

# INNODIS LTD

## CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

### CONDENSED STATEMENTS OF PROFIT OR LOSS

	CONSOLIDATED Half Year Ended 31 Dec 19 Unaudited Rs'000	CONSOLIDATED Half Year Ended 31 Dec 18 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Half Year Ended 31 Dec 19 Unaudited Rs'000	SEPARATE Half Year Ended 31 Dec 18 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
Revenue	2,360,983	2,294,166	4,410,723	1,415,695	1,354,702	2,598,302
Profit from operating activities	92,744	111,231	214,901	66,627	56,530	152,716
Net finance costs	(31,054)	(17,843)	(49,119)	(17,306)	(9,920)	(23,326)
Expected credit loss allowances	(2,323)	-	(10,877)	-	-	(2,501)
Impairment of investment in subsidiary and receivables	-	-	-	-	-	(228,340)
Profit/(loss) before income tax	59,367	93,388	154,905	49,321	46,610	(101,451)
Income tax expense	(7,738)	(14,046)	(19,656)	(8,384)	(6,424)	(12,085)
Profit/(loss) for the period	51,629	79,342	135,249	40,937	40,186	(113,536)
Profit/(loss) attributable to:						
Owners of the company	53,780	65,293	111,651	40,937	40,186	(113,536)
Non-controlling interests	(2,151)	14,049	23,598	-	-	-
	51,629	79,342	135,249	40,937	40,186	(113,536)
Number of shares	36,730,266	36,730,266	36,730,266			
Earnings per share (Rs)	1.46	1.78	3.04			

### CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	CONSOLIDATED Half Year Ended 31 Dec 19 Unaudited Rs'000	CONSOLIDATED Half Year Ended 31 Dec 18 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Half Year Ended 31 Dec 19 Unaudited Rs'000	SEPARATE Half Year Ended 31 Dec 18 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
Profit/(loss) for the period	51,629	79,342	135,249	40,937	40,186	(113,536)
Other comprehensive income						
Items that will never be classified to profit or loss						
Actuarial loss on retirement benefit obligations	(1,965)	1,423	(13,776)	(1,350)	567	(6,370)
Deferred tax retirement benefit obligations	334	-	2,277	230	-	1,083
	(1,631)	1,423	(11,499)	(1,120)	567	(5,287)
Items that are or may be reclassified to profit or loss						
Foreign currency translation difference - foreign operations	(3,254)	(823)	(3,887)	-	-	-
Other comprehensive income/(loss) for the period	(4,885)	600	(15,386)	(1,120)	567	(5,287)
Total comprehensive income/(loss) for the period	46,744	79,942	119,863	39,817	40,753	(118,823)
Total comprehensive income/(loss) for the period:						
Owners of the company	48,895	65,893	96,189	39,817	40,753	(118,823)
Non-controlling interests	(2,151)	14,049	23,674	-	-	-
	46,744	79,942	119,863	39,817	40,753	(118,823)

### CONDENSED STATEMENTS OF CASH FLOWS

	CONSOLIDATED Half Year Ended 31 Dec 19 Unaudited Rs'000	CONSOLIDATED Half Year Ended 31 Dec 18 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Half Year Ended 31 Dec 19 Unaudited Rs'000	SEPARATE Half Year Ended 31 Dec 18 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
Net cash from/(used in) operating activities	52,748	(105,931)	228,448	43,173	(72,509)	62,085
Net cash (used in)/from investing activities	(82,122)	(93,424)	(146,811)	(27,918)	31,510	21,543
Net cash (used in)/from financing activities	(37,324)	178,683	(71,240)	(6,476)	49,307	(106,313)
Net (decrease)/increase in cash and cash equivalents	(66,698)	(20,672)	10,397	8,779	8,308	(22,685)
Effects of exchange rate movements on cash and cash equivalents	(177)	(947)	(4,890)	-	-	-
Cash and cash equivalents at beginning of period	(333,600)	(339,107)	(339,107)	(297,813)	(275,128)	(275,128)
Cash and cash equivalents at end of period	(400,475)	(360,726)	(333,600)	(289,034)	(266,820)	(297,813)

