

2024 HALF YEAR RESULTS



**PADENGA
HOLDINGS
LIMITED**

The Directors are pleased to present the **Unaudited Interim Condensed Consolidated Financial Results** for the half year ended 30 June 2024

Financial Highlights

For the half year ended 30 June 2024

All figures in US\$	30 June 2024 Unaudited	30 June 2023 Reviewed
Group Summary		
Revenue from continuing operations	99 239 977	74 420 384
Operating profit before depreciation, impairment, amortisation and fair value adjustments from continuing operations (EBITDA)	23 111 737	10 988 257
Profit before taxation from continuing operations	12 644 426	7 532 200
Profit for the period from continuing operations	9 245 320	5 335 820
Cash generated from operations from continuing operations	21 020 748	12 878 727
Net cash outflow from investing activities	10 037 263	8 539 528
Net assets	95 279 115	87 711 399
Share Performance		
Basic earnings per share (cents)	0.75	0.53
Diluted earnings per share (cents)	0.75	0.53
Basic headline earnings per share (cents)	0.75	0.53
Diluted headline earnings per share (cents)	0.74	0.53
Interim dividend per share (cents)	0.40	0.19
Market price per share (cents)	16.96	20.50
Number of shares in issue at reporting date	552 087 090	549 514 518
Market capitalisation (US\$)	93 633 970	112 650 476

Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of the Group's financial statements. The financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The principal accounting policies of the Group are consistent with those applied in the previous financial year and in the manner required by the Securities and Exchange (Victoria Falls Stock Exchange Listing Requirements) Rules.

Functional Currency

The financial statements are presented in United States Dollars (US\$), which is the functional and presentation currency of the Group.

OPERATING ENVIRONMENT

The first half of the current financial year has been dynamic and complex, characterised by regulatory policy changes which saw the introduction of a new currency. Globally, geopolitical tensions, high interest rates and climate related calamities slowed down growth in most major economies. Notwithstanding the challenges, Management has remained focussed on driving growth and improving efficiencies across the Group.

Operations

Mining Operations

Dallaglio sold 1,351kgs of gold in H1 2024 compared to 1,080kgs in H1 2023. This 25% growth was spurred by a combination of better ore grade at Eureka mine, better recovery and higher plant throughput at Pickstone mine.

The Pickstone Underground Project Phase 1, which was completed in August 2023, was officially opened by His Excellency, The President of Zimbabwe Dr. E.D. Mnangagwa on 10 April 2024. The Underground Mine contributed 15% of the Group's gold production in the period under review. This proportion will grow as open pit mining is wound down at Pickstone mine in the second half of 2024.

Padenga Agribusiness Operations

Padenga Agribusiness recorded a 20% decrease in skin harvest volumes during the first half of the year, compared to prior period (16,973 vs 21,280). The comparative period benefited from the harvest of some 10,000 skins carried over from the 2022 supply contract. Consequently, skin sales in the first half of the year at 14,627 skins were 22% below the 18,709 skins sold in the same period last year. Premium skin sales are in line with targets set at the beginning of the year and a timely completion of the current contract ending in February 2025 is anticipated. The significant improvement in skin quality realized at the end of 2023 continued into the first half of 2024.

Financial

Consolidated Results

The Group recorded revenue of US\$99,24m for the six months under review. This was a 33% increase over the US\$74,42m recorded in prior period.

Revenue contributions from the Group's business units were as follows: Dallaglio 88% (84% in H1 2023) and Padenga Agribusiness 12% (16% in H1 2023).

The positive revenue performance for the Group was largely due to the significant contributions from the gold mines arising from steady production at Eureka Mine buoyed by higher than budgeted gold prices.

The Group recorded a 110% increase in EBITDA of US\$23,11m for the six months (US\$10,99m in H1 2023), impacted by enhanced operational performance.

An increase of 44% was recognised on net interest expense for the Group at US\$5,28m (US\$3,67m in H1 2023), due to increased borrowings mainly utilized in development of Pickstone Underground Mine and working capital support for the crocodile farming operation.

Profit before taxation for the Group at US\$12,64m for the six months was 68% ahead of the US\$7,53m recorded in H1 2023.

The Group generated cash amounting to US\$21,02m (US\$12,88m in H1 2023) from operating activities for the year. The significant increase in cash generated was mainly due to improved revenues and tighter working capital management.

Dallaglio Financials

Dallaglio recorded a profit before taxation of US\$13,60m which is a 159% increase from the US\$5,25m recorded in the same period in 2023, largely due to increased revenue.

A turnover of US\$87,68m was achieved (US\$62,66m in H1 2023), which is a 40% increase. The increase was mainly a result of record high gold prices that prevailed through the first half of 2024, combined with the increase in gold production and sales compared to the first half of 2023.

EBITDA for the mining business grew 98% to US\$23,09m for the period from US\$11,66m in 2023. This growth was driven by the increase in turnover, partly offset by an increase in costs.

Cash generated from operations of US\$13,49m (US\$10,34m in H1 2023) was recorded, representing a 55% growth.

Padenga Agribusiness Financials

Revenue for the crocodile business for the six months to 30 June 2024 increased by 2% in comparison to the same period in prior year. This was driven by a 26% improvement in average realised per skin, and this countered the 22% decrease in volumes. Total operating costs increased by a marginal 1% from prior year as cost containment measures were instituted in response to the inflationary pressures experienced in prior year. Exchange losses experienced were minimal in the first half of 2024 due to the relative exchange rate stability.

