HESTER BIOSCIENCES TANZANIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

GENERAL INFORMATION

Country of incorporation and domicile	United Republic of Tanzania
Directors	Rajiv Gandhi Christine Towo Sokoine
Registered office	Plot No 647 & 648 NDC - Tamco Industrial Estate Loliondo Road, Kibaha Coast Region, Tanzania
Bankers	Standard Chartered Bank NBC Bank Plc
Auditors	Mehta & Associates Certified Public Accountants Member firm of Integra International Mezzanine Floor of Urban Rose Tower Jamhuri Street, Near DTV Round About P.O Box 75303 Dar es Salaam, Tanzania
Secretary	Christine Towo Sokoine

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Hester Biosciences Tanzania Limited
P O Box 75517
Tanzania

REPORT BY THOSE CHARGED WITH GOVERNANCE

The directors have pleasure in submitting their report on the annual report and financial statements of Hester Biosciences Tanzania Limited for the year ended 31 March 2026.

1. Incorporation

The company was incorporated on 24 October 2016 and obtained its certificate to commence business on the same day.

The company is domiciled in United Republic of Tanzania where it is incorporated as a private company limited by shares under the Tanzanian Companies Act 2002. The address of the registered office is set out on page 1.

2. Nature of business

Hester Biosciences Tanzania Limited was incorporated in United Republic of Tanzania. The principal activity of the company is trade in veterinary products and equipment. The company operates in United Republic of Tanzania.

There have been no material changes to the nature of the company's business from the prior year.

3. Share capital

	2026	2025
Authorised	Number of shares	
Ordinary shares	15,642	15,642

	2026	2025	2026	2025
Issued	TZS '000	TZS '000	Number of shares	
Hester Biosciences Kenya Limited	1,238,600	1,238,600	12,386	12,386
Rajiv Gandhi	200	200	2	2
	1,238,800	**1,238,800**	**12,388**	**12,388**

There have been no changes to the authorised or issued share capital during the year under review.

4. Directors

The directors in office at the date of this report are as follows:

Directors	**Nationality**
Rajiv Gandhi	Indian
Christine Towo Sokoine	Tanzanian

5. Secretary

The company secretary is Christine Towo Sokoine.

6. Review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual report and financial statements.

7. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

8. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

9. Corporate governance

The board of directors comprises of two individuals who hold executive positions at the company. The board takes overall responsibility for the company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management, business plans and budgets. The board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and are in compliance with sound corporate governance principles.

The board regurarly met during the year. The board delegates the day to day management of the business to the managing director assisted by the senior management team. The senior management team is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting as a medium of communication and coordination between the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

10. Employees' welfare

Management and Employees' Relationships

There were continued good relations between employees and management for year ended 31 March 2026. There were no unresolved complaints received by the management from employees during the year.

The company is an equal opportunity employer. It gives equal access to employment and ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

11. Political and charitable donations

The company did not make any donations during the year.

12. Related party transactions

Transactions with parties who are related to the Company including details of remuneration paid to the Directors are disclosed in note 13 of these financial statements.

13. Going concern

The Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilites, contingent obligations and commitments will occur in the ordinary course of business.The shareholders will continue to provide financial support in the foreseeable future.

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14. Events after the reporting period

The directors are not aware of any material events which occured after the reporting date and up to date of this report.

15. Auditors

Mehta & Associates, having been duly appointed as auditors for the current financial year, have confirmed their willingness to continue in this role. A resolution will be presented at the Annual General Meeting for their ratification.

The annual report and financial statements which have been prepared on the going concern basis, were approved by the board of directors on 5 May 2026, and were signed on its behalf by:

Approval of annual report and financial statements

Rajiv Gandhi
Executive
Tuesday, 5 May 2026

Christine Towo Sokoine
Executive
Tuesday, 5 May 2026

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P O Box 75512
Tanzania

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Tanzanian Companies Act 2002 to maintain adequate accounting records and are responsible for the content and integrity of the annual report and financial statements and related financial information included in this report. It is their responsibility to ensure that the annual report and financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual report and financial statements.

