AUDITED CONDENSED CONSOLIDATED GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

Short-Form Financial Announcement

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

SALIENT FEATURES

Revenue up 68%. Operating Profit up 128%.
Cash generated from Operations up 59%.

All figures in US$	31 Dec 2022 audited	31 Dec 2021 audited*	% change 2022 vs 2021
Continuing Operations			
Revenue from continuing operations	127 894 086	76 097 089	68%
Operating profit before depreciation, impairment amortisation and fair value adjustments	32 282 038	14 168 708	128%
Profit/(loss) before taxation	13 892 552	(7 263 281)	291%
Profit/(loss) attributable to shareholders	2 669 989	(5 319 617)	150%
Cash generated from operations	24 604 823	15 502 778	59%
Capital expenditure	13 498 837	23 169 831	-42%
Net assets	84 584 641	77 918 622 #	9%
Basic earnings/(loss) per share (US$ cents)	0.93	(1.11)	184%
Diluted earnings/(loss) per share (US$ cents)	0.91	(1.11)	182%
Basic headline earnings/(loss) per share (US$ cents)	0.93	(1.11)	184%
Diluted headline earnings/(loss) per share (US$ cents)	0.92	(1.11)	183%
Dividend per share			
Dividends declared since reporting date (cents)	0.28	-	100%

* 2021 figures were re-presented due to a discontinued operation.
# The comparatives were restated due to the errors that arose in 2020 relating to the acquisition of a subsidiary and the reclassification of exploration and evaluation assets. The errors have been corrected retrospectively.

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement published on the Victoria Falls Stock Exchange (VFEX) Data Portal and the Company website as a whole.

A copy of the full announcement has been shared with shareholders using the latest email addresses supplied by the shareholder, and is available upon request, and for inspection, at the Company's registered office or via email request to ***corpserve@escrowgroup.org.*** The full announcement is also available on the Victoria Falls Stock Exchange website: ***www.vfex.exchange*** and the Company website: ***www.padenga.com.***

Dividends

The Board has pleasure in declaring a full year dividend of US$0.28 cents per share payable in respect of all ordinary shares on the Company.

This dividend will be payable to all the shareholders of the Company registered at the close of business on the 2nd of June 2023.

The payment of this dividend will take place on or around the 16th of June 2023. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 30th of May 2023 and an ex-dividend from the 31st of May 2023.

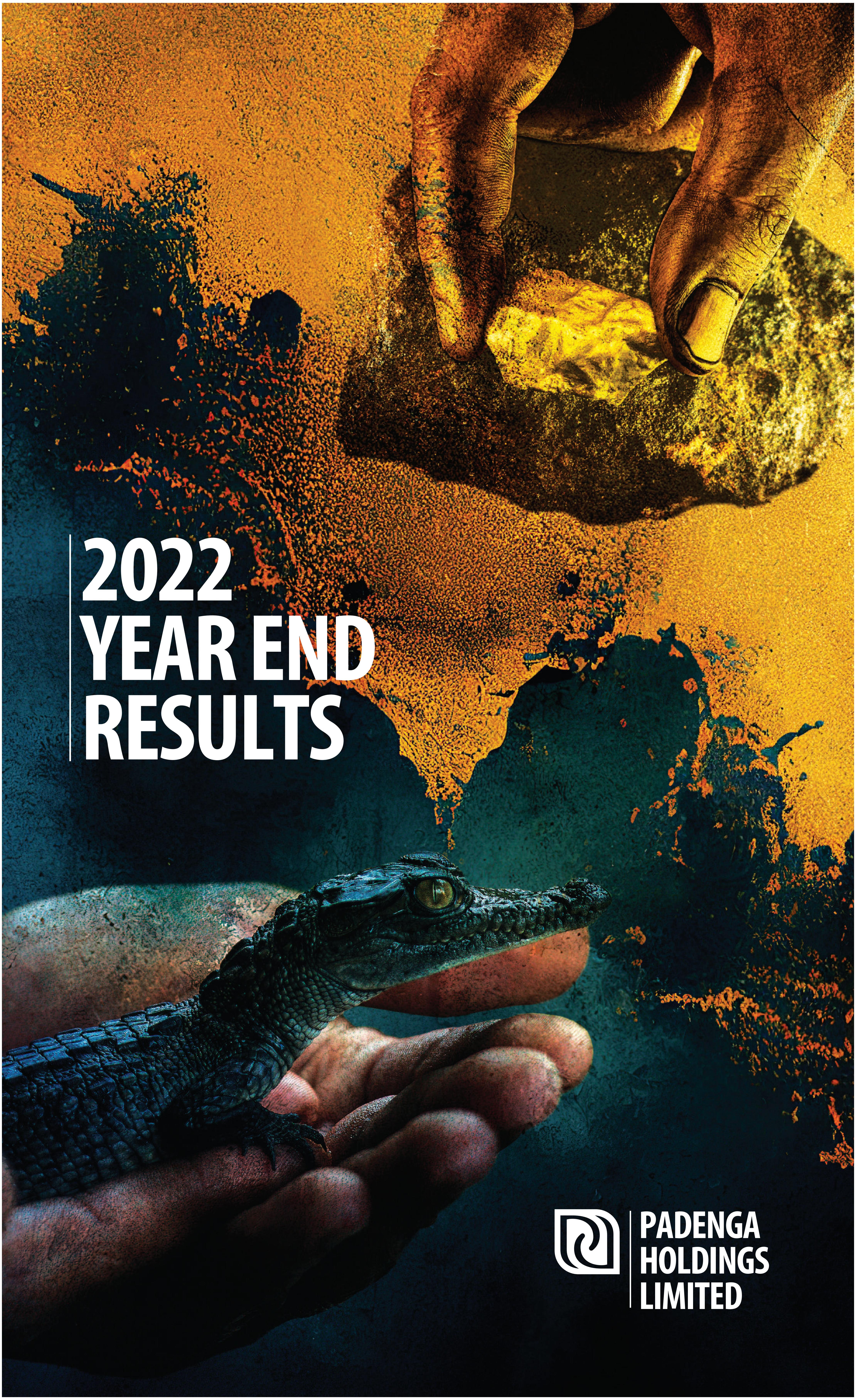
Auditor's Statement

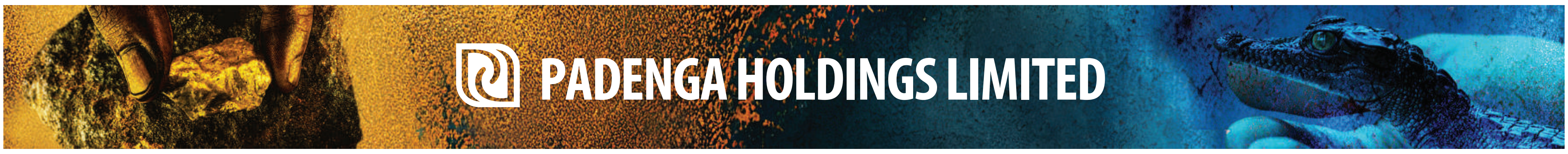
This short-form announcement should be read in conjunction with the complete set of consolidated financial statements for the year ended 31 December 2022, which have been audited by KPMG Chartered Accountants (Zimbabwe), who expressed a qualified audit opinion. The external auditor has noted one key audit matters with respect to the existence of Mineral Ore Inventories and an emphasis of matter in respect of comparative information for the year ended 31 December 2021 which has been restated.

The auditor's independent report on the consolidated financial statements, from which these results were extracted, is available for inspection at the Company's registered office and is posted on the Company's website: www.padenga.com.

T N Sibanda
Independent, Non-Executive Chairman
6 May, 2023

Directors: *Themba Sibanda (Chairman)*, Eve Mkondo*, Sternford Moyo*, Gary Sharp (Chief Executive Officer), Oliver Kamundimu (Chief Financial Officer), Michael Fowler (*Non-Executive)


2022
YEAR END
RESULTS
PADENGA
HOLDINGS
LIMITED



The Directors are pleased to present the **Audited Condensed Consolidated Financial Results** for the year ended 31 December 2022

Financial Highlights

For the year ended 31 December 2022

All figures in US$	31 Dec 2022 audited	31 Dec 2021 audited*
Group Summary		
Revenue from continuing operations	127 894 086	76 097 089
Operating profit before depreciation, impairment and amortisation fair value adjustments from continuing operations (EBITDA)	32 282 038	14 168 708
Profit/(loss) before taxation from continuing operations	13 892 552	(7 263 281)
Profit/(loss) attributable to equity holders of the parent from continuing operations	2 669 989	(5 319 617)
Cash generated from operations from continuing operations	24 604 823	15 502 776
Capital expenditure	13 498 837	23 169 831
Net assets	84 584 641	77 918 622 #

* 2021 figures were re-presented due to a discontinued operation.

