# EAGLE AGROTECH TANZANIA LIMITED
# REPORT AND FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 DECEMBER 2025

## Contents

## General Information

| | |
|---|---|
| **Country of incorporation and domicile** | United Republic of Tanzania |
| **Nature of business and principal activities** | Development and operation of a sugarcane plantation and a sugar factory, as well as the production of high-quality sugar. |
| **Directors** | Mohamed Ali Rashed Alabbar<br>Adnan Ali Rashid Alabbar<br>Pankaj Rastogi<br>Gautam Dalmia |
| **Registered office** | Eagle Agrotech Tanzania Limited<br>Postal code 11103<br>2nd Floor, Viva Towers<br>Plot No. 294/295<br>Upanga, Hassan Mwinyi Road<br>P.O.Box 13811<br>Dar Es Salaam, Tanzania |
| **Auditors** | PricewaterhouseCoopers<br>Certified Public Accountants<br>Pemba House, 369 Toure drive<br>P.O. Box 45<br>Dar es Salaam<br>Tanzania |
| **Secretary** | Shree Bhavan Balakrishna Pillai Sreekumar |
| **Company registration number** | 177108030 |

# The Report by those Charged with Governance

The members charged with governance submit their report together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of Eagle Agrotech Tanzania Limited, herein referred to as “the Company”.

**1. INCORPORATION**

The Company was incorporated on 14 August 2024 in Tanzania under the Tanzanian Companies Act, No. 12 of 2002 as a private Company limited by shares and is domiciled in Tanzania.

**2. PRINCIPAL ACTIVITIES**

The Company’s principal activities include the development and operation of a sugarcane plantation and a sugar factory, as well as the production of high-quality sugar.

**3. RESULTS AND DIVIDENDS**

The net loss for the year of TZS 444 million (2024: TZS 173 million) has been added to accumulated losses. The Directors do not recommend the payment of a dividend for the year.

**4. BUSINESS OBJECTIVES AND STRATEGIES**

At Eagle Agrotech Tanzania Limited, our core objective is to generate sustainable revenue through the production and sale of high-quality sugar and related products. Our aim is to maximize profitability while maintaining the highest standards of product quality, operational efficiency, and customer satisfaction.

To achieve this, we focus on minimizing direct operating costs across our value chain-including agricultural inputs, processing, packaging, and distribution-without compromising our commitment to excellence. We ensure that every product that leaves our facilities meets rigorous quality standards, reinforcing our brand’s reputation in both local and international markets.

*Operational Excellence Without Compromise*
We continuously optimize our operations by investing in modern agricultural practices, efficient factory processes, and skilled human capital. This allows us to reduce waste, manage resources responsibly, and deliver consistent value to our customers and stakeholders.

*Strategic Marketing and Brand Visibility*
Eagle Agrotech is at estate development stage, the Company strive to increase brand awareness and stimulate demand for our sugar products. Through targeted campaigns, partnerships, and participation in trade events, we promote our brand both within Tanzania and in key export markets.

Our marketing efforts are not just about selling sugar they’re about sharing the story of Tanzanian agriculture, supporting local economies, and delivering a product that is trusted by households and businesses alike.

**5. FUTURE PRPOSPECTS AND DEVELOPMENTS**

The Company continually monitors its development plans in line with market dynamics, competition, and guest feedback. Looking ahead, management intends to pursue new development initiatives while continuing to implement its planned preventative maintenance program to ensure product standards are consistently upheld.

**6. COMPOSITION OF DIRECTORS**

The Directors of the Company who held office during the year and to the date of this report were::

| Name | Position | Nationality |
|---|---|---|
| Mohamed Ali Rashed Alabbar | Director | Emirati |
| Adnan Ali Rashid Alabbar | Director | Emirati |
| Pankaj Rastogi | Director | Indian |
| Gautam Dalmia | Director | Indian |

The Company secretary at the date of this report was Shree Bhavan Balakrishna Pillai Sreekumar.

# The Report by those Charged with Governance

## 7. CAPITAL STRCUTURE AND CASHFLOW

| | **2025** | 2024 | **2025** | 2024 |
|---|---|---|---|---|
| | **% of holding** | % of holding | | |
| **Shareholders' names:** | | | **Number of shares** | |
| Eagle Agrotech Holdings Limited | 99.9996 | 99.6 | 233,029 | 249 |
| Mohamed Ali Rashed Alabbar | 0.0004 | 0.4 | 1 | 1 |
| | **100** | **100** | **233,030** | **250** |

During the year, the shareholders contributed TZS 2.3 billion towards the Company's share capital.

In addition, the shareholders injected sum of TZS 3.3 billion in form of loan to support the Company's working capital requirements.

## 8. RESOURCES

The Company ensures careful planning and allocation of its key resources, most notably its workforce together with diligent risk management, decision-making, and control of both financial and non-financial resources.

## 9. STAKEHOLDER'S RELATIONSHIP

**Shareholders**

These are the initial providers of financial capital, and we disclose to them relevant information to make informed investment decisions as well as seek their perspectives on our financial performance and strategy.

**Values we create.**

- Delivering value to our Shareholders by increasing net asset value and net earnings.
- Continuous engagement to ensure full disclosure and open communication to inform their investment decisions.

**Employees**

Motivated and skilled staff, together with efficient and value-creating solutions, services and operations offer value to our customers.

**Values we create.**

- Employing citizens in the jurisdictions in which we operate.
- Rewarding staff for the value they add.
- Developing our staff to further their careers and improve our services and products.
- Motivating and energising our workforce.

## 10. COMMERCIAL AND OPERATIONAL RISKS

The Company operations are highly sensitive to factors outside its control. The global economic impacts, security threats and political risks are among factors that highly impact manufacturing decisions. Management remains vigilant to ensure that it has a quick response plan in case of occurrence of unprecedented risks.

## The Report by those Charged with Governance

**11. CORPORATE GOVERNANCE**

The Board consists of four directors of which one is also a shareholders. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles. The Company is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of the Directors to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent upon the strict observance of prescribed measures. There is always a risk of non-compliance with such measures. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Company is committed to the principles of effective corporate governance. The Board also recognizes the importance of integrity, transparency and accountability.

**12. EMPLOYEES AND EMPLOYEE WELFARE**

**Management and employees' relationship**
There was good relation between employees and management during the year and there were no unresolved complaints received by management from the employees. The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors such as gender, marital status, religion, tribes and disability which does not impair ability to discharge duties.

The average number of employees during the year was 18 employees, all male (2024: 17 employees; 3 females and 14 males).

**Health and safety**
The Company has a strong safety and security function which ensures that a culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

**Persons with disabilities**
Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and appropriate training and assistance is arranged. It is the policy of the Company that training, career development and promotion of disabled persons should, as far as possible and practical, be identical to that of other employees.

## The Report by those Charged with Governance

### 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

To ensure its financial stability and profitability, the company has implemented policies and practises for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance. A summary of the risk management procedures is disclosed in note 3.

