

**KAKUZI PLC**  
**EXTRACT FROM THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD OF SIX MONTHS TO 30 JUNE 2023**

The unaudited results for the Kakuzi Group for the period of six months to 30 June 2023 and the comparative figures for the previous year are as follows:

**KAKUZI**

*Growing Together*

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income		
	30 June 2023	30 June 2022
	Shs'000	Shs'000
Sales	873,155	1,026,492
Profit before fair value gain in non-current biological assets and income tax	149,528	471,842
Fair value gain in non-current biological assets	21,591	22,826
<b>Profit before income tax</b>	<b>171,119</b>	<b>494,668</b>
Income tax expense	(53,621)	(153,398)
<b>Profit for the period</b>	<b>117,498</b>	<b>341,270</b>
<b>Other Comprehensive Income:</b>		
Items that are not reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations (net of tax)	-	-
<b>Total comprehensive income</b>	<b>117,498</b>	<b>341,270</b>
<b>Earnings per share (Shs):</b>	<b>Shs</b>	<b>Shs</b>
Basic and diluted earnings per ordinary share	5.99	17.41

Condensed Consolidated Statement of Cash flows		
	30 June 2023	30 June 2022
	Shs'000	Shs'000
Cash and cash equivalents at the beginning of the period	1,408,744	1,656,219
Net cash used in operating activities	(597,169)	(188,424)
Net cash used in investing activities	(159,841)	(225,311)
Net cash used in financing activities	(470,400)	(431,201)
Effect of exchange rate differences on cash and cash equivalents	58,341	29,683
Decrease in cash and cash equivalents	(1,169,069)	(815,253)
Cash and cash equivalents at the end of the period	239,675	840,966

Condensed Consolidated Statement of Financial Position			
	30 June 2023	30 June 2022	Audited 31 December 2022
	Shs'000	Shs'000	Shs'000
<b>EQUITY</b>			
Share capital	98,000	98,000	98,000
Other reserves	32,815	37,991	32,815
Retained earnings	5,465,134	5,313,502	5,347,636
Proposed dividends	-	-	470,400
<b>Total equity</b>	<b>5,595,949</b>	<b>5,449,493</b>	<b>5,948,851</b>
Non-current liabilities	1,203,079	1,098,845	1,187,237
	<b>6,799,028</b>	<b>6,548,338</b>	<b>7,136,188</b>
<b>REPRESENTED BY</b>			
Non-current assets	4,097,646	3,999,063	4,089,669
Cash and cash balances	239,675	840,966	1,408,744
Other current assets	2,842,579	2,259,249	1,983,022
Current liabilities	(380,872)	(550,940)	(345,247)
<b>Net current assets</b>	<b>2,701,382</b>	<b>2,549,275</b>	<b>3,046,519</b>
	<b>6,799,028</b>	<b>6,548,338</b>	<b>7,136,188</b>

Condensed Consolidated Statement of Changes in Equity					
	Share capital	Other reserves	Retained earnings	Proposed dividends	Total Equity
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At start of the period	98,000	32,815	5,347,636	470,400	5,948,851
Profit for the period	-	-	117,498	-	117,498
Dividends paid	-	-	-	(470,400)	(470,400)
<b>At end of period</b>	<b>98,000</b>	<b>32,815</b>	<b>5,465,134</b>	<b>-</b>	<b>5,595,949</b>

**KEY HIGHLIGHTS**

- Avocado profits have more than doubled in 2023 to Ksh 654.8 million, up from Ksh 288.6 million in 2022
- Global Macadamia glut persists leading to a Kshs 329 million sectoral loss for the macadamia business
- Recovery expected as Kakuzi Macadamia domestic market retail sales efforts doubled up to mitigate international market risks
- Pretax profit down by 65% to Ksh 171.1 million from Kshs 494.7 million
- Avocado exports to China up on last year.

**TRADING PERFORMANCE**

The half-year trading period for the financial year 2023 are in line with our expectations given the challenging macadamia markets. As highlighted at the Annual General Meeting, we expect the global macadamia glut situation to persist throughout the balance of 2023 financial year and may be into 2024

In 2022 the half year profits for the macadamia business were posted at Ksh 339 million. This year the situation has reversed to a loss of Ksh (329) million. The disappointment is that in our biggest markets of China, Japan and the USA, the same quality macadamia nut kernels are now selling for less than half the price recorded during the same period last year even as production volumes from all source markets continue to grow.

We remain committed to a shared prosperity business model that prioritizes all our stakeholder needs. Growing our business in a sustainable manner, actively implementing our Kakuzi, Community Partnerships, answering the call for climate action and using best practices in all we do to promote our values remains our focus.

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

**BY ORDER OF THE BOARD**

**NICHOLAS NG'ANG'A**  
**CHAIRMAN**  
**24 AUGUST 2023**