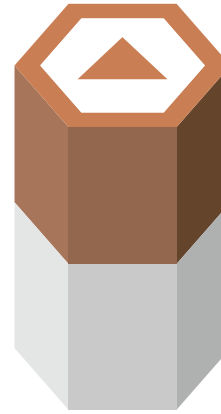
Consequently, a positive EBITDA of US\$0,67m was recorded for the six months ended 30 June 2024 compared to a loss of US\$0,63m in the prior half year. A 66% decrease in biological asset fair value gain from US\$5,81m in H1 2023 to US\$1,96m in current half year was recorded.

Resultantly, a profit before taxation of US\$0,22m was achieved, compared to US\$2,79m recorded same period last year.

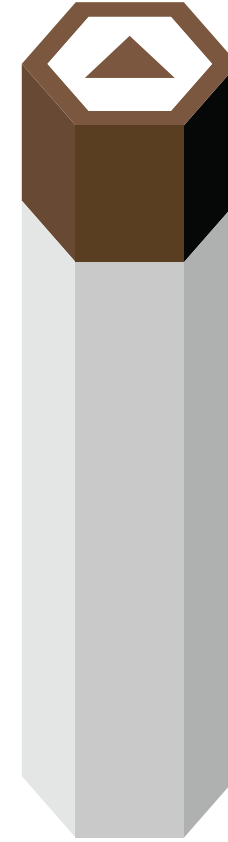
The crocodile operation generated US\$3,29m in cash from operating activities for the six month period under review (US\$2,49m generated in H1 2023), benefiting from the improved EBITDA.

SALIENT FEATURES

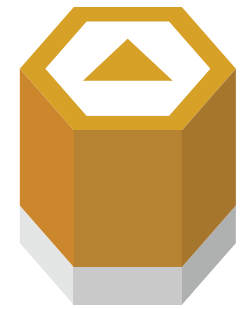
Revenue up 33%



Cash generated from operations up 63%



Net assets up 9%



Key Capital and Expansion Projects

With Phase 1 of the Pickstone mine underground project now in production, work on Phase 2 is underway which involves re-equipping and developing the mine below Level 5, allowing access to higher grade ore by Q2 2025. In addition, at the same mine, a diamond drilling campaign has commenced, in a bid to probe deeper levels and improve planning accuracy.

The Thickenner Project at Eureka mine is progressing and scheduled for completion by 31 December 2024. This project will result in an improvement in plant recovery and cost efficiencies in the Eureka mine processing plant as from 2025.

The annual rehabilitation of crocodile pens to improve skin quality was completed on schedule in the second quarter of the year. The commissioning of the phase 3 solar array at the northern farms to bring the solar plant operating capacity to a total of 1.2MW was also completed in the second quarter of 2024. The major capital expenditure for the rest of the 2024 financial year is the construction of the waste water treatment plant which is on course to be completed by the end of 2024.

Sustainability and Good Husbandry Practices

Padenga Agri-business remains dedicated to sustainability and good husbandry practices. The VFEX issued Practice note 2 on Sustainability Information and Disclosure, effective 1 January 2024. The note introduced the mandatory requirement of specifically identified disclosures from the Global Reporting Initiative ("GRI") sustainability reporting protocol. The Group currently utilises standard ZWS ISO 26000:2010, the international ISO guidance standard adopted by Zimbabwe, providing the framework to integrate Social Responsibility into the values and practices of the Group. Work is underway to ensure that the current year's Sustainability Reports conform to both the ISO 26000 and GRI standards. A significant milestone for the Group is a US\$120,000 sponsorship contribution towards the construction of the USAP Community School, located in Marondera, for talented underprivileged children. Phase 1 of the school was officially opened on the 3rd of August 2024.

The three crocodile farms remain compliant with the International Crocodilian Farmers Association (ICFA) standards adopted by the ICFA (1001:2002).

Both mining operations made significant progress towards ISO certification, specifically ISO 45001:2018 (Occupational Health and Safety Management Systems), ISO 9001:2015 (Quality Management Systems) and ISO 14001:2015 (Environmental Management Systems). Eureka and Pickstone Peerless Mine are on track to achieving full certification by the end of 2024.

Purchase of the 49.9% Minority Interest in Dallaglio

The acquisition of the 49.9% shareholding in Dallaglio currently held by the minority shareholders is still to be finalised, with the one condition precedent yet to be met.

Prospects

The crocodile operation continues with its initiatives to produce high quality skins that are consistent with premium market expectations.

Subsequent to the period end, Padenga Agri-business has learnt of a softening in demand for Nile crocodile skins. The business is still to get full information on this matter to enable it to correctly assess how this will impact current and prospective skin sales contracts.

Dallaglio remains on a strong drive to reduce the All-in-sustaining -costs (AISC) to set targets through various strategies. Solar power generation is planned for implementation for both mines in the next financial year.

Gold spot price remains firm and higher than budgeted.

Any shortfall in Nile skins revenue from the softening demand will be more than compensated for by increased Gold sales revenue.

Overall the Group will report higher profits than previous year.

Key focus areas are centred around borrowings reduction and efficient cost containment measures.

Padenga Holdings Limited is optimistic about the profit growth for the Group for the remainder of the year as it creates long term value and preserve shareholder wealth.

Dividend

The Board has pleasure in declaring an interim dividend of 0.40 US cents per share payable in respect of all ordinary shares of the Company. The dividend will be paid to all the shareholders of the Company registered at the close of business on the 18th of October 2024.

The payment of the dividend will take place on or around the 4th of November 2024. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 15th of October 2024 and ex-dividend from the 16th of October 2024.