### 14. RELATED PARTY TRANSACTIONS

Details of transactions and balances with related parties are disclosed in Note 20 of the financial statements.

### 15. POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the year.

### 16. LIQUIDITY

The Company has financing arrangement with related parties. Details of the borrowings is disclosed in Note 18.

### 17. GOING CONCERN BASIS OF FINANCIAL STATEMENT PREPARATION

During the year, the Company received an equity injection of TZS 2.3 billion, which has strengthened its capital base. This support underpins the going concern basis of financial statement preparation and provides assurance of the Company's ability to meet future capital expenditure and operating expenditure commitments.

### 18. AUDITORS

**Details**

The information of the Company's auditors for the year covered by the report is:

PricewaterhouseCoopers
Pemba House
369 Toure Drive Oyster Bay
P.O. Box 45
Dar es Salaam, Tanzania

Website: https://www.pwc.co.tz/
Firms' PF Number: PF 047
TIN: 100212285

The engagement partner who was in charge of the audit of the Company during the year has the registration number: FCPA-PP 1091

**Responsibility of auditors**

The Auditor is responsible for providing assurance of the correctness and consistency of all information contained in the rep ort by those charged with governance with those provided in the financial statements.

**Appointment for 2025**

PricewaterhouseCoopers (PwC) was appointed to be the Company's auditor for the year 2025. PwC has also expressed willingness to continue with the appointment and is eligible to apply for a re-appointment. A resolution proposing the appointment of the auditor for the next financial year will be put in the Annual General Meeting.

### 19. STATEMENT OF COMPLIANCE WITH TANZANIA FINANCIAL REPORTING STANDARD No. 1 (TFRS 1)

The members also confirm that the financial statements have been prepared in accordance with the requirements of TFRS 1 – Presentation of Financial Statements, as issued by the National Board of Accountants and Auditors (NBAA), and in compliance with all other applicable statutory legislation relevant to the Company's operations and financial reporting framework in Tanzania.

## The Report by those Charged with Governance

### 20. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions.

**By Order of the Board**

**Pankaj Rastogi**
**Director**

30th April, 2026
**Date**

**Adnan Ali Rashid Alabbar**
**Director**

30th April, 2026
**Date**

## Statement of Director's Responsibilities

The Companies Act, No. 12 of 2002 requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its performance for the year. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit in accordance with IFRS Accounting Standards. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

**Signed on behalf of the Board of Directors By:**

**Pankaj Rastogi**
**Director**

30th April, 2026
**Date**

**Adnan Ali Rashid Alabbar**
**Director**

30th April, 2026
**Date**

## Declaration of the Head of Finance

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the directors as disclosed in statement of directors' responsibilities on page 8.

I, ASSA THABITI, being the Head of Finance for Eagle Agrotech Tanzania Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025 have been prepared in compliance with IFRS Accounting Standards.

I thus confirm that the financial statements give a true and fair view position of Eagle Agrotech Tanzania Limited as on that date and that they have been prepared based on properly maintained financial records.

**Name:** ASSA THABITI
**Position:** ~~Head of Finance~~
**NBAA Membership No:** ACPA 4429

**Date:** 27April2026

BENTHAM FINANCIAL SERVICES
P. O. Box 54213
DAR ES SALAAM

# Independent Auditor's Report

To the Shareholders of Eagle Agrotech Tanzania Limited

## Report on the audit of the financial statements

### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Eagle Agrotech Tanzania Limited ("the Company") as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

***What we have audited***

The financial statements of Eagle Agrotech Tanzania Limited comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- material accounting policies: and
- the notes to the financial statements which include other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence***

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

### Other information

The Directors are responsible for the other information. The other information comprises of General information, The Report by Those Charged with Governance, Statement of Directors' Responsibilities and Declaration of Head of Finance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Report on the audit of the financial statements (continued)

### Responsibilities of the directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## *Report on other legal and regulatory requirements*

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the report by those charged with governance is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

Nelson E. Msuya, FCPA-PP 1091

**For and on behalf of PricewaterhouseCoopers**
Certified Public Accountants
Dar es Salaam

Date 17-06-2026 | 12:38 BST

# Statement of Profit or Loss and Other Comprehensive Income

| | Note(s) | Year ended 31 December 2025 TZS '000 | 5 months period to 31 December 2024 TZS '000 |
|---|---|---|---|
| Other operating income | 4 | 39,099 | - |
| Administrative expenses | 5 | (283,083) | (61,423) |
| **Operating loss** | | **(243,984)** | **(61,423)** |
| Finance costs | 8 | (200,228) | (111,330) |
| **Loss before taxation** | | **(444,212)** | **(172,753)** |
| Income tax expense | 9 | - | - |
| **Loss for the year** | | **(444,212)** | **(172,753)** |
| Other comprehensive income | | - | - |
| **Total comprehensive loss for the year** | | **(444,212)** | **(172,753)** |

## Statement of Financial Position as at 31 December 2025

| | Note(s) | 2025 TZS '000 | 2024 TZS '000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 10 | 8,154,215 | 2,555,076 |
| Intangible assets | 11 | 577 | - |
| Right-of-use assets | 12 | 3,339,149 | 3,445,154 |
| | | **11,493,941** | **6,000,230** |
| **Current Assets** | | | |
| Inventories | 13 | - | 23,234 |
| Other receivables | 14 | 90,039 | 105,301 |
| Cash and cash equivalents | 15 | 1,773,708 | 1,684,240 |
| | | **1,863,747** | **1,812,775** |
| **Total Assets** | | **13,357,688** | **7,813,005** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Share capital | 16 | 2,330,297 | 2,500 |
| Accumulated losses | | (616,965) | (172,753) |
| | | **1,713,332** | **(170,253)** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Lease liabilities | 12 | 3,160,398 | 2,894,587 |
| **Current Liabilities** | | | |
| Trade and other payables | 17 | 475,697 | 392,915 |
| Related party borrowings | 18 | 8,008,261 | 4,695,756 |
| | | **8,483,958** | **5,088,671** |
| **Total Liabilities** | | **11,644,356** | **7,983,258** |
| **Total Equity and Liabilities** | | **13,357,688** | **7,813,005** |

The financial statements on pages 13 to 34 were authorised and approved by the board of directors and were signed on its behalf by:

**Pankaj Rastogi**
**Director**

30th April, 2026
Date

**Adnan Ali Rashid Alabbar**
**Director**

**30 April 2026**
Date

## Statement of Changes in Equity

| | Share capital<br>TZS '000 | Accumulated losses<br>TZS '000 | Total equity<br>TZS '000 |
|---|---|---|---|
| **At 14 August 2024** | **-** | **-** | **-** |
| Loss for the period | - | (172,753) | (172,753) |
| Other comprehensive income | - | - | - |
| **Total comprehensive Loss for the year** | **-** | **(172,753)** | **(172,753)** |
| *Transactions with owners in their capacity as owners* | | | |
| Issue of shares | 2,500 | - | 2,500 |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **2,500** | **-** | **2,500** |
| **Balance at 01 January 2025** | **2,500** | **(172,753)** | **(170,253)** |
| Loss for the year | - | (444,212) | (444,212) |
| Other comprehensive income | - | - | - |
| **Total comprehensive loss for the year** | **-** | **(444,212)** | **(444,212)** |
| *Transactions with owners in their capacity as owners* | | | |
| Issue of shares | 2,327,797 | - | 2,327,797 |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **2,327,797** | **-** | **2,327,797** |
| **Balance at 31 December 2025** | **2,330,297** | **(616,965)** | **1,713,332** |