\# The comparatives were restated due to the errors that arose in 2020 relating to the acquisition of a subsidiary and the reclassification of exploration and evaluation assets. The errors have been corrected retrospectively.

Share Performance - Continuing Operations	31 Dec 2022 audited	31 Dec 2021 audited*
Basic earnings/(loss) per share (cents)	0.93	(1.11)
Diluted earnings/(loss) per share (cents)	0.91	(1.11)
Basic headline earnings/(loss) per share (cents)	0.93	(1.11)
Diluted headline earnings/(loss) per share (cents)	0.92	(1.11)
Market price per share (cents)	22.92	21.00
Number of shares in issue at reporting date	544 301 407	541 593 440
Market capitalisation (US$)	124 753 882	113 734 622

The Directors Present

The audited Financial Results for Padenga Holdings Limited (the "Group") for the year ended 31 December 2022:

Directors' Responsibility

The Company's Directors are responsible for the preparation and fair presentation of the Group's financial statements, of which this publication represents an extract. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies of the Group are consistent with those applied in the previous financial year.

Functional Currency

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

Auditor's Statement

These condensed financial results should be read in conjunction with the complete set of consolidated financial statements for the year ended 31 December 2022, which have been audited by KPMG Chartered Accountants (Zimbabwe), who expressed a qualified audit opinion arising from continuing issues from prior years relating to non-compliance with International Financial Reporting Standards IAS 21, The Effects of Changes in Foreign Exchange Rates, non-compliance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, due to the lack of audit evidence and inappropriate methodology in the current and prior periods to support Management's estimation of the environmental restoration provisions and related rehabilitation asset, non-compliance with IFRS 3, Business Combinations in the prior period, which requires Management to establish the fair values of the net assets and fair values of the Non- Controlling Interests of an acquired subsidiary on the date of acquisition and the inappropriate application of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The external auditor has noted one key audit matter with respect to the existence of Mineral Ore Inventories. The external auditor also noted an emphasis of matter in respect of comparative information presented as at and for the year ended 31 December 2021 which has been restated. Their opinion was not modified in respect of this matter.

The auditor's independent report on the consolidated financial statements (from which these results were extracted) is available for inspection at the Company's registered office and is posted on the Company's website: www.padenga.com. The engagement partner for this audit opinion is Mr Vinay Ramabhai (PAAB Practicing Number 0569).

OPERATING ENVIRONMENT

The financial year was characterised by several market and regulatory changes that required agile management. In the second half of the year, global and domestic inflation rates slowed down as central banks increased interest rates to fight inflation. While the Zimbabwean dollar continued to depreciate against major currencies, the tight monetary policy measures instituted by the Reserve Bank of Zimbabwe were successful in reducing the rate of local currency devaluation during the last half of the year.

Operations

Mining Operations

Dallaglio became one of the top three gold producers nationally after registering gold sales of 1,961kgs (976kgs FY21). The exceptional volume growth of 101% was largely driven by the impact of the first full year of operations at Eureka gold mine.

Nile Crocodile Operations

During the year under review, a total of 34,117 skins were harvested, compared to 55,136 skins that were harvested in prior year. The reduction was due to a necessary shift in the harvest season by providing additional time to allow for remedial actions implemented to positively impact skin quality. Consequently total skin sales volumes were down 17% to 33,189 skins compared to 39,936 skins sold in prior year.

Financial

Consolidated Results

The Group recorded a turnover of US$127,894,086 in the period under review. This was a 68% increase over the US$76,097,089 recorded in prior year. The revenue contributions from the Group's business units were as follows: Dallaglio 82% (66% in FY21), Zimbabwe crocodiles 18% (31% in FY21).

In prior year, the now discontinued USA alligator operation contributed 3% of Group revenue. The improved Group revenue performance was predominantly propelled by the first full year contribution from Eureka gold mine in Guruve, which was commissioned in October 2021.

The Group resultantly recorded an improved EBITDA of US$32,282,038 for the year (US$14,168,711 in FY21). The Group realised a biological asset fair valuation gain of US$2,693,509 (fair value loss of US$3,645,405 in FY21) mainly emanating from higher average skin prices forecast in FY23 and an increased quantity of livestock on hand at the end of the current year.

A marginal reduction of 3% was recorded on interest expense for the Group at US$9,956,327 (US$10,178,478 in FY21), largely attributable to restructuring of borrowings by the mining business.

As a result of the revenue growth, cost containment measures and the swing from a loss to a gain in biological asset fair value, the Group realised a profit before taxation from continuing operations of US$13,892,552 for the year compared to a loss before taxation of US$7,263,278 recorded in FY21.

The Group generated cash amounting to US$24,604,823 (US$15,502,776 in FY21) from operating activities for the year. The increase in cash generated was mainly due to improved revenues and efficiencies.

Dallaglio Financials

Dallaglio posted a strong performance, recording a profit before tax of US$12,932,665 in the period under review, compared to a loss of US$4,337,858 in the prior comparable period. Volumes achieved of 1961kgs (976kgs, 2021) were 101% higher than volumes for the full year in 2021. This was attributable to the increased contribution from Eureka mine, which had not yet been fully operational during the same period last year coupled with improved gold prices. Consequently, cash generated from operations amounted to US$15,746,416 (US$10,112,478, 2021) mainly due to the increased gold sales.

Nile Crocodile Financials

Revenue for the Zimbabwean crocodile business reduced by 7% in comparison to prior year, as a result of the 17% decrease in the skin volumes partially offset by an improvement in the average realisation per skin. Global and domestic inflationary pressures impacted negatively on operating costs. Consequently, a 20% reduction in EBITDA to US$4,526,221 was recorded compared to US$5,686,505 in prior year.

The business recorded a biological asset fair valuation gain of US$2,693,509 (loss of US$3,645,405 in FY21) benefiting from higher average skin prices forecast in FY23 and an increased quantity of livestock on hand. Resultantly, a profit before taxation of US$1,934,733 was achieved, improving from a loss before taxation of US$2,810,321 incurred in prior year.

The Zimbabwean crocodile operation generated US$4,936,958 in cash from operating activities for the period under review (US$5,205,270 generated in FY21). This cash inflow was reduced owing to the shift in the timing of cashflows following the extended harvest program into the first quarter of FY23.

Alligator Financials

Consequent upon the continued oversupply in the alligator skins market coupled with the quality issues that took a number of years to resolve, the business unit accumulated losses over several years.

The Board therefore elected to exit its alligator operations in the United States. In July 2022, the Group concluded an Asset Purchase Agreement with an offshore equity group for the sale of the operating assets of the Alligator business. Consequently, the financial results of this operation have been disclosed as a discontinued operation.

Key Capital and Expansion Projects

The major capital project embarked on during the year under review is the refurbishment of the underground mine at Pickstone Peerless Mine in Chegutu. Phase one of this project is scheduled to be completed in August 2023.

At the Crocodile Ranching division, capital projects during the year focused on the ongoing rehabilitation of crocodile pens which is central to the skin quality improvement initiatives.

Installation of the phase 3 solar array to bring the solar plant operating capacity to a total of 1.2MW began during the last quarter of the financial year and will be completed during the first half of 2023.

Sustainability and Good Husbandry Practices

The Group remains committed to good corporate governance, observance of and adherence to international animal welfare norms, compliance with sustainability obligations and implementation of ethical business practices.

The International Crocodilian Farmers Association (ICFA) carried out its annual on-site surveillance audits on the farms in November 2022. All the three farms were compliant against the new standards adopted by ICFA (1001:2002). This certification will be a key factor in sustaining the Group's competitive advantage in the premium crocodile skins market.

Community outreach initiatives have continued in communities where our operations are located. Following the relaxation of Covid-19 restrictions, community support activities were revived, covering various areas including education & sports, health care, environment, social empowerment and donations & sponsorships.

Prospects

The Group is on a drive to further reduce borrowings and the associated interest charges to sustainable levels.

An area of key focus is operationalising Pickstone Peerless underground mining, where development work is at an advanced stage. Completion of the project is expected in August 2023, after which commercial production will commence. This is poised to contribute significantly to the Group's revenue and profits.

