

The board of Omnicane Ltd is pleased to present the Group's condensed audited financial statements for the year ended 31 December 2023. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the same basis as the accounting policies set out in the audited statutory financial statements for the year ended 31 December 2022.

Omnicanne 2.0 Unleashed: Sustaining Momentum

Year 2022 witnessed the culmination of our Strategic Planning Process (SPP), known as 'Omnicanne 2.0', charting a course for the Group to fortify its existing operations while transitioning towards a new corporate framework and eco-friendly initiatives. We are pleased to report that in 2023, the execution of our strategic plan remained firmly on track, marked by significant milestones that promise to enhance shareholder value while upholding profitability.

Corporate Structure

Central to our strategy was the optimisation of our corporate structure, ensuring seamless integration of operational entities and management under a unified umbrella. The acquisition of Omnicane Management & Consultancy Ltd (OMCL) during the year epitomises this vision, consolidating our organisational framework and aligning the interests of every stakeholder within the Group. OMCL's robust treasury arm not only strengthens our internal operations but also presents avenues for future expansion, including the development of a financial hub targeting specialised markets.

Consolidation: Value-Addition

The successful commissioning of our antioxidant plant in 2023 marks a pivotal achievement, poised to drive future revenue growth. Additionally, initial rum production trials yielded positive feedback from industry experts, positioning Omnicane favourably in the promising rum market. These developments underscore our commitment to diversification and value creation.

Energy Transition

In line with our commitment to green energy, significant progress has been made in advancing our biomass solutions, both from technical and financial standpoints. Our assessment indicates that the conversion of our power plants can contribute substantially to the government's green energy targets by 2030. Exploratory missions to identify biomass sourcing opportunities have yielded promising results, enabling us to initiate discussions with authorities regarding the conversion of the St Aubin power plant.

Build to Yield

Transitioning from a 'build to sell' to a 'build to yield' strategy in our property portfolio is gaining traction. With the full acquisition of Omnicane House, our focus now shifts towards optimising occupancy, while additional projects aligned with this strategy are in various stages of development. Concurrently, certain land assets earmarked for sale have been temporarily retained as we reassess our approach to maximise returns.

Shareholder Returns

Having prioritised the bolstering of its balance sheet during the challenging times, the Group, in line with Omnicane 2.0 plan, declared a dividend of Rs 1.00 per share during the year. This translates into a dividend yield of 4.27%, which is above the market average yield.

Highlights for the year ended 31 December 2023

The Group sustained its upward trajectory, achieving a profit of Rs 577 M, primarily propelled by the robust performance of our Agro-Industry cluster with favourable sugar prices and improved margins in non-originating refined sugar operations. Notably, our Return on Capital Employed increased to 9% (compared to 8% in 2022), while Net Debt to EBITDA remained stable at 3.4 times. Despite the acquisition of Omnicane Management & Consultancy Ltd, debt levels and Group Gearing were effectively managed, demonstrating prudent financial stewardship amidst strategic expansion efforts.

Agro-Industry

The segment maintained strong performance, achieving a revenue of Rs 2.78 Bn, marking a notable increase of 20.70% compared to the previous year. This growth was driven by several factors, including a Rs 5,000 per ton increase in sugar prices for the 2023 crop, a positive adjustment of Rs 4,554 per ton on the final sugar price for the 2022 crop and improved remuneration for the refined sugar. Consequently, both EBITDA and profit after tax saw significant improvements, rising by Rs 208 M and Rs 221 M respectively compared to the previous year.

Energy

In the Energy Segment, revenue declined by Rs 1.74 Bn primarily due to a 39% decrease in coal prices compared to 2022, and a reduction in the La Baraque power plant capacity fee by Rs 244 M in accordance with its Power Purchase Agreement. Despite the better efficiency of the Omnihydro power plant in Rwanda partially offsetting the impact of the capacity fee reduction, EBITDA decreased by Rs 218 M. Additionally, finance costs rose by Rs 86 M due to higher interest on import loans and swap costs, resulting in a decline in profit after tax by Rs 286 M.

