The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Agriterra Limited / Ticker: AGTA / Index: AIM / Sector: Agriculture

Agriterra Limited ('Agriterra' or the 'Company')

Interim Results

Agriterra Limited, the AIM listed African agricultural company, announces its unaudited results for the six months ended 30 September 2023.

CHAIR'S STATEMENT

I am pleased to provide an update on our performance in the first half of the 2024 financial year ('HY-2024'). These results will be made available on the Company's website.

Operational update

Grain division

The Grain division commenced the period without sufficient reserves of maize in silo to link to the new season. Accordingly, with no banking facilities in place, early season maize purchases were funded by customer prepayments and advances, securing 4,500 tons in the first 3 months of the period. The Grain division´s objective was to breakeven during this low milling period whilst securing sufficient stocks for the season.

The division secured a commercial overdraft in July 2023 amounting to US$2 million to finance further maize purchases. However it was unable to draw on the full facility as the bank was unable to disburse the full amount due to Central Bank monetary policy to restrict the money supply. The division secured a shareholder loan in August for US$2 million to fund maize purchases.

In August 2023, the Grain division undertook a restructuring exercise with the objective of breaking even at 900 tons per month by:

- Revising the pricing strategy to achieve at least 25% gross margin on cost on maize.
- Reducing fixed overheads from MZN 6 million (approximately US$ 93,000) per month to MZN 3 million (approximately US$ 47,000) by:
  - Retrenching 54 staff members thereby reducing personnel cost MZN 2 million (approximately US$ 31,000) per month.
  - Reducing other operations cost by MZN 1 million (approximately US$ 16,000) per month.

The cash flow constraints in the early part of the period adversely impacted Grain division sales volumes at 4,188 tons (HY-2023: 7,947 tonnes) generating revenue of US$ 2.2 million (HY-2023: US$ 3.6 million).

The business, as at 30 September 2023, has in silo a total stock of 6,609 tons of maize (HY-2023: 7,444 tons), which will be rolled over continuously to fund maize requirements through to April 2024. This will necessitate the purchase of a further 5,000 tons to meet the milling requirements until the next harvest. Due to late purchasing and general shortage of maize, average cost of maize increased from MZN 12.2 per kg (approximately US$ 0.19) to MZN 19.1 per kg (approximately US$ 0.30) for the current season. However the shortage of maise has increased the price of meal and the division expects to be able to meet its margin targets in the second half of the year as demand improves.

Operating costs increased by US$ 0.1 million to US$ 0.6 million due to retrenchment cost incurred in August 2023. EBITDA decreased to a loss of US$ 0.2 million (HY-2023: EBITDA profit of US$ 0.2 million) due to lower volumes and margins in the first quarter. Finance costs decreased to US$ 0.2 million (HY-2023: US$ 0.8 million) reflecting the full benefits of the refinancing of commercial debt with shareholder loans in the prior year. Depreciation cost remained constant at US$ 0.24 million. Grain incurred a loss of US$ 0.68 million for the 6 months period ending 30 September 2023 (HY-2023: Loss US$ 0.87 million).

Beef division

The strategy in the beef division shifted midway through the period. This change was driven by several factors:

- Influx of cheap beef from South Africa due to the weakening of the South African Rand against the Metical which had an impact on the beef market in the Southern parts of Mozambique, especially Maputo, the Capital.
- Rising transport costs which has impacted on the landed cost of cattle in the feedlot as well as costs of getting the finished product to market. These rising costs can be attributed to:
  - Deteriorating transport network
  - Rising fuel costs

- o Ageing fleet

In response, decisions were made to start shifting the sales strategy of beef from the more formal high-end market to less formal mass market, and price the product aggressively, whilst also maintaining our current strategy of conditioning animals in the feedlot and maintaining a presence within the formal market.
To achieve this, we have implemented the following:

- Start targeting areas much closer to our operational base for cattle buying.
- Buying animals at the feedlot and abattoir for slaughter directly.
- Start investing in new fleet of cattle trucks to improve transport efficiencies.