Eureka mine continues to contribute significantly to volume growth and profitability.

The Crocodile farming division has undergone numerous challenges mainly relating to changing customer requirements as well as adverse market conditions. Strategies to return the business to optimal skins volume production, maximise skin sales realisations and re-enter the crocodile meat export market are bearing fruit and are expected to generate improved returns for the business in 2023.

Demand from the major brands for premium grade Nile skins remains very strong and Padenga is uniquely placed to capitalize on this situation, hence the continued investment into having an increased proportion of the skins produced qualifying for this grade quality. Contracted forward supply commitments are validation of the strength and continuity of this market.

The Group has successfully returned to profitability and will continue to focus on volume growth and profitability. Management will continue to closely monitor and preserve shareholder value. Engagements with relevant regulatory authorities will also remain a key focus area.

Dividend

The Board has pleasure in declaring a full year dividend of US$0.28 cents per share payable in respect of all ordinary shares of the Company. This dividend will be payable to all the shareholders of the Company registered at the close of business on the 2nd of June 2023.

The payment of this dividend will take place on or around the 16th of June 2023. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 30th of May 2023 and an ex-dividend from the 31st of May 2023.

Condolences

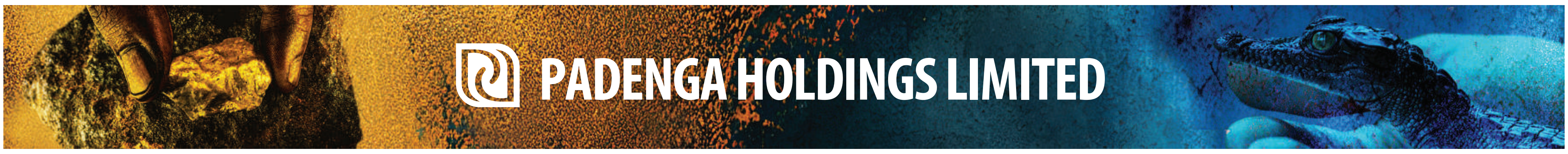
On behalf of the Board of Directors and staff members of the Group, I would like to extend our heartfelt condolences and deepest sympathies on the very sad loss of Mrs Anne Madzara on 11th of April 2023. Anne was appointed as an inaugural independent Non – Executive Director to the Padenga Board on the listing of Padenga Holdings Limited in November 2010, a role which she carried out faithfully and diligently until her sad passing. Anne brought a wealth of experience to the Padenga Board from her background with National Parks and environmental management. As the Chairwoman of the Padenga Remuneration and Nominations Committee from its inauguration, Anne showed a deep interest and concern for the welfare of Padenga staff. Her wise counsel and guidance has been invaluable to the Padenga Board and her contributions to the business are sincerely appreciated. The passing of Anne leaves a gap that will be difficult to fill. It was a privilege to know her and we will sadly miss her.

Appreciation

On behalf of the Board of Directors, I extend my profound gratitude to the Group's management and staff for their leadership and dedication during a challenging year. The diligence and level of commitment to the success of the Group is greatly appreciated.

I also thank the Group's valued customers, suppliers and various stakeholders for their continued support and confidence in us.

T N Sibanda
Chairman
6 May, 2023



The Directors are pleased to present the **Audited Condensed Consolidated Financial Results** for the year ended 31 December 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 audited US$	Year ended 31 Dec 2021 audited* US$
Continuing operations			
Revenue	7.1	127 894 086	76 097 089
Other operating income		269 632	561 586
Impairment gain/(loss) on trade receivables		440	(3 387)
Financial income		10 830 563	3 323 778
Cost of goods sold		(72 662 083)	(46 730 505)
Employee benefits expense		(15 112 929)	(11 617 846)
Other operating costs		(18 937 671)	(7 462 007)
Operating profit before depreciation, amortisation, impairment and fair valuation adjustments		**32 282 038**	**14 168 708**
Depreciation and amortisation		(11 282 001)	(7 613 581)
Operating profit before interest and fair value adjustments		**21 000 037**	**6 555 127**
Fair value adjustments on biological assets		2 693 509	(3 645 405)
Profit before interest and tax		**23 693 546**	**2 909 722**
Interest income		155 333	5 475
Interest expense - loans		(9 537 131)	(10 081 598)
Interest expense - leases		(419 196)	(96 880)
Profit/(loss) before taxation for continuing operations		**13 892 552**	**(7 263 281)**
Income tax expense		(4 557 897)	(944 850)
Profit/(loss) for the period from continuing operations		**9 334 655**	**(8 208 131)**
Discontinued operations			
(Loss)/profit after tax for the period from discontinued operations		(2 856 209)	825 871
Total comprehensive income/(loss) for the year		**6 478 446**	**(7 382 260)**
Profit/(loss) for the period attributable to:			
Equity holders of the parent		2 669 989	(5 319 617)
Non-controlling interest		3 808 457	(2 062 643)
		6 478 446	**(7 382 260)**
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the parent		2 669 989	(5 319 617)
Non-controlling interest		3 808 457	(2 062 643)
		6 478 446	**(7 382 260)**
Earnings/(loss) per share from continuing operations (cents)			
Basic earnings/(loss) per share	15	**0.93**	**(1.11)**
Diluted earnings/(loss) per share	15	**0.91**	**(1.11)**
Basic headline earnings/(loss) per share	15	**0.93**	**(1.11)**
Diluted headline earnings/(loss) per share	15	**0.92**	**(1.11)**

*2021 figures were re-presented for the requirements of IFRS 5 and earnings per share were restated due to the change in weighted average number of shares.

Condensed Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	31 Dec 2022 audited US$	31 Dec 2021 audited US$
Net cash generated from operating activities	24 604 823	15 502 776
Interest income	155 333	5 475
Interest expense - loans	(12 592 167)	(9 928 674)
Interest expense - leases	(419 196)	(42 723)
Taxation paid	(590 366)	(1 029 358)
Net cash generated from operations	**11 158 427**	**4 507 496**
Cash flow from investing activities		
Net cash outflow from investing activities	**(13 677 510)**	**(23 295 571)**
- proceeds on disposal of property, plant and equipment	39 577	96 000
- purchase of property, plant and equipment	(10 766 351)	(16 387 817)
- purchase of mine development assets	(2 571 795)	(6 607 310)
- disposal of discontinued operation,net of cash disposed of	(122 218)	-
- expenditure on exploration and evaluation of assets	(148 104)	-
- expenditure on non-current biological assets	(96 032)	(221 740)
- purchase of intangible assets	(12 587)	(174 704)
Net cash outflow before financing activities	**(2 519 083)**	**(18 788 075)**
Net cash outflow before financing activities	**(2 067 088)**	**21 386 767**
- proceeds from share issues	1 049	-
- proceeds from borrowings	42 773 010	42 708 545
- repayments of borrowings	(43 393 979)	(21 265 501)
- lease payments	(1 447 168)	(56 277)
Net (decrease) in cash and cash equivalents	**(4 586 171)**	**2 598 692**
Net foreign exchange difference	(493 210)	(206 043)
Cash and cash equivalents at the beginning of the period	6 343 767	3 951 118
Cash and cash equivalents at the end of the period	**1 264 386**	**6 343 767**
CASH AND CASH EQUIVALENTS		
Made up as follows:		
Bank balances and cash	1 264 386	6 320 603
Short-term investments	-	23 164
	1 264 386	**6 343 767**