Passing of Padenga Director, Sternford Moyo

The Board notes with deep sorrow the passing on of a director of the Company, Sternford Moyo on the 5th of July 2024. Sternford was appointed as an independent Non-Executive Director to the Padenga Board on the 1st of May 2019 and served as the Chairman of the Nominations and Remuneration Committee. He was also appointed as Chairman to the Board of Dallaglio Investments (Private) Limited, a subsidiary of Padenga Holdings Limited in 2020, a post that he held till the end.

Sternford's wise counsel, guidance and invaluable contributions to the Padenga Board and business units are sincerely appreciated. Sternford's passing leaves a huge gap that will be difficult to fill. It was a great honour to know him and members of the Board sorely miss him.

Appreciation

On behalf of the Board, I extend my sincere thanks and gratitude to our dedicated Management teams for their contribution, expertise and passion in driving the Group's success. I would also like to extend thanks to fellow directors for their wise counsel.

I am thankful for the support of our stakeholders for their continued support and patronage.



T N Sibanda
Chairman
30 September, 2024

The Directors are pleased to present the **Unaudited Interim Condensed Consolidated Financial Results** for the half year ended 30 June 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2024

	Note	30 June 2024 Unaudited US\$	30 June 2023 Reviewed US\$
Continuing operations			
Revenue	8	99 239 977	74 420 384
Other income		567 224	354 469
Impairment loss on trade receivables		-	(2 947)
Financial income/(loss)	9	59 324	(3 408 794)
Finance cost		(42 546 771)	(42 158 545)
Cost of goods sold		(15 859 124)	(9 049 940)
Employee benefits expense		(13 348 893)	(9 166 370)
Other operating costs			
Operating profit before depreciation, amortisation, impairment, and fair valuation adjustments		23 111 737	10 988 257
Depreciation		(4 492 612)	(3 440 931)
Depreciation-right of use assets		(1 159 417)	(821 533)
Amortisation		(1 493 167)	(1 335 093)
Operating profit before interest and fair value adjustments		15 966 541	5 390 700
Fair value adjustments on biological assets	15.2	1 953 636	5 810 141
Profit before interest and tax		17 920 177	11 200 841
Interest income		20 259	183
Interest expense - loans		(5 051 463)	(3 449 770)
Interest expense - leases		(244 547)	(219 054)
Profit before taxation		12 644 426	7 532 200
Income tax expense	10	(3 399 106)	(2 196 380)
Profit for the period from continuing operations		9 245 320	5 335 820
Other comprehensive income		-	-
Total comprehensive income for the period		9 245 320	5 335 820
Profit for the period attributable to:			
Equity holders of the parent		4 129 038	2 902 055
Non-controlling interest		5 116 282	2 433 765
		9 245 320	5 335 820
Total comprehensive income for the period attributable to:			
Equity holders of the parent		4 129 038	2 902 055
Non-controlling interest		5 116 282	2 433 765
		9 245 320	5 335 820
Earnings per share (cents)			
Basic earnings per share	20	0.75	0.53
Diluted earnings per share	20	0.75	0.53
Basic headline earnings per share	20	0.75	0.53
Diluted headline earnings per share	20	0.74	0.52
Earnings per share from continuing operations (cents)			
Basic earnings per share	20	0.75	0.53
Diluted earnings per share	20	0.75	0.53
Basic headline earnings per share	20	0.75	0.53
Diluted headline earnings per share	20	0.74	0.52

Condensed Consolidated Statement of Cash Flows

For the half year ended 30 June 2024

	Notes	30 June 2024 Unaudited US\$	30 June 2023 Reviewed US\$
Cash generated from operating activities	27	21 020 748	12 878 727
Interest income		20 259	183
Interest paid		(2 914 744)	(2 783 124)
Interest received		(570 916)	(219 054)
Taxation paid		(574 032)	(444 433)
Net cash generated from operations		16 981 315	9 432 299
Net cash utilised in investing activities		(10 037 265)	(8 539 528)
- proceeds on disposal of property, plant and equipment		-	101 357
- purchase of property, plant and equipment	16	(7 197 652)	(6 665 141)
- expenditure on exploration and evaluation of assets		-	(54 847)
- purchase of mine development assets		(2 736 533)	(1 866 169)
- expenditure on non-current biological assets		(37 679)	(54 728)
- purchase of intangible assets		(65 401)	-
Net cash inflow before financing activities		6 944 050	892 771
Proceeds from issue of ordinary shares		257	8 475
Increase in borrowings		(1 612 636)	5 925 840
- proceeds from borrowings		28 694 090	23 981 868
- repayments of borrowings		(29 465 078)	(16 929 183)
- lease payments		(841 648)	(1 126 845)
Dividends paid to equity holders of the parent and non-controlling interests	26.1	(1 435 426)	(2 272 544)
Net cash (outflow)/inflow from financing activities		(3 047 805)	3 661 771
Net increase in cash and cash equivalents		3 896 245	4 554 542
Cash and cash equivalents at the beginning of the period		1 154 523	1 264 386
Impact of changes in exchange rates on cash held		(527)	(4 266)
Cash and cash equivalents at the end of the period		5 050 241	5 814 662

