

INNODIS LTD

CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CONDENSED STATEMENTS OF PROFIT OR LOSS

| | CONSOLIDATED Half Year Ended 31 Dec 21 Unaudited Rs'000 | CONSOLIDATED Half Year Ended 31 Dec 20 Unaudited Rs'000 | CONSOLIDATED Year Ended 30 Jun 21 Audited Rs'000 | SEPARATE Half Year Ended 31 Dec 21 Unaudited Rs'000 | SEPARATE Half Year Ended 31 Dec 20 Unaudited Rs'000 | SEPARATE Year Ended 30 Jun 21 Audited Rs'000 |
|----------------------------------|---|---|--|---|---|--|
| Revenue | 2,711,683 | 2,409,297 | 4,526,186 | 1,460,226 | 1,372,243 | 2,609,980 |
| Profit from operating activities | 65,473 | 86,102 | 124,471 | 25,153 | 37,356 | 56,238 |
| Finance income | 11,722 | 5,961 | 10,982 | 5,070 | 4,269 | 2,510 |
| Finance costs | (34,849) | (35,871) | (73,507) | (18,707) | (22,940) | (46,102) |
| Expected credit loss allowances | (4,671) | (2,258) | (20,390) | (4,671) | (2,709) | (11,873) |
| Profit before income tax | 37,675 | 53,934 | 41,556 | 6,845 | 15,976 | 773 |
| Income tax (expense)/credit | (6,625) | (7,569) | 3,078 | (260) | (1,234) | 1,702 |
| Profit for the period | 31,050 | 46,365 | 44,634 | 6,585 | 14,742 | 2,475 |
| Profit attributable to: | | | | | | |
| Owners of the company | 15,853 | 33,130 | 21,172 | 6,585 | 14,742 | 2,475 |
| Non-controlling interests | 15,197 | 13,235 | 23,462 | - | - | - |
| | 31,050 | 46,365 | 44,634 | 6,585 | 14,742 | 2,475 |
| Number of shares | 36,730,266 | 36,730,266 | 36,730,266 | | | |
| Earnings per share (Rs) | 0.43 | 0.90 | 0.58 | | | |

| | CONSOLIDATED Quarter Ended 31 Dec 21 Unaudited Rs'000 | CONSOLIDATED Quarter Ended 31 Dec 20 Unaudited Rs'000 | SEPARATE Quarter Ended 31 Dec 21 Unaudited Rs'000 | SEPARATE Quarter Ended 31 Dec 20 Unaudited Rs'000 |
|----------------------------------|---|---|---|---|
| Revenue | 1,506,725 | 1,307,812 | 822,453 | 761,921 |
| Profit from operating activities | 38,322 | 52,267 | 13,726 | 23,005 |
| Finance income | 8,305 | 4,787 | 5,065 | 4,063 |
| Finance costs | (16,988) | (17,788) | (9,444) | (11,231) |
| Expected credit loss allowances | (4,425) | 442 | (4,670) | (2,709) |
| Profit before income tax | 25,214 | 39,708 | 4,677 | 13,128 |
| Income tax (expense)/credit | (3,664) | (2,934) | - | - |
| Profit for the period | 21,550 | 36,774 | 4,677 | 13,128 |

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

| | CONSOLIDATED Half Year Ended 31 Dec 21 Unaudited Rs'000 | CONSOLIDATED Half Year Ended 31 Dec 20 Unaudited Rs'000 | CONSOLIDATED Year Ended 30 Jun 21 Audited Rs'000 | SEPARATE Half Year Ended 31 Dec 21 Unaudited Rs'000 | SEPARATE Half Year Ended 31 Dec 20 Unaudited Rs'000 | SEPARATE Year Ended 30 Jun 21 Audited Rs'000 |
|--|---|---|--|---|---|--|
| Profit for the period | 31,050 | 46,365 | 44,634 | 6,585 | 14,742 | 2,475 |
| Other comprehensive income | | | | | | |
| Items that will never be classified to profit or loss | | | | | | |
| Actuarial (loss)/gain on retirement benefit obligations | (2,550) | - | 94,819 | - | - | 82,727 |
| Deferred tax retirement benefit obligations | - | - | (16,055) | - | - | (14,064) |
| | (2,550) | - | 78,764 | - | - | 68,663 |
| Items that are or may be reclassified to profit or loss | | | | | | |
| Foreign currency translation difference - foreign operations | 3,063 | 2,345 | (7,356) | - | - | - |
| Other comprehensive income for the period | 513 | 2,345 | 71,408 | - | - | 68,663 |
| Total comprehensive income for the period | 31,563 | 48,710 | 116,042 | 6,585 | 14,742 | 71,138 |
| Total comprehensive income for the period: | | | | | | |
| Owners of the company | 16,350 | 35,475 | 93,230 | 6,585 | 14,742 | 71,138 |
| Non-controlling interests | 15,213 | 13,235 | 22,812 | - | - | - |
| | 31,563 | 48,710 | 116,042 | 6,585 | 14,742 | 71,138 |