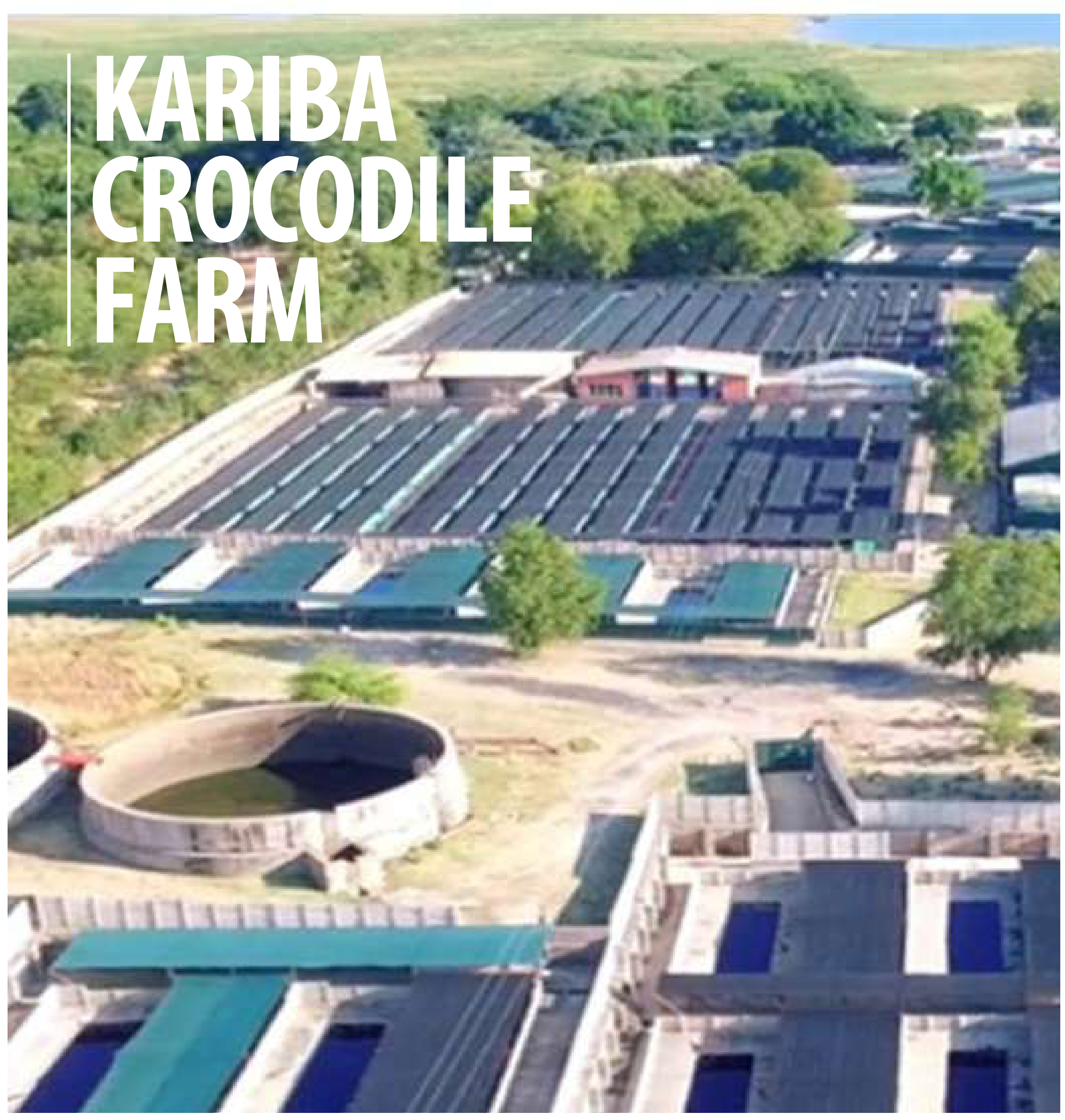
Condensed Consolidated Statement of Financial Position

As at 31 December 2022

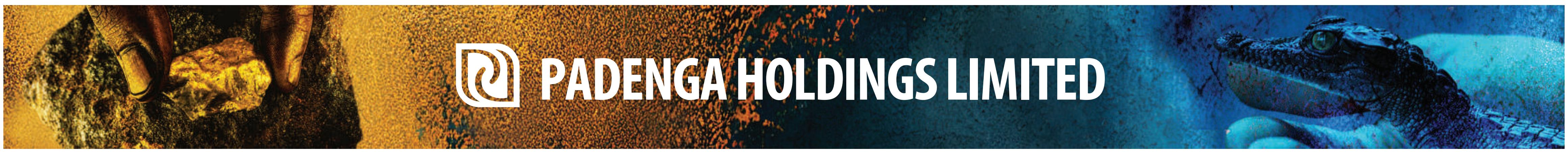
	Note	31 Dec 2022 audited US$	31 Dec 2021 restated US$	31 Dec 2020 restated US$
ASSETS				
Non-current assets				
Property, plant and equipment	12	70 509 518	69 654 126 #	58 494 615
Right of use assets		4 068 915	5 577 155	1 068 018
Mine development assets		6 716 003	6 862 092 #	1 320 757 #
Exploration and evaluation assets		148 104	- #	- #
Rehabilitation assets		1 532 414	1 723 074	1 536 945
Goodwill		4 594 571	4 594 571 ^	4 594 571 ^
Intangible assets		175 662	218 926	113 938
Other receivables	10.1	500 000	-	-
Biological assets		11 868 447	9 897 769	7 226 343
Deferred tax asset		-	2 366 838	2 631 117
		100 113 634	**100 894 551**	**76 986 304**
Current assets				
Biological assets		28 087 096	25 424 810	28 485 850
Mines Inventories	9.1	10 091 079	6 557 692	2 916 713
Inventories	9	16 786 979	16 112 051	19 529 366
Current tax receivable		1 865 815	2 097 660	2 097 660
Trade and other receivables	10.2	23 053 113	13 285 530	17 953 694
Cash and cash equivalents		1 264 386	6 343 767	3 951 118
		81 148 468	**69 821 510**	**74 934 401**
Total assets		**181 262 102**	**170 716 061**	**151 920 705**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		54 430	54 159	54 159
Share premium		27 005 023	27 004 245	27 004 245
Retained earnings		39 903 571	37 233 582 ^	42 553 199 ^
Share based payment reserve		563 768	377 244	189 671
Change in ownership reserve		(63 863)	(63 863)	(63 863)
Equity attributed to equity holders of the parent		**67 462 929**	**64 605 367**	**69 737 411**
Non- controlling interest		17 121 712	13 313 255 ^	15 375 898 ^
Total shareholders' equity		**84 584 641**	**77 918 622**	**85 113 309**
Non-current liabilities				
Interest-bearing borrowings	14.1	7 932 747	29 512 807	5 000 000
Lease liabilities		2 758 424	3 983 058	585 505
Mine rehabilitation provisions	19	2 701 799	2 480 308	1 926 083
Deferred tax liabilities		16 353 126	11 994 664	11 652 910
		29 746 096	**47 970 837**	**19 164 498**
Current liabilities				
Bank overdraft	14.5	5 842 018	729 110	7 252 118
Contract balances		-	740 613	1 336 925
Interest-bearing borrowings	14.2	45 045 053	33 064 710	29 401 501
Trade and other payables	13	12 336 862	7 191 233 ^	7 525 213 ^
Lease liabilities		1 710 470	1 859 883	198 000
Provisions	19	1 444 669	65 983	63 530
Tax payable		552 293	1 175 070	1 865 611
		66 931 365	**44 826 602**	**47 642 898**
Total liabilities		**96 677 461**	**92 797 439**	**66 807 396**
Total equity and liabilities		**181 262 102**	**170 716 061**	**151 920 705**

For the year ended 31 December 2021, assets amounting to US$6 862 092 (2020: US$1 320 757) were erroneously included in Exploration and Evaluation assets. The assets had met the conditions required for reclassification to Mine Development Assets. This has now been correctly classified.

^ In December 2021, there were some consolidation adjustments misallocated to Trade and other payables. These related to the acquisition of Dallaglio (Private) Limited, during the year ended 31 December 2020. The error has been corrected by restating each of the affected financial statement balances.