## Statement of Cash Flows

| | Note(s) | **Year ended 31 December 2025 TZS '000** | 5 months period to 31 December 2024 TZS '000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss before taxation | | (444,212) | (172,753) |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 10&11&12 | 282,583 | 61,423 |
| Interest on lease liabilities | 8 | 200,228 | 111,330 |
| Foreign exchange loss on lease liabilities | 12 | 65,583 | - |
| Foreign exchange gain on borrowings | 18 | (78,080) | - |
| Interest on borrowings | 18 | 40,385 | - |
| **Changes in working capital:** | | | |
| Inventories | | 23,234 | (23,234) |
| Other receivables | | 15,262 | (105,301) |
| Trade and other payables | | 82,782 | 392,915 |
| **Cash generated from operations** | | **187,765** | **264,380** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 10 | (5,775,586) | (2,563,497) |
| Purchase of other intangible assets | 11 | (708) | - |
| **Net cash used in investing activities** | | **(5,776,294)** | **(2,563,497)** |
| **Cash flows from financing activities** | | | |
| Proceeds on share issue | 16 | 2,327,797 | 2,500 |
| Proceeds from borrowings | 18 | 3,350,200 | 4,695,756 |
| Payment on lease liabilities | 12 | - | (714,899) |
| **Net cash generated from financing activities** | | **5,677,997** | **3,983,357** |
| **Total cash movement for the year** | | **89,468** | **1,684,240** |
| Cash at the beginning of the year | | 1,684,240 | - |
| **Total cash at end of the year** | 15 | **1,773,708** | **1,684,240** |

# Material Accounting Policies

**General information**

Eagle Agrotech Tanzania Limited is incorporated and domiciled in the United Republic of Tanzania. The Company is incorporated in Tanzania under the Companies Act, CAP 212 No.12 of 2002 as a private company limited by shares.

## 1. Material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### 1.1 Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards under the historical cost convention. The measurement basis applied is the historical cost basis. The financial statements are presented in Tanzanian Shillings (TZS) rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

### 1.2 Changes in accounting policy and disclosures

*(i) New and amended standards adopted by the Company*

**Amendments to IAS 21 - Lack of Exchangeability**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

*(ii) New Standards and interpretations not yet adopted by the Company-annual periods beginning on or after 1 January 2026*

**Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments**

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

**Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements**

These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.

# Material Accounting Policies

**1.2 Changes in accounting policy and disclosures (continued)**

*(ii) New Standards and interpretations not yet adopted by the Company-annual periods beginning on or after 1 January 2026 (continued)*

**Annual improvements to IFRS - Volume 11**

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

**Amendment to IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'**

These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

In the future, IFRS 19 will be amended at the same time as the IASB issues or revises other IFRS Accounting Standards.

**Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency**

These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

# Material Accounting Policies

### 1.3 Foreign currency translation

*(i) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Tanzanian Shillings (TZS), which is the Company’s functional currency, rounded to the nearest thousands.

*(ii) Transactions and balances*

Foreign currency transactions are translated into Tanzania Shilling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within ‘finance income or cost’. All other foreign exchange gains and losses are presented in profit or loss within ‘other income or expenses.

### 1.4 Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income in which case is recognised as equity or other comprehensive income respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, I to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 1.5 Property, plant and equipment

All categories of property and equipment are initially recorded at cost. These assets are subsequently shown at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of property and equipment to their residual values over their estimated useful lives, as follows:

| Item | Rate |
|---|---|
| Furniture, tools and equipment | 12.5% |
| Computer equipment | 12.5% |
| Plant and machinery | 15% |
| Motor vehicles | 25% |

Depreciation of assets is proportioned if the assets have only been held for a part of the year.

# Material Accounting Policies

### 1.6 Leases

The Company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

**Company as lessee**

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense (note 5) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Company is a lessee are presented in note 12 Leases (Company as lessee).

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Company under residual value guarantees;
- the exercise price of purchase options, if the Company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 8).

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

# Material Accounting Policies

**1.6 Leases (continued)**

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in loss or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Right-of-use assets**

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in loss or loss unless it is included in the carrying amount of another asset.

**1.7 Inventories**

Inventories are measured at lower of cost and net realizable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location. The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenue is recognized. The amount of write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. the amount of any reversal of any written-down inventories, arising from an increase in net realizable value, are recognized as a reduction in the number of inventories recognized as an expense in the period in which the reversal occurs.

# Material Accounting Policies

### 1.8 Cash and bank balances

Cash and bank balances comprises of cash in hand and deposits held at call with banks.

### 1.9 Share capital

Ordinary shares are classified as 'share capital' in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### 1.10 Financial instruments

All financial instruments are initially recognised at fair value, plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Financial instruments are recognised when the Company becomes a party to the contractual arrangements. All regular way transactions are accounted for on trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

**Financial assets**

Classification and measurement

Financial instruments include balances with banks, trade and other receivables, balances due from and due to related parties, trade and other liabilities and loans from related parties.

Trade and other receivables and bank balances are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI or FVTPL. The classification depends on the business model applied and the cash flow characteristics of an asset.

**Business model:** The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for assets include past experience on how the cash flows of these assets were collected, how the performance of the assets is evaluated and reported to key management personnel, the risks that affect the performance of the business model (and the financial assets within) and in particular, the way that those risks are managed; and how assets managers are compensated.

**Cash flow characteristic of the asset:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, The Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# Material Accounting Policies

**1.10 Financial instruments (continued)**

**Financial liabilities**

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption, are accounted for on an accruals basis.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of changes in net assets available for benefits.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

# Notes to the Financial Statements

**2. Critical accounting estimates and judgements**

The preparation of the Company's financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Useful lives of property and equipment*

Estimates are made by the directors in determining depreciation rates for property, plant and equipment and their residual values. The depreciation rates are based on the estimated useful lives of the assets. Determination of the useful lives takes into consideration the Company's experience on use of the assets and the assets replacement plans. The carrying amounts of property and equipment are set in Notes 10.

*Right-of-use assets and lease liabilities*

The Company measured the right-of-use assets at an amount equal to the lease liabilities adjusted by the prepayments. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lease’s incremental borrowing rate. The weighted average lease’s incremental borrowing rate applied to the lease liabilities was 8%. The discounted period used was 2 years based on the lease contracts.

