



Interim Report

2022



Contents



Chair and CEO review 2 - 3

Financials

Income statement 4

Statement of comprehensive income 5

Statement of changes in equity 6 - 7

Balance sheet 8 - 9

Statement of cash flows 10 - 12

Notes to the financial statements 13 - 25

Chair and CEO review



Kia ora,

In the first half of 2022, in spite of the increasingly volatile and complex environment, we continued to make solid progress in creating a vibrant and strong business for future generations.

Globally, COVID-19 continues to disrupt markets and supply chains, making it challenging for exporters to get fresh produce to customers and consumers on time. At the same time, there's growing inflationary pressure, rising costs, a tight labour market – all against a backdrop of increasing frequency of adverse weather events.

This made it a tough start to the year, and our results do not reflect the tremendous effort our team put in to keep each other safe and proactively tackle the challenges, while staying firmly focused on delivering our long-term strategy.

Performance

For the first six months of 2022, total revenue for the Group remained largely constant, down from \$652.1 million to \$645.5 million. Operating profit increased 37.6%, from \$10.9 million to \$15.0 million this year, and profit before income tax increased 52.9%, from \$5.1 million in the prior year, to \$7.8 million.

Leading into this year's apple harvest, every effort was put in to maximising our crop and ensuring we had enough labour to harvest our premium fruit. Innovative local recruitment campaigns and incentive programmes, together with the return of many of our Recognised Seasonal Employer (RSE) whānau, positioned us well. Despite this, the unfortunate timing of the heavy rain at the start of the Hawke's Bay harvest extended the harvesting window of our premium apples beyond the optimum period. This, together with disruptions in global shipping schedules and reduced visits to Nelson, led to some quality issues and the late arrival into several markets, including Asia.

Our team worked hard to get ahead of supply chain challenges, partnering with Zespri and other horticultural exporters to charter vessels to the United States, and re-routing Nelson shipments to other ports in Aotearoa New Zealand. Naturally, this came with higher costs.

Globally, there's significant consumer demand for our premium brands, however in the short-term demand is being affected by various macroeconomic and geopolitical forces, as well as COVID-19. Lockdowns in China made it difficult to move fresh produce in and around the country, with sales in wholesale, retail and foodservice channels affected. In many markets, the increasing cost of living is altering buying behaviour and confidence, and in Europe, the Russia-Ukraine conflict has led to a surplus of commodity apples and extensive pricing pressure.

These factors contributed to a decrease in revenue for our Apples business, from \$421 million in 2021, to \$401 million this year.

Our T&G Fresh business had a strong start to the year, although labour constraints and higher associated costs impacted its performance. As COVID-19 spread extensively across Aotearoa New Zealand in March, many of our office-based team stepped in to support our front-line operational teams as people isolated and took care of themselves and their families.

Thanks to this incredible mahi, we continued to safely pick, pack, deliver and sell fresh produce nationwide, ensuring fruit and vegetables remained on shelves across the country. Following the reopening of the Pacific Islands to international tourists, it has been pleasing to see the increased demand from both our Fijian domestic and our Pacific Island export businesses. With a new leadership team, our T&G Fresh business has stabilised and has a clear strategy for growth.

Progress on delivering our strategy

For 125 years, we have been growing healthier futures for our people, growers, communities, nation and consumers around the world. This legacy is what drives us, and over the last four years we have re-purposed \$300 million through property and orchard sales to reinvest in creating a future-fit, strong and sustainable business for the next generation.

Announced in late 2021, our new state-of-the-art automated packhouse in Hawke's Bay is on track, with the first stage set to be operational for the 2023 apple season. The packhouse will deliver significant efficiencies and accommodate increasing volumes of Envy™ and other apple varieties. At the same time, we've continued making progress on our future-proofed orchard optimisation and improvement plans.

In July, we completed the second sale to FarmRight, the New Zealand Superannuation Fund's rural investment manager, with the proceeds of this 40-hectare sale helping further fund our growth strategy.

T&G Global Chair Benedikt Mangold (left) and Chief Executive Officer Gareth Edgecombe (right)

After having identified berries and table grapes as two emerging categories, we are now entirely focused on establishing a vertical berries category. Despite making good progress in table grapes, we have not been able to secure a strong competitive advantage. Going forward, table grapes will remain a profitable traded category for us. This year, as part of building out our berries category, we invested in a new joint venture blueberry farm in Australia and have begun moving new blueberry varieties to testing partners in Europe.