Directors: *Themba Sibanda (Chairman)*, Eve Mkondo*, Sternford Moyo*, Gary Sharp (Chief Executive Officer), Oliver Kamundimu (Chief Financial Officer), Michael Fowler (*Non-Executive)



The Directors are pleased to present the **Audited Condensed Consolidated Financial Results** for the year ended 31 December 2022

Condensed Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

For the year ended 31 December 2021	Share capital audited US$	Share Premium audited US$	Share based payment reserve audited US$	Change in ownership audited US$	Retained earnings audited US$	Total Equity attributable to shareholders of the parent audited US$	Non - controlling Interest audited US$	Total Shareholder's Equity audited US$
Balance at 1 January 2021	54 159	27 004 245	189 671	(63 863)	43 524 488	70 708 700	16 715 950	**87 424 650**
Adjustment on correction of error*	-	-	-	-	(971 289)	(971 289)	(1 340 052)	**(2 311 341)**
Balance at 1 January 2021	**54 159**	**27 004 245**	**189 671**	**(63 863)**	**42 553 199**	**69 737 411**	**15 375 898**	**85 113 309**
Total comprehensive loss	-	-	-	-	(5 319 617)	(5 319 617)	(2 062 643)	**(7 382 260)**
Share based payment scheme expense for the year	-	-	187 573	-	-	187 573	-	**187 573**
Balance as at 31 December 2021	**54 159**	**27 004 245**	**377 244**	**(63 863)**	**37 233 582**	**64 605 367**	**13 313 255**	**77 918 622**

For the year ended 31 December 2022	Share capital audited US$	Share Premium audited US$	Share based payment reserve audited US$	Change in ownership audited US$	Retained earnings audited US$	Total Equity attributable to shareholders of the parent audited US$	Non - controlling Interest audited US$	Total Shareholder's Equity audited US$
Balance at 1 January 2022	**54 159**	**27 004 245**	**377 244**	**(63 863)**	**37 233 582**	**64 605 367**	**13 313 255**	**77 918 622**
Total comprehensive income	-	-	-	-	2 669 989	2 669 989	3 808 457	**6 478 446**
Issue of ordinary shares	271	778	-	-	-	1 049	-	**1 049**
Share options exercised	-	-	(1 049)	-	-	(1 049)	-	**(1 049)**
Share based payment scheme expense for the year	-	-	187 573	-	-	187 573	-	**187 573**
Balance as at 31 December 2022	**54 430**	**27 005 023**	**563 768**	**(63 863)**	**39 903 571**	**67 462 929**	**17 121 712**	**84 584 641**

* In December 2021, there were some consolidation adjustments misallocated. These related to the acquisition of Dallaglio (Private) Limited, during the year ended 31 December 2020. The error has been corrected by restating each of the affected financial statement balances.

Notes to the condensed consolidated financial statements for the year ended 31December 2022

1. Corporate Information

Padenga Holdings Limited is a Limited Liability Company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls. Stock Exchange (VFEX). The registered office is located at 121 Borrowdale Road, Gunhill, Harare Zimbabwe. The Group has an 82.88% stake in Tallow Creek Ranch, an unlisted company based in Texas (United States of America) that specialised in alligator farming. In July 2022, the Group discontinued operations at TCR following the disposal of its operating assets to a third party (Refer to Note 21). The principal continuing activities of the Company and its subsidiaries (the Group) include the production and rearing of crocodiles and the export of Nile crocodile skins and meat. The Group is also engaged in developing and operating large scale commercial gold mines in Zimbabwe, after having acquired a 50.1% stake in Dallaglio Investments Limited ("Dallaglio").

2. Basis of Consolidation

The condensed consolidated financial statements comprise the financial statements of Padenga Holdings Limited and its subsidiaries as at 31 December 2022. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies except where stated.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.1 Going Concern

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the condensed consolidated financial statements.

3. Statement of compliance

The Group's condensed consolidated financial statements have been prepared in accordance with VFEX listing rules and in compliance with the requirements of IFRSs.

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

The consolidated financial statements referred to above in all material respects comply with the International Financial Reporting Standards (IFRS) for the financial position, financial performance, and cash flows of the Group except for the following:

- International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates in Prior Period due to continuing issues from prior years in respect of non-compliance with International Accounting Standard 21,
- Application of International Accounting Standard 8 - Accounting Policies, Changes in accounting estimates and errors; mainly correction of prior exchange rate due to non- availability of official market rates.
- International Accounting Standard 37 - Provisions, contingent liabilities and contingent assets in respect of mine rehabilitation provisions.
- In addition, the Group was non-compliant with the IFRS 3 paragraph 18 which requires Management to establish the fair values of the net assets at acquisition.

4. Currency of reporting

The financial statements have been prepared in US$.

5. Estimates

When preparing the full year financial results, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, results, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last financial statements for the year ended 31 December 2021.

6. Accounting policies

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

7. Operating Segments

The following tables present information about the Group's operating segments for the year ended 31 December 2022:

	Zimbabwe Crocodiles US$	Zimbabwe Mines (Dallaglio) US$	Adjustments and eliminations US$	Total US$	Discontinued Operations USA Alligators US$
7.1 Revenue					
31 December 2022	22 951 863	104 942 223	-	**127 894 086**	150 844
31 December 2021	24 707 479	51 389 610	-	**76 097 089**	2 369 263

Revenue disaggregation from contracts

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

	31 December 2022				**31 December 2021**			
	Total US$	Zimbabwe Mines (Dallaglio) US$	Zimbabwe Crocodiles US$	USA Alligators US$	Total US$	Zimbabwe Mines (Dallaglio) US$	Zimbabwe Crocodiles US$	USA Alligators US$
Skins sales	15 376 264	-	15 376 264	-	24 380 973	-	24 380 973	-
Meat local sales	319 800	-	319 800	-	326 506	-	326 506	-
Gold deliveries	104 942 223	104 942 223	-	-	51 389 610	51 389 610	-	
Quality incentive	7 255 799	-	7 255 799	-	-	-	-	-
	127 894 086	**104 942 223**	**22 951 863**	-	**76 097 089**	**51 389 610**	**24 707 479**	-

	Zimbabwe Crocodiles US$	Zimbabwe Mines (Dallaglio) US$	Adjustments and eliminations US$	Total US$	Discontinued Operations USA Alligators US$
Segment profit /(loss) before tax					
31 December 2022	1 934 733	12 932 665	(974 846)	**13 892 552**	(489 371)
31 December 2021	(2 810 321)	(4 337 858)	(115 102)	**(7 263 281)**	825 871

There was no inter-segment revenue in the period.

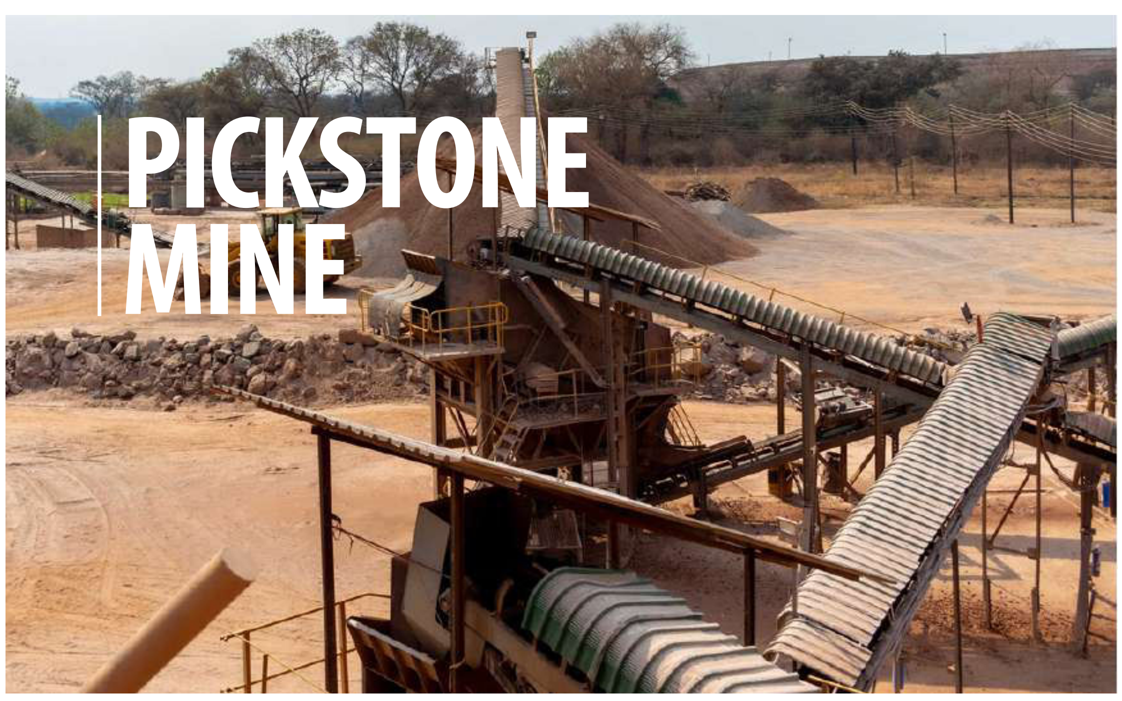
The following tables present assets and liabilities of the Group's operating segments as at 31 December 2022:

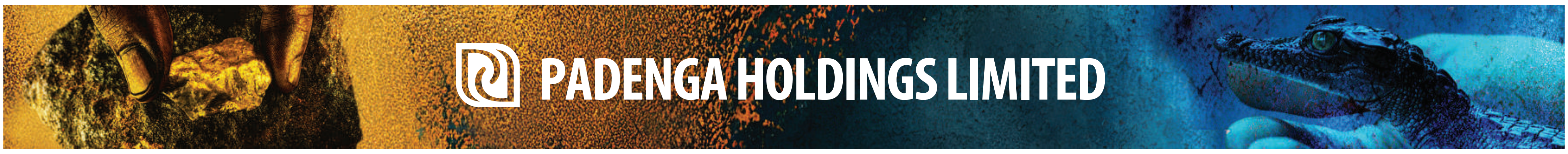
	Zimbabwe Crocodiles US$	Zimbabwe Mines (Dallaglio) US$	Adjustments and eliminations US$	Total US$	Discontinued Operations USA Alligators US$
Segment assets					
31 December 2022	96 655 166	99 361 330	(15 323 117)	**180 693 379**	568 723
31 December 2021	102 015 924	79 583 245	(16 372 607)	**165 226 562**	5 489 499

	Zimbabwe Crocodiles US$	Zimbabwe Mines (Dallaglio) US$	Adjustments and eliminations US$	Total US$	Discontinued Operations USA Alligators US$
Segment liabilities					
31 December 2022	26 743 572	61 626 679	3 729 762	**92 100 013**	4 577 448
31 December 2021	30 600 677	50 460 697	2 727 214	**83 788 588**	9 008 851

Classification of the segments is based on the type of production. (Crocodiles, Alligators and Mining).

	31 Dec 2022 audited US$	31 Dec 2021 audited US$
8. Capital expenditure for the year	**13 498 837**	**23 169 831**
Capital expenditure commitment		
Authorized but not yet contracted	24 480 912	26 087 163
	24 480 912	**26 087 163**
The capital expenditure will be financed from the Group's own resources and borrowing facilities.		
9 Inventories		
Raw materials, consumables and packaging	12 682 601	9 271 833
Finished goods – skins and meat	4 104 378	6 840 218
	16 786 979	**16 112 051**
9.1 Mines Inventories		
Finished goods - Gold Bullion	2 062 004	1 139 006
Work in progress - Ore stocks	8 029 075	5 418 686
	10 091 079	**6 557 692**





The Directors are pleased to present the **Audited Condensed Consolidated Financial Results** for the year ended 31 December 2022

Notes to the condensed consolidated financial statements for the year ended 31December 2022

10. Trade and other receivables

10.1 Non-current

	31 Dec 2022 audited US$	31 Dec 2021 audited US$
Other receivables	500 000	-

Other receivables relate to Escrow amount of $500 000 held by Escrow agent in the US. The Escrow Reserve Amount retained in the Escrow Fund shall remain in the Escrow Fund until such claims for indemnification have been fully and finally resolved or satisfied for the sale of TCR assets.

10.2 Current

	31 Dec 2022 audited US$	31 Dec 2021 audited US$
Trade receivables	8 638 777	5 458 601
Staff receivables	551 427	110 363
VAT Refund	3 040 071	5 415 995
Prepayments	10 159 385	295 421
Other receivables	663 453	2 005 150
	23 053 113	**13 285 530**

Trade receivables are non-interest bearing and are generally on 30-day terms. Credit terms for other receivables vary per transaction but do not exceed 60 days. As at 31 December 2022, there were no trade receivables that were past due.

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11. Fair value measurements

11.1 Fair value of financial instruments

The estimated net fair values of all financial instruments, approximates the carrying amounts shown in the financial statements.

11.2 Valuation Process

The Group's Executive Committee determines the policies and procedures for fair value measurement of biological assets. The Management Accountant prepares the computation monthly and the information is reviewed by the Finance Manager and Divisional Chief Financial Officer. The Executive Committee verifies major inputs applied to the latest valuation by agreeing the information in the computation to contracts and other relevant documents.

Valuation Technique

1. The Harvesting stock of crocodiles and alligators is valued using the income approach. Fair value price is determined from the price the Group sells at the point of harvesting to the market.

2. The breeders are valued using the cost approach. The fair value is determined based on the current replacement costs of a breeder as at year end, being the current costs needed to produce a breeder of similar age, maturity and condition as at the year end.

Type		Valuation technique	Significant unobservable Inputs (Level 3)	Quantitative information 2022	Quantitative information 2021
Crocodiles Harvesting stock	Yearlings, Rearings	Income approach. The valuation model is determined by reference to the average theoretical life span of the crocodile stock and prevailing market prices of the skin and meat. The fair value is based on the value of the skin and meat.	Price per skin, Quality grading, Age of crocodiles, Price per kg of meat, Meat yield per crocodile	Price per skin US$160 – US$860, Age 1 – 3 years, Meat Price/kg US$0.79 to US$4 Meat yield Meat yield per crocodile 5.54 kgs	Price per skin US$160 – US$760, Age 1 – 3 years, Meat Price/kg US$0.79 to US$4 Meat yield per crocodile 5.12 kgs
Aligators Harvesting stock	Yearlings, Rearings	Income approach. The valuation model is determined by reference to the average theoretical life span of thealligator stock and prevailing market prices. The fair value is based on the value of the skin and meat.	Price per skin, Quality grading, Age of alligators, Price per kg of meat, Meat yield per alligator	N/A	Price per skin US$50 – US$200, Age 1 – 2 years, Meat Prices: Not assessed as there where no meat sales during the year
Crocodiles	Breeders	Cost approach. The valuation model is determined by reference to the average theoretical life span of the breeding stock and current replacement cost.	Replacement cost of hatchlings plus inputs at current costs up to maturity. Age of the breeders	Replacement cost per breeder US$900 - US$2 400, Age 7 – 41 years.	Replacement cost per breeder US$ 900 - US$1 500, Age 7 – 41 years.

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on obserable market data.

Fair Value Hierarchy - 31 December 2022

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$	Fair value gain/(loss) US$
Harvesting Crocodiles	-	-	28 087 097	28 087 097	(723 573)
Breeders (including Alligators)	-	-	11 868 448	11 868 448	3 417 082
Total	**-**	**-**	**39 955 545**	**39 955 545**	**2 693 509**

Fair value hierarchy - 31 December 2021

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$	Fair value gain/(loss) US$
Harvesting Alligators	-	-	639 465	639 465	110 362
Harvesting Crocodiles	-	-	24 785 345	24 785 345	(6 014 967)
Breeders (Including Alligators)	-	-	9 897 769	9 897 769	2 463 592
Total	**-**	**-**	**35 322 579**	**35 322 579**	**(3 441 013)**
Less fair value for discontinued operations					(204 392)
Fair value for continuing operations					**(3 645 405)**

12. Property plant and equipment

During the year ended 31 December 2022, the Group acquired assets with a cost of US$10 766 351 (31 December 2021 US$16 387 817). Dallaglio acquired exploration and evaluation assets with a cost of US$148 104 during the year, which is included in the PPE additions.

No borrowing costs were capitalised during the year ended 31 December 2022 (31 December 2021 US$Nil). The financial information relating to property, plant and equipment is summarised below:

	31 Dec 2022 audited US$	31 Dec 2021 restated US$
Opening balance as at 1 January	69 654 126	58 494 615
Additions	10 766 351	16 387 817
Disposals	(3 174 712)	(72 659)
Depreciation	(6 736 247)	(5 150 876)
Transfers	-	(4 771)
Closing balance as at 31 December	**70 509 518**	**69 654 126**
13. Trade and other payables		
Trade payables	11 471 785	7 090 137
Other payables	865 077	101 096
	12 336 862	**7 191 233**

14. Interest bearing borrowings

14.1 Long-term financing

		31 Dec 2022 audited US$	31 Dec 2021 audited US$
Unsecured	**Year repayable**		
Foreign interest-bearing borrowings	**2023**	-	11 434 485
Local interest-bearing borrowings	**2024**	7 932 747	18 078 322
		7 932 747	**29 512 807**

14.2 Short-term financing

	Year repayable (December 2023)		
Secured			
Foreign short-term borrowings	**up to 365days**	8 589 867	10 994 927
Local short-term borrowings	**up to 365days**	36 455 186	22 069 783
		45 045 053	**33 064 710**

The interest bearing borrowings are all US$ denominated and have varying interest rates ranging between 6-12%.