In addition to the above, a cost reduction exercise was undertaken at the end of July with a view of reducing our monthly operating expenses by 1,000,000 MZN per month (approximately US$ 16,000) as well as reducing our staff compliment by 45, in an effort to economise and streamline the operation.

The number of animals in stock had reduced to 723 head by 30 Sept 23. This is partly as result of our shift in strategy to buy more animals for direct slaughter and reduce the amount and cost of keeping animals in the feedlot. Cashflow has had some challenges, primarily due to tough economic conditions as well as country wide municipal elections, with much funding from Government being diverted to campaigning rather than settling outstanding debts to their suppliers, which in turn impacts on primary producers like ourselves. Steps have been taken to rectify this and we are now seeing an improvement.

Beef division generated US$ 1.5 million revenue over the period, a reduction of US$ 145,000 against the same period last year. 430 tons of beef were sold during the period, compared to a budget of 652 tons. A gross profit of 20.67% was achieved, which is the third year whereby a GP of over 20% has been achieved.

Cash resources available at this time amounted to US$ 0.25 million which amounts to an additional 750 head of cattle at current prices. The cumulative for loss the period amounted to US$ 0. 4 million, an increase of US$ 0.1 million.

After some delays, we have started a new company Carnes de Manica and sales commenced in October 2023. This is another field to Pork initiative and once it is fully established, we anticipate an additional US$ 0.13 million to be added to the revenue stream annually. Current number of pigs in stock is 299 head.

Two new cattle trucks and trailers have been purchased at a cost of US$ 0.12 million with funds raised from Peterhouse Capital. We anticipate the arrival of these trucks in late Nov. This will help in improving our efficiencies and reducing our transport costs within the beef division.

Snax Division

Snax division continues to supply the market with superior quality products of which we have launched a new chicken flavoured puff ring over this period. The new product has been well received as now constitutes about 15% of total sales. Onion rings remain the market favourite and a new 100g family size packet is being launched. The new packing machine has been ordered and we expect this to be on site late December 2023 and installed, ready for production in January 2024. In terms of production we have produced 515 00 bales of product over the period.

Snax division generated revenue amounting to US$ 1.03 million (HY-2023: US$ 1.27 million) over the period with a gross profit of 20.17% (HY-2023: 19.6%). Decrease in sales revenue is mainly attributable to the tough economic conditions and less disposable household incomes, with families spending less on non-essential food stuffs. Profit for the period was US$ 0.30 million (HY-2023: US$ 0.74 million).

DECA Snax is a joint venture and based on International Financial Reporting Standards, revenue is not consolidated but the profit portion attributable to the group is included as share of profit in equity accounted investee in the Consolidated Income Statement. Profits have been negatively impacted by the rising costs of raw materials, packaging and transport. Maize prices in particular have had a significant impact. Profit attributable to the group is US$ 0.15 million (HY-23: US$ 0.35 million).

Group Results
Group revenue for the half-year ended 30 September 2023 decreased by 28% to US$ 3.6 million (HY-2023: US$ 5.0 million). Decrease in sales revenue is mainly resulting from decrease in sales for Grain division.

Gross profit decreased to US$ 0.5 million (HY-2023: US$ 1.1 million) achieving a group gross margin of 15% (HY-2023: Gross margin of 22%). Decrease in gross margin is resulting from high cost of maize which reduced Grain division margins to 9%. Group operating expenses increased from US$ 1,603 to US$ 1,727 due to retrenchment cost as compared to prior period. Following the restructuring exercise, it is anticipated that operating expenses will fall significantly from October 2023.

Finance costs decreased by 40% to US$ 0.55 million (HY-2023: US$ 0.92 million) as a result of refinancing of commercial debt with shareholder loans incurring interest at SOFR+3%. Overall interest rate on shareholder loan is around 10% per annum as compared to the current commercial debt interest rate of 25% per annum.

During the period, inventories have increased by US$ 1.92 million to US$ 2.47 million as compared to 31 March 2023. Grain division is keeping low inventory levels as a result of the revised strategy to reduce stock holding cost and finance cost in Grain division. Net debt at 30 September 2023 was US$ 12.7 million (31 March 2023: US$ 10.9 million).