As part of our continued business transformation, we have begun a multi-year digital transformation programme to improve our business processes and future-proof the way we work, which will see us move to a new enterprise resource planning system.

Critical to the long-term sustainability of our business is our ability to embrace sustainable practices and meet global consumer needs.

As part of this, in June, we signed Aotearoa New Zealand's first Sustainability-Linked Loan in the horticulture sector, refinancing \$180 million and committing to three ambitious targets. This will see us decarbonise our business, develop plans to assist in adapting to a changing climate and help build thriving local communities.

Looking ahead

As we continue to navigate our way through a complex and challenging environment, we remain absolutely focused on delivering our long-term strategy. We have a clear pathway for significant future growth and improved financial performance, and as a team, we're making great progress towards this. By focusing on what's in our control and harnessing our drive, resilience and teamwork, we will create a strong and sustainable business for future generations to take forth.

Benedikt Mangold
Chair

Gareth Edgecombe
Chief Executive Officer



Income statement

For the six months ended 30 June 2022

	NOTES	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000
Revenue from contracts with customers	3	645,482	652,063	1,365,413
Other operating income		18,730	3,963	10,861
Purchases, raw materials and consumables used		(480,545)	(479,069)	(1,007,737)
Employee benefits expenses		(97,727)	(93,400)	(175,775)
Depreciation and amortisation expenses		(27,481)	(25,655)	(52,645)
Other operating expenses		(43,435)	(46,998)	(123,230)
Operating profit		15,024	10,904	16,887
Financing income		1,018	699	1,234
Financing expenses		(9,275)	(7,491)	(16,866)
Share of loss from joint ventures	9	-	-	(114)
Share of profit from associates	9	1,014	962	2,139
Other income		17	-	7,384
Other expenses		-	-	(866)
Profit before income tax		7,798	5,074	9,798
Income tax (expense) / credit	4	(2,049)	(1,658)	3,754
Profit after income tax		5,749	3,416	13,552
Attributable to:				
Equity holders of the Parent		2,928	716	8,876
Non-controlling interests		2,821	2,700	4,676
Profit for the period		5,749	3,416	13,552
Earnings per share (in cents)				
Basic and diluted earnings		2.4	0.6	7.2

Statement of comprehensive income

For the six months ended 30 June 2022

	NOTES	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000
Profit for the period		5,749	3,416	13,552
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
(Loss) / gain on revaluation of property, plant and equipment:				
Held by subsidiaries of the Group		(444)	-	67,658
Deferred tax effect on revaluation of property, plant and equipment		-	-	(12,961)
Deferred tax effect on sale of property, plant and equipment		-	-	5,977
		(444)	-	60,674
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		4,733	1,708	2,672
Cash flow hedges:				
Fair value loss, net of tax		(18,672)	(7,350)	(13,448)
Reclassification of net change in fair value to profit or loss		3	876	2,602
		(13,936)	(4,766)	(8,174)
Other comprehensive (expense) / income for the period		(14,380)	(4,766)	52,500
Total comprehensive (expense) / income for the period		(8,631)	(1,350)	66,052
Total comprehensive (expense) / income for the period is attributable to:				
Equity holders of the Parent		(11,599)	(4,497)	60,822
Non-controlling interests		2,968	3,147	5,230
		(8,631)	(1,350)	66,052

Statement of changes in equity

For the six months ended 30 June 2022

2022

	NOTES	Unaudited					
		Share capital \$'000	Revaluation and other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2022		176,357	113,112	270,607	560,076	13,528	573,604
Profit for the period		-	-	2,928	2,928	2,821	5,749
Other comprehensive income / (expense)							
Revaluation of property, plant and equipment		-	(444)	-	(444)	-	(444)
Exchange differences on translation of foreign operations		-	4,586	-	4,586	147	4,733
Movement in cash flow hedge reserve		-	(18,669)	-	(18,669)	-	(18,669)
Total other comprehensive (expense) / income		-	(14,527)	-	(14,527)	147	(14,380)
Transactions with owners							
Dividends	7	-	-	-	-	(4,666)	(4,666)
Movement in equity from sale of shares in subsidiary	8	-	-	-	-	3,342	3,342
Total transactions with owners		-	-	-	-	(1,324)	(1,324)
Balance at 30 June 2022		176,357	98,585	273,535	548,477	15,172	563,649

