

## STATEMENT OF FINANCIAL POSITION

	GROUP	
	30 Sep 2021 Rs'000	31 Dec 2020 Rs'000
<b>ASSETS</b>		
Non-current assets	2,276,070	2,380,602
Current assets	1,625,172	1,449,814
Assets classified as held for sale	-	51,445
<b>Total assets</b>	<b>3,901,242</b>	<b>3,881,861</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Owners' interest	1,137,667	1,263,866
Non controlling interests	171,171	150,755
<b>Total equity</b>	<b>1,308,838</b>	<b>1,414,621</b>
Non-current liabilities	1,005,912	784,843
Current liabilities	1,566,492	1,631,387
Liabilities directly associated with assets classified as held for sales	-	51,010
<b>Total equity and liabilities</b>	<b>3,901,242</b>	<b>3,881,861</b>
Net assets per share (Rs)	101.04	112.25
Number of ordinary shares	11,259,388	11,259,388

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			
	Three months to 30 Sep 2021 Rs'000	Three months to 30 Sep 2020 Rs'000	Nine months to 30 Sep 2021 Rs'000	Nine months to 30 Sep 2020 Rs'000
<b>Revenue</b>	<b>904,372</b>	<b>829,249</b>	<b>2,372,133</b>	<b>2,126,443</b>
<b>Profit/(loss) before finance costs</b>	<b>48,997</b>	<b>(23,127)</b>	<b>24,449</b>	<b>(79,343)</b>
Finance costs	(17,252)	(14,702)	(49,058)	(52,129)
Share of results of associates & joint ventures	(55,219)	(53,041)	(93,773)	(105,848)
Profit on disposal of subsidiaries	-	(4,818)	24,418	(4,818)
<b>Loss before tax</b>	<b>(23,474)</b>	<b>(95,688)</b>	<b>(93,964)</b>	<b>(242,138)</b>
Income tax	(7,390)	(9,789)	(15,539)	(13,347)
Post tax profit/(loss) from discontinued operations	-	9,293	-	(10,737)
<b>Loss for the period</b>	<b>(30,864)</b>	<b>(96,184)</b>	<b>(109,503)</b>	<b>(266,222)</b>
<b>Attributable to:</b>				
Owners of the parent	(38,437)	(91,431)	(107,143)	(239,753)
Non controlling interests	7,573	(4,753)	(2,360)	(26,469)
Loss for the period	(30,864)	(96,184)	(109,503)	(266,222)
Other comprehensive (loss)/profit for the period net of tax	(11,663)	20,723	(24,894)	12,036
<b>Total comprehensive loss for the period</b>	<b>(42,527)</b>	<b>(75,461)</b>	<b>(134,397)</b>	<b>(254,186)</b>
<b>Other comprehensive loss attributable to:</b>				
Owners of the parent	(8,537)	20,379	(19,056)	10,655
Non controlling interests	(3,126)	344	(5,838)	1,381
Loss per share from continuing operations (Rs/cents)	(3.41)	(8.67)	(9.52)	(20.95)
Loss per share from discontinued operations (Rs/cents)	-	0.55	-	(0.35)

## PROFILE

Based in Mauritius, Harel Mallac (the Group) also operates in five countries in Africa and the Indian Ocean and employs some 900 persons. It comprises of four divisions: *Technology, Chemicals, Equipment & Systems and Investments & Corporate*.

## OVERALL PERFORMANCE

For the first nine months, the Group achieved a consolidated revenue from continuing operations of Rs 2.4 billion compared to Rs 2.1 billion for the same period in 2020.

This increase in revenue for the period under review was mainly generated during the second and third quarters of 2021 and was driven by a better performance from the Chemicals and Equipment & Systems divisions. This reflects the slow-paced recovery of the Mauritian economy including a pickup in demand from the hospitality sector in the 3rd quarter.

The Group posted a Profit Before Finance Costs of Rs 49 million for the quarter under review and

Rs 24 million for the nine months, showing a marked improvement compared to the loss situation of the prior year despite soaring cost of products/raw materials together with logistics-related expenses.