14.3 Reconciliation of interest-bearing borrowings position

	31 Dec 2022 audited US$	31 Dec 2021 audited US$
Opening interest-bearing borrowings position	**63 306 627**	**41 653 619**
New loans	42 773 010	42 708 545
Discontinued operations-TCR	(810 804)	-
Interest expense	9 537 131	10,138,638
Interest paid	(12 592 167)	(9 928 674)
Loan repayments	(43 393 979)	(21 265 501)
Closing interest-bearing borrowings position	**58 819 818**	**63 306 627**

	31 Dec 2022 audited US$	31 Dec 2021 audited US$
Summary of interest-bearing borrowings/overdraft position		
Interest-bearing borrowings	7 932 747	29 512 807
Short term bearing borrowings	45 045 053	33 064 710
Bank Overdraft	5 842 018	729 110
Closing interest-bearing borrowings/overdraft position	**58 819 818**	**63 306 627**

Plant and equipment valued at US$15 636 511 (2021:Nil) was pledged as security against the Group's borrowing facility. The assets are not to be disposed, assigned or pledged during the tenure of the borrowings.

The loan repayments of US$43 393 979 include US$ 27 709 968 which relates to the repayments of loans at Dallaglio.

The total loan balances include overdraft facility of US$5 842 018 (2021-US$729 110).

Included in the current portion of interest-bearing borrowings, is an amount of US$7,631,982 (2021:US$9 893 378) due to Southern African Trade Finance Limited (US$5 149 750) and Sub Sahara Retail Investments Limited (US$ 2 482 232) which were due to be settled as at 31 December 2022. These borrowings, which were utilised for the investment in the now discontinued Tallow Creek Ranch operations have been rolled over to a future date on the same conditions prevailing on 31 December 2022.

14.4 Reconciliation of interest-bearing borrowings/overdraft position

Short term borrowings form part of the core borrowings of the Group and are renewed on maturity in terms of on-going facilities negotiated with the relevant financial institutions. The Group has a US$8.980 million (2021: US$20 million) unutilised facility.

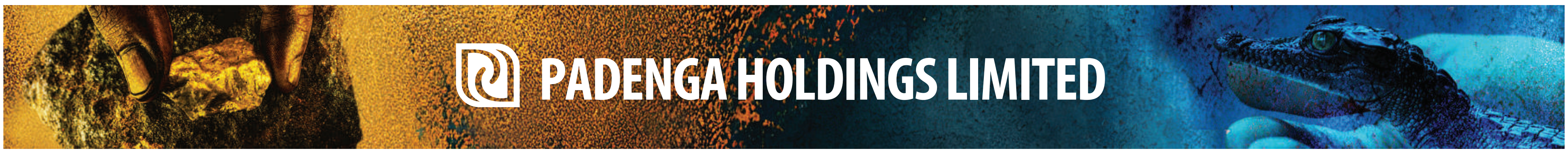
Borrowing powers

In terms of the Company's Articles of Association the Group may with previous sanction of an ordinary resolution of the Group in a general meeting borrow on the determination of the Directors amounts that do not exceed the aggregate total equity. The Group is within its borrowing limits.

14.5 Bank Overdraft

	31 Dec 2022 US$	31 Dec 2021 US$
Bank overdraft for the year	(5 842 018)	(729 110)
Total Bank overdraft	**(5 842 018)**	**(729 110)**

The Group has a current overdraft arrangement with a local bank to finance working capital requirements.



The Directors are pleased to present the **Audited Condensed Consolidated Financial Results** for the year ended 31 December 2022

Notes to the condensed consolidated financial statements for the year ended 31December 2022

15. Earnings per share

	Year ended 31 Dec 2022 audited US$	Year ended 31 Dec 2021 restated* US$
Continuing operations		
Profit/(loss) for the period attributable to:		
Equity holders of the parent	5 037 215	(6 004 097)
Less Non-Core activities		
Loss/(profit) on disposal of property, plant and equipment and intangibles	194 457	(23 341)
Interest income	(155 333)	(5 475)
Headline earnings	**5 076 339**	**(6 032 913)**
Earnings per share (cents) for continuing operations		
Basic earnings/(loss) per share	**0.93**	**(1.11)**
Diluted earnings/(loss) per share	**0.91**	**(1.11)**
Basic headline earnings/(loss) per share	**0.93**	**(1.11)**
Diluted headline earnings/(loss) per share	**0.92**	**(1.11)**
Weighted average number of ordinary shares for basic earnings per share	544 301 407	541 593 440
Weighted average shares in issue at the beginning	543 624 415	541 593 440
Weighted average shares in issue at the end (Diluted & Headline)	552 425 308	552 425 308 #

* Comparitive infomation has been updated to include the basic and diluted amounts per share for the discontinued operation in order to comply with the requirements of the standard.

For the comparitive, the Group restated the weighted average number of shares to 552 425 308 which was incorrectly reported as 557 841 242.

Basic earnings basis
The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Diluted earnings basis
The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

Headline earnings basis
Headline earnings comprise of basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of capital nature that do not form part of the ordinary activities of the Group, net of the respective tax effects and share of non-controlling interests, as applicable.

16. Contingent liabilities
The Group had no contingent liabilities at 31 December 2022.

17. Functional Currency
The Group's functional currency is US$ for the year ended 31 December 2022.

18. Events occuring after reporting period
Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for use. There were no adjusting events after the reporting date at the time of issuing this publication.

19. Provisions
Provisions non-current relate to future decommissioning expenses for the mines.

	Padenga Zimbabwe US$	Dallaglio US$	Total US$
Provisions - current			
31 December 2022	351 699	1 092 970	**1 444 669**
31 December 2021	65 983	-	**65 983**
Provisions - non current			
31 December 2022	-	2 701 799	**2 701 799**
31 December 2021	-	2 480 308	**2 480 308**

All current provisions related to short-term employee benefits accruals.

All non-current provisions relate to future expected costs to restore the environment after the end of mining activities or at closure of the mine. The expected costs are assessed by environmental experts.

20. Rehabilitation provision
The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2032, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect conditions at the relevant time.

Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain.

Mine rehabilitation costs will be incurred by the Company either while operating, or at the end of the operating life of, the Company's facilities and mine properties. The Company assesses its mine rehabilitation provision at each reporting date.

The Company recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine.

Any rehabilitation obligations that arise through the production of inventory are recognised as part of the related inventory item. Additional disturbances that arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to the restoration of site damage (subsequent to the start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

21. Discontinued Operations
The board of directors of Padenga Holdings, which is the majority shareholder of Tallow Creek Ranch (TCR) resolved to discontinue TCR operations through the sale of its operating assets to a potential buyer. The sale transaction was concluded in July 2022. Revenue ,expenses and gains and lossses relating to the discontinuation of TCR have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

A Results of discontinued operation	31 Dec 2022 audited US$	31 Dec 2021 audited US$
Revenue	**150 844**	**2 369 263**
Financial Income	-	1 589 561
Expenses	(719 551)	(3 280 307)
Fair value	(178 649)	204 393
Interest expenses	(319 263)	(57 039)
Results from Operating activities	**(1 066 619)**	**825 871**
Deferred tax expense	(2 366 838)	-
Results from Operating activities,net of tax	**(3 433 457)**	**825 871**
Gain on sale of disposed assets	**577 248**	
(Loss)/profit on sale of discontinued operations, net of tax	**(2 856 209)**	**825 871**

B Cash flows (used in)/from discontinued operation	31 Dec 2022 US$	31 Dec 2021 US$
Net cash used in operating activities	(810 883)	197 210
Net cash from investing activities	5 190 213	(62 711)
Net cash from financing activities	(4 501 548)	(124 989)
Net cash flows for the year	**(122 218)**	**9 510**

C Effect of disposal on financial position	31 Dec 2022 US$
Property, plant and equipment	2 822 975
Biological Assets-non current at disposal	1 524 113
Inventories	556 099
Biological Assets-current	252 788
Net Assets and Liabilties	**5 155 975**
Purchase consideration	**5 733 223**
Consideration received during the year	5 190 213
Cash held in Escrow account	500 000
Biological Assets-non current purchased before disposal	43 010
Profit on disposal of assets	**577 248**

D Earnings per share for discontinued operation	31 Dec 2022 US$	31 Dec 2021 US$*
Net (loss)/profit attributable to ordinary equity holders of the parent	(2 367 226)	684 482
Non- core activities		
Loss/(profit) on disposal of equipment and intangible assets	-	-
Interest income	-	-
Headline (loss)/earnings	**(2 367 226)**	**684 482**
Weighted average number of ordinary shares for basic earnings per share	544 301 407	541 593 440
Weighted average number of ordinary shares adjusted for the effect of dilution	557 841 242	557 841 242
Basic (loss)/earningsper share (US cents)	(0.43)	0.13
Diluted (loss)/earnings per share (US cents)	(0.43)	0.12
Basic headline (loss)/earnings per share (US cents)	(0.43)	0.13
Diluted headline (loss)/earnings per share (US cents)	(0.43)	0.12

* The comparitive has been updated to include the basic and diluted amounts per share for the discontinued operation in order to comply with the requirements of IFRS 5.