Outlook for H2-2024

The Grain business is entering H2-2024 with 6,609 tons of grain in silo which is not sufficient to take us to the next harvest. The division is supplementing by importing 4000 tons of maize from South Africa and rolling to the extent possible maize sold during the period. Beef division sales revenue is expected to increase by 20% as compared to the first half year. All divisions have been striving to be self-sustaining at low capacity utilisation and now are expanding into profitable operations as volumes increase after rightsizing. Management will continuously monitor operations for profitability and seize new market opportunities creating a group basket of products to effectively lower overheads per product in the medium to long term.

Grain remains the core group business and management will seek to add value by creating additional product lines building on the success of Deca Snax.

CSO Havers
Chair
29 December 2023

FOR FURTHER INFORMATION PLEASE VISIT WWW.AGRITERRA-LTD.COM OR CONTACT:

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		Duncan Vasey / Eran Zucker	Tel: +44 (0) 207 469 0930

Consolidated income statement

	Note	6 months ended 30 September 2023 Unaudited	6 months ended 30 September 2022 Unaudited	Year ended 31 March 2023 Audited
	Note	**US$000**	US$000	US$000
CONTINUING OPERATIONS				
Revenue	**2**	**3,575**	4,964	11,494
Cost of sales		**(3,054)**	(3,883)	(8,758)
(Decrease)/Increase in fair value of biological assets		**-**	-	(288)
Gross profit		**521**	1,081	2,448
Operating expenses		**(1,727)**	(1,603)	(3,381)
Other income		**143**	56	122
Profit on disposal of property, plant and equipment		**-**	-	-
Operating loss		**(1,063)**	(466)	(811)
Net finance costs	**3**	**(550)**	(918)	(1,462)
Share of profit in equity-accounted investees, net of tax		**15**	35	37
Loss before taxation		**(1,598)**	(1,349)	(2,236)
Taxation		**-**	-	127
Loss for the period	**2**	**(1,598)**	(1,349)	(2,109)
Loss for the period attributable to owners of the Company		**(1,598)**	(1,349)	(2,109)
LOSS PER SHARE				
Basic and diluted loss per share – US Cents	**4**	**(2.22)**	(6.35)	(9.29)

Consolidated Statement of comprehensive income

	6 months ended 30 September 2023 Unaudited	6 months ended 30 September 2022 Unaudited	Year ended 31 March 2023 Audited
	US$000	US$000	US$000
Loss for the period	**(1,598)**	(1,349)	(2,109)
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences	**(705)**	(490)	(161)
Other comprehensive (loss)/income for the period	**(705)**	(490)	(161)
/Total comprehensive (loss)/income for the period attributable to owners of the Company	**(2,303)**	(1,839)	(2,270)

Consolidated statement of financial position

	Note	30 September 2023 Unaudited	30 September 2022 Unaudited	31 March 2023 Audited
	Note	**US$000**	US$000	US$000
Non-current assets				
Property, plant and equipment		**23,973**	24,682	24,267
Intangible assets		**1**	10	3
Equity-accounted investees		**108**	91	93
		24,082	24,783	24,363
Current assets				
Biological assets		**292**	421	496
Inventories		**2,472**	2,125	550
Trade and other receivables		**1,628**	1,190	1,055
Cash and cash equivalents		**307**	350	174
		4,699	4,086	2,275
Total assets		**28,781**	28,869	26,638
Current liabilities				
Borrowings	5	**1,179**	4,287	2,666
Trade and other payables		**1,963**	1,530	658
		3,142	5,817	3,324
Net current assets		**1,557**	(1,731)	(1,049)
Non-current liabilities				
Borrowings	5	**11,820**	6,968	7,196
Deferred tax liability		**6,115**	6,243	6,111
		17,935	13,211	13,307
Total liabilities		**21,077**	19,028	16,631
Net assets		**7,704**	9,841	10,007
Share capital	6	**63,343**	3,373	3,993
Share premium	6	**-**	151,442	151,419
Share based payments reserve		**67**	67	67
Revaluation reserve		**11,935**	12,186	12,061
Translation reserve		**(16,874)**	(16,498)	(16,169)
Accumulated losses		**(50,767)**	(140,729)	(141,364)
Equity attributable to equity holders of the parent		**7,704**	9,841	10,007

The unaudited condensed consolidated financial statements of Agriterra Limited for the six months ended 30 September 2023 were approved by the Board of Directors and authorised for issue on 29 December 2023.

