	192,733	178,194	84,669	49,655	1,175,166	873,155

Notes (continued)

Segmental reporting (continued)

	Tea 2024	Tea 2023	Avocados 2024	Avocados 2023	Macadamia 2024	Macadamia 2023	Forestry 2024	Forestry 2023	All other segments 2024	All other segments 2023	Consolidated 2024	Consolidated 2023
Profit/(loss)												
Gross profit/(loss) before depreciation and fair value changes in non-current biological assets and intersegmental purchases	2,032	32,291	1,095,428	839,924	114,958	(267,446)	76,289	49,156	(30,357)	(32,035)	1,258,350	621,890
Depreciation charge	(7,467)	(7,150)	(63,393	(60,954	(49,399)	(47,604)	(4,980)	(3,053)	(25,216)	(23,313)	(150,455)	(142,074)
Changes in fair value of non-current biological assets	-	-	-	-	-	-	-	-	21,509	21,591	21,509	21,591
Gross profit/(loss)	(5,435)	25,141	1,032,035	778,970	65,559	(315,050)	71,309	46,103	(34,064)	(33,757)	1,129,404	501,407
Selling and Distribution costs	-	-	(81,428)	(108,752)	(34,006)	(14,028)	-	-	-	(463)	(115,434)	(123,243)
Segment profit/(loss)	(5,435)	25,141	950,607	670,218	31,553	(329,078)	71,309	46,103	(34,064	(34,220)	1,013,970	378,164
Other income	1,876	4,301	-	-	-	-	-	-	(175,218)	69,968	(173,342)	74,269
Interest and other income	-	-	-	-	-	-	-	-	39,160	42,437	39,160	42,437
Finance costs	-	-	-	-	-	-	-	-	(33	(33)	(33)	(33
Unallocated admin expenditure	-	-	-	-	-	-	-	-	(372,663)	(323,718)	(372,663)	(323,718)
Profit/(loss) before income tax	(3,559)	29,442	950,607	670,218	31,553	(329,078)	71,309	46,103	(542,818)	(245,566)	507,092	171,119
Income tax expense	1,120	(9,226)	(299,155)	(210,013)	(9,930)	103,117	(22,441)	(14,447)	170,825	76,948	(159,581)	(53,621)
Profit/(loss) for the period	(2,439)	20,216	651,452	460,205	21,623	(225,961)	48,868	31,656	(371,993)	(168,618)	347,511	117,498
Assets (all located in Kenya)												
Segment assets	323,713	500,248	3,254,062	2,746,347	1,927,863	2,044,348	862,077	790,052	905,404	892,811	7,273,119	6,973,806
Unallocated assets											299,789	206,094
											7,572,908	7,179,900
Liabilities												
Segment liabilities	61,419	58,385	-	-	-	-	-	-	-	-	61,419	58,385
Unallocated liabilities											1,700,296	1,525,566
											1,761,715	1,583,951
Additions												
Property, plant and equipment	1,415	98	20,326	78,573	58,320	41,325	666	10,690	12,423	15,506	93,150	146,192
Biological assets	377	805	-	-	-	-	13,144	9,871	1,220	2,973	14,741	13,649
	1,792	903	20,326	78,573	58,320	41,325	13,810	20,561	13,643	18,479	107,891	159,841

Notes (continued)

	6 months to 30 June 2024	6 months to 30 June 2023
	Shs'000	Shs'000
4. Other income/(losses) – Group and company		
Net foreign exchange (losses)/gains other than cash and cash equivalents	24,544	2,745
Net exchange (losses)/gains on foreign currency cash and cash equivalents	163,332	58,341
Loss on disposal of property, plant and equipment	(165)	(12)
Rental income	3,117	2,552
Avocado and macadamia seedling sales	9,295	6,408
Sundry	2,287	4,235
	173,342	74,269
5. Interest income and finance income/(costs) – Group and company		
Interest income		
Interest income on short term bank deposits	32,910	36,187
Interest income on infrastructure bonds	6,250	6,250
	39,160	42,437
Finance (costs)/income		
Interest on lease liabilities	(33)	(33)
Net finance costs	(33)	(33)

6. Income tax – Group and company

Income tax expense is recognised based on the annual income tax rate expected for the full financial year. The annual tax rate used for 2024 is 30% (2023: 30%).