### CONDENSED STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED Half Year Ended 31 Dec 19 Unaudited Rs'000	CONSOLIDATED Half Year Ended 31 Dec 18 Unaudited Rs'000	CONSOLIDATED Year Ended 30 Jun 19 Audited Rs'000	SEPARATE Half Year Ended 31 Dec 19 Unaudited Rs'000	SEPARATE Half Year Ended 31 Dec 18 Unaudited Rs'000	SEPARATE Year Ended 30 Jun 19 Audited Rs'000
<b>ASSETS</b>						
Property, plant and equipment	1,840,359	1,793,990	1,852,042	363,399	365,849	374,898
Right to use assets	522,387	-	-	382,441	-	-
Intangible assets and goodwill	5,069	5,519	5,809	-	-	-
Bearer biological assets	9,732	7,418	8,332	-	-	-
Long-term receivables	11,711	12,119	11,745	11,711	12,119	11,745
Investment properties	-	-	-	488,187	498,316	491,796
Investments in subsidiaries	-	-	-	374,336	593,061	374,336
Equity-accounted investees	16,126	1,126	1,126	15,000	-	-
Other investments	-	209	-	-	209	-
Deferred tax assets	4,726	5,971	4,726	-	-	-
Current assets	1,963,551	2,108,512	1,932,108	1,453,212	1,360,522	1,373,747
<b>Total assets</b>	4,373,661	3,934,864	3,815,888	3,088,286	2,830,076	2,626,522
<b>EQUITY AND LIABILITIES</b>						
Shareholders' equity						
Owners' interest	1,699,521	1,665,768	1,650,626	1,347,924	1,533,975	1,308,107
Non-controlling interest	241,652	243,116	243,803	-	-	-
Total shareholders' equity	1,941,173	1,908,884	1,894,429	1,347,924	1,533,975	1,308,107
Non-current liabilities	761,395	203,310	248,790	446,914	54,314	79,389
Current liabilities	1,671,093	1,822,670	1,672,669	1,293,448	1,241,787	1,239,026
<b>Total equity and liabilities</b>	4,373,661	3,934,864	3,815,888	3,088,286	2,830,076	2,626,522

### CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Foreign exchange translation deficit Rs'000	Retained earnings Rs'000	Total Rs'000	Non Controlling Interest Rs'000	Total Shareholders' Equity Rs'000
<b>CONSOLIDATED</b>								
At 01 Jul 2018	367,303	5,308	454,903	(14,314)	807,600	1,620,800	236,417	1,857,217
Profit for the year	-	-	-	-	111,651	111,651	23,598	135,249
Other comprehensive income for the year	-	-	(5,915)	(4,112)	(3,847)	(13,874)	(1,512)	(15,386)
Dividend	-	-	-	-	(67,951)	(67,951)	(14,700)	(82,651)
At 30 Jun 2019	367,303	5,308	448,988	(18,426)	847,453	1,650,626	243,803	1,894,429
Profit for the period	-	-	-	-	53,780	53,780	(2,151)	51,629
Other comprehensive income for the period	-	-	(3,563)	(3,254)	1,932	(4,885)	-	(4,885)
At 31 Dec 2019	367,303	5,308	445,425	(21,680)	903,165	1,699,521	241,652	1,941,173
<b>SEPARATE</b>								
At 01 Jul 2018	367,303	5,308	322,060	-	800,210	1,494,881	-	1,494,881
Loss for the year	-	-	-	-	(113,536)	(113,536)	-	(113,536)
Other comprehensive income for the year	-	-	(4,404)	-	(883)	(5,287)	-	(5,287)
Dividend	-	-	-	-	(67,951)	(67,951)	-	(67,951)
At 30 Jun 2019	367,303	5,308	317,656	-	617,840	1,308,107	-	1,308,107
Profit for the period	-	-	-	-	40,937	40,937	-	40,937
Other comprehensive income for the period	-	-	(2,653)	-	1,533	(1,120)	-	(1,120)
At 31 Dec 2019	367,303	5,308	315,003	-	660,310	1,347,924	-	1,347,924

### COMMENTS

Innodis Ltd and most of our subsidiaries performed satisfactorily for the first semester, including our Mozambique operations. However, our Group results have been impacted by a provision made by our subsidiary Meaders Feeds Ltd.

Group turnover for the semester increased marginally from last year to Rs2.4 billion. Group profit after tax suffered from the lower performance of Meaders Feeds Ltd, and dropped to Rs51.6M from Rs79.3M in the corresponding period last year.

At Company level, turnover grew by 4.5% to reach Rs1.4 billion. The growth would have been more significant had our sales not been affected by the adverse weather conditions in the run-up to the end of year festivities. Profit after Tax grew by 2% to Rs40.9M, despite an increase in finance costs (mostly on account of the adoption of IFRS16) as well as an increase in tax charge.

On a more positive note, the upward trend in the performance of both our Mozambique operations and Supercash during the first quarter has been sustained. In fact, Moçambique Farms Limitada has made a small profit in this semester as compared to a loss last year.

Finally, the impact of the increase in employee benefits and the introduction of the portable retirement gratuity fund under the Workers' Rights Act is being addressed and has yet to be fully quantified. Operating costs are expected to rise further as the new scheme becomes operational. However, the Board remains confident for the future as the Group pushes forward with its growth and improvement initiatives, in particular in its production activities, with new and innovative product launches being earmarked for the second semester.

### By order of the Board

Box Office Ltd  
Corporate Secretary  
12th Feb 2020