The annual report and financial statements are not prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual report and financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors acknowledge that they are responsible for establishing appropriate policies and procedures to prevent non - compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2027 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual report and financial statements. The annual report and financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 10.

The annual report and financial statements set out on pages 11 to 24, which have been prepared on the going concern basis, were approved by the board of directors on 5 May 2026 and were signed on their behalf by

Approval of financial statements

Rajiv Gandhi

Christine Towo Sokoine

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DECLARATION OF THE HEAD OF ACCOUNTS

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

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility and Approval statement on an earlier page.

I......ASSA THABITI......being the Outsourced Consultant of Hester Biosciences Tanzania Limited hereby acknowledge my responsibility of reviewing and ensuring that financial statements for the year ended March 31, 2026, have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of Hester Biosciences Tanzania Limited comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by ....

Position: Outsourced Consultant

NBAA Membership No: ....ACPA 4429

Date: **May 5, 2026**

Hester Biosciences Tanzania Limited

INDEPENDENT AUDITOR'S REPORT

To the members of Hester Biosciences Tanzania Limited

Report on the Audit of the Annual Report And Financial Statements

Opinion

We have audited the annual report and financial statements of Hester Biosciences Tanzania Limited (the company) set out on 5th May 2025, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual report and financial statements, including a summary of significant accounting policies.

In our opinion,except for the matter described in the basis for opinion, the annual report and financial statements present fairly, in all material respects, the financial position of Hester Biosciences Tanzania Limited as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual report and financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual report and financial statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In common with many business of similar size and organization, the system of internal control is dependent upon the close involvement of the management. Where independent confirmations of the completeness of accounting records was therefore not available, we have accepted assurances from the management that all the transactions have been complied with regulatory bodies, correctly reflected in the accounting records and adequately supported by relevant third-party documents.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Hester Biosciences Tanzania Limited annual report and financial statements for the year ended 31 March 2026", which includes the Directors' Report, the Statement of Directors' Responsibilities and Approval and the Declaration of the Head of Accounts as required by the Tanzanian Companies Act 2002 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual report and financial statements and our auditor's report thereon.

Our opinion on the annual report and 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 annual report and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual report and financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the Annual Report And Financial Statements

The directors are responsible for the preparation and fair presentation of the annual report and financial statements in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of annual report and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Report And Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual report and 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 International Standards on Auditing 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 annual report and financial statements.

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

- Identify and assess the risks of material misstatement of the annual report and 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual report and financial statements, including the disclosures, and whether the annual report and financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements

As required by the Companies Act 2002 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- the company's statement of financial position and statement of profit and loss are in agreement with the accounting records of the company.

Mehta & Associates
Certified Public Accountants

Signed by: Kalpesh Mehta
Partner

NBAA Membership No: ACPA 1916

5 May 2026

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note(s)	2026 TZS '000	2025 TZS '000
Assets			
Non-Current Assets			
Property, plant and equipment	2	14,175	21,862
Current Assets			
Inventories	3	189,546	-
Trade and other receivables	4	4,410,803	2,820,127
Current tax receivable	6	16,708	12,484
Cash and cash equivalents	5	219,159	61,255
		4,836,216	**2,893,866**
Total Assets		**4,850,391**	**2,915,728**
Equity and Liabilities			
Equity			
Share capital	8	1,238,800	1,238,800
Retained income		(512,320)	(653,605)
		726,480	**585,195**
Liabilities			
Current Liabilities			
Trade and other payables	9	4,123,914	2,330,533
Total Equity and Liabilities		**4,850,391**	**2,915,728**

The annual report and financial statements and the notes on pages 3 to 24, were approved by the board of directors on the 5 May 2026 and were signed on its behalf by:

Rajiv Gandhi

Christine Towo Sokoine

The accounting policies on pages 15 to 19 and the notes on pages 20 to 23 form an integral part of the annual report and financial statements.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2026 TZS '000	2025 TZS '000
Revenue	10	2,012,167	2,046,308
Cost of sales		(1,903,377)	(1,903,940)
Gross profit		**108,790**	**142,368**
Other operating income	11	173,790	60,621
Other operating expenses		(116,714)	(176,769)
Profit before taxation		**165,866**	**26,220**
Current Tax		(24,581)	(2,720)
Profit for the year		**141,285**	**23,500**
Other comprehensive income		-	-
Total comprehensive income for the year		**141,285**	**23,500**