Current income tax expense	(226,803)	(51,009)
Deferred income tax credit/(expense)	(67,222)	(2,612)
Income tax expense	(159,581)	(53,621)

7. Basic and diluted earnings per ordinary share

Basic and diluted earnings per ordinary share are calculated on the profit attributable to the members of Kakuzi Plc and on the 19,599,999 ordinary shares in issue at 30 June 2024 and 30 June 2023.

The Company had no potentially dilutive ordinary shares outstanding at 30 June 2024 or 30 June 2023.

8. Dividend

The directors do not recommend the payment of an interim dividend (2023: Nil).

Notes (continued)

9. Capital expenditure – Group and Company

	30 June 2024	30 June 2023
	Shs'000	Shs'000
Property, plant and equipment		
Opening net book value – 1 January	3,064,961	3,085,814
Capital expenditure – additions	93,150	146,192
Disposals	(165)	(12)
Depreciation	(150,455)	(142,074)
Closing net book value – 30 June	3,007,491	3,089,920

10. Biological assets – Group and Company

(i) Non current biological assets

Changes in carrying amounts of non current biological assets comprise :-

	Livestock	Group Plantations	Total
	Shs'000	Shs'000	Shs'000
Period ended 30 June 2024			
At 1 January 2024	168,424	766,800	935,224
Increase due to purchases and development	1,220	13,521	14,741
Gain arising from changes in fair value less costs to sell	21,509	-	21,509
Decrease due to harvest and sales	(23,379)	(25,335)	(48,714)
At 30 June 2024	167,774	754,986	922,760
Period ended 30 June 2023			
At 1 January 2023	164,886	692,400	857,286
Increase due to purchases and development	2,973	10,676	13,649
Gain arising from changes in fair value less costs to sell	21,591	-	21,591
Decrease due to harvest and sales	(18,146)	(13,000)	(31,146)
At 30 June 2023	171,304	690,076	861,380

(ii) Current biological assets i.e growing agricultural produce

Growing agricultural produce on bearer plants as at the reporting date

	30 June 2024	30 June 2023
	Shs'000	Shs'000
Avocado	1,094,511	846,744
Macadamia	259,071	223,228
Blueberries	3,319	2,624
Tea	2,170	4,299
	1,359,071	1,076.895

The gain arising from changes in fair value of the growing agricultural produce on bearer plants is included within cost of production.

Notes (continued)

11. Cash and cash equivalents – Group and Company

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following: –

	30 June 2024 Shs'000	30 June 2023 Shs'000
Cash at bank and in hand	65,753	44,889
Short term deposits	64,624	194,786
	130,377	239,675

12. Financial assets held at amortised cost – Group and Company

	30 June 2024 Shs'000	30 June 2023 Shs'000
At start of the year	100,000	100,000
Redeemed in the period	-	-
At end of period	100,000	100,000
Non current portion	-	100,000
Current portion	100,000	-
	100,000	100,000