Signed on behalf of the Board of Directors:

CSO Havers

Chair

Consolidated statement of changes in equity

	Note	Share capital	Share premium	Share based payment reserve	Translation reserve	Revaluation reserve	Accumulated losses	Total Equity
		US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance at 1 April 2022		3,373	151,442	67	(16,008)	12,312	(139,506)	11,680
Loss for the period		-	-	-	-	-	(1,349)	(1,349)
Other comprehensive income:								
Exchange translation gain on foreign operations restated		-	-	-	(490)	-	-	(490)
Total comprehensive loss for the period		-	-	-	(490)	-	(1,349)	(1,839)
Transactions with owners								
Revaluation surplus realised		-	-	-	-	(126)	126	-
Total transactions with owners for the period		-	-	-	-	(126)	126	-
Balance at 30 September 2022		**3,373**	**151,442**	**67**	**(16,498)**	**12,186**	**(140,729)**	**9,841**
Loss for the period		-	-	-	-	-	(760)	(760)
Other comprehensive income:								
Exchange translation gain on foreign operations		-	-	-	329	-	-	329
Total comprehensive income for the period		-	-	-	329	-	(760)	(431)
Transactions with owners								
Issue of shares		620	(23)	-	-	-	-	597
Revaluation surplus realised		-	-	-	-	(125)	125	-
Total transactions with owners for the period		620	(23)	-	-	(125)	125	597
Balance at 31 March 2023		**3,993**	**151,419**	**67**	**(16,169)**	**12,061**	**(141,364)**	**10,007**
Loss for the period		-	-	-	-	-	(1,598)	(1,598)
Other comprehensive income:								
Exchange translation (loss) on foreign operations		-	-	-	(705)	-	-	(705)
Total comprehensive loss for the period		-	-	-	(705)	-	(1,598)	(2,303)
Transactions with owners								
Reclassification		59,350	(151,419)	-	-	-	92,069	-
Revaluation surplus realised		-	-	-	-	(126)	126	-
Total transactions with owners for the period		59,350	(151,419)	-	-	(126)	92,195	-
Balance at 30 September 2023		**63,343**	**-**	**67**	**(16,874)**	**11,935**	**(50,767)**	**7,704**

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 September 2023 Unaudited**	6 months ended 30 September 2022 Unaudited	Year ended 31 March 2023 Audited
		US$000	US$000	US$000
Loss before tax for the period		**(1,598)**	(1,349)	(2,236)
Adjustments for:				
Amortisation and depreciation	**2**	**396**	435	870
Foreign exchange (gain)/loss		**(315)**	(493)	(151)
Decrease / (increase) in value of biological assets		**-**	-	288
Share of profit in associate		**(15)**	(35)	(37)
Net Finance costs		**550**	918	1,462
Operating cash flows before movements in working capital		**(982)**	(524)	196
Net decrease / (increase) in biological assets		**204**	42	(321)
(Increase) / decrease in inventories		**(1,922)**	51	1,626
(Increase) / decrease in trade and other receivables		**(573)**	(366)	52
Increase / (decrease) in trade and other payables		**924**	570	(302)
Net Cash used in operating activities		**(2,352)**	(227)	1,251
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(102)**	(58)	(90)
Net cash used in investing activities		**(102)**	(58)	(90)
Cash flow from financing activities				
Finance costs	**3**	**(167)**	(918)	(1,014)
Net (repayment) / drawdown of overdrafts	**5**	**-**	(6,255)	(6,254)
Net (repayment) / drawdown of loans and finance leases	**5**	**(146)**	7,701	(1,726)
Net drawdown of shareholder loans		**2,900**	-	7,900
Net cash generated from/(used in) financing activities		**2,587**	528	(1,094)
Net increase in cash and cash equivalents		**133**	243	67
Effect of exchange rates on cash and cash equivalents		**-**	-	-
Cash and cash equivalents at beginning of period		**174**	107	107
Cash and cash equivalents at end of period		**307**	350	174

