

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP	
	Quarter to 31 March 2023	Quarter to 31 March 2022 - restated* Rs'000
Revenue	887,028	893,735
(Loss)/profit before finance costs	(2,364)	2,903
Finance costs	(28,663)	(21,377)
Share of results of associates & joint ventures	19,692	9,035
Impairment of receivables	(69)	(6,641)
Loss before tax	(11,404)	(16,080)
Income tax	(2,706)	(5,711)
Post tax profit from discontinued operations	18,251	22,015
Profit for the period	4,141	224
Attributable to:		
Owners of the parent	2,865	(1,176)
Non-controlling interests	1,276	1,400
Profit for the period	4,141	224
Other comprehensive (loss)/income for the period net of tax	(6,103)	5,085
Total comprehensive (loss)/income for the period	(1,962)	5,309
Other comprehensive (loss)/income attributable to:		
Owners of the parent	(3,202)	5,085
Non controlling interests	(2,901)	-
	(6,103)	5,085
Loss per share from continuing operations (Rs/cents)	(1.37)	(2.06)
Earnings per share from discontinued operations (Rs/cents)	1.67	1.96

* Share of results from associates amounting to Rs 5.6M for 2022 have been reclassified to discontinued operations in accordance with IFRS 5 to align with current period.

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	31 March 2023	31 December 2022
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,237,497	2,768,783
Current assets	1,772,659	2,235,596
Assets classified as held for distribution	447,800	-
Total assets	4,457,956	5,004,379
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,586,031	1,703,602
Non controlling interests	199,752	201,378
Total equity	1,785,783	1,904,980
Non-current liabilities	1,006,302	1,000,686
Current liabilities	1,665,871	2,098,713
Total equity and liabilities	4,457,956	5,004,379
Net assets per share (Rs)	140.86	151.31
Number of ordinary shares	11,259,388	11,259,388

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

GROUP	Revenue		(Loss)/Profit after tax	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Quarter ended 31 March				
Chemicals	465,278	424,063	4,495	(4,681)
Equipments & Systems	296,221	330,715	(16,364)	(2,817)
Technology	137,641	164,120	(12,245)	(12,137)
Investments & Corporate (Note 1)	34,595	31,507	9,648	3,651
Non-recurring items (Note 2)	-	-	18,251	22,015
Consolidation adjustments	(46,707)	(56,670)	356	(5,807)
	887,028	893,735	4,141	224

Note 1: The (Loss)/profit after tax for segment 'Investments and Corporate' includes the share of results of associates and joint ventures on continuing operations.

Note 2: Non-recurring items are attributable to 'Investments and Corporate' segment for 2022. The non-recurring item of Rs 18.3M in 2023 relates to the Group's share of results of the associates which have been classified as held for distribution.

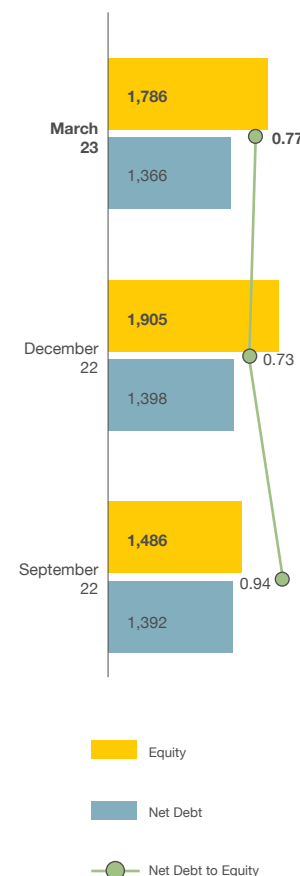
STATEMENTS OF CHANGES IN EQUITY

GROUP	Owner of the Parent	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000
Balance at 1 January 2023	1,703,603	201,377	1,904,980
Profit for the period	2,865	1,276	4,141
Other comprehensive (loss)	(3,202)	(2,901)	(6,103)
Other movements	(117,235)	-	(117,235)
Balance at 31 March 2023	1,586,031	199,752	1,785,783
Balance at 1 January 2022	1,246,736	182,015	1,428,751
(Loss)/profit for the period	(1,176)	1,400	224
Other comprehensive income	5,085	-	5,085
Balance at 31 March 2022	1,250,645	183,415	1,434,060

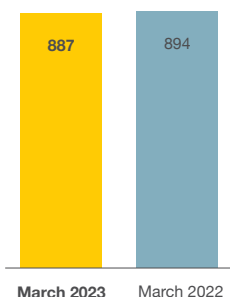
STATEMENTS OF CASH FLOWS

	GROUP	
	Quarter to 31 March 2023	Quarter to 31 March 2022
	Rs'000	Rs'000
Operating activities		
Net cash generated from/(absorbed in) operating activities from continuing operations	50,545	(140,511)
Investing activities		
Net cash (absorbed in) investing activities	(15,288)	(1,817)
Financing activities		
Net cash (used in)/generated from financing activities	(97,727)	41,930
(Decrease) in cash and cash equivalents	(62,470)	(100,398)
Movement in cash and cash equivalents		
At 1 January	6,970	28,604
Net (decrease) in cash and cash equivalents	(62,470)	(100,398)
Effect of foreign exchange difference	46	-
At 31 March	(55,454)	(71,794)