After accounting for interest costs of Rs 49 million and share of losses from associates of Rs 94 million mitigated by a gain of Rs 24 million from disposal of a subsidiary, the Group ended the first nine months with net losses before tax of Rs 94 million compared to losses of Rs 242 million for the corresponding period last year.

The Group cash flow from operating activities continued to improve during the third quarter of 2021 with net cash generated of Rs 123 million for the nine months compared to Rs 149 million being absorbed last year.

The **Investments & Corporate division** which regroups mainly the Group's assets (Property and Associates) has generated slightly less revenue due to lower dividends from associates and rental income compared to last year. Moreover, as mentioned above, even though the share of results from our associates and joint ventures registered a slight improvement on the back of better results from our investments in the energy sector, a loss

of Rs 109 million was recorded by this division as the latter's investments in the hospitality sector remained in a loss-making position.

Our **Technology division** generated revenue at par with last year whilst remaining heavily impacted by the rise in the cost of imports and logistics resulting in a margin squeeze. Its results show a slight improvement compared to the previous year mainly following continued fixed cost containment measures.

Our **Chemicals division** achieved significantly better results than last year. The MCFI Group continues to be the main contributor to the increase in the division's turnover and operational profitability. However, the division is still suffering from the closure of the hospitality sector which accounts for an important part of its business portfolio. Despite improved net results, the division posted a net loss of Rs 19 million in 2021 compared to losses of Rs 71 million in 2020.

The results of the **Equipment & Systems division** include the figures generated by its new subsidiaries Aldes Mauritius and Aldes Reunion acquired on 31 May 2021 and trading in controlled mechanical ventilation

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

	Investment & Corporate Rs'000	Technology Rs'000	Chemicals Rs'000	Equipment & Systems Rs'000	Consolidation adjustments Rs'000	Total Rs'000
<b>Nine months ended 30 September 2021</b>						
Total segment revenues	115,615	585,580	1,163,905	834,197	-	2,699,297
Inter-segment revenues	(25,615)	(91,014)	(11,262)	(46,345)	(152,928)	(327,164)
<b>Revenues from external customers</b>	<b>90,000</b>	<b>494,566</b>	<b>1,152,643</b>	<b>787,852</b>	<b>(152,928)</b>	<b>2,372,133</b>
<b>Segment (loss)/profit</b>	<b>(850)</b>	<b>(2,932)</b>	<b>11,983</b>	<b>23,552</b>	<b>(7,304)</b>	<b>24,449</b>
Share of results of associates & joint ventures	(92,265)	-	(1,508)	-	-	(93,773)
Finance costs	(16,287)	(2,783)	(23,838)	(14,014)	7,864	(49,058)
Profit on disposal of subsidiaries	-	-	-	24,418	-	24,418
<b>(Loss)/profit before tax</b>	<b>(109,402)</b>	<b>(5,715)</b>	<b>(13,363)</b>	<b>33,956</b>	<b>560</b>	<b>(93,964)</b>
Income tax	469	(2,535)	(5,884)	(7,589)	-	(15,539)
<b>Net (loss)/profit after tax</b>	<b>(108,933)</b>	<b>(8,250)</b>	<b>(19,247)</b>	<b>26,367</b>	<b>560</b>	<b>(109,503)</b>
<b>Total assets</b>						
<b>30 September 2021</b>	<b>1,505,455</b>	<b>255,671</b>	<b>1,498,498</b>	<b>641,618</b>	-	<b>3,901,242</b>
31 December 2020	1,580,934	332,237	1,403,805	564,885	-	3,881,861
<b>Nine months ended 30 September 2020</b>						
Total segment revenues	105,094	534,313	1,068,521	652,223	-	2,360,151
Inter-segment revenues	(3,272)	(33,300)	(10,804)	(50,179)	(136,153)	(233,708)
<b>Revenues from external customers</b>	<b>101,822</b>	<b>501,013</b>	<b>1,057,717</b>	<b>602,044</b>	<b>(136,153)</b>	<b>2,126,443</b>
Segment loss	(674)	(13,816)	(31,028)	(12,795)	(21,030)	(79,343)
Share of results of associates & joint ventures	(91,554)	-	(14,294)	-	-	(105,848)
Finance costs	(26,861)	(3,698)	(22,748)	(16,339)	17,517	(52,129)
Loss on disposal of subsidiaries	(4,818)	-	-	-	-	(4,818)
Loss before tax	(123,907)	(17,514)	(68,070)	(29,134)	(3,513)	(242,138)
Income tax	(774)	(4,568)	(3,356)	(4,649)	-	(13,347)
Post tax profit/(loss) from discontinued operations	2,174	-	-	(12,911)	-	(10,737)
Net loss after tax	(122,507)	(22,082)	(71,426)	(46,694)	(3,513)	(266,222)
<b>Total assets</b>						
<b>30 September 2020</b>	<b>1,603,958</b>	<b>326,630</b>	<b>1,411,371</b>	<b>642,969</b>	-	<b>3,984,928</b>
31 December 2019	1,797,349	381,882	1,520,486	640,975	-	4,340,692