2021

	NOTES	Unaudited					
		Share capital \$'000	Revaluation and other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2021		176,357	113,289	216,961	506,607	13,147	519,754
Profit for the period		-	-	716	716	2,700	3,416
Other comprehensive income / (expense)							
Exchange differences on translation of foreign operations		-	1,257	-	1,257	451	1,708
Movement in cash flow hedge reserve		-	(6,470)	-	(6,470)	(4)	(6,474)
Total other comprehensive (expense) / income		-	(5,213)	-	(5,213)	447	(4,766)
Transactions with owners							
Dividends	7	-	-	-	-	(3,483)	(3,483)
Total transactions with owners		-	-	-	-	(3,483)	(3,483)
Balance at 30 June 2021		176,357	108,076	217,677	502,110	12,811	514,921

Balance sheet

As at 30 June 2022

	NOTES	Unaudited 30 Jun 2022 \$'000	Unaudited 30 Jun 2021 \$'000	Audited 31 Dec 2021 \$'000
Current assets				
Cash and cash equivalents		68,297	84,983	59,005
Trade and other receivables		219,656	194,654	147,550
Inventories		183,961	190,802	45,560
Taxation receivable		16,522	15,511	12,334
Derivative financial instruments		1,548	12,255	3,630
Biological assets		7,688	6,272	25,129
Non-current assets classified as held for sale	6	13,596	15,500	-
Total current assets		511,268	519,977	293,208
Non-current assets				
Trade and other receivables		46,946	21,481	39,360
Derivative financial instruments		3,424	2,334	1,311
Deferred tax assets	4	979	1,327	1,320
Investments in unlisted entities		86	87	86
Property, plant and equipment	5	406,634	392,661	399,806
Right-of-use assets		142,477	116,989	139,461
Intangible assets		75,459	77,546	75,853
Investments in joint ventures	9	3,234	3,352	3,238
Investments in associates	9	31,289	32,741	30,637
Total non-current assets		710,528	648,518	691,072
Total assets		1,221,796	1,168,495	984,280

Table continues next page

	NOTES	Unaudited 30 Jun 2022 \$'000	Unaudited 30 Jun 2021 \$'000	Audited 31 Dec 2021 \$'000
Current liabilities				
Trade and other payables		241,200	276,511	162,693
Loans and borrowings		100,700	92,700	10,879
Lease liabilities		22,698	21,665	21,330
Taxation payable		10,463	3,725	11,717
Derivative financial instruments		17,896	2,016	3,397
Total current liabilities		392,957	396,617	210,016
Non-current liabilities				
Trade and other payables		45	179	592
Loans and borrowings		88,201	104,584	32,345
Lease liabilities		140,572	100,501	134,745
Derivative financial instruments		8,035	5,677	3,158
Deferred tax liabilities	4	28,337	46,016	29,820
Total non-current liabilities		265,190	256,957	200,660
Total liabilities		658,147	653,574	410,676
Equity				
Share capital		176,357	176,357	176,357
Revaluation and other reserves		98,585	108,076	113,112
Retained earnings		273,535	217,677	270,607
Total equity attributable to equity holders of the Parent		548,477	502,110	560,076
Non-controlling interests		15,172	12,811	13,528
Total equity		563,649	514,921	573,604
Total liabilities and equity		1,221,796	1,168,495	984,280

Approved for and on behalf of the Board



B.J. Mangold
Director (Chair)
5 August 2022



C.A. Campbell
Director (Chair of Finance, Risk and Investment Committee)
5 August 2022