*Current income tax*

The Company is subject to income tax in Tanzania. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

*Deferred income tax*

The recognition of deferred tax asset relies on an assessment of the probability and sufficiency of future taxable profit, future reversals of existing taxable temporary differences and ongoing tax planning and strategies. The judgement takes into consideration the effect of both positive and negative evidence, including historical financial performance, projections of future taxable income and future reversals of existing taxable temporary differences.

### 3. Financial instruments and risk management

**Financial risk management**

**Overview**

The Company's activities expose it to a variety of financial risks: market risk including currency risk, credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by management on behalf of the Board of Directors.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Potential concentrations of credit risk consist principally of trade and other receivables and short-term cash and bank balances. However, the significant risk is with trade and other receivables. Trade receivables comprise a large and widespread customer base and the Company performs on going credit evaluations based on the internally developed credit ratings of its customers.

Credit rating is an estimate of the ability of a person or organization to fulfil their financial commitments, based on previous dealings. The amounts presented in the statement of financial position are net of expected credit loss receivables, estimated by the Company's management based on prior experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure. The amount that best represents the Company's maximum exposure to credit risk on 31 December is made up as follows:

| | | **2025** | | | 2024 | | |
|---|---|---|---|---|---|---|---|
| | | **Gross carrying amount TZS '000** | **Credit loss allowance TZS '000** | **Amortised cost / fair value TZS '000** | **Gross carrying amount TZS '000** | **Credit loss allowance TZS '000** | **Amortised cost / fair value TZS '000** |
| Cash at bank | 15 | 1,773,708 | - | 1,773,708 | 1,684,240 | - | 1,684,240 |

**Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and the ability to meet all its obligations. The Company aims at maintaining flexibility in funding its major operations. Management monitors forecasts of the Company's liquidity on the basis of expected cash flows.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. All balances are due within 12 months and the balances approximate their carrying balances as the impact of discounting is not significant.

**2025**

| | | **Less than 1 year TZS '000** | **Over 1 year TZS '000** | **Total TZS '000** | **Carrying amount TZS '000** |
|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | |
| Lease liabilities | 12 | - | 3,160,398 | 3,160,398 | 3,160,398 |
| **Current liabilities** | | | | | |
| Trade and other payables | 17 | 475,697 | - | 475,697 | 475,697 |
| Borrowings | 18 | 8,008,261 | - | 8,008,261 | 8,008,261 |
| | | **8,483,958** | **3,160,398** | **11,644,356** | **11,644,356** |

## Notes to the Financial Statements

**3. Financial instruments and risk management (continued)**

**Liquidity risk**

**2024**

| | | Less than 1 year TZS '000 | Over 1 year TZS '000 | Total TZS '000 | Carrying amount TZS '000 |
|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | |
| Lease liabilities | | - | 2,894,587 | 2,894,587 | 2,894,587 |
| **Current liabilities** | | | | | |
| Trade and other payables | 17 | 331,616 | - | 331,616 | 331,616 |
| Borrowings | 18 | 4,695,756 | - | 4,695,756 | 4,695,756 |
| | | **(5,027,372)** | **(2,894,587)** | **(7,921,959)** | **(7,921,959)** |

**Market risk**

*(i) Foreign currency exchange risk*

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars (“US$”). In addition, the Company has financial assets and liabilities denominated in United States Dollars (“US$”). As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Exposure to foreign currency exchange risk is mitigated by the fact that the Company maintains US Dollars bank accounts.

At 31 December 2025, if the functional currency had strengthened/weakened by 5% against the US dollar with all other variables held constant, there would be immaterial movement in loss for the year.

**Capital risk management**

The Company's objective when managing capital are to sustain a strong capital base to support the development of business and to safeguard the Company's ability to continue as a going concern, to provide returns to the shareholders and maintain an optimum structure to reduce the cost of capital. The Company monitors capital based on the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

| | | **2025 TZS '000** | 2024 TZS '000 |
|---|---|---|---|
| Borrowings | 18 | 8,008,261 | 4,695,756 |
| Cash and cash equivalents | 15 | (1,773,708) | (1,684,240) |
| **Net debt** | | **6,234,553** | **3,011,516** |
| Equity | | 1,713,331 | (170,253) |
| **Total capital** | | **7,947,884** | **2,841,263** |
| Gearing ratio | | 78 % | 106 % |

# Notes to the Financial Statements

| | **Year ended 31 December 2025 TZS '000** | 5 months period to 31 December 2024 TZS '000 |
|---|---|---|
| **4. Other operating income** | | |
| Unrealized foreign exchange gain | 39,099 | - |
| **5. Administrative expenses** | | |
| Depreciation on property and equipment (Note 10) | 176,447 | 8,421 |
| Corporate Social Responsibility (CSR) | 500 | - |
| Amortization on right-of-use assets (Note 12) | 106,005 | 53,002 |
| Amortization on intangible assets (Note 10) | 131 | - |
| | **283,083** | **61,423** |
| **6. General administration expenses capitalized** | | |
| Consultancy fees | 133,865 | 307,430 |
| Feasibility study | 180,043 | 309,790 |
| Employee costs (Note 7) | 1,531,216 | 192,500 |
| Fuel expenses | 92,143 | 19,269 |
| Vehicle and machine rental | 752,223 | 557,781 |
| Repairs and Maintenace | 17,616 | 847 |
| Bank charges | 8,803 | 2,560 |
| Insurance | 22,516 | 920 |
| Legal fees | 59,646 | 158,936 |
| Licence and regulatory fees | 8,400 | 92,886 |
| Office expenses | 88,149 | 9,440 |
| Rent expenses | 104,858 | 38,379 |
| Taxes | 360,105 | 5,105 |
| VAT Expenses | (74,717) | 407 |
| Transport and communication | 202,634 | 206,516 |
| Interest on loan | 40,385 | - |
| | **3,527,885** | **1,902,766** |
| **7. Employee costs** | | |
| Salaries and wages | 1,190,818 | 182,929 |
| National Social Security Fund (NSSF) | 231,517 | 8,759 |
| Worker's Compensation Fund (WCF) | 5,119 | 812 |
| Other employee costs | 103,762 | - |
| | **1,531,216** | **192,500** |
| **8. Finance costs** | | |
| Interest on lease liabilities (Note 12) | 200,228 | 111,330 |

## Notes to the Financial Statements

| | Year ended 31 December 2025 TZS '000 | 5 months period to 31 December 2024 TZS '000 |
|---|---|---|
| **9. Income tax expense** | | |
| **Current** | | |
| Current income tax - current period | - | - |
| **Reconciliation of the income tax expense** | | |
| Reconciliation between accounting loss and tax expense. | | |
| Loss before income tax | (444,212) | (172,753) |
| Tax at the applicable tax rate of 30% (2024: 30%) | (133,264) | (51,826) |
| **Tax effect of adjustments on taxable income** | | |
| Expenses permanently disallowed | 111,824 | - |
| Deductible expenduture not charged to profit or loss | (1,410,876) | - |
| Deferred tax not recognized - current year (Note 19) | 2,076,629 | 51,826 |
| Deferred tax not recognized - prior year (Note 19) | (644,313) | - |
| | **-** | **-** |