## STATEMENTS OF CHANGES IN EQUITY

	Owner of the Parent Rs'000	Non-controlling interests Rs'000	Total Rs'000
	<b>GROUP</b>		
<b>Balance at 1 January 2021</b>	<b>1,263,866</b>	<b>150,755</b>	<b>1,414,621</b>
Loss for the period	(107,143)	(2,360)	(109,503)
Other comprehensive losses	(19,056)	(5,838)	(24,894)
Acquisition of subsidiary	-	28,614	28,614
<b>Balance at 30 September 2021</b>	<b>1,137,667</b>	<b>171,171</b>	<b>1,308,838</b>
Balance at 1 January 2020	1,582,294	178,722	1,761,016
Loss for the period	(239,753)	(26,469)	(266,222)
Other comprehensive (losses)/income	10,655	1,381	12,036
Balance at 30 September 2020	1,353,196	153,634	1,506,830

(GMEV) systems and air distribution equipment and in the manufacture of ducting. The division's traditional activities, although negatively impacted by the global scarcity of supply in certain lines of products, still managed through the support of its trading partners to improve its operational performance versus last year.

## GROUP UPDATES

We are proud to report that 94% of the Group's workforce opted for vaccination against Covid-19. Beyond showing their commitment to the community at large it will make the workplace safer for all and enhance business continuity for the benefit of all our stakeholders.

The Group welcomed Mr. Laurent Roussel as the new Managing Director of Archemics in October 2021.

## OUTLOOK

The last quarter of the year is traditionally the most important one for the Group. Even though there are clear encouraging signs of an economic recovery especially with the reopening of our borders in October last, we remain cautious as world-wide logistics and procurement

## STATEMENTS OF CASH FLOWS

	GROUP	
	Nine months 30 Sep 2021 Rs'000	Nine months 30 Sep 2020 Rs'000
<b>Operating activities</b>		
Net cash generated from/ (absorbed in) operating activities from continuing operations	122,616	(148,709)
<b>Investing activities</b>		
Net cash absorbed in investing activities	(1,141)	(5,767)
<b>Financing activities</b>		
Net cash generated from financing activities	98,560	92,410
<b>Increase/ (decrease)</b>	<b>220,035</b>	<b>(62,066)</b>
<b>Movement in cash and cash equivalents</b>		
At 1 January	(167,273)	(84,740)
Net increase/ (decrease) in cash and cash equivalents	220,035	(62,066)
Effect of foreign exchange difference	(967)	(371)
<b>At 30 September</b>	<b>51,795</b>	<b>(147,177)</b>

challenges, increases in the cost of raw materials, the availability of foreign currency and, unfortunately, the resurgence of Covid-19 are inherent risks going forward.

*These unaudited abridged financial statements, prepared in line with International Financial Reporting Standards were authorised for issue by the Board of Directors 11 November 2021.*

*The statement of direct and indirect interests of officers of the Company required under the rule 9(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port Louis.*

*Copies of the abridged unaudited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port Louis.*

*This report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.*

By order of the Board

HM Secretaries Ltd  
Company Secretary

11 November 2021