Statement of cash flows

For the six months ended 30 June 2022

	NOTES	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Cash receipts from customers		577,739	648,361	1,400,352
Other		1,141	367	683
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(605,166)	(607,823)	(1,336,693)
Interest paid		(1,738)	(2,387)	(6,582)
Income taxes paid		(3,000)	(1,792)	(2,400)
Net cash (outflow) / inflow from operating activities		(31,024)	36,726	55,360
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Dividends received from joint ventures and associates		-	-	2,854
External loan repayments from suppliers, customers, associates and joint ventures		1,689	247	2,024
Sale of other property, plant and equipment		1,474	2,674	4,194
Sale of shares in subsidiary to non-controlling interest		3,833	-	-
Sale of apple orchards		-	-	13,279
Sale of investment property		-	-	15,500
Sale of Whakatu Road site		-	-	79,545
<i>Cash was disbursed to:</i>				
Purchase of property, plant and equipment	5	(31,300)	(15,793)	(49,093)
Purchase of intangible assets		(2,300)	(1,067)	(4,107)
Loans to suppliers, customers, associates and joint ventures		(1,840)	(1,985)	(3,407)
Net cash (outflow) / inflow from investing activities		(28,444)	(15,924)	60,789

Table continues next page

	NOTES	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Net proceeds from short-term borrowings		15,000	-	-
Proceeds from long-term borrowings		55,000	39,352	70,325
Proceeds from seasonal funding		76,000	73,000	-
<i>Cash was disbursed to:</i>				
Dividends paid to non-controlling interests	7	(4,666)	(3,483)	(4,849)
Dividends paid to Parent's shareholders	7	-	-	(7,353)
Repayment of short-term borrowings		-	(3,000)	(13,000)
Repayment of long-term borrowings		(724)	(13,398)	(115,421)
Repayment of lease liabilities		(16,271)	(15,213)	(30,413)
Seasonal advances to growers		(57,418)	(52,874)	-
Bank facility fees and transaction fees		(2,605)	(1,321)	(3,083)
Net cash inflow / (outflow) from financing activities		64,316	23,063	(103,794)
Net increase in cash and cash equivalents				
Foreign currency translation adjustment		4,444	(3,546)	1,986
Cash and cash equivalents at the beginning of the year		59,005	44,664	44,664
Cash and cash equivalents at the end of the period		68,297	84,983	59,005

Statement of cash flows (continued)

Reconciliation of profit after income tax to net cash flow from operating activities

	NOTES	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000
Profit for the period		5,749	3,416	13,552
Adjusted for non-cash items:				
Amortisation expense		2,988	1,663	4,359
Depreciation expense		24,493	23,992	48,286
Movement in deferred tax		(1,058)	(2,147)	(20,392)
Movement in expected credit loss allowance		(59)	(79)	(125)
Revenue from sale of licences		(5,915)	-	(14,308)
Share of loss of joint ventures	9	-	-	114
Share of profit of associates	9	(1,014)	(962)	(2,139)
Other movements		3,098	1,101	(5,764)
		22,533	23,568	10,031
Adjusted for investing and financing activities:				
Bank facility and line fees		2,605	1,321	3,083
Fair value adjustment of investment property		-	(2,000)	(2,000)
Gain on sale and leaseback of Whakatu Road site		-	-	(7,384)
Impairment of assets		-	-	4,821
Impairment of intangible assets		-	-	1,437
Loss on sale of apple orchards		-	-	438
(Gain) / loss on disposal of other property, plant and equipment	5	(17)	4,860	7,486
Net gain from reversal of previous impairment losses through profit and loss		-	-	(1,870)
Net gain from reversal of previous property, plant and equipment revaluation changes through profit and loss		-	-	(946)
Write down of investment in associate		-	-	428
		2,588	4,181	5,493
Impact of changes in working capital items net of effects of non-cash items, and investing and financing activities:				
(Increase) / Decrease in debtors and repayments		(71,274)	(16,499)	33,170
Decrease / (Increase) in biological assets		17,441	13,981	(1,680)
Increase / (Decrease) in creditors and provisions		135,789	159,724	(6,776)
Increase in inventories		(138,401)	(147,940)	(5,894)
(Increase) / Decrease in net taxation receivable		(5,449)	(3,705)	7,464
		(61,894)	5,561	26,284
Net cash (outflow) / inflow from operating activities		(31,024)	36,726	55,360

Notes to the financial statements

1. Basis of preparation

Reporting entity and statutory base

T&G Global Limited (the Parent) and its subsidiary companies (the Group), are recognised as one of New Zealand's leading growers, distributors, marketers and exporters of premium fresh produce. Key categories for the Group include apples, grapes, berries, citrus (lemons, mandarins and navel oranges) and tomatoes.