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	30 June 2024 Unaudited US\$	31 Dec 2023 Audited US\$
ASSETS			
Non-current assets			
Property, plant and equipment	16	93 294 456	90 589 416
Mine development assets		15 215 860	12 105 224
Exploration and evaluation assets		329 804	329 804
Rehabilitation assets	24.1	1 383 729	1 465 126
Goodwill		4 594 571	4 594 571
Intangible assets		355 736	313 380
Right of use assets		5 292 749	4 646 949
Biological assets	14.1	12 476 104	12 434 311
Deferred tax asset		490 591	-
		133 433 600	126 478 781
Current assets			
Biological assets	14.2	33 819 122	30 753 900
Mines inventories	13.2	12 606 863	15 240 275
Inventories	13.1	19 713 964	20 771 444
Trade and other receivables		22 714 401	12 478 027
Current tax receivable		2 227 015	2 022 873
Cash and cash equivalents	12	5 050 241	1 154 523
		96 131 606	82 421 042
Total assets		229 565 206	208 899 823
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		55 208	54 951
Share premium		27 620 264	27 298 872
Share based payment reserve		-	300 490
Retained earnings		44 438 842	41 745 231
Change in ownership reserve		(63 863)	(63 863)
Equity attributable to equity holders of the parent		72 050 451	69 335 681
Non-controlling interest		23 228 664	18 338 077
Total shareholders' equity		95 279 115	87 673 758
Non-current liabilities			
Interest-bearing borrowings	18.1	10 436 605	11 172 216
Lease liabilities	19	2 713 548	2 851 683
Mine rehabilitation provisions	25.2	3 408 489	3 166 841
Deferred tax liability		26 573 160	22 945 241
		43 131 802	40 135 981
Current liabilities			
Bank overdraft	18.2	5 872 090	6 046 923
Interest-bearing borrowings		54 578 332	52 302 157
Trade and other payables	17	25 360 662	18 513 350
Lease liabilities	19	3 081 179	2 305 837
Employee benefit accruals	23	1 825 268	1 601 206
Tax payable		436 758	320 611
		91 154 289	81 090 084
Total liabilities		134 286 091	121 226 065
Total equity and liabilities		229 565 206	208 899 823

The Directors are pleased to present the **Unaudited Interim Condensed Consolidated Financial Results** for the half year ended 30 June 2024

Condensed Consolidated Statement of Changes in Equity

For the half year ended 30 June 2024

	Attributable to equity holders of the parent					Total US\$	Non - controlling Interest US\$	Total equity US\$
	Share capital US\$	Share Premium US\$	Change in ownership US\$	Share based option reserve US\$	Retained earnings US\$			
Balance as at 1 January 2023 (restated)	54 430	27 005 023	(63 863)	563 768	39 088 466	66 647 824	17 121 712	83 769 536
Total comprehensive income	-	-	-	-	2 902 055	2 902 055	2 433 765	5 335 820
Dividend paid	-	-	-	-	(1 524 044)	(1 524 044)	(748 500)	(2 272 544)
Issue of ordinary shares	521	293 848	-	-	-	294 369	-	294 369
Share based payment scheme for the period	-	-	-	63 484	-	63 484	-	63 484
Share options exercised	-	-	-	(294 369)	-	(294 369)	-	(294 369)
Balance at 30 June 2023 (reviewed)	54 951	27 298 871	(63 863)	332 883	40 466 477	68 089 319	18 806 977	86 896 296
Balance at 1 January 2024 (audited)	54 951	27 298 872	(63 863)	300 490	41 745 231	69 335 681	18 338 077	87 673 758
Total comprehensive income	-	-	-	-	4 129 038	4 129 038	5 116 282	9 245 320
Dividend paid	-	-	-	-	(1 435 427)	(1 435 427)	(225 695)	(1 661 122)
Issue of ordinary shares	257	321 392	-	-	-	321 649	-	321 649
Share based payment scheme for the period	-	-	-	21 159	-	21 159	-	21 159
Share options exercised	-	-	-	(321 649)	-	(321 649)	-	(321 649)
Balance at 30 June 2024 (unaudited)	55 208	27 620 264	(63 863)	-	44 438 842	72 050 451	23 228 664	95 279 115

Notes to the Unaudited Interim Condensed Consolidated Financial Results

For the half year ended 30 June 2024

1. Corporate Information

The interim consolidated financial statements of Padenga Holdings Limited and its subsidiaries for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 9 September 2024. Padenga Holdings Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange (VFEX).

The Group has a 82.88% (2023- 82.88%) stake in Tallow Creek Ranch (TCR), an unlisted company based in Texas (United States of America) that specialised in alligator farming. In July 2022, the Group discontinued operations at TCR following the disposal of its operating assets to a third party. The principal continuing activities of the Company and its subsidiaries (the Group) include the production and rearing of crocodiles and the export of Nile crocodile skins and meat. The Group is also engaged in developing and operating large scale commercial gold mines in Zimbabwe, after having acquired a 50.1% stake in Dallaglio Investments (Private) Limited. Information on the Group's parent and other related party relationships is disclosed in note 23.

2. Going Concern

The Directors have satisfied themselves that the Group 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 adopt the going concern basis in preparing the condensed consolidated financial results. The Group has prepared the condensed financial results on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

2.1 Basis of Preparation

"The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The consolidated financial statements have been prepared on a historical cost basis, except for biological assets that have been measured at fair value. The consolidated financial statements are presented in United States dollars (US\$). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern."

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of Padenga Holdings Limited Company and its subsidiaries as at 30 June 2024. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent Group, using consistent accounting policies.

"The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and the statement of financial position from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests (NCIs). Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation."

3. Use of judgements and estimates

In preparing these condensed consolidated financial results, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management 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.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial assets and liabilities and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 15.

4. New and amended IFRS Accounting Standards in issue but not yet effective

"Amendments to IAS 21: Lack of exchangeability. Effective for annual periods beginning on or after 1 January 2025. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

It specifies that a currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations."

The impact of these standards is being evaluated in order to establish the appropriate response to ensure information disclosed is useful to users in making decisions relating to providing resources to the entity.

4.1 New and amended IFRS Accounting Standards that are effective for the current year

The principal accounting policies used by the Group are consistent with those of the previous year, except for changes from new or amended IFRS Accounting Standards.