22. Approval of financial statements
The financial statements were approved by the Board of Directors and authorized for issue on 6 May 2023.

Directors: *Themba Sibanda (Chairman)*, Eve Mkondo*, Sternford Moyo*, Gary Sharp (Chief Executive Officer), Oliver Kamundimu (Chief Financial Officer), Michael Fowler (*Non-Executive)

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Independent Auditors' Report

To the shareholders of Padenga Holdings Limited

Qualified opinion

We have audited the consolidated financial statements of Padenga Holdings Limited (the Group) set out on pages [12] to [82], which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, accounting policies and notes to the financial statements.

In our opinion, except for the possible effect of the matters described in the *Basis for qualified opinion* section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Padenga Holdings Limited as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the manner required by the Companies and other Business Entities Act [Chapter 24:31].

Basis for qualified opinion

Non-compliance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*

The Group recognised a mine rehabilitation provision of $2 701 799 and a related rehabilitation asset of $1 532 414 in the consolidated statement of financial position as at 31 December 2022. As described in accounting policy note 4, the rehabilitation provision is based on the life of mine closure plan where management records the present value of costs expected to be incurred at the end of the current estimated life of mine which constitutes a departure from IFRS. IAS 37 requires a provision to be recognised only if an entity has a present obligation (legal or constructive) as a result of a past event and thus the provision should be based on only the mining activity incurred at the reporting date; a provision is not recognised for expected future mining activity.

Further, we were unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of management's estimate of the restoration expenditure to be incurred as at the end of the reporting period due to the following reasons:

- the methodology used to quantify the closure cost was not prepared on a first principal basis, that is, the closure cost estimate should have been broken down into its first principles (mine components, demolition, rehabilitation, closure and post closure activity, unit rates, quantities and others). Thus, the estimate was compiled on a high-level basis and does not contain sufficient detail and support to verify the completeness and accuracy of the data utilised as well as the reasonability of any assumptions applied.

- management relied on the rehabilitation specialist's report for January 2021 at one of the mines which does not reflect the disturbance in footprint up to the reporting date of 31 December 2022. Furthermore, the impact of significant developments in the macro-economic environment during 2022 were not completely taken into account in the roll forward of the January 2021 report.

As a result, we are unable to conclude whether the mine rehabilitation provision is completely and accurately recorded and accordingly, we are unable to quantify the misstatement in the current and prior year.

Non-compliance with International Financial Reporting Standards IAS 21–The Effect of Changes in Foreign Exchange Rates (IAS 21) and inappropriate application of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8)

During the period 22 February 2019 to 22 June 2020, the Group translated foreign denominated transactions and balances using the interbank foreign currency exchange rate (the "interbank rate"). The interbank rate did not satisfy the requirements to be considered an appropriate exchange rate in accordance with IAS 21, during this period, due to the lack of access to foreign currency for immediate delivery through the interbank foreign currency market. This led to a qualified opinion by the predecessor auditor on the prior year consolidated financial statements and whilst considered to be material, the misstatement could not be quantified due to the lack of an appropriate alternative rate that would satisfy the requirements of IAS 21 and thus impact the current year opening balances.

In addition, and as disclosed in accounting policy note 1 to the consolidated financial statements, Padenga Holdings Limited acquired a subsidiary, Dallaglio Investments (Private) Limited, effective 1 January 2020. The subsidiary had, in 2019, applied an incorrect date of change of functional currency of 22 February 2019 instead of 1 October 2018. This constituted a departure from the requirements of IAS 21 and led to a qualified opinion being issued by the predecessor auditor. The financial effects of this departure on the prior years consolidated financial statements, whilst considered to be material, had not been determined and thus impacting the opening balances for the current year.

The Group has not restated the consolidated financial statements, as required by IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to resolve the instances of non-compliance with IAS 21 noted above and as a result, a portion of property, plant and equipment, the related deferred tax, depreciation, and income tax expense remain misstated.

Consequently, our opinion on the consolidated financial statements is modified because of the possible effects of the non-compliance with IAS 21 on the current period's opening balances and on comparability of the prior period's consolidated financial statements.

Non-compliance with IFRS 3 - Business Combinations

As described in accounting policy Note 1 to the consolidated financial statements, the Group acquired a subsidiary, Dallaglio Investments (Private) Limited, effective 1 January 2020. The Group did not determine the "at acquisition" fair values of the acquired assets and assumed liabilities, constituting a departure from IFRS 3. As a result, the predecessor auditor qualified the prior year consolidated financial statements. Management has not restated the prior year statement of financial position in line with the requirements of IAS 8, and consequently, property, plant and equipment, goodwill and non-controlling interests balances remain misstated.

We are unable to quantify the magnitude of the misstatement and consequently, our audit opinion on the consolidated financial statements is qualified due to the possible effects of the matter on the opening balances of the current year and comparative consolidated annual financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in paragraph (a) of the *Basis for qualified opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Existence of ore stockpiles

Refer to accounting policy note 4 on inventories, note 4.1 significant accounting judgements, estimates and assumptions - Inventories - Gold bullion, gold and ore stockpiles and mines inventories note 16.1 to the annual financial statements

Key audit matter	**How the matter was addressed in our audit**
• As at 31 December 2022, mines inventory - ore stockpiles are valued at $8 029 075. • The process of determining the quantity of mineral inventory in the ore stockpiles is complex and involves estimation of the volume of material in the plant using quantity surveying techniques and applying a determined mineral content percentage. Management utilises specialists, internal and external, to determine the quantum in crushed and uncrushed ore stockpiles. • Due to the estimation involved in determining the quantity of ore inventory on hand as at 31 December 2022 we considered this to be a key audit matter.	Our audit procedures included the following: • Evaluating the professional qualifications, competence, capabilities and objectivity of management's internal and external experts, through inspection of their professional membership and reviewing their curriculum vitae. • Inspecting the reports from management's internal and external experts and comparing to the recorded quantities of mineral ore. • Assessing the reasonableness of the year end quantity of ore in relation to opening quantity of ore at the start of the year, the quantity extracted during the year and supported by the independent contractor's monthly certificates and the quantity of ore processed through the respective mills. • Assessing the reasonability of the method of quantifying ore inventory and comparing the method to that employed in the prior year. • Assessing the adequacy and appropriateness of the Group's disclosures in the consolidated financial statements for compliance with IAS 2, *Inventories*.

Emphasis of matter

We draw attention to Note 32 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2021 has been restated. Our opinion is not modified in respect of this matter.

Other matter - comparative information

The consolidated financial statements of the Group as at and for the year ended 31 December 2021, excluding the adjustments described in note 32 to the restated consolidated financial statements, were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on 28 April 2022 as a result of non-compliance with the requirements of IAS 21 - *The effects of Changes in Foreign Exchange Rates*, IFRS 3 - *Business Combinations* and IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2022, we audited the adjustments described in note 32 that were applied to restate the comparative information presented as at and for the year ended 31 December 2021. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended 31 December 2021, other than with respect to the adjustments described in note 32 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in note 32 to the consolidated financial statements are appropriate and have been properly applied.

Other information

The directors are responsible for the other information. The other information comprises the Report of the directors and Directors' responsibility and approval of financial Statements, and the unaudited financial information of Padenga Company on pages [83] to [88] consisting of Company statements of financial position and notes to the financial statements, but does not include the consolidated financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for qualified opinion section above, in the prior year, the Group did not comply with the requirements of IAS 21, *Effects of Changes in Foreign Exchange Rates* and IFRS 3, *Business Combinations*, and in the current year the Group did not comply with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.* We have concluded that the other information is materially misstated for the same reasons with respect to the amounts or other items referred to in the basis of qualified opinion above.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the manner required by the Companies and other Business Entities Act [Chapter 24:31], and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's 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 group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 group's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Vinay Ramabhai
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0569

8 May 2023

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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