### 10. Property, plant and equipment

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated depreciation** | **Carrying value** | **Cost** | **Accumulated depreciation** | **Carrying value** |
| | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** |
| Plant and machinery | 461,281 | (37,078) | 424,203 | 253,646 | (1,570) | 252,076 |
| Furniture, tools and equipment | 150,004 | (31,360) | 118,644 | 100,105 | (3,755) | 96,350 |
| Motor vehicles | 140,862 | (27,946) | 112,916 | 14,400 | (1,261) | 13,139 |
| Heavy equipments , tractors, trucks and implements | 677,759 | (68,015) | 609,744 | - | - | - |
| Computer equipment | 58,546 | (20,469) | 38,077 | 47,634 | (1,835) | 45,799 |
| Capital - Work in progress plantation and camp development | 1,419,980 | - | 1,419,980 | 244,946 | - | 244,946 |
| Capital - Work in progress - Capitalized expenses (Note 6) | 5,430,651 | - | 5,430,651 | 1,902,766 | - | 1,902,766 |
| **Total** | **8,339,083** | **(184,868)** | **8,154,215** | **2,563,497** | **(8,421)** | **2,555,076** |

**Reconciliation of property, plant and equipment - 2025**

| | **Opening balance** | **Additions** | **Depreciation** | **Total** |
|---|---|---|---|---|
| | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** |
| Plant and machinery | 252,076 | 207,634 | (35,507) | 424,203 |
| Furniture, tools and equipment | 96,350 | 49,901 | (27,607) | 118,644 |
| Motor vehicles | 13,139 | 126,461 | (26,684) | 112,916 |
| Heavy equipments , tractors, trucks, implements | - | 677,759 | (68,015) | 609,744 |
| Computer equipment | 45,799 | 10,912 | (18,634) | 38,077 |
| Capital - Work in progress - Plantation and camp development | 244,946 | 1,175,034 | - | 1,419,980 |
| Capital - Work in progress - Capitalized expenses (Note 6) | 1,902,766 | 3,527,885 | - | 5,430,651 |
| | **2,555,076** | **5,775,586** | **(176,447)** | **8,154,215** |

**Reconciliation of property, plant and equipment - 2024**

| | **Opening balance** | **Additions** | **Depreciation** | **Total** |
|---|---|---|---|---|
| | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** |
| Plant and machinery | - | 253,646 | (1,570) | 252,076 |
| Furniture, fittings and office equipment | - | 100,105 | (3,755) | 96,350 |
| Motor vehicles | - | 14,400 | (1,261) | 13,139 |
| Computer equipment | - | 47,634 | (1,835) | 45,799 |
| Capital - Work in progress - Plantation and camp development | - | 244,946 | - | 244,946 |
| Capital - Work in progress - Capitalized expenses (Note 6) | - | 1,902,766 | - | 1,902,766 |
| | **-** | **2,563,497** | **(8,421)** | **2,555,076** |

## Notes to the Financial Statements

### 11. Intangible assets

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated amortisation** | **Carrying value** | **Cost** | **Accumulated amortisation** | **Carrying value** |
| | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** |
| Computer Software | 708 | (131) | 577 | - | - | - |

**Reconciliation of intangible assets - 2025**

| | **Opening balance** | **Additions** | **Amortisation** | **Total** |
|---|---|---|---|---|
| | **TZS '000** | **TZS '000** | **TZS '000** | **TZS '000** |
| Computer Software | - | 708 | (131) | 577 |

### 12. Leases (company as lessee)

The Company has entered into lease contracts for land used in its operations. The land lease is for a period of 33 years, commencing on 1 July 2024.

**Movement of right-of-use assets**

| | **2025** | 2024 |
|---|---|---|
| | **TZS '000** | TZS '000 |
| Opening balance | 3,445,154 | - |
| Additions | - | 3,498,156 |
| Amortization charge | (106,005) | (53,002) |
| **At 31 December** | **3,339,149** | **3,445,154** |

**Lease liabilities**

An advance lease payment of TZS 714 million (USD 300,000) has been made to cover the period from 2024 to 2027; therefore, no portion of the lease payments is due within the next 12 months.

| | | |
|---|---|---|
| Opening balance | 2,894,587 | - |
| Additions | - | 3,498,156 |
| Interest charged | 200,228 | 111,330 |
| Repayments | - | (714,899) |
| Foreign exchange loss | 65,583 | - |
| | **3,160,398** | **2,894,587** |
| Non-current liabilities | 3,160,398 | 2,894,587 |

### 13. Inventories

| | | |
|---|---|---|
| Consumables | - | 23,234 |

### 14. Other receivables

| | | |
|---|---|---|
| **Non-financial instruments:** | | |
| VAT receivable | 76,092 | - |
| Capital advance | 13,947 | 105,301 |
| | **90,039** | **105,301** |

## Notes to the Financial Statements

### 15. Cash and cash equivalents

Cash and cash equivalents consist of:

| | **2025**<br>**TZS '000** | 2024<br>TZS '000 |
|---|---|---|
| Cash at bank | 1,773,708 | 1,684,240 |

### 16. Share capital

**Authorised, issued and fully paid shares:**

**Authorised share capital**
100,000 ordinary shares of TZS 10,000 each

| | | |
|---|---|---|
| **Issued and fully paid share capital** | | |
| 233,030 (2024: 250) ordinary shares of TZS 10,000 each | 2,330,297 | 2,500 |

### 17. Trade and other payables

| | | |
|---|---|---|
| **Financial instruments:** | | |
| Accruals | 475,697 | 309,025 |
| Other payables | - | 22,590 |
| | **475,697** | **331,615** |
| **Non-financial instruments:** | | |
| Statutory liabilities | - | 61,300 |
| | **475,697** | **392,915** |

## Notes to the Financial Statements

**18. Related party borrowings**

| | **2025** | 2024 |
|---|---|---|
| | **TZS '000** | TZS '000 |
| Eagle Agrotech Holdings Limited | 6,606,557 | 3,333,700 |
| Symphony Global LLC | 1,401,704 | - |
| ANH Investments Ltd | - | 1,362,056 |
| | **8,008,261** | **4,695,756** |

**Split between non-current and current portions**

| | | |
|---|---|---|
| Current liabilities | 8,008,261 | 4,695,756 |

**Movement on ANH Investments Ltd loan**

| | | |
|---|---|---|
| Opening balance | 1,362,056 | - |
| Additions | - | 1,362,056 |
| Transfer to Symphony Global LLC | (1,362,056) | - |
| | **-** | **1,362,056** |

**Movement on Eagle Agrotech Holdings Limited loan**

| | | |
|---|---|---|
| Opening balance | 3,333,700 | - |
| Additions | 3,350,200 | 3,333,700 |
| Interest charged | 33,317 | - |
| Foreign exchange loss | (110,660) | - |
| | **6,606,557** | **3,333,700** |

During the year, Eagle Agrotech Holdings Limited (a shareholder) advanced a loan to Eagle Agrotech Tanzania Limited amounting to TZS 3.3 billion (USD 1.4 million) for working capital purposes. The The loan carries simple interest at the rate of five (5) percent per annum starting from 24 November 2025. The principal amount and interest thereon shall be repayable at the end of the loan term (15 years), or earlier at the discretion of the Board of Directors. The loan is unsecured.