The following amendments to standards were adopted by the Group on 1 January 2024:

Amendments to IAS 1 – Non-current liabilities with covenants

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. The Group's liabilities were not impacted by the amendments

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position, as the Group had no outstanding convertible notes as at 31 December 2023.

5. Statement of compliance

Compliance with IFRS Accounting Standards

The consolidated financial statements are prepared with the objective of complying fully with the IFRS Accounting Standards. The consolidated financial statements have been prepared in compliance with the Companies and Other Business Entities Act (COBE) (Chapter 24:31). Complying with IFRS Accounting Standards achieves consistency with the financial reporting framework adopted by the Group since 2010. Using a globally recognized reporting framework also facilitates understandability and comparability with similar businesses and allows consistency in the interpretation of the consolidated financial statements.

The consolidated financial statements referred to above in all material respects comply with the IFRS Accounting Standards as issued by the International Accounting Standards Board for the financial position, financial performance, and cash flows of the Group.

6. Estimates

When preparing the full year financial results, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, results, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim condensed consolidated financial results, including the key sources of estimation uncertainty were the same as those applied in the Group's last financial statements for the full year ended 31 December 2023.

6.1 Accounting policies

The principal accounting policies of the Group are consistent in all material respects with those applied in the previous financial year.

7. Revenue

7.1 Variable Consideration

The Group earns a variable quality incentive on the sale of skins to its major customer. Under IFRS15, the quality incentive gives rise to variable consideration. The quality incentive is recognised as the difference between the prices achieved from skins delivered in the year and the guaranteed price. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Consequently, the timing of the recognition of quality incentive revenue is much later than the timing of the underlying sale. In determining the variable consideration, the Group uses the expected value method as this better predicts the amount of the consideration to which it will be entitled. The Group uses the expected value method in estimating the variable consideration for the sale of crocodile skins.

7.2 Revenue Recognition

Sale of Goods-skins and meat

There are no significant changes to the Group's revenue recognition policy attributable to product sales. Revenue from sale of skins and meat is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. For skin and meat sales the normal credit term is 30 to 90 days upon delivery of goods.

Sale of Gold

Revenue is measured at the fair value of the consideration received or receivable in respect of the sale of gold bullion produced in the ordinary course of the Group's activities. The Group sells all of its gold mined in Zimbabwe to Fidelity Printers and Refineries (Private) Limited, of which pricing will be based on market prices. Quantities of the gold are obtained from the gold declaration form produced by the Group and agreed by the two parties. Revenue will be recognised when the Group has fulfilled its performance obligations in terms of its agreement with its customer; i.e., on the date that gold bullion is delivered to Fidelity Printers and Refineries (Private) Limited. For gold sales the normal credit term is 10 days upon delivery of goods.

The Directors are pleased to present the **Unaudited Interim Condensed Consolidated Financial Results** for the half year ended 30 June 2024

Notes to the Audited Condensed Consolidated Financial Results

For the half year ended 30 June 2024

8. Revenue disaggregation from contracts with customers for continuing operations

Set out below is the Group's revenue disaggregation from contracts with customers from continuing operations:

	Dallaglio US\$	Padenga Agribusiness US\$	Total US\$
Revenue			
30 June 2024 (unaudited)	87 676 027	11 563 950	99 239 977
30 June 2023 (reviewed)	62 659 854	11 760 530	74 420 384

	30 June 2024 (unaudited)			30 June 2023 (reviewed)		
	Total	Dallaglio US\$	Padenga Agribusiness US\$	Total	Dallaglio US\$	Padenga Agribusiness US\$
Skins Exports	11 547 271	-	11 547 271	11 724 904	-	11 724 904
Meat sales	16 679	-	16 679	35 626	-	35 626
Gold deliveries	87 676 027	87 676 027	-	62 659 854	62 659 854	-
	99 239 977	87 676 027	11 563 950	74 420 384	62 659 854	11 760 530

	Dallaglio US\$	Padenga Agribusiness US\$	Other* US\$	Total US\$
Segment profit/(loss) for continuing operations				
30 June 2024 (unaudited)	10 253 070	174 335	(1 182 085)	9 245 320
30 June 2023 (reviewed)	4 886 099	962 692	(512 971)	5 335 820

There was no inter-segment revenue in the period.

The following tables present assets and liabilities of the Group's operating segments as at 30 June 2024

	Dallaglio US\$	Padenga Agribusiness US\$	Other* US\$	Adjustments & eliminations US\$	Total US\$
Segment assets					
30 June 2024 (unaudited)	142 375 091	81 064 765	76 441 412	(70 316 062)	229 565 206
31 December 2023 (audited)	126 560 439	98 750 895	4 302 237	(20 713 748)	208 899 823

	Dallaglio US\$	Padenga Agribusiness US\$	Other* US\$	Adjustments and eliminations US\$	Total US\$
Segment liabilities					
30 June 2024 (unaudited)	91 321 195	32 774 048	14 695 383	(4 504 535)	134 286 091
31 December 2023 (audited)	85 307 345	26 866 911	13 279 269	(4 227 460)	121 226 065

Classification of the segments is based on the type of production (Crocodile farming and Mining).

*Other relates to dormant Tallow Creek Ranch operations which were reported as a discontinued operation in 2022 and Padenga Holdings Limited Company

9. Financial Income/(Loss)

	30 June 2024 Unaudited US\$	30 June 2023 reviewed US\$
Net foreign exchange gains/(losses)	59 324	(3 408 794)
	59 324	(3 408 794)

10. Income tax

The Group calculates the period income tax expense using the tax rate applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	30 June 2024 unaudited US\$	30 June 2023 reviewed US\$
Income taxes		
Deferred income tax expense relating to origination and reversal of temporary differences	(3 137 313)	(2 116 087)
Current income tax charge	(261 793)	(80 293)
Income tax expense recognised in statement of profit or loss	(3 399 106)	(2 196 380)

11. Capital expenditure for the period

	30 June 2024 unaudited US\$	30 June 2023 reviewed US\$
Capital expenditure for the period	7 197 652	6 665 141
Capital expenditure commitment		
Authorized but not yet contracted	22 055 533	24 864 853
	22 055 533	24 864 853

The capital expenditure will be financed from the Group's own resources and borrowing facilities.