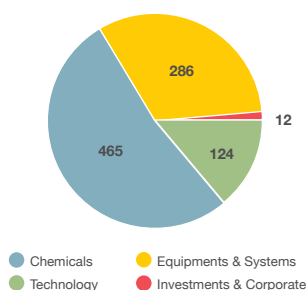
NET DEBT TO EQUITY (Rs M)



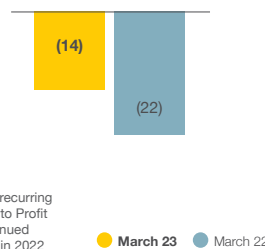
REVENUE (Rs M)



GROUP REVENUE BY SEGMENT (Rs M)

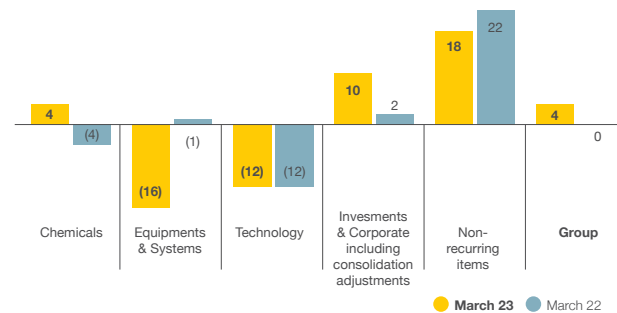


NORMALISED PAT AFTER ADJUSTING NON-RECURRING ITEMS (Rs M)



Note: Non-recurring items refer to Profit on discontinued operations in 2022

QUARTERLY SEGMENT RESULTS (Rs M)



PROFILE

Based in Mauritius, Harel Mallac & Co. Ltd (the Group) also operates in six other countries across Africa and the Indian Ocean, employing over 860 people. The Group comprises four segments: Chemicals, Equipments & Systems, Technology and Investments & Corporate.

OVERALL PERFORMANCE

During the first quarter of 2023, the Group generated consolidated revenue of Rs 887 million from continuing operations, which was almost in line with the corresponding period last year (Q1 2022: Rs 894 million). However, due to a decline in gross margins, the Group recorded a Loss before Finance Costs of Rs 2 million (Q1 2022: Profit before Finance Costs of Rs 3 million).

The Group's share of results of associates and joint ventures saw an improvement to Rs 20 million (Q1 2022: Rs 9 million). The increase in finance costs to Rs 29 million (Q1 2022: Rs 21 million) is driven by an increase in interest rates. The Group posted an overall Profit of Rs 4 million for the quarter (Q1 2022: Rs 224k), compared to a breakeven situation for the same period last year.

Post Tax Profit from Discontinued Operations of Rs 18 million for the quarter relate to the Group share of profit realised by its associates Attitude Hospitality Management Ltd, Watersports Village Limited and Zilwa Resort Ltd (the Hospitality Shares) to be spun-off as part of the dividend in specie approved by the Company's shareholders on 25 April 2023 and which is subject to and conditional on relevant regulatory approval and compliance with any relevant legislation.

The Group produced a positive cash flow of Rs 50 million from its operating activities, which represents a significant improvement from the corresponding quarter of 2022, where there was a cash outflow of Rs 140 million.

BUSINESS SEGMENT PERFORMANCE

Chemicals experienced an increase in revenue by 10% to Rs 465 million (Q1 2022: Rs 424 million), driven mainly by the growth of the agrochemical and aqua business activities. The Profit after Tax stood at Rs 5 million, showing an improvement from Q1 2022 loss of Rs 5 million.

Equipments & Systems reported reduced revenue by 11% to Rs 296 million (Q1 2022: Rs 331 million) and a Loss of Rs 16 million (Q1 2022: Loss of Rs 3 million). This decline was caused by pressure on gross margins and increased import costs.

Technology posted a decrease of 16% in its revenue to Rs 138 million (Q1 2022: Rs 164 million), resulting from delays on key projects. The loss was contained to Rs 12 million (Q1 2022: Loss of Rs 12 million).

Investments & Corporate showed an improvement with the share of results of Associates and joint ventures posting a profit of Rs 20 million (Q1 2022: Rs 9 million).

OUTLOOK

The first quarter is typically characterised by reduced activities due to the seasonality of some of the Group's businesses. The anticipated global economic downturn and persistent high inflation are likely to further exacerbate the strain on gross margins. As a result, the Group remains focused on the performance of all its business activities and will closely monitor its operating costs and overheads.

The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged financial statements have been prepared using same accounting policies as the audited financial statements for the year ended 31 December 2022. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Harel Mallac & Co. Ltd. The abridged audited financial statements are issued pursuant to Listing Rule 12.20.

By order of the Board

HM SECRETARIES LTD
Company Secretary

10 May 2023