CONDENSED STATEMENTS OF CASH FLOWS

| | CONSOLIDATED Half Year Ended 31 Dec 21 Unaudited Rs'000 | CONSOLIDATED Half Year Ended 31 Dec 20 Unaudited Rs'000 | CONSOLIDATED Year Ended 30 Jun 21 Audited Rs'000 | SEPARATE Half Year Ended 31 Dec 21 Unaudited Rs'000 | SEPARATE Half Year Ended 31 Dec 20 Unaudited Rs'000 | SEPARATE Year Ended 30 Jun 21 Audited Rs'000 |
|---|---|---|--|---|---|--|
| Net cash from/(used in) operating activities | 170,098 | (149,645) | 126,485 | (145,824) | (107,503) | 43,305 |
| Net cash (used in)/from investing activities | (59,617) | 6,133 | (83,570) | (17,383) | (11,389) | (9,760) |
| Net cash from/(used in) financing activities | 384,375 | 171,667 | 70,244 | 584,198 | 75,087 | (80,571) |
| Net increase/(decrease) in cash and cash equivalents | 494,856 | 28,155 | 113,159 | 420,991 | (43,805) | (47,026) |
| Effects of exchange rate movements on cash and cash equivalents | 1,570 | 3,141 | 2,622 | - | - | - |
| Cash and cash equivalents at beginning of period | (434,825) | (550,606) | (550,606) | (465,712) | (418,686) | (418,686) |
| Cash and cash equivalents at end of period | 61,601 | (519,310) | (434,825) | (44,721) | (462,491) | (465,712) |

CONDENSED STATEMENTS OF FINANCIAL POSITION

| | CONSOLIDATED Half Year Ended 31 Dec 21 Unaudited Rs'000 | CONSOLIDATED Half Year Ended 31 Dec 20 Unaudited Rs'000 | CONSOLIDATED Year Ended 30 Jun 21 Audited Rs'000 | SEPARATE Half Year Ended 31 Dec 21 Unaudited Rs'000 | SEPARATE Half Year Ended 31 Dec 20 Unaudited Rs'000 | SEPARATE Year Ended 30 Jun 21 Audited Rs'000 |
|-------------------------------------|---|---|--|---|---|--|
| ASSETS | | | | | | |
| Property, plant and equipment | 1,844,566 | 1,815,121 | 1,800,221 | 287,844 | 292,269 | 284,780 |
| Right of use assets | 179,593 | 230,066 | 228,807 | 75,756 | 103,140 | 84,621 |
| Intangible assets and goodwill | 19,560 | 20,548 | 19,857 | - | - | - |
| Bearer biological assets | 8,055 | 5,674 | 11,943 | - | - | - |
| Long-term receivables | - | 8,182 | - | - | 8,182 | - |
| Investment properties | - | - | - | 461,235 | 480,831 | 475,816 |
| Investments in subsidiaries | - | - | - | 374,336 | 374,336 | 374,336 |
| Equity-accounted investees | - | 1,126 | - | - | - | - |
| Other investments | 26,214 | 25,089 | 26,214 | 25,088 | 25,088 | 25,088 |
| Deferred tax assets | 1,652 | 1,901 | 1,652 | - | - | - |
| Retirement benefit obligation | 10,135 | - | 10,135 | 10,135 | - | 10,135 |
| Current assets | 2,129,499 | 2,445,185 | 2,272,660 | 1,532,094 | 1,635,599 | 1,430,788 |
| Total assets | 4,219,274 | 4,552,892 | 4,371,489 | 2,766,488 | 2,919,445 | 2,685,564 |
| EQUITY AND LIABILITIES | | | | | | |
| Shareholders' equity | | | | | | |
| Owners' interest | 1,670,824 | 1,638,960 | 1,654,475 | 1,310,288 | 1,289,547 | 1,303,703 |
| Non-controlling interest | 276,838 | 266,747 | 266,524 | - | - | - |
| Total shareholders' equity | 1,947,662 | 1,905,707 | 1,920,999 | 1,310,288 | 1,289,547 | 1,303,703 |
| Non-current liabilities | 1,102,233 | 637,809 | 441,798 | 749,034 | 240,292 | 121,408 |
| Current liabilities | 1,169,379 | 2,009,376 | 2,008,692 | 707,166 | 1,389,606 | 1,260,453 |
| Total equity and liabilities | 4,219,274 | 4,552,892 | 4,371,489 | 2,766,488 | 2,919,445 | 2,685,564 |