12. Cash and cash equivalents

Made up as follows:

	30 June 2024 unaudited US\$	30 June 2023 reviewed US\$
Bank balances and cash on hand (US\$)	5 044 434	5 751 300
Bank balances and cash on hand (ZWL)	5 807	63 362
Cash and cash equivalents	5 050 241	5 814 662

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
13.1 Inventories		
Raw materials, consumable stocks	13 795 654	14 861 038
Finished goods - skins and meat	5 918 310	5 910 406
	19 713 964	20 771 444
13.2 Mine Inventories		
Finished goods - gold bullion	-	6 180 123
Work in progress - ore stockpiles	12 606 863	9 060 152
	12 606 863	15 240 275
Grand Total	32 320 827	36 011 719

At 30 June, crushed and uncrushed ore stockpiles, subject to meeting minimum estimated mineral content, are valued through a process of estimation of the volumes of material in the plant through quantity surveying techniques and estimated mineral content. The process is done by qualified experts and the value was US\$ 12,61m (2023:US\$ 9,10m).

14. Biological Assets

Reconciliation of opening and closing carrying amounts

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
14.1 Non-current biological assets - Breeder Crocodiles		
At the beginning of the period	12 434 311	11 868 447
Expenditure on non-current biological assets	51 112	99 257
Fair value adjustment	(2 602)	489 383
Deaths of breeders	(6 717)	(22 776)
At the end of the period	12 476 104	12 434 311
14.2 Current biological assets - Harvesting Crocodiles		
At the beginning of the period	30 753 900	28 087 097
Slaughter (transfer to inventories)	(2 508 780)	(7 128 394)
Expenditure relating to births	41 614	273 319
Expenditure on current biological assets	3 334 195	6 045 726
Fair value adjustment	2 198 193	3 476 152
At the end of the period	33 819 122	30 753 900

15. Fair value measurements

15.1 Fair value of financial instruments

The estimated net fair values of all financial instruments, approximates the carrying amounts shown in the interim condensed consolidated financial results.

15.2 Fair Value of Biological Assets

Fair value of the Biological assets is determined by reference to the average theoretical life span of the crocodile stock and the prevailing market prices. The stock is evaluated in terms of its respective life span at the reporting date and consideration given to the different saleable products that could be derived from crocodiles of each age group at the time. On that basis, an indicative value is established using the prevailing local and international market prices for the respective products.

Fair value for breeders is determined using the cost approach by reference to the prevailing replacement cost per unit of inputs required to bring the breeders to maturity.

Fair value movements of the biological assets are recognised in profit or loss.

Valuation Technique

- The Harvesting stock of crocodiles is valued using the market approach. Fair value price is determined from the price the Group sells at the point of harvesting to the market.
- The breeders are valued using the cost approach. The fair value is determined based on the current replacement costs of a breeder as at year end, being the current costs needed to produce a breeder of similar age, maturity and condition as at the year end.

Type	Valuation technique	Significant unobservable Inputs (Level 3)	Quantitative information 2024	Quantitative information 2023
Crocodiles Harvesting stock	Yearlings, Rearings Market approach. The valuation model is determined by reference to the average theoretical life span of the crocodile stock and prevailing market prices of the skin and meat. The fair value is based on the value of the skin and meat.	Price per skin, Quality grading, Age of crocodiles, Price per kg of meat, Meat yield per crocodile	Price per skin US\$94 - US\$1477 Age: 1 - 3 years Meat Price/kg US\$1.17 to US\$4 Meat yield per crocodile 5.54 kgs	Price per skin US\$94 - US\$1477 Age 1 - 3 years, Meat Price/kg US\$1.17 to US\$4 Meat yield per crocodile 5.54 kgs
Crocodiles	Breeders Cost approach. The valuation model is determined by reference to the average theoretical life span of the breeding stock and current replacement cost.	Replacement cost of hatchlings plus inputs at current costs up to maturity. Age of the breeders	Replacement cost per breeder US\$ 900 - US\$2 569 Age: 7 - 41 years	Replacement cost per breeder US\$ 900 - US\$1 500, Age 7 - 41 years

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of biological assets by the valuation technique:

- quoted (unadjusted) prices in active markets for identical assets or liabilities.
- other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Directors are pleased to present the **Unaudited Interim Condensed Consolidated Financial Results** for the half year ended 30 June 2024

Notes to the Audited Condensed Consolidated Financial Results

For the half year ended 30 June 2024

Fair Value Hierarchy- 30 June 2024

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$	Fair value gain/(loss) US\$
Harvesting Crocodiles	-	-	33 819 122	33 819 122	2 198 193
Breeders	-	-	12 476 104	12 476 104	(244 557)
Total	-	-	46 295 226	46 295 226	1 953 636

Fair value hierarchy - 31 December 2023

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$	Fair value gain/(loss) US\$
Harvesting Crocodiles	-	-	30 753 900	30 753 900	3 476 152
Breeders	-	-	12 434 311	12 434 311	489 383
Total	-	-	43 188 211	43 188 211	3 965 535

Sensitivity Analysis

The fair value of Harvesting crocodiles is most sensitive to the price and quality of the skin and to the age of the crop. An increase or decrease in the price of the skin will result in an increase or decrease in the fair value of the harvesting crocodile stock. An improvement in quality will result in an increase in fair value of the harvesting crocodile stock whilst a decrease in quality will result in a reduction in their fair value. A change in age profile towards maturity will result in an increase in fair value of the crocodile stock.