**Movement on Symphony Global LLC loan**

| | | |
|---|---|---|
| At start of year | - | - |
| Transfer from ANH Investments Ltd | 1,362,056 | - |
| Interest accrued | 7,068 | - |
| Foreign exchange loss | 32,580 | - |
| | **1,401,704** | **-** |

The loan as on 30 September 2025, was assigned to Symphony Global LLC. The loan carries simple interest at the rate of five (5) percent per annum starting from 24 November 2025. The principal amount and interest thereon shall be repayable at the end of the loan term (15 years), or earlier at the discretion of the Board of Directors. The loan is unsecured.

## Notes to the Financial Statements

### 19. Deferred income tax

| *Year ended 31 December 2025* | At start of year TZS '000 | Potential charge to profit or loss - prior year TZS '000 | Potential charge to profit or loss - current year TZS '000 | At end of year TZS '000 |
|---|---|---|---|---|
| Accelerated capital deductions | 82,856 | 40 | (427,264) | -344,368 |
| Other timing differences | (9,844) | - | (3,904) | (13,748) |
| Estimated tax losses | (124,838) | (644,353) | (1,645,461) | (2,414,652) |
| **Deferred tax not recognized** | **(51,826)** | **(644,313)** | **(2,076,629)** | **(2,772,768)** |
| *Year ended 31 December 2024* | | | | |
| Accelerated capital deductions | - | - | 82,856 | 82,856 |
| Other timing differences | - | - | (9,844) | (9,844) |
| Estimated tax losses | - | - | (124,838) | (124,838) |
| **Deferred tax not recognized** | **-** | **-** | **(51,826)** | **(51,826)** |

At 31 December 2025, there is a potential deferred income tax asset of TZS 2,773 million (2024: TZS 52 million) mainly arising on account of estimated accumulated tax losses. The deferred income tax assets will be recognized once the Company starts generating sufficient taxable profit.

### 20. Related parties

The ultimate parent of the Company is Eagle Agrotech Holdings Limited, incorporated in the UAE. There are other companies that are related to Eagle Agrotech Tanzania Limited through common shareholdings or common directorships. The following transactions were carried out with related parties:

**Related party balances**

| **Related party borrowings (Note 18)** | **2025** TZS '000 | 2024 TZS '000 |
|---|---|---|
| ANH Investments Limited | - | 1,362,056 |
| Eagle Agrotech Holdings Limited | 6,606,557 | 3,333,700 |
| Symphony Global LLC loan | 1,401,704 | - |
| | **8,008,261** | **4,695,756** |

**Related party transactions**

**Key management compensation**

Key management personnel are described as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any executive directors of the Company. During the year there was no compensation paid or payable to key management personnel.

### 21. Financial instruments by category

| | | |
|---|---|---|
| **Financial assets at amortised cost** | | |
| Cash and cash equivalents (Note 15) | 1,773,708 | 1,684,240 |
| **Financial liabilities at amortised cost** | | |
| Trade and other payables (excluding statutory liabilities) (Note 17) | 475,697 | 331,616 |
| Lease liabilities (Note 12) | 3,160,398 | 2,894,587 |
| Related party borrowings (Note 18) | 8,008,261 | 4,695,756 |
| | **11,644,356** | **7,921,959** |

# Notes to the Financial Statements

**22. Commitments**

The Company had no commitments as at year end.

**23. Contingent liabilities**

The Company had no contingent liabilities as at year end.

**24. Subsequent events**

There are no events after the reporting period which require adjustment to or disclosure in the financial statements (2024: Nil)

## Contents

# Memorandum Statement of Profit or Loss and Other Comprehensive Income

| | Note(s) | Year ended 31 December 2025 USD | 5 months period to 31 December 2024 USD |
|---|---|---|---|
| Administrative expenses | 1 | (113,602) | (25,776) |
| **Operating loss** | | **(113,602)** | **(25,776)** |
| Finance costs | 4 | (80,563) | (46,719) |
| **Loss before taxation** | | **(194,165)** | **(72,495)** |
| Income tax expense | 5 | - | - |
| **Loss for the period** | | **(194,165)** | **(72,495)** |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Exchange difference on translation | | 13,559 | - |
| **Other comprehensive income for the year net of taxation** | | **13,559** | **-** |
| **Total comprehensive loss for the period** | | **(180,606)** | **(72,495)** |

## Memorandum Statement of Financial Position as at 31 December 2025

| | Note(s) | 2025 USD | 2024 USD |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 6 | 3,341,892 | 1,072,210 |
| Intangible assets | 7 | 236 | - |
| Right-of-use assets | 8 | 1,368,504 | 1,445,722 |
| | | **4,710,632** | **2,517,932** |
| **Current Assets** | | | |
| Inventories | 9 | - | 9,750 |
| Other receivables | 10 | 36,901 | 44,188 |
| Cash and cash equivalents | 11 | 726,930 | 706,773 |
| | | **763,831** | **760,711** |
| **Total Assets** | | **5,474,463** | **3,278,643** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Share capital | 12 | 955,286 | 1,049 |
| Foreign currency translation reserve | | 13,559 | - |
| Accumulated losses | | (266,660) | (72,495) |
| | | **702,185** | **(71,446)** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Lease liabilities | 8 | 1,295,245 | 1,214,682 |
| **Current Liabilities** | | | |
| Trade and other payables | 13 | 194,959 | 164,884 |
| Related party borrowings | 14 | 3,282,074 | 1,970,523 |
| | | **3,477,033** | **2,135,407** |
| **Total Liabilities** | | **4,772,278** | **3,350,089** |
| **Total Equity and Liabilities** | | **5,474,463** | **3,278,643** |

## Memorandum Statement of Changes in Equity

| | Share capital USD | Foreign currency translation reserve USD | Accumulated losses USD | Total equity USD |
|---|---|---|---|---|
| **At 14 August 2024** | **-** | **-** | **-** | **-** |
| Loss for the year | - | - | (72,495) | (72,495) |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive Loss for the year** | **-** | **-** | **(72,495)** | **(72,495)** |
| *Transactions with owners in their capacity as owners* | - | - | - | - |
| Issue of shares | 1,049 | - | - | 1,049 |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **1,049** | **-** | **-** | **1,049** |
| **Balance at 01 January 2025** | **1,049** | **-** | **(72,495)** | **(71,446)** |
| Loss for the period | - | - | (194,165) | (194,165) |
| **Total comprehensive loss for the year** | **-** | **-** | **(194,165)** | **(194,165)** |
| *Transaction with owners in their capacity as owners* | | | | |
| Issue of shares | 954,237 | - | - | 954,237 |
| Exchange difference on translation | - | 13,559 | - | 13,559 |
| **Total contributions by and distributions to owners of company recognised directly in equity** | **954,237** | **13,559** | **-** | **967,796** |
| **Balance at 31 December 2025** | **955,286** | **13,559** | **(266,660)** | **702,185** |