The accounting policies on pages 15 to 19 and the notes on pages 20 to 23 form an integral part of the annual report and financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital TZS '000	Retained income TZS '000	Total equity TZS '000
Balance at 1 April 2024	**1,238,800**	**(676,205)**	**562,595**
Profit for the year	-	23,500	23,500
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**23,500**	**23,500**
Transfer between reserves	-	(900)	(900)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(900)**	**(900)**
Balance at 1 April 2025	**1,238,800**	**(653,605)**	**585,195**
Profit for the year	-	141,285	141,285
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**141,285**	**141,285**
Balance at 31 March 2026	**1,238,800**	**(512,320)**	**726,480**
Note(s)	8		

The accounting policies on pages 15 to 19 and the notes on pages 20 to 23 form an integral part of the annual report and financial statements.

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STATEMENT OF CASH FLOWS

	Note(s)	2026 TZS '000	2025 TZS '000
Cash flows from operating activities			
Profit before taxation		165,866	26,220
Adjustments for:			
Depreciation and amortisation		7,687	7,687
Prior year taxes		-	(900)
Changes in working capital:			
Inventories		(189,546)	-
Trade and other receivables		(1,590,676)	(418,147)
Trade and other payables		1,793,381	117,156
Cash generated from operations		**186,712**	**(267,984)**
Tax paid	7	(28,805)	(8,751)
Net cash from operating activities		**157,907**	**(276,735)**
Total cash movement for the year		**157,907**	**(276,735)**
Cash at the beginning of the year		61,258	337,993
Total cash at end of the year	5	**219,165**	**61,258**

The accounting policies on pages 15 to 19 and the notes on pages 20 to 23 form an integral part of the annual report and financial statements.

Corporate information

Hester Biosciences Tanzania Limited is a private limited company incorporated and domiciled in United Republic of Tanzania.

The annual report and financial statements for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the directors on 5 May 2026.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual report and financial statements are set out below.

1.1 Basis of preparation

The annual report and financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual report and financial statements and the Companies Act 2002.

The annual report and financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shilling, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note .

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Rate (%)
Furniture and fixtures	Straight line	12.5
Office equipment	Straight line	12.5
Computer equipment	Straight line	12.5

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1.2 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

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1.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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1.5 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.7 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.8 Cost of sales

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

1.9 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shilling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report and financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shilling by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.

Hester Biosciences Tanzania Limited
PO Box 75512
Tanzania

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

2. Property, plant and equipment

	2026			2025		
	Cost or revaluation	Depreciation	Carrying value	Cost or revaluation	Depreciation	Carrying value
Furniture and fixtures	8,959	(8,729)	230	8,959	(7,609)	1,350
Office equipment	43,492	(30,491)	13,001	43,492	(25,055)	18,437
Computer equipment	9,047	(8,103)	944	9,047	(6,972)	2,075
Total	**61,498**	**(47,323)**	**14,175**	**61,498**	**(39,636)**	**21,862**

Reconciliation of property, plant and equipment - 2026

	Opening balance	Depreciation	Total
Furniture and fixtures	1,350	(1,120)	230
Office equipment	18,437	(5,436)	13,001
Computer equipment	2,075	(1,131)	944
	21,862	**(7,687)**	**14,175**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Depreciation	Total
Furniture and fixtures	2,470	(1,120)	1,350
Office equipment	23,874	(5,436)	18,437
Computer equipment	3,206	(1,131)	2,075
	29,550	**(7,687)**	**21,862**

3. Inventories

Stock in trade	189,546	-

4. Trade and other receivables

Trade and Other Receivables		
Trade receivables	713,199	836,033
Trade receivables - related parties	3,697,604	1,984,094
Trade receivables at amortised cost	4,410,803	2,820,127
Total trade and other receivables	**4,410,803**	**2,820,127**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	227	438
Bank balances	218,932	60,817
	219,159	**61,255**