GENERAL INFORMATION

Agriterra Limited ('Agriterra' or the 'Company') and its subsidiaries (together the 'Group') is focussed on the agricultural sector in Africa. Agriterra is a non-cellular company limited by shares incorporated and domiciled in Guernsey, Channel Islands. The address of its registered office is Connaught House, St Julian's Avenue, St Peter Port, Guernsey GY1 1GZ.

The Company's Ordinary Shares are quoted on the AIM Market of the London Stock Exchange ('AIM').

The unaudited condensed consolidated financial statements have been prepared in US Dollars ('US$') as this is the currency of the primary economic environment in which the Group operates.

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the 6 months ended 30 September 2023 (the 'H1-2024 financial statements'), which are unaudited and have not been reviewed by the Company's Auditor, have been prepared in accordance with the International Financial Reporting Standards ('IFRS'). The accounting policies adopted by the Group are set out in the annual report for the year ended 31 March 2023 (available at www.agriterra-ltd.com). The Group does not anticipate any significant change in these accounting policies for the year ended 31 March 2024.

This interim report has been prepared to comply with the requirements of the AIM Rules of the London Stock Exchange (the 'AIM Rules'). In preparing this report, the Group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed consolidated financial statements are prepared in accordance with IAS 34, *'Interim financial reporting'*. Whilst the financial figures included in this report have been computed in accordance with IFRSs applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in this report also does not constitute statutory accounts under the Companies (Guernsey) Law 2008, as amended. The financial information for the year ended 31 March 2023 is based on the statutory accounts for the year then ended. The Auditors reported on those accounts. Their report was unqualified and referred to going concern as a key audit matter. The Auditors drew attention to note 3 to the financial statements concerning the Group's ability to continue as a going concern which shows that the Group will need to renew its overdraft facilities, maintain its current borrowings and raise further finance in order to continue as a going concern.

The H1-2024 financial statements have been prepared in accordance with the IFRS principles applicable to a going concern, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing the H1-2024 financial statements, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

2. SEGMENT INFORMATION

The Board considers that the Group's operating activities during the period comprised the segments of Grain, Beef and Snax, undertaken in Mozambique. In addition, the Group has certain other unallocated expenditure, assets and liabilities.
The following is an analysis of the Group's revenue and results by operating segment:

6 months ended 30 September 2023 – Unaudited	**Grain**	**Beef**	**Snax**	**Unallo-cated**	**Elimina-tions**	**Total**
	US$000	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**
Revenue						
External sales[2]	**2,066**	**1,509**	**-**	**-**	**-**	**3,575**
Inter-segment sales[1]	**117**	**-**	**-**	**-**	**(117)**	**-**
	2,183	**1,509**	**-**	**-**	**(117)**	**3,575**
Segment results						
- Operating loss	**(620)**	**(316)**	**-**	**(256)**	**-**	**(1,192)**
- Interest expense	**(184)**	**(70)**	**-**	**(296)**	**-**	**(550)**
- Share of profit in equity accounted investees	**-**	**-**	**15**	**-**	**-**	**15**
- Other gains and losses	**128**	**1**	**-**	**-**	**-**	**129**
(Loss)/Profit before tax	**(676)**	**(385)**	**15**	**(552)**	**-**	**(1,598)**
Income tax	**-**	**-**	**-**	**-**	**-**	**-**
(Loss)/Profit for the period	**(676)**	**(385)**	**15**	**(552)**	**-**	**(1,598)**