These unaudited condensed interim financial statements presented are for the Group which comprises the Parent and its subsidiaries, joint ventures and associates as at 30 June 2022.

The Parent is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Market Conducts Act 2013, and the Financial Reporting Act 2013.

The Parent is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is Building 1, Level 1, Central Park, 660 Great South Road, Ellerslie, Auckland.

BayWa Global Produce GmbH (the Immediate Parent) and BayWa Aktiengesellschaft (the Ultimate Parent) are the parents of the Group and are based in Munich, Germany.

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. The unaudited condensed interim financial statements should be read in conjunction with the Annual Report for the year ended 31 December 2021 (2021 Annual Report), which has been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards as appropriate for profit-oriented entities, and International Financial Reporting Standards (IFRS). The accounting policies used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the 2021 Annual Report.

These unaudited condensed interim financial statements are expressed in New Zealand dollars which is the presentation currency of the Group. All financial information has been rounded to the nearest thousand (\$'000) unless otherwise stated.

Critical accounting estimates and judgments

The Group makes estimates and judgments concerning the future. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and judgments used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the 2021 Annual Report.

Notes to the financial statements (continued)

2. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Chief Executive Officer, the Chief Financial Officer and the Business Leads of the Group.

The chief operating decision-makers assess the performance of the operating segments based on operating profit, which reflects earnings before financing income and expenses, share of profit from joint ventures and associates, other income, other expenses and income tax expense. Inter-segment pricing is determined on an arm's length basis and segment results include items directly attributable to a segment.

No single external customer's revenue accounts for 10% or more of the Group's revenue.

Operating segments

The Group comprises the following main operating segments:

Operating Segment	Significant Operations
Apples	Growing, packing, cool storing, sales and marketing of apples worldwide.
International Trading	International trading activities other than apples. Major markets are Asia, Australia and the Americas. Product is sourced from Aotearoa New Zealand, Australia, North America, South America and Europe.
T&G Fresh	Growing, trading and transport activities within Aotearoa New Zealand and exports to the Pacific. This incorporates the Aotearoa New Zealand wholesale markets, the Freshmax New Zealand Limited business, and the tomato and citrus growing operations.
VentureFruit™	VentureFruit™ is the Group's global genetics and variety management business. Through its range of services, VentureFruit™ will identify, acquire, develop, build and protect new varieties of fruit. Revenue from the sale of right-to-grow licences is also included in this business division.
Other	Includes property and corporate costs.

Segment information provided to the chief operating decision-makers for the reportable segments is shown in the following tables:

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	VentureFruit™ \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2022						
Total segment revenue	400,824	74,130	193,727	24,667	52	693,400
Inter-segment revenue	-	(25,458)	(8,657)	(13,803)	-	(47,918)
Revenue from external customers	400,824	48,672	185,070	10,864	52	645,482
Purchases, raw materials and consumables used	(311,374)	(44,192)	(119,818)	(5,152)	(9)	(480,545)
Depreciation and amortisation expenses	(13,444)	(341)	(12,159)	(157)	(1,380)	(27,481)
Net other operating expenses	(48,012)	(5,411)	(48,602)	(1,924)	(18,483)	(122,432)
Segment operating profit / (loss)	27,994	(1,272)	4,491	3,631	(19,820)	15,024
Financing income						1,018
Financing expenses						(9,275)
Share of profit from associates						1,014
Net other income						17
Profit before income tax						7,798

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	VentureFruit™ \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2021⁽¹⁾						
Total segment revenue	421,140	76,336	168,686	15,636	112	681,910
Inter-segment revenue	-	(12,252)	(5,770)	(11,825)	-	(29,847)
Revenue from external customers	421,140	64,084	162,916	3,811	112	652,063
Purchases, raw materials and consumables used	(319,335)	(58,671)	(96,934)	(4,125)	(4)	(479,069)
Depreciation and amortisation expenses	(11,842)	(331)	(12,184)	(45)	(1,253)	(25,655)
Net other operating expenses	(63,437)	(10,799)	(50,042)	(1,693)	(10,464)	(136,435)
Segment operating profit / (loss)	26,526	(5,717)	3,756	(2,052)	(11,609)	10,904
Financing income						699
Financing expenses						(7,491)
Share of profit from associates						962
Profit before income tax						5,074

⁽¹⁾ Prior year segment results have been re-presented to ensure consistency in the composition of business segments to reflect the Group's internal reporting. This had no impact on the income statement or other primary statements with the only impact being in the 2021 segment information presentation. Refer to Note 3.