Properties

During the year, 71% of the Greenview Morcellement project and 6 plots of the Business Park project were sold, thereby generating an EBITDA of Rs 173 M. The acquisition of the full shareholding of Maref Mon Trésor Investments 1 Ltd (Maref 1), owner of the Omnicane House building, contributed positively to the segment, with a one-off adjustment of Rs 66 M accounted under Other non-operating income. This resulted in an EBITDA of Rs 149 M and profit after tax of Rs 141 M respectively, compared to Rs 179 M and Rs 173 M in the previous year.

Retail & Brands

The segment's EBITDA rose by Rs 64 M compared to last year, primarily due to the improved financial performance of the Holiday Inn hotel and Dina line of products.

Corporate & Financial Services

On September 1st, 2023, the Group completed the acquisition of Omnicane Management & Consultancy Ltd and its subsidiaries (OMCL), enhancing its strategic management and treasury capabilities. This transaction, treated as a 'Combination of entities and businesses under common control,' incurred a reorganisation cost of Rs 798 M, which was duly accounted for through Group Reserves. The newly integrated segment generated an EBITDA of Rs 63 M and profit after tax of Rs 59 M respectively.

Outlook

Agro-Industry & Energy Segment

In 2024, the focus will be on making significant progress on our energy transition agenda for our two power plants. The priority will be the one at St Aubin whose PPA will expire in September 2025.

In respect of refined sugar production, we plan to achieve at least the same level of 2023. However, the market conditions we experienced during the last two years could be less favourable in 2024, which will put some pressure on the sugar price.

Properties, Retail & Brands Segment

The priority for the Retail & Brands segment will be towards the sale of antioxidant products with the main markets targeted being the UAE and Europe. The development of a rum brand and the strengthening of the sale channels for Low GI and other sugars are also high on the agenda.

On the property side, the sale of remaining land plots of the Greenview morcellement should be completed whilst those in the Business Park are expected to progress well.

Corporate and Financial Services

This new pole of the Group is well positioned to grow outside the present captive market. The treasury arm of the pole which has been rebranded as Meridis is currently in advanced discussions with strategic partners to grow its activities.

Based on the above, the Group is expected to maintain good profitability in line with its Omnicane 2.0 plan.

Omnicanne Limited's Board of Directors accepts full responsibility for the accuracy of the information contained in this report, a copy of which is available free of charge at the Company's registered office, Omnicane House, Mon Trésor Business Gateway, New Airport Access Road, Plaine Magnien, where can be consulted the statement of direct and indirect interests of the Company's officers, required under Rule 8 (2) (m) of the securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

**Omnicanne Management & Consultancy Ltd
Managers & Secretaries**
29 March 2024

1. STATEMENT OF COMPREHENSIVE INCOME

	Year to	
	31/12/2023	31/12/2022
Revenue	7,569,945	8,765,414
EBITDA	1,756,854	1,669,324
Depreciation and amortisation	(580,126)	(567,126)
EBIT	1,176,728	1,102,198
Impairment of assets & allowances for credit losses	(11,818)	(57,516)
Net finance costs	(540,525)	(426,536)
Forex (loss)/gain	(16,339)	9,147
Profit before taxation	608,046	627,293
Taxation	(31,410)	(58,769)
Profit for the year	576,636	568,524
Other comprehensive income		
Currency translation differences	(192,079)	(1,957)
Change in fair value of intangible assets	-	(49,068)
Remeasurements of retirement benefit obligations	(137,955)	48,161
Deferred tax effect on remeasurements of retirement benefit obligations	(1,969)	274
Changes in fair value of equity instruments at fair value through OCI	(4)	-
Total comprehensive income for the year	244,629	565,934
Profit attributable to:		
Owners of the parent	427,468	373,413
Non-controlling interests	149,168	195,111
	576,636	568,524
Total comprehensive income attributable to:		
Owners of the parent	105,098	379,693
Non-controlling interests	139,531	186,241
	244,629	565,934
Earnings per share (MUR)	6.38	5.57
Adjusted EBITDA Margin	34.61%	27.97%
Return on capital employed	9.30%	8.32%