The fair value of the breeder stock is most sensitive to movements in replacement costs of inputs and to the age variation of the animals. An increase in the price of inputs will result in an increase in the fair value of the breeders whilst a decrease in the price of inputs will result in a decrease in fair value of the breeders. A change in age variation towards maturity will result in an increase in fair value of the breeders.

The table below presents the sensitivity of profit or loss before tax due to changes in market price (crocodiles) as this is considered the key input in the determination of the fair values. The sensitivities presented are favourable movements. If the sensitivity variables were unfavourable the negative impact on profit would be of a similar magnitude.

	% change	Effect on profit before tax
Harvesting crocodiles		
Fair value less cost to sell	3%	65 946
Breeders		
Fair value less cost to sell	26.5%	(64 808)

The Group has not done sensitivity analysis on quality parameters.

16. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets with a cost of US\$7,20m (31 December 2023: US\$27,71m). No borrowing costs were capitalised during the six months ended 30 June 2023 (31 December 2023: US\$Nil).

The financial information relating to property, plant and equipment is summarised below:

	30 June 2024 audited US\$	31 Dec 2023 audited US\$
Opening balance as at 1 January	90 589 416	70 509 518
Additions	7 197 652	27 714 272
Disposals	-	(85 185)
Depreciation	(4 492 612)	(7 549 189)
Closing balance at the end of the period	93 294 456	90 589 416
17. Trade and other payables		
Trade payables	13 482 943	16 312 346
Accruals	11 877 719	2 201 004
	25 360 662	18 513 350

18. Interest-bearing loans and borrowings

18.1 Non-Current interest bearing loans and borrowings

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Secured		
Local interest-bearing borrowings	10 436 605	11 172 216
	10 436 605	11 172 216

18.2 Current interest bearing loans and borrowing

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Secured		
Foreign current portion	10 709 315	8 851 581
Local current portion	43 869 017	43 450 576
Bank overdraft	5 872 090	6 046 923
	60 450 422	58 349 080
Total non-current and current interest bearing loans and borrowings	70 887 027	69 521 296

Reconciliation of interest-bearing loans and borrowings

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Opening Balance at the beginning of the period	69 521 296	58 819 818
Loans received	28 694 090	37 173 249
Interest expense	5 051 463	8 163 214
Interest paid	(2 914 744)	(6 175 069)
Repayments	(29 465 078)	(28 459 916)
Closing balance at the end of the period	70 887 027	69 521 296

Short term borrowings form part of the core borrowings of the Group and are renewed on maturity in terms of ongoing facilities negotiated with the relevant financial institutions. The facilities are secured by first charge over certain of the Group's property, plant and equipment and biological assets. The Group has a short-term facility with a rate of interest for local operations ranging between 10% and 15%.

Borrowing Powers

In terms of the Company's Articles of Association, the Group may borrow, on the determination of the Directors, amounts that do not exceed the aggregate total equity.

19. Lease Liability

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Opening balance	5 157 520	4 468 894
Additions	1 805 218	2 501 094
Exchange differences	-	1 324
Accretion of interest	244 547	280 152
Payments (inclusive of interest)	(1 412 558)	(2 093 944)
Closing Balance	5 794 727	5 157 520
Current	3 081 179	2 305 837
Non-current	2 713 548	2 851 683

20. Earnings per share

	Half Year 30 June 2024 unaudited US\$	Half Year 30 June 2023 reviewed US\$
Profit for the period attributable to:		
Equity holders of the parent	4 129 038	2 902 055
Less Non-Core activities		
Impairment of intangible assets and loss or disposal of equipment	-	14 989
Other Interest income	(20 259)	(183)
Headline earnings	4 108 779	2 916 861
Earnings per share (cents)		
Basic earnings per share	0.75	0.53
Diluted earnings per share	0.75	0.53
Basic headline earnings per share	0.75	0.53
Diluted headline earnings per share	0.74	0.52
Earnings Per share from Continuing Operations (cents)		
Basic earnings per share	0.75	0.53
Diluted earnings per share	0.75	0.53
Basic headline earnings per share	0.75	0.53
Diluted headline earnings per share	0.74	0.52
Weighted average shares in issue at the end of the period	550 157 661	545 655 391
Share options	1 929 429	6 769 918
Weighted average shares in issue at the end of the period adjusted for the effect of dilution at the end of the period	552 087 090	552 425 309

Basic earnings basis

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in circulation during the period.

Fully diluted earnings basis

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Basic headline earnings basis

Basic headline earnings per share is calculated by dividing the headline earnings (after taking out profits from non-core activities like profit on disposal of fixed assets and interest income) for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares (Headline earnings per share) as well as the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares (Diluted headline earnings per share).

21. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

22. Functional Currency

The Group functional currency is US\$ for the period ended 30 June 2024.

23. Employee Benefit accruals

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Padenga Zimbabwe	533 285	618 318
Dallaglio	1 291 983	982 888
	1 825 268	1 601 206

All current employee benefit accruals relate to leave pay provision and the increase was mainly driven by an increase in the number of staff.

24. Mine Rehabilitations Provisions - non current

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Balance at the beginning of the period	3 166 841	2 701 799
Change in provision	-	97 759
Unwinding of provision	241 648	367 283
Balance at the end of the period	3 408 489	3 166 841

These provisions relate to future expected costs to restore the environment after the end of mining activities or at closure of the mine. The expected cost is assessed by environmental experts.