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	VentureFruit™ \$'000	Other \$'000	Total \$'000
Audited year ended 31 December 2021						
Total segment revenue	957,673	147,394	378,594	46,014	255	1,529,930
Inter-segment revenue	(106,233)	(18,150)	(13,070)	(27,064)	-	(164,517)
Revenue from external customers	851,440	129,244	365,524	18,950	255	1,365,413
Purchases, raw materials and consumables used	(647,150)	(126,946)	(222,661)	(10,967)	(13)	(1,007,737)
Depreciation and amortisation expenses	(24,694)	(639)	(24,820)	(109)	(2,383)	(52,645)
Net other operating expenses	(139,038)	(14,074)	(100,025)	(5,560)	(29,447)	(288,144)
Segment operating profit / (loss)	40,558	(12,415)	18,018	2,314	(31,588)	16,887
Financing income						1,234
Financing expenses						(16,866)
Share of loss from joint ventures						(114)
Share of profit from associates						2,139
Net other income						6,518
Profit before income tax						9,798

The VentureFruit™ segment result reported above eliminates intercompany royalties received from the Apples operating segment. These royalties are derived by the Apples operating segment from external sources and as such, are reported in the Apples operating segment.

3. Revenue from contracts with customers

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	VentureFruit™ \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2022						
Nature of revenue						
Sale of produce	361,523	48,135	142,802	160	-	552,620
Sale of licences	-	-	-	8,220	-	8,220
Commissions	13,341	110	12,457	883	-	26,791
Services	21,481	427	29,811	50	52	51,821
Royalties	4,479	-	-	1,551	-	6,030
Revenue from external customers	400,824	48,672	185,070	10,864	52	645,482
Timing of revenue recognition						
<i>At a point in time</i>						
Sale of produce	361,523	48,135	142,802	160	-	552,620
Sale of licences	-	-	-	8,220	-	8,220
Commissions	13,341	110	12,457	883	-	26,791
Services	16,301	427	29,811	50	52	46,641
Royalties	4,479	-	-	1,551	-	6,030
	395,644	48,672	185,070	10,864	52	640,302
<i>Over time</i>						
Services	5,180	-	-	-	-	5,180
	5,180	-	-	-	-	5,180
Revenue from external customers	400,824	48,672	185,070	10,864	52	645,482

Table continues next page

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	VentureFruit™ \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2021⁽¹⁾						
Nature of revenue						
Sale of produce	389,051	59,128	123,192	-	-	571,371
Sale of licenses	-	-	-	2,741	-	2,741
Commissions	12,225	4,956	12,024	464	-	29,669
Services	15,711	-	27,700	-	112	43,523
Royalties	4,153	-	-	606	-	4,759
Revenue from external customers	421,140	64,084	162,916	3,811	112	652,063
Timing of revenue recognition						
<i>At a point in time</i>						
Sale of produce	389,051	59,128	123,192	-	-	571,371
Sale of licences	-	-	-	2,741	-	2,741
Commissions	12,225	4,956	12,024	464	-	29,669
Services	11,770	-	27,690	-	112	39,572
Royalties	4,153	-	-	606	-	4,759
	417,199	64,084	162,906	3,811	112	648,112
<i>Over time</i>						
Services	3,941	-	10	-	-	3,951
	3,941	-	10	-	-	3,951
Revenue from external customers	421,140	64,084	162,916	3,811	112	652,063

⁽¹⁾ Prior period segment results have been re-presented to ensure consistency in the composition of business segments to reflect the Group's internal reporting. This has no impact on the income statement or other primary statements with the only impact being in the 2021 segment information presentation.