# Memorandum Statement of Cash Flows

| | Note(s) | Year ended 31 December 2025 USD | 5 months period to 31 December 2024 USD |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss before taxation | | (194,165) | (72,495) |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 6&7&8 | 113,404 | 25,776 |
| Interest on lease liabilities | 4 | 80,563 | 46,719 |
| Interest expense on borroowings | 2 | 16,551 | - |
| **Changes in working capital:** | | | |
| Inventories | | 9,750 | (9,750) |
| Other receivables | | 7,287 | (44,188) |
| Trade and other payables | | 30,075 | 164,884 |
| **Cash (used in) generated from operations** | | **63,465** | **110,946** |
| **Net cash generated from operating activities** | | **63,465** | **110,946** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 6 | (2,316,062) | (1,075,744) |
| Purchase of intangible assets | 7 | (267) | - |
| **Net cash used in investing activities** | | **(2,316,329)** | **(1,075,744)** |
| **Cash flows from financing activities** | | | |
| Proceeds on share issue | 12 | 954,237 | 1,049 |
| Proceeds from borrowings | 14 | 1,295,000 | 1,970,523 |
| Payment on lease liabilities | 8 | - | (300,001) |
| **Net cash generated from financing activities** | | **2,249,237** | **1,671,571** |
| **Total cash movement for the period** | | **(3,627)** | **706,773** |
| Cash at the beginning of the year | | 706,773 | - |
| Effect of exchange rate movement on cash balances | | 23,784 | - |
| **Total cash at end of the period** | 11 | **726,930** | **706,773** |

## Notes to the Memorandum Financial Information

| | Year ended 31 December 2025 USD | 5 months period to 31 December 2024 USD |
|---|---|---|
| **1. Administrative expenses** | | |
| Depreciation on property and equipment (Note 6) | 70,814 | 3,534 |
| Amortization on right-of-use assets (Note 8) | 42,537 | 22,242 |
| Amortization on intangible assets | 53 | - |
| Corporate Social Responsibility (CSR) | 198 | - |
| | **113,602** | **25,776** |
| **2. General administration expenses capitalized** | | |
| Consultancy fees | 53,718 | 128,610 |
| Feasibility study | 72,248 | 130,000 |
| Employee costs (Note 3) | 614,453 | 80,781 |
| Fuel expenses | 36,976 | 8,086 |
| Vehicle and machine rental | 301,855 | 234,067 |
| Repair and Maintenance | 7,069 | 355 |
| Bank charges | 3,533 | 1,074 |
| Insurance | 9,035 | 386 |
| Legal fees | 23,935 | 67,096 |
| License and regulatory fees | 3,371 | 38,978 |
| Office expenses | 35,373 | 3,962 |
| Rent expenses | 42,078 | 16,106 |
| Taxes | 144,504 | 2,142 |
| VAT expenses | (29,983) | 171 |
| Transport and miscellaneous | 81,314 | 86,662 |
| Interest on loan | 16,551 | - |
| | **1,416,030** | **798,476** |
| **3. Employee costs** | | |
| Salaries and wages | 477,856 | 76,765 |
| National Social Security Fund (NSSF) | 92,905 | 3,675 |
| Worker's Compensation Fund | 2,054 | 341 |
| Other employee costs | 41,638 | - |
| | **614,453** | **80,781** |
| **4. Finance costs** | | |
| Interest on lease liabilities (Note 8) | 80,563 | 46,719 |

## Notes to the Memorandum Financial Information

| | Year ended 31 December 2025 USD | 5 months period to 31 December 2024 USD |
|---|---|---|
| **5. Income tax** | | |
| **Current** | | |
| Current income tax - current period | - | - |
| **Reconciliation of the tax expense** | | |
| Reconciliation between accounting profit and tax expense. | | |
| Loss before tax | (194,165) | (72,495) |
| Tax at the applicable tax rate of 30% (2024: 30%) | (58,250) | (21,749) |
| **Tax effect of adjustments on taxable income** | | |
| Expenditure permanently disallowed | 49,647 | - |
| Deferred tax not recognized - current year | 862,806 | 21,749 |
| Deferred tax not recognized - prior year | (288,041) | - |
| Deductible expenduture not charged to profit or loss | (566,162) | - |
| | - | - |

## Notes to the Memorandum Financial Information

### 6. Property, plant and equipment

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated depreciation** | **Carrying value** | **Cost** | **Accumulated depreciation** | **Carrying value** |
| | **USD** | **USD** | **USD** | **USD** | **USD** | **USD** |
| Plant and machinery | 189,050 | (15,196) | 173,854 | 106,440 | (659) | 105,781 |
| Furniture, tools and equipment | 61,476 | (12,853) | 48,623 | 42,008 | (1,576) | 40,432 |
| Motor vehicles | 57,731 | (11,453) | 46,278 | 6,043 | (529) | 5,514 |
| Heavy equipments , tractors, trucks, implements | 277,770 | (27,875) | 249,895 | - | - | - |
| Computer equipment | 23,993 | (8,389) | 15,604 | 19,989 | (770) | 19,219 |
| Capital - Work in progress plantation and camp development | 581,961 | - | 581,961 | 102,788 | - | 102,788 |
| Capital - Work in progress - Capitalized expenses (Note 2) | 2,225,677 | - | 2,225,677 | 798,476 | - | 798,476 |
| **Total** | **3,417,658** | **(75,766)** | **3,341,892** | **1,075,744** | **(3,534)** | **1,072,210** |

**Reconciliation of property, plant and equipment - 2025**

| | **Opening balance** | **Additions** | **Depreciation** | **Gain/(loss) on translation** | **Total** |
|---|---|---|---|---|---|
| | **USD** | **USD** | **USD** | | **USD** |
| Plant and machinery | 105,781 | 89,854 | (14,257) | (7,524) | 173,854 |
| Furniture, tools and equipment | 40,432 | 20,556 | (11,078) | (1,287) | 48,623 |
| Motor vehicles | 5,514 | 50,637 | (10,708) | 835 | 46,278 |
| Heavy equipments , tractors, trucks, implements | - | 263,183 | (27,293) | 14,005 | 249,895 |
| Computer equipment | 19,219 | 4,280 | (7,478) | (417) | 15,604 |
| Capital - Work in progress plantation and camp development | 102,788 | 471,522 | - | 7,651 | 581,961 |
| Capital - Work in progress - Capitalized expenses (Note 2) | 798,476 | 1,416,030 | - | 11,171 | 2,225,677 |
| | **1,072,210** | **2,316,062** | **(70,814)** | **24,434** | **3,341,892** |