24.1 Rehabilitations assets

	30 June 2024 unaudited US\$	31 Dec 2023 audited US\$
Opening Balance	1 465 126	1 532 414
Change in estimate	-	97 759
Amortisation	(81 397)	(165 047)
Closing Balance	1 383 729	1 465 126

The Directors are pleased to present the **Unaudited Interim Condensed Consolidated Financial Results** for the half year ended 30 June 2024

Notes to the Audited Condensed Consolidated Financial Results

For the half year ended 30 June 2024

25. Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2034, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain.

Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognised as part of the related inventory item. Additional disturbances that arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to the restoration of site damage (subsequent to the start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

26. Dividends

26.1 Dividends declared and paid

Dividends declared on ordinary shares

A final dividend of US0.26 cents (2023: US 0.2576 cents) per ordinary share was declared and paid during the year.

	30 June 2024 audited US\$	30 June 2023 reviewed US\$
US0.26 cents per qualifying ordinary shares (final dividend)	1 435 426	1 524 044
Total	1 435 426	1 524 044
Dividends declared by subsidiaries to non-controlling interests Declared and paid	-	748 500
Minority shareholders in Dallaglio Investments (Pvt) Ltd.	-	748 500
Total dividends declared and paid	1 435 426	-
26.2 Declared but not paid at 30 June		
Minority shareholders in Dallaglio Investments (Pvt) Ltd.	225 695	-
	225 695	-
Total dividends for the year declared by subsidiaries to non-controlling interests	1 661 121	

27. Cash generated from operating activities

	2024	2023
Profit before tax	12 644 426	7 532 200
Adjusted for non-cash items		
Depreciation	4 492 612	3 440 931
Depreciation – right of use assets	1 159 417	821 533
Amortisation of intangible assets	1 493 167	1 335 093
Unwinding of rehabilitation provision	241 645	225 082
Net interest expense	5 275 751	3 668 641
Unrealised exchange loss	(622 531)	191 157
Deaths of biological assets	(6 717)	10 943
Fair value adjustment on biological assets	(1 953 636)	(5 810 141)
Discount	(128 751)	-
Loss on disposal of property, plant, and equipment	-	14 989
Share based option scheme adjustment	21 160	63 483
Inventory write offs	(15 305)	47 106
Provisions credited to profit or loss	224 063	236 624
Cash generated from operations before working capital changes	22 825 301	11 777 641
Working capital changes		
Increase in inventories	3 464 242	591 649
Increase in biological assets	(867 030)	(247 776)
Increase in receivables	(10 236 637)	(4 874 566)
Increase in payables	5 834 872	5 631 779
Working capital changes	(1 804 553)	1 101 086
Cash generated from operating activities	21 020 748	12 878 727

28. Events after reporting period

There were no material events after the reporting date.

39. Approval of condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on 9 September 2024.

Dallaglio Gold Mining Operations in pictures

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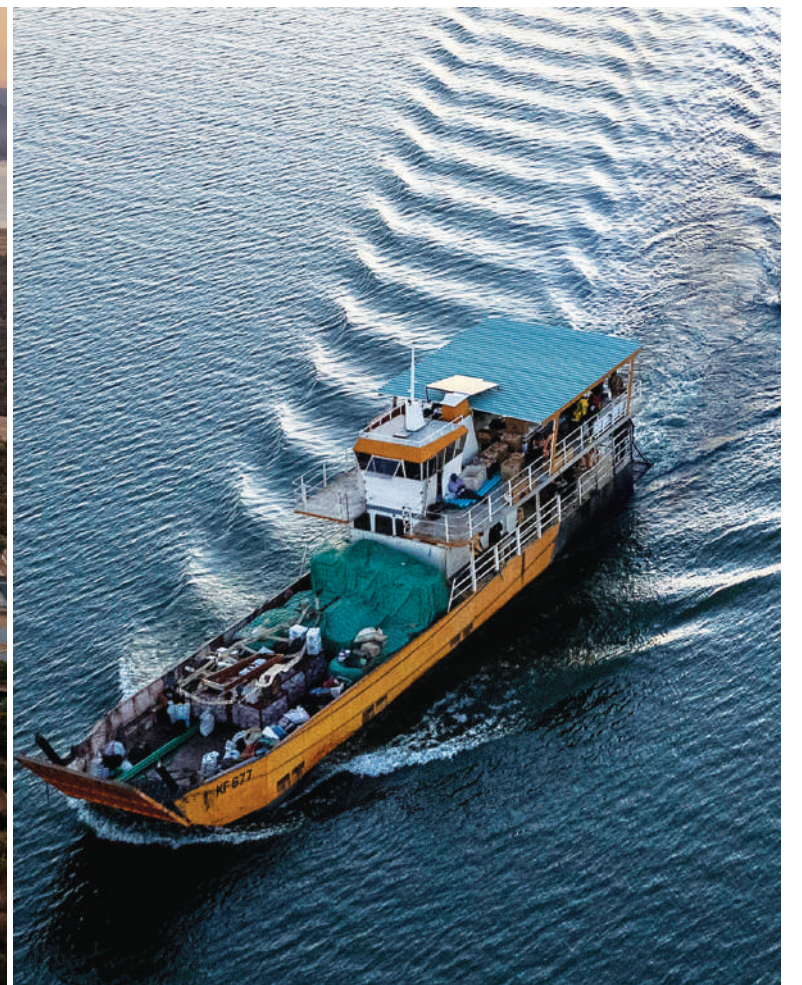
Padenga Agribusiness Operations in pictures



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