13. Capital commitments – Group and Company

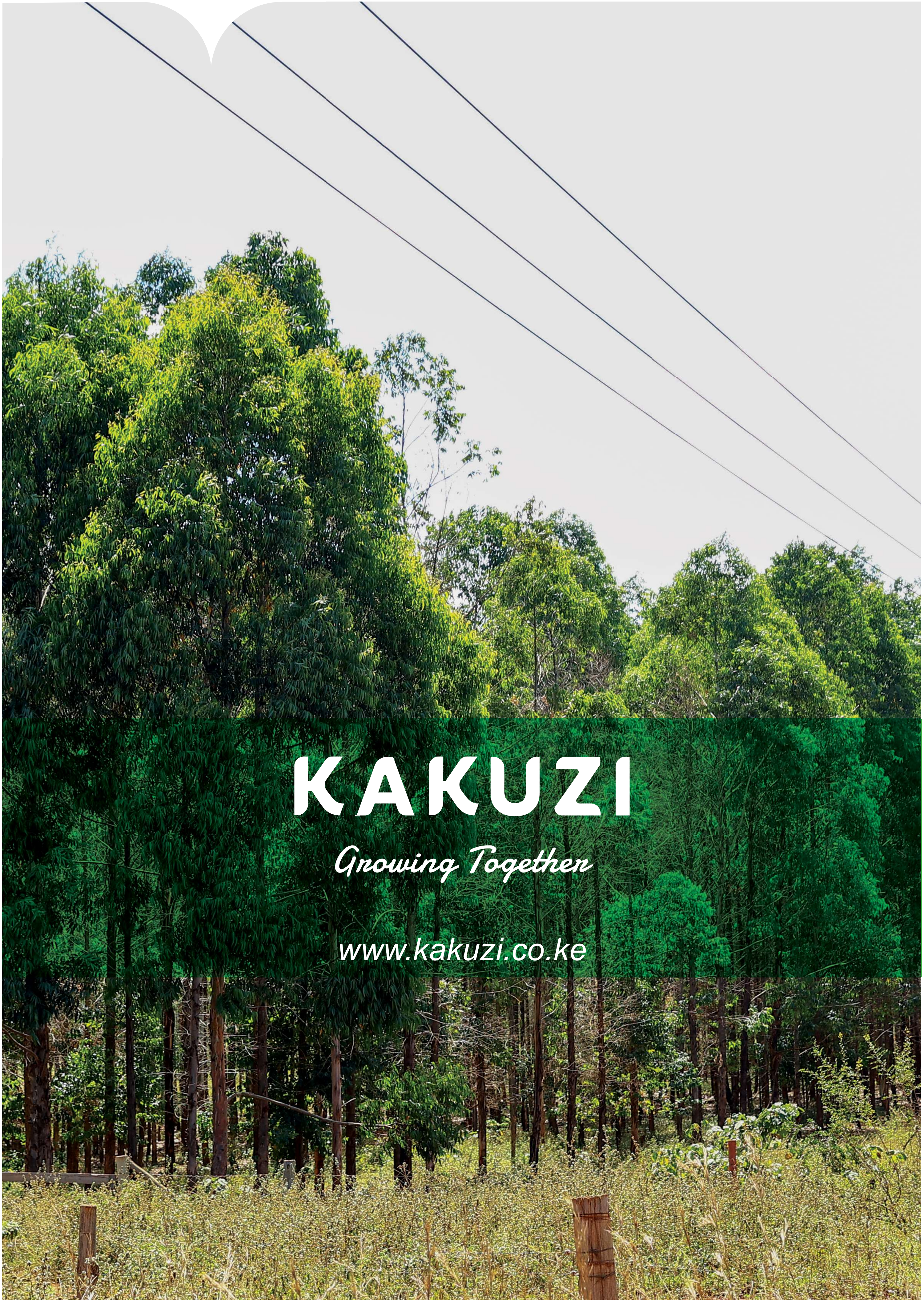
	30 June 2024 Shs'000	30 June 2023 Shs'000
Capital expenditure contracted for at the statement of financial position date but not recognised in the consolidated interim financial statements is as follows:-		
Property, plant and equipment	35,778	33,070
	35,778	33,070

Notes (continued)

14. Cash generated from operations – Group and Company

Reconciliation of profit before income tax to cash generated from operations:

	Notes	6 months to 30 June 2024 Shs'000	6 months to 30 June 2023 Shs'000
Profit before income tax		507,092	171,119
Adjustments for non-cash items			
Interest income	5	(39,160)	(42,437)
Net exchange losses/(gains) on foreign currency cash and cash equivalents	4	163,332	(58,341)
Depreciation	9	150,455	142,074
Loss on sale of property, plant and equipment		165	12
Depreciation of right of use assets		50	50
Interest costs on adoption of IFRS 16	5	33	33
Gain arising from changes in fair value less cost to sell of non current biological assets	10(i)	(21,509)	(21,591)
Decrease in fair value of biological assets due to sales and harvest and disposal	10(i)	48,713	31,146
Fair value movement in biological assets – growing agricultural produce		(558,584)	(462,792)
		(256,505)	**(411,846)**
Changes in working capital:			
- Increase in inventories (including fair value movement in biological assets)		(855,339)	(404,999)
- Decrease in receivables and prepayments		36,970	8,407
- Increase in payables and accrued expenses		(11,298)	79,322
- (Decrease)/increase in post employment benefit obligations		9,223	13,130
		(820,444)	**(304,140)**
Cash utilised by operations		(569,857)	(544,867)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