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 |
|---|-------------------------|-------------------------|-------------------------------|--|-----------------------------|-----------------|------------------------------------|--------------------------------------|
| CONSOLIDATED | | | | | | | | |
| At 01 Jul 2020 | 367,303 | 5,308 | 441,862 | (14,475) | 803,487 | 1,603,485 | 253,512 | 1,856,997 |
| Profit for the year | - | - | - | (6,706) | 21,172 | 21,172 | 23,462 | 44,634 |
| Other comprehensive income for the year | - | - | (14,380) | (6,706) | 93,144 | 72,058 | (650) | 71,408 |
| Dividend | - | - | - | - | (42,240) | (42,240) | (9,800) | (52,040) |
| At 30 Jun 2021 | 367,303 | 5,308 | 427,482 | (21,181) | 875,563 | 1,654,475 | 266,524 | 1,920,999 |
| Profit for the period | - | - | - | - | 15,852 | 15,852 | 15,198 | 31,050 |
| Other comprehensive income for the period | - | - | (7,190) | 3,047 | 4,640 | 497 | 16 | 513 |
| Dividend | - | - | - | - | - | - | (4,900) | (4,900) |
| At 31 Dec 2021 | 367,303 | 5,308 | 420,292 | (18,134) | 896,055 | 1,670,824 | 276,838 | 1,947,662 |
| SEPARATE | | | | | | | | |
| At 01 Jul 2020 | 367,303 | 5,308 | 312,350 | - | 589,844 | 1,274,805 | - | 1,274,805 |
| Profit for the year | - | - | - | - | 2,475 | 2,475 | - | 2,475 |
| Other comprehensive income for the year | - | - | (5,306) | - | 73,969 | 68,663 | - | 68,663 |
| Dividend | - | - | - | - | (42,240) | (42,240) | - | (42,240) |
| At 30 Jun 2021 | 367,303 | 5,308 | 307,044 | - | 624,048 | 1,303,703 | - | 1,303,703 |
| Profit for the period | - | - | - | - | 6,585 | 6,585 | - | 6,585 |
| Other comprehensive income for the period | - | - | (2,653) | - | 2,653 | - | - | - |
| At 31 Dec 2021 | 367,303 | 5,308 | 304,391 | - | 633,286 | 1,310,288 | - | 1,310,288 |

COMMENTS

During the six months ended 31 December 2021, the Group maintained its positive momentum in top line growth, with an increase in revenue of 12.6% to Rs 2.7 billion. There was however no corresponding increase in profitability as trading conditions remained difficult. The Group recorded repeated increases in the prices of imported ingredients and finished goods. Freight charges have remained at an all-time high and the US Dollar has continued to appreciate against the Mauritian Rupee.

Group results were particularly affected by the significant escalations in the world prices of poultry feed ingredients (maize and soya bean) and the high level of competition in that sector. Consequently, the margins of our local poultry business have been severely squeezed compared to last year, and this is mostly responsible for the drop in Group profit for the period, which fell by Rs 20.6 million to Rs 65.5 million. Our EPS for the six months stood at Rs 0.43 (Dec 2020: Rs 0.90).

At Company level, in spite of an increase of 6.4% in turnover, our operating profit fell to Rs25.2 million (Dec 2020: Rs37.4m). This was due to margin contractions following the introduction of price control on some product lines as well as the challenges outlined above in the poultry sector.

Sales to the Hotel and Catering sector recorded an encouraging growth since October 2021 with the opening of our international borders, but were impacted in December 2021, following the announcement of the Omicron variant and the imposition of new border restrictions. On a positive note, Moçambique Farms Limitada continued to post encouraging results.

Several cost containment measures are being implemented to navigate through this difficult period until the trading environment starts to improve. Furthermore, increases in wholesale prices may become inevitable in order to recoup the escalation of input costs that the Group has borne since June 2020. That being said, we also believe the market holds opportunities for growth, and we remain committed to new product development and look forward to range extensions during the second semester.

By order of the Board

Box Office Ltd
Corporate Secretary
11th Feb 2022