Independent auditor's report

To the shareholders of TSL Limited

Our adverse opinion

In our opinion, because of the significance of the matters discussed in the Basis for adverse opinion section of our report, the consolidated financial statements do not present fairly the consolidated financial position of TSL Limited (the "Company") and its subsidiaries (together "the Group") as at 31 October 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited
TSL Limited's consolidated financial statements set out on pages 8 to 55, comprise:

- the consolidated inflation adjusted statement of financial position as at 31 October 2022;
- the consolidated inflation adjusted statement of profit or loss for the year then ended;
- the consolidated inflation adjusted statement of comprehensive income for the year then ended;
- the consolidated inflation adjusted statement of changes in equity for the year then ended;
- the consolidated inflation adjusted statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for adverse opinion

An adverse opinion was issued on the consolidated financial statements as at 31 October 2021, and for the year then ended, due to the use of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign denominated transactions and balances, as well as in relation to the translation of the foreign denominated financial information of foreign subsidiaries that have been consolidated, as required by International Accounting Standard ("IAS") 21, '*The Effects of Changes in Foreign Exchange Rates'* ("IAS 21"), the effects of the Group's change in its functional currency on 22 February 2019 which is not in compliance with IAS 21 which would have required a functional currency change on 1 October 2018, the inappropriate application of IAS 8, '*Accounting Policies, Changes in Accounting Estimates and Errors*' ("IAS 8"), and its consequential effects on the hyperinflationary adjustments made in terms of IAS 29, '*Financial Reporting in Hyperinflationary Economies*' ("IAS 29"). The opinion was further modified due to the impact of using United States of America dollar ("US$") valuation inputs rather than local currency valuation inputs, and then translating the value so derived to Zimbabwean dollar ("ZWL") using the interbank foreign exchange rate as per the Foreign Exchange Auction Trading System of the Reserve Bank of Zimbabwe at the reporting date, when valuing investment property and freehold land and buildings. Notwithstanding the fact that the spot rate applied as at 31 October 2021 was considered to meet the spot rate definition as per IAS 21, the application of a conversion rate to US$ valuation inputs and a US$ based valuation to calculate ZWL investment properties and freehold land and buildings values is not an accurate reflection of market dynamics as the risks associated with currency trading do not reflect the risks associated with property trading.

Our opinion on the consolidated financial statements as at 31 October 2022, and for the year then ended, is modified because of the possible effects that these matters have on the current year consolidated financial statements and the comparability of the current year's figures to that of the comparative period. These possible effects are outlined below.

The misstatements described in the paragraph above with respect to the application of IAS 21 affect the historical amounts which are used in the calculation of the inflation adjusted amounts. Had the Group changed its functional currency in accordance with the requirements of IAS 21 and amounts retrospectively restated in accordance with the requirements of IAS 8, and then inflation adjusted in accordance with IAS 29 as at 31 October 2022, non-monetary assets that are stated at historical cost non-monetary liabilities and retained earnings in the consolidated statement of financial position as at 31 October 2022, and the related movements within the consolidated statement of profit or loss and the consolidated statement of comprehensive income for the year then ended, would have been materially restated. It was not practicable to quantify the financial effects of this matter on the consolidated financial statements for the year ended 31 October 2022.

The opening investment property, freehold land and buildings and equity balances as at 1 November 2021 recognised in the consolidated statement of financial position, the related fair value movements and depreciation recognised in the consolidated statement of comprehensive income and the related revaluation movement recognised in the consolidated statement of profit or loss for the year ended 31 October 2022 are misstated as a result of the misstatement described above with respect to the valuation of investment property and freehold land and buildings in the prior year.

It was not practicable to quantify the financial impact of this misstatement on the consolidated financial position and financial performance as at 31 October 2022, and for the year then ended. This has also had an impact on the comparability of the current year's figures to that of the comparative period.

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

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

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (242) 338362-8, F: +263 (242) 338395, www.pwc.com

Clive K Mukondiwa – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

Independence
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

Our audit approach

Overview

Overall group materiality

- Overall group materiality: ZWL 857 266 000, which represents 5% of consolidated profit before tax.

Group audit scope

- We conducted full scope audits on the financial statements of the Company and 13 of its subsidiaries. This was due to either their financial significance or to meet statutory audit requirements.
- We performed specified procedures on identified significant risks areas of the remaining 8 subsidiaries.

Key audit matters

- Valuation of biological assets.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality	ZWL 857 266 000
How we determined it	5% of consolidated profit before tax.
Rationale for the materiality benchmark applied	We chose consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for listed profit-oriented companies.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We conducted full scope audits on the financial statements of the Company and 13 of its subsidiaries due to either their financial significance, or to meet statutory audit requirements. We performed specified procedures on identified significant risks areas of the remaining 8 subsidiaries.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group audit team. All testing was performed centrally by the group audit team.