**Reconciliation of property, plant and equipment - 2024**

| | **Opening balance** | **Additions** | **Depreciation** | **Total** |
|---|---|---|---|---|
| | **USD** | **USD** | **USD** | **USD** |
| Plant and machinery | - | 106,440 | (659) | 105,781 |
| Furniture, fittings and office equipment | - | 42,008 | (1,576) | 40,432 |
| Motor vehicles | - | 6,043 | (529) | 5,514 |
| Computer equipment | - | 19,989 | (770) | 19,219 |
| Capital - Work in progress plantation and camp development | - | 102,788 | - | 102,788 |
| Capital - Work in progress - Capitalized expenses (Note 2) | - | 798,476 | - | 798,476 |
| | **-** | **1,075,744** | **(3,534)** | **1,072,210** |

# Notes to the Memorandum Financial Information

## 7. Intangible assets

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Cost<br>USD | Accumulated amortisation<br>USD | Carrying value<br>USD | Cost<br>USD | Accumulated amortisation<br>USD | Carrying value<br>USD |
| Computer Software | 290 | (54) | 236 | - | - | - |

**Reconciliation of intangible assets - 2025**

| | Opening balance<br>USD | Additions<br>USD | Amortisation<br>USD | Translation gain<br>USD | Total<br>USD |
|---|---|---|---|---|---|
| Computer Software | - | 267 | (53) | 22 | 236 |

## 8. Leases (company as lessee)

The Company has entered into lease contracts for land used in its operations. The land lease is for a period of 33 years, commencing on 1 July 2024.

**Movement of right-of-use assets**

| | 31 December 2025<br>USD | 31 December 2024<br>USD |
|---|---|---|
| Opening balance | 1,445,722 | - |
| Additions | - | 1,467,964 |
| Amortization charge | (42,537) | (22,242) |
| Foreign exchange loss on translation | (34,681) | - |
| | **1,368,504** | **1,445,722** |

**Lease liabilities**

An advance lease payment of USD 300,000 (TZS 714 million) has been made to cover the period from 2024 to 2027; therefore, no portion of the lease payments is due within the next 12 months.

| | | |
|---|---|---|
| Opening balance | 1,214,682 | - |
| Additions | - | 1,467,964 |
| Interest charged | 80,563 | 46,719 |
| Repayments | - | (300,001) |
| | **1,295,245** | **1,214,682** |
| Non-current liabilities | 1,295,245 | 1,214,682 |

## 9. Inventories

| | | |
|---|---|---|
| Consumables | - | 9,750 |

## 10. Other receivables

| | | |
|---|---|---|
| **Non-financial instruments:** | | |
| VAT receivable | 31,185 | - |
| Capital advance | 5,716 | 44,188 |
| | **36,901** | **44,188** |

# Notes to the Memorandum Financial Information

### 11. Cash and cash equivalents

Cash and cash equivalents consist of:

| | **31 December 2025 USD** | 31 December 2024 USD |
|---|---|---|
| Cash at bank | 726,930 | 706,773 |

### 12. Share capital

**Authorised, issued and fully paid shares:**

| | **31 December 2025 USD** | 31 December 2024 USD |
|---|---|---|
| **Authorised share capital** | | |
| 100,000 ordinary shares of TZS 10,000 each | | |
| **Issued and fully paid share capital** | | |
| 233,030 (2024: 250) ordinary shares of TZS 10,000 each | 955,286 | 1,049 |

### 13. Trade and other payables

| | **31 December 2025 USD** | 31 December 2024 USD |
|---|---|---|
| **Financial instruments:** | | |
| Accruals | 194,959 | 129,679 |
| Other payables | - | 9,480 |
| | **194,959** | **139,159** |
| **Non-financial instruments:** | | |
| Statutory liabilities | - | 25,725 |
| | **194,959** | **164,884** |

## Notes to the Memorandum Financial Information

### 14. Related party borrowings

| | **31 December 2025 USD** | 31 December 2024 USD |
|---|---|---|
| ANH Investments Ltd | - | 571,572 |
| Eagle Agrotech Holdings Limited | 2,707,605 | 1,398,951 |
| Symphony Global LLC | 574,469 | - |
| | **3,282,074** | **1,970,523** |

**Split between non-current and current portions**

| | | |
|---|---|---|
| Current liabilities | 3,282,074 | 1,970,523 |

**Movement on ANH Investments Ltd loan**

| | | |
|---|---|---|
| Opening balance | 571,572 | - |
| Additions | - | 571,572 |
| Transfer to Symphonic Global LLC | (571,572) | - |
| | **-** | **571,572** |

**Movement on Eagle Agrotech Holdings Limited loan**

| | | |
|---|---|---|
| Opening balance | 1,398,951 | - |
| Additions | 1,295,000 | 1,398,951 |
| Interest expense charged | 13,654 | - |
| | **2,707,605** | **1,398,951** |

During the year, Eagle Agrotech Holdings Limited (a shareholder) advanced a loan to Eagle Agrotech Tanzania Limited amounting to TZS 3.3 billion (USD 1.4 million) for working capital purposes. The The loan carries simple interest at the rate of five (5) percent per annum starting from 24 November 2025. The principal amount and interest thereon shall be repayable at the end of the loan term (15 years), or earlier at the discretion of the Board of Directors

**Movement in Symphony Global LLC loan**

| | | |
|---|---|---|
| At start of year | - | - |
| Tansfer from ANH Investments Ltd | 571,572 | - |
| Interest expense charged | 2,897 | - |
| | **574,469** | **-** |

The loan as on 30 September 2025, was assigned to Symphony Global LLC. The loan carries simple interest at the rate of five (5) percent per annum starting from 24 November 2025. The principal amount and interest thereon shall be repayable at the end of the loan term (15 years), or earlier at the discretion of the Board of Directors

# Notes to the Memorandum Financial Information

## 15. Related parties

The ultimate parent of the Company is Eagle Agrotech Holdings Limited, incorporated in the UAE. There are other companies that are related to Eagle Agrotech Tanzania Limited through common shareholdings or common directorships. The following transactions were carried out with related parties:

**Related party balances**

| | **31 December 2025 USD** | 31 December 2024 USD |
|---|---|---|
| **Related party borrowings (Note 13)** | | |
| Eagle Agrotech Holdings Limited | 2,707,605 | 1,398,951 |
| Symphonic Global LLC | 574,469 | - |
| ANH Investments Limited | - | 571,572 |
| | **3,282,074** | **1,970,523** |

**Key management compensation**

Key management personnel are described as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any executive directors of the Company. During the period there was no compensation paid or payable to key management personnel.

## 16. Currency translation

United States (USD) figures have been provided for memorandum purpose only and have been arrived at by translating the Tanzanian Shillings (TZS) statement of financial position and statement of profit or loss and other comprehensive income using the following rates:

- Monetary assets and liabilities are translated at the year-end rate of 1 USD to TZS 2,440.

- Statement of profit or loss and other comprehensive income items are translated at the average rate ruling during the period of 1 USD to TZS 2,492.

- Statement of cash flow are translated at the average rate ruling during the period of 1 USD to TZS 2,492 and

- Statement of Changes in owner's equity were translated using the historical rates at the date of transaction.