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

	2026 TZS '000	2025 TZS '000
6. Current tax payable (recoverable) (continued)		
Opening balance	12,483	(6,452)
Tax charge recognised in profit or loss	24,581	2,720
Prior year tax paid	(4,125)	
Provision tax paid during the year	(7,302)	(7,401)
Withholding Tax Receivable	(17,379)	(1,350)
	(16,709)	(12,483)
7. Tax paid		
Balance at beginning of the year	12,484	6,452
Current tax for the year recognised in profit or loss	(24,581)	(2,720)
Balance at end of the year	(16,708)	(12,483)
	(28,805)	**(8,751)**
8. Share capital		
Authorised		
15,642 Ordinary shares of 100,000 each	1,564,200	1,564,200
Reconciliation of number of shares issued:		
Reported as at the beginning of the year	12,388	12,388
Issue of shares – ordinary shares	-	-
	12,388	**12,388**
Issued		
Ordinary	1,238,800	1,238,800
9. Trade and other payables		
Trade and Other Payables		
Trade payables	20,496	2,317,401
Trade payables - related parties	4,078,864	-
Accrued expenses	23,925	13,132
Other payables	629	-
	4,123,914	**2,330,533**
10. Revenue		
Revenue from Contract with Customers		
Sale of vaccines	2,012,167	2,046,308

Hester Biosciences Tanzania Limited
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Tanzania

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

	2026 TZS '000	2025 TZS '000
11. Other operating income		
Interest Income	173,790	59,949
Liabilities no longer required written off	-	672
	173,790	**60,621**
12. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	7,687	7,687

13. Related parties

Relationships	
Ultimate Holding company	Hester Biosciences Limited (India)
Holding Company	Hester Biosciences Kenya Limited
Sister Company	Hester Biosciences Africa Limited
Other Group Company	Thrishool Exim Limited
Sister Company	Hester Biosciences Nepal Private Limited

Related party balances

	2026 TZS '000	2025 TZS '000
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Thrishool Exim Limited	713,199	836,033
Hester Biosciences Nepal Private Limited	-	363,050
Hester Biosciences Africa Limited	3,697,604	1,601,500
Hester Biosciences Limited	(4,078,864)	(2,315,120)

Related party transactions

	2026 TZS '000	2025 TZS '000
Purchases from (sales to) related parties		
Hester Biosciences Limited	2,015,754	1,839,753
Thrishool Exim Limited	(2,012,167)	(2,046,308)
Interest Income		
Hester Biosciences Africa Ltd	(173,789)	(59,949)

14. Going concern

The annual report and financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

15. Contingencies

The directors are not aware of any contingent liability at the reporting date and up to the date of this report.

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

	2026 TZS '000	2025 TZS '000

16. Events after the reporting period

The directors are not aware of any material events which occured after the reporting date and up to date of this report.

17. Comparative figures

Where necessary comperative figures have been classified to conform with changes and presentation in the current year.

DETAILED INCOME STATEMENT

	Note(s)	2026 TZS '000	2025 TZS '000
Revenue			
Sale of goods		2,012,167	2,046,308
Cost of sales			
Purchases and Direct Expenses		(2,092,923)	(1,903,940)
Closing stock		189,546	-
		(1,903,377)	**(1,903,940)**
Gross profit		**108,790**	**142,368**
Other operating income			
Interest Income		173,790	59,949
Liabilities no longer required written off		-	672
	11	**173,790**	**60,621**
Other operating expenses			
Audit fee		(12,000)	(11,925)
Bank charges		(2,173)	(3,389)
Business Management Services		(36,000)	(36,000)
Consulting and professional fees		(14,799)	(27,665)
Depreciation		(7,687)	(7,687)
Foreign exchange gain/(loss)		(15,000)	(72,855)
Levies and Licenses		(5,182)	(6,439)
Rates and Taxes		(20,290)	(450)
Miscalleneous expenses		(1,287)	-
Travelling and Conveyance		(115)	(3,110)
VAT Expense		(2,181)	(7,249)
		(116,714)	**(176,769)**
Profit before taxation		**165,866**	**26,220**
Current Tax		(24,581)	(2,720)
Profit for the year		**141,285**	**23,500**