The above, together with additional procedures performed at the Group level, including substantive procedures over the consolidation process, provided us with sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

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 the Basis for adverse opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Valuation of Biological Assets

Planted tobacco, banana produce growing on bearer plants, maize, wheat, soya bean, and katambora grass are classified as biological assets and are accounted for in accordance with International Accounting Standard IAS 41, Agriculture (“IAS 41”).

The fair value adjustments (income) on biological assets recognised in the consolidated statement of profit or loss amounted to ZWL 1 261 064 505, and the value of the biological assets recognised in the consolidated statement of financial position was ZWL 440 761 743 as at 31 October 2022, respectively.

The value of biological assets is measured using the discounted cash flow model in accordance with IAS 41 and IFRS 13, Fair Value Measurement (“IFRS 13”).

The values of produce growing on bearer plants (bananas), are based on the estimated expected yield (tonnes) from the current crop of unharvested produce, multiplied by the result of the forecast price per crop less estimated costs to sell. This amount is then adjusted by a factor determined by management and the directors to take into account the level of maturity of the crop at the reporting date. These are the main level of inputs used by the Company, as described in the notes to the consolidated financial statements listed below.

Refer to notes 14 - Biological assets, 17.6 - Biological assets fair value hierarchy, 17.7 - Valuation process, 4.2.5 - Significant Accounting Policies, Fair valuation of Biological assets and 2.25 - Significant Accounting Policies, Biological assets, to the consolidated financial statements.

Due to the level of judgement involved in the valuation of biological assets, the sensitivity of the key inputs and the magnitude of biological assets to the Group's consolidated financial position, we considered this to be a matter of most significance to our current year audit of the consolidated financial statements.

</td><td>

We performed the following procedures to assess the appropriateness of the valuation of biological assets:

- Evaluated the methods used by the directors in the valuation of biological assets against the requirements of IAS 41 and IFRS 13, as well as against industry practice. No inconsistencies were noted and no matters requiring further consideration were identified.
- Assessed the consistency of the method and assumptions used by the directors in the valuation of biological assets (tobacco and bananas unharvested at year end) by comparing this to the method applied in the prior year. No changes from previously applied assumptions and methods were noted.
- Assessed the reasonableness of assumptions used in the director’s valuation model to determine the value of biological assets by performing the following procedures:
    - For tobacco and bananas unharvested at year end, we assessed the reasonableness of expected yields estimated, forecast prices, estimated cost to maturity and selling costs by comparing prior year estimates to current year actual results. The estimated yields and costs were deemed reasonable in comparison.
    - On a sample basis, and using our external agronomist expertise, we tested the existence, quality and maturity of the produce by inspecting the produce i.e., bananas and tobacco by inspecting the crops. We also assessed the reasonableness of the maturity of the produce by recalculating how this was reflected in management’s maturity factor applied. We noted no aspects in this regard requiring further consideration.
    - Using our external agronomist expertise, we evaluated the reasonableness of the forecast yields, prices, cost to maturity, and selling costs against historical data and factoring the current quality of crops into the forecast determination. We also considered the impact of actual sales that took place subsequent to year end. On the basis of this evaluation, we accepted management’s forecasts.
- We inspected the formulas used in management’s models and tested the mathematical accuracy through recalculation. No material differences were noted.
- We recalculated the fair value movement on the biological assets held at year-end, by deducting from the fair valuation at year end, the opening balance of the biological assets, the capitalised costs as well as any other movements. We compared our recalculated fair value movement to the fair value movement per management's calculation and noted no significant variances.
- We evaluated the financial statement disclosures against the requirements of IAS 41 and IFRS 13, including the disclosures related to the sensitivities of the significant inputs into the valuation. No material inconsistencies were noted and no matters requiring further consideration were identified.

</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “TSL Limited Annual Financial Statements for the year ended 31 October 2022”, which we obtained prior to the date of this auditor’s report, and the other sections of the document titled “TSL Limited Integrated Annual Report 2022”, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 obtained prior to the date of this auditor’s 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 adverse opinion section above, the consolidated financial statements contain material misstatements with respect to the application of IAS 21 in the prior years ended 31 October 2020 and 31 October 2021 when the Group incorrectly accounted for the change in functional currency, and its consequential effects on the hyperinflationary adjustments made in terms of IAS

29 from the year ended 31 October 2020 to the year ended 31 October 2022, as well as the impact of conversion rates used to convert US$ valuation inputs to determine the ZWL fair value of properties as at 31 October 2021. We have concluded that the other information is materially misstated for the same reasons, with respect to the amounts or other items in the other information affected by these matters.

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 and the requirements of the Zimbabwe 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.

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

PricewaterhouseCoopers

Esther Antonio
Registered Public Auditor

Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Public Auditor Registration Number 0661
Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 255940

31 March 2023
Harare, Zimbabwe