

KAKUZI PLC

EXTRACT FROM THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS TO 30 JUNE 2020

The unaudited results for the Kakuzi Group for the period of six months to 30 June 2020 and the comparative figures for the previous year are as follows:

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income			Condensed Consolidated Statement of Financial Position			
	30 June 2020 Shs'000	30 June 2019 Shs'000		30 June 2020 Shs'000	30 June 2019 Shs'000	Audited 31 December 2019 Shs'000
Sales	<u>889,909</u>	<u>619,463</u>	EQUITY			
Profit before fair value gain in non-current biological assets and income tax	186,022	334,857	Share capital	98,000	98,000	98,000
Fair value gain in non-current biological assets	18,095	20,225	Other reserves	31,463	19,653	31,463
Profit before income tax	<u>204,117</u>	<u>355,082</u>	Retained earnings	5,087,249	4,621,004	4,814,462
Income tax credit/(expense)	<u>68,670</u>	<u>(109,501)</u>	Proposed dividends	-	-	274,400
Profit for the period	<u>272,787</u>	<u>245,581</u>	Total equity	<u>5,216,712</u>	<u>4,738,657</u>	<u>5,218,325</u>
Other Comprehensive Income:			Non-current liabilities	914,503	972,478	1,007,047
<i>Items that are not reclassified to profit or loss:</i>				<u>6,131,215</u>	<u>5,711,135</u>	<u>6,225,372</u>
Remeasurement of post-employment benefit obligations (net of tax)	-	-	REPRESENTED BY			
Total comprehensive income	<u>272,787</u>	<u>245,581</u>	Non-current assets	3,920,666	3,745,481	3,868,015
	Shs	Shs	Current assets	1,568,992	1,371,745	896,890
Earnings per share (Shs):			Cash and cash balances	1,013,062	1,004,188	1,696,130
Basic and diluted earnings per ordinary share	<u>13.92</u>	<u>12.53</u>	Current liabilities	(371,505)	(410,279)	(235,663)
			Net current assets	2,210,549	1,965,654	2,357,357
				<u>6,131,215</u>	<u>5,711,135</u>	<u>6,225,372</u>

Condensed Consolidated Statement of Cash flows			Condensed Consolidated Statement of Changes in Equity					
	30 June 2020 Shs'000	30 June 2019 Shs'000		Share capital Shs'000	Other reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Equity Shs'000
Cash and cash equivalents at the beginning of the year	<u>1,696,130</u>	<u>1,500,935</u>	At start of the year	98,000	31,463	4,814,462	274,400	5,218,325
Net cash used in operating activities	(226,022)	(86,944)	Profit for the period	-	-	272,787	-	272,787
Net cash used in investing activities	(195,489)	(235,314)	Dividends paid	-	-	-	(274,400)	(274,400)
Net cash used in financing activities	(274,413)	(176,400)	At end of period	<u>98,000</u>	<u>31,463</u>	<u>5,087,249</u>	<u>-</u>	<u>5,216,712</u>
Effect of exchange rate differences on cash and cash equivalents	12,856	1,911						
Decrease in cash and cash equivalents	<u>(683,068)</u>	<u>(496,747)</u>						
Cash and cash equivalents at the end of the year	<u>1,013,062</u>	<u>1,004,188</u>						

RESULTS:

The profit before tax for the period to June 2020 was KSh 204.1 million compared to a profit of KSh 355.1 million for the same period last year. This is principally due to a financial provision write back in 2019.

During the first half of the year, avocado profits are on a par with 2019, macadamia profits are greater, and our tea operations made an operating loss of KSh 11.3 million compared to a loss of KSh 1.1 million in 2019.

The profit after tax for the period to 30 June 2020 was KSh 272.8 million compared to a profit of KSh 245.5 million for the same period last year. This is principally due to the release of deferred tax provision in view of the reduction of the Corporate tax rate to 25% from 30% by the Government.

The Directors do not recommend the payment of an interim dividend.

BY ORDER OF THE BOARD

G H MCLEAN

CHAIRMAN

18 AUGUST 2020