6 months ended 30 September 2022 – Unaudited	Grain	Beef	Snax	Unallo-cated	Elimina-tions	Total
	US$000	US$000	US$000	US$000	US$000	US$000
Revenue						
External sales(2)	3,309	1,655	-	-	-	4,964
Inter-segment sales(1)	245	-	-	-	(245)	-
	3,554	1,655	-	-	(245)	4,964
Segment results						
- Operating loss	(141)	(264)	-	(127)	-	(532)
- Interest expense	(776)	(27)	-	(115)	-	(918)
- Share of profit in equity accounted investees	-	-	35	-	-	35
- Other gains and losses	47	19	-	-	-	66
(Loss)/Profit before tax	(870)	(272)	35	(242)	-	(1,349)
Income tax	-	-	-	-	-	-
(Loss)/Profit for the period	(870)	(272)	35	(242)	-	(1,349)

Year ended 31 March 2023 – Audited	Grain	Beef	Snax[1]	Unallo-cated	Elimina-tions	Total
	US$000	US$000	US$000	US$000	US$000	US$000
Revenue						
External sales(2)	8,365	3,129	-	-	-	11,494
Inter-segment sales(1)	225	-	-	-	(225)	-
	8,590	3,129	-	-	(225)	11,494
Segment results						
- Operating loss	2	(659)	-	(308)	-	(965)
- Interest expense	(958)	(63)	-	(441)	-	(1,462)
- Other gains and losses	95	59	-	-	-	154
-Share of profit in equity-accounted investees	-	-	37	-	-	37
(Loss)/Profit before tax	(861)	(663)	37	(749)	-	(2,236)
Income tax	115	12	-	-	-	127
(Loss)/Profit after tax	(746)	(651)	37	(749)	-	(2,109)

(1) Inter-segment sales are charged at prevailing market prices

(2) Revenue represents sales to external customer and is recorded in the country of domicile of the Company making the sales. Sales from the Grain and the Beef divisions are principally for supply to the Mozambique market.

The segment items included within continuing operations in the consolidated income statement for the periods are as follows:

	Grain	**Beef**	**Unallo-cated**	**Elimina-tions**	**Total**
	US$000	**US$000**	**US$000**	**US$000**	**US$000**
6 months ended 30 September 2023 – Unaudited					
Depreciation and amortisation	**236**	**160**	**-**	**-**	**396**
6 months ended 30 September 2022 – Unaudited					
Depreciation and amortisation	257	178	-	-	435
Year ended 31 March 2023 – Audited					
Depreciation and amortisation	514	356	-	-	870

3. NET FINANCE COSTS

	6 months ended 30 September 2023 Unaudited US$000	6 months ended 30 September 2022 Unaudited US$000	Year ended 31 March 2023 Audited US$000
Interest expense:			
Bank loans, overdrafts and finance leases	**550**	**918**	1,462
Interest income:			
Bank deposits	-	-	-
	550	**918**	1,462

4. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	6 months ended 30 September 2023 Unaudited US$000	6 months ended 30 September 2022 Unaudited US$000	Year ended 31 March 2023 Audited US$000
Loss for the period/year for the purposes of basic and diluted earnings per share attributable to equity holders of the Company	**(1,598)**	(1,349)	(2,109)
Weighted average number of Ordinary Shares for the purposes of basic and diluted loss per share	**71,829,007**	21,240,618	22,240,618
Basic and diluted loss per share - US cents	**(2.22)**	(6.35)	(9.29)

The Company has issued options over ordinary shares which could potentially dilute basic loss per share in the future. There is no difference between basic loss per share and diluted loss per share as the potential ordinary shares are anti-dilutive.