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	VentureFruit™ \$'000	Other \$'000	Total \$'000
Audited year ended 31 December 2021						
Nature of revenue						
Sale of produce	805,213	122,552	283,929	-	-	1,211,694
Sale of licenses	-	-	-	16,381	-	16,381
Commissions	12,687	5,406	24,224	967	-	43,284
Services	26,786	1,286	57,371	184	255	85,882
Royalties	6,754	-	-	1,418	-	8,172
Revenue from external customers	851,440	129,244	365,524	18,950	255	1,365,413
Timing of revenue recognition						
<i>At a point in time</i>						
Sale of produce	805,213	122,552	283,929	-	-	1,211,694
Sale of licenses	-	-	-	16,381	-	16,381
Commissions	12,687	5,406	24,224	967	-	43,284
Services	19,847	1,286	57,361	184	255	78,933
Royalties	6,754	-	-	1,418	-	8,172
	844,501	129,244	365,514	18,950	255	1,358,464
<i>Over time</i>						
Services	6,939	-	10	-	-	6,949
	6,939	-	10	-	-	6,949
Revenue from external customers	851,440	129,244	365,524	18,950	255	1,365,413

Notes to the financial statements (continued)

4. Taxation

Current tax

Current tax expense for the interim periods presented is the expected tax payable on the taxable income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income of the interim period and adjusted for any permanent and timing differences.

Deferred tax

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of the assets and liabilities, using the estimated average annual effective income tax rate for the interim periods presented.

5. Property, plant and equipment

	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000
Asset acquisitions and disposals			
Cost of assets acquired	31,300	15,793	49,093
Net book value of assets disposed	1,557	5,159	(84,421)
Net gain / (loss) on assets disposed	17	(4,860)	(7,486)

6. Non-current assets classified as held for sale

On 11 May 2022 the Group's management committed to sell the orchard land and improvements, with certain plant and equipment at Willowbank Avenue, Napier. The sale was settled on 15 July 2022.

7. Dividends

	Unaudited 6 months to 30 Jun 2022 \$'000	Unaudited 6 months to 30 Jun 2021 \$'000	Audited 12 months to 31 Dec 2021 \$'000	Unaudited 6 months to 30 Jun 2022 Cents per share	Unaudited 6 months to 30 Jun 2021 Cents per share	Audited 12 months to 31 Dec 2021 Cents per share
Ordinary shares						
Final dividend	-	-	7,353	-	-	6
Interim dividend	-	-	-	-	-	-
Dividends to non-controlling interests in Group subsidiaries	4,666	3,483	4,849	-	-	-
Total	4,666	3,483	12,202			

8. Investments in subsidiaries

During the period, the Group incorporated the following subsidiary. As at 30 June 2022 the subsidiary was individually immaterial with a non-controlling interest.

Unearthed Produce Limited

Unearthed Produce Limited (UPL) is a subsidiary of the Group whose business operations are the procuring, processing, and selling of root vegetables. On 31 March 2022, 49% of the shares in UPL were sold to Ashadeep Company Limited and Pukekawa Holdings Limited for \$3.3 million. The Group maintains a 51% ownership of UPL through its subsidiary Turners & Growers Fresh Limited.

The shareholders agreement between the parties specifies that the Group has the right to appoint three of UPL's five directors, and the right to approve UPL's annual business plan and budget. This satisfies the criteria for control set out in NZ IFRS 10 *Consolidated Financial Statements* and consequently UPL is accounted for as a subsidiary by the Group.

9. Investments in joint ventures and associates

Set out below are the joint ventures and associates of the Group as at 30 June 2022. The joint ventures and associates have share capital consisting solely of ordinary shares which are held directly by the Group.

The Group's investments in joint ventures and associates in 2022 and 2021 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		
		30 Jun 2022	30 Jun 2021	31 Dec 2021
Joint ventures				
Growers Direct Limited	United Kingdom	50	50	50
Wawata General Partner Limited	New Zealand	50	50	50
Associates				
Allen Blair Properties Limited ⁽¹⁾	New Zealand	-	33	-
Grandview Brokerage LLC	United States of America	39	39	39
Intelligent Fruit Vision Limited ⁽²⁾	United Kingdom	-	24	24
The Fruit Firm Limited ⁽²⁾	United Kingdom	-	20	20

⁽¹⁾ Allen Blair Properties Limited operations wound down and distributed their final shareholders distribution in December 2021.

⁽²⁾ The Group disposed of shares in Intelligent Fruit Vision Limited and The Fruit Firm Limited in February 2022.