5. BORROWINGS

	30 September 2023 Unaudited US$000	30 September 2022 Unaudited US$000	31 March 2023 Audited US$000
Non-current			
Shareholder loan	**11,317**	6,215	6,534
Bank loans	**503**	595	574
Leases	-	158	88
	11,820	6,968	7,196
Current			
Shareholder loan	-	1,800	1,500
Bank loans	**1,058**	2,377	1,056
Leases	**121**	110	110
	1,179	4,287	2,666
	12,999	11,255	9,862

Group

During the period, Agriterra Limited secured shareholder loans amounting to US$ 2.9 million from Magister Investments Limited at an interest rate of SOFR+6% to reduce the finance grain working capital as well acquisition of the biscuit plant. The new shareholder loans were issued during the period to add to the following existing shareholder loan;

- US$ 6.1 million convertible loan facility with a 3 year tenure maturing August 2024.
- US$ 1.8 million convertible loan facility with a 12 month tenure maturing in August 2023, loan has been rolled over with an option to automatically rollover for more periods.

Grain division

Grain division has two outstanding commercial bank loans amounting to US$ 1.6 million. Bank loan with an outstanding balance of US$ 0.9 million was issued in May 2019. The loan facility which was originally issued as an overdraft facility has been restructured several times and now is a term loan incurring an interest rate of Bank's prime lending rate less 1.75% and matures in July 2023. The group subsequently repaid the outstanding loan in October 2023 using a shareholder loan. The second debt facility with an outstanding balance of US$ 0.7 million is a 5 year term loan maturing on 31 December 2025. The facility was restructured into a term loan on 1 December 2021 with an interest of prime lending rate plus 1.5%. These facilities are secured by land and buildings.

In addition, Grain division has a finance lease for 6 vehicles maturing on 05 December 2023 with an outstanding balance amounting to MZN 1.6 million (approximately US$ 25,000). Grain division incurs interest of 18.6% on this facility. During the period MZN 1.6 million (approximately US$ 25,000) of the outstanding balance was repaid.

Beef division

The outstanding balance on agricultural equipment finance lease is MZN 6.1 million (approximately US$ 0.1 million). During the period, MZN 3.3 million (approximately US$ 51,000) of the principal balance was repaid. The finance lease is repayable over 5 years maturing in July 2024 and is secured against certain agricultural equipment.

Reconciliation to cash flow statement

	At 31 March 2023 US$000	Cash flow US$000	Interest accrued US$000	Foreign Exchange US$000	At 30 September 2023 US$000
Non-current shareholder loan	8,034	2,900	384	(1)	**11,317**
Non-current bank loans	574	(71)	-	-	**503**
Non-current finance leases	88	(88)	-	-	**-**
Current bank loans	1,056	2	-	-	**1,058**
Current finance leases	110	11	-	-	**121**
	9,862	2,754	384	(1)	**12,999**

6. SHARE CAPITAL

	Authorised Number	Allotted and fully paid Number	US$000
Ordinary Shares			
	23,450,000	**21,240,618**	**3,135**
At 30 September 2022			
Issued during the period	**50,588,389**	**50,588,389**	**620**
At 31 March 2023	**74,038,389**	**71,829,007**	**3,755**
Reclassification	**-**	**-**	**59,350**
At 30 September 2023	**74,038,389**	**71,829,007**	**63,105**
At 31 March 2023 and September 2023	**-**	**-**	**-**
Deferred shares of 0.1p each	**155,000,000**	**155,000,000**	**238**
Total share capital	**229,038,389**	**226,829,007**	**63,343**

The Company has one class of ordinary share which carries no right to fixed income.

The deferred shares carry no right to any dividend; no right to receive notice, attend, speak or vote at any general meeting of the Company; and on a return of capital on liquidation or otherwise, the holders of the deferred shares are entitled to receive the nominal amount paid up after the repayment of £1,000,000 per ordinary share. The deferred shares may be converted into ordinary shares by resolution of the Board.

At 30 September 2023, the Company offset accumulated losses of US$ 92,069,000 against the share premium account and the balance of US$ 59,350,000 remaining on the share premium account has been combined with the share capital account to comply with Guernsey company law.

7. POST BALANCE SHEET EVENTS

On 15 November 2023, Magister Investments Limited advanced a further $1.7 million to enable the Group to repay its remaining Metical denominated bank borrowings. The loan has a coupon of SOFR+6% and a term of 1 year, renewable at the lender’s option