Contributions from joint ventures and associates

During the period ended 30 June 2022, contributions from joint ventures and associates include \$1.0 million from Grandview Brokerage LLC (30 June 2021: \$1.0 million; 31 December 2021: \$2.1 million).

10. Financial instruments

Financial instruments by category

Financial assets

	Measured at amortised cost \$'000	Fair value through profit or loss (mandatory) \$'000	Derivatives for hedging \$'000	Equity instrument designated at fair value through OCI \$'000	Total
As at 30 June 2022 (unaudited)					
Cash and cash equivalents	68,297	-	-	-	68,297
Trade and other receivables (excluding prepayments and taxes)	247,057	-	-	-	247,057
Investment in unlisted entities	-	-	-	86	86
Derivative financial instruments	-	869	4,103	-	4,972
Total	315,354	869	4,103	86	320,412
As at 30 June 2021 (unaudited)					
Cash and cash equivalents	84,983	-	-	-	84,983
Trade and other receivables (excluding prepayments and taxes)	196,525	-	-	-	196,525
Investment in unlisted entities	-	-	-	87	87
Derivative financial instruments	-	513	14,076	-	14,589
Total	281,508	513	14,076	87	296,184
As at 31 December 2021 (audited)					
Cash and cash equivalents	59,005	-	-	-	59,005
Trade and other receivables (excluding prepayments and taxes)	164,455	-	-	-	164,455
Investment in unlisted entities	-	-	-	86	86
Derivative financial instruments	-	476	4,465	-	4,941
Total	223,460	476	4,465	86	228,487

Financial liabilities

	Measured at amortised cost \$'000	Fair value through profit or loss (held for trading) \$'000	Derivatives for hedging \$'000	Total
As at 30 June 2022 (unaudited)				
Borrowings	188,901	-	-	188,901
Trade and other payables (excluding employee entitlements)	229,195	-	-	229,195
Lease liabilities	163,270	-	-	163,270
Derivative financial instruments	-	-	25,931	25,931
Total	581,366	-	25,931	607,297
As at 30 June 2021 (unaudited)				
Borrowings	197,284	-	-	197,284
Trade and other payables (excluding employee entitlements)	263,960	-	-	263,960
Lease liabilities	122,166	-	-	122,166
Derivative financial instruments	-	143	7,550	7,693
Total	583,410	143	7,550	591,103
As at 31 December 2021 (audited)				
Borrowings	43,224	-	-	43,224
Trade and other payables (excluding employee entitlements)	149,155	-	-	149,155
Lease liabilities	156,075	-	-	156,075
Derivative financial instruments	-	102	6,453	6,555
Total	348,454	102	6,453	355,009

Fair value hierarchy

All financial assets and liabilities that use methods and assumptions to estimate fair value at 30 June 2022 are considered to be level 2 in the fair value hierarchy (30 June 2021: level 2; 31 December 2021: level 2).

Valuation techniques used to value financial instruments are consistent with those used in the 2021 Annual Report.

For the six months ended 30 June 2022 and the financial year ended 31 December 2021, the estimated fair values of all the Group's other financial assets and liabilities approximate their carrying values.

11. Contingencies

There has been no material change in contingent liabilities during the period.

12. Capital commitments

As at 30 June 2022, the Group is committed to the following capital expenditure:

	Unaudited 30 Jun 2022 \$'000	Unaudited 30 Jun 2021 \$'000	Audited 31 Dec 2021 \$'000
Property, plant and equipment	42,869	4,552	21,983
Intangible assets	15	171	217
Total	42,884	4,723	22,200

13. Seasonality of business

The Group's operating segments are subject to seasonal fluctuations. The Apples operating segment generates most of its revenue during the middle of the year and completes its seasonal programmes before the final quarter of the year. The Group's other operating segments are also impacted by the availability of fresh produce which varies during the year.

14. Events occurring after the reporting period

Other than the event disclosed in Note 6, there are no other material events that occurred after the reporting date that would require adjustment or disclosure in these unaudited condensed interim financial statements.

Tel: +64 9 573 8700
info@tandg.global

Building 1, Level 1, Central Park
660 Great South Road, Ellerslie, Auckland 1051
PO Box 56, Shortland Street, Auckland 1140
Aotearoa New Zealand