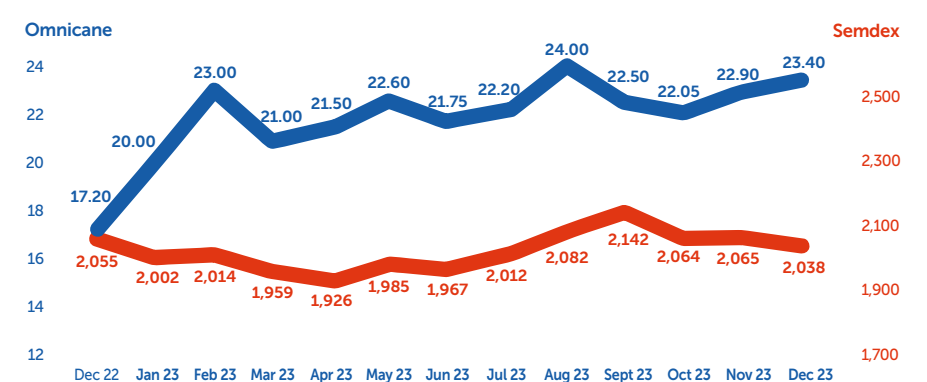
3. STATEMENT OF CHANGES IN EQUITY

	Owners' Interests	Non-controlling Interests	Total
At January 1, 2023	6,392,003	1,034,676	7,426,679
Total comprehensive income for the year:			
- Profit for the year	427,468	149,168	576,636
- Other comprehensive income for the year	(322,370)	(9,637)	(332,007)
Dividends	(67,012)	(74,000)	(141,012)
Acquisition of subsidiary companies	(794,995)	-	(794,995)
Balance at 31 December, 2023	5,635,094	1,100,207	6,735,301
At January 1, 2022	6,012,311	908,435	6,920,746
Total comprehensive income:			
- Profit for the year	373,413	195,111	568,524
- Other comprehensive income for the year	6,279	(8,870)	(2,591)
Dividends	-	(60,000)	(60,000)
Balance at 31 December, 2022	6,392,003	1,034,676	7,426,679

Financial Highlights – Share Price

Since the beginning of the year, the share price of Omnicane rose by 36% to reach Rs 23.40 (Dec 2022: Rs 17.20) and was the top gainer in terms of share appreciation on the SEM, during that same period, the SEMDEX decreased by 1%.

Omnicanne Share Price Performance



2. STATEMENT OF FINANCIAL POSITION

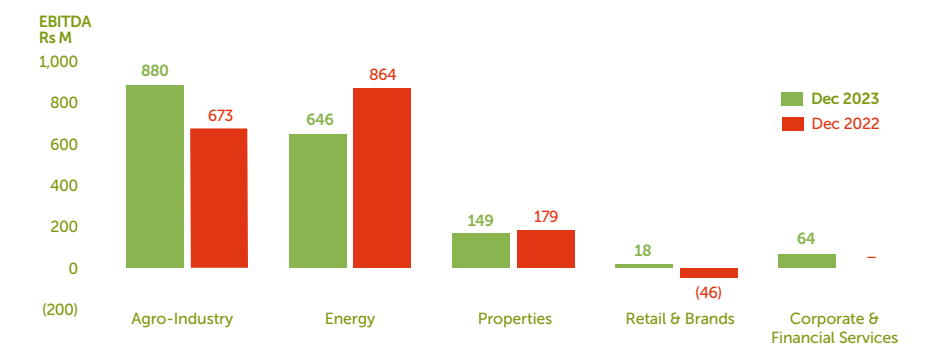
	As at	
	31/12/2023	31/12/2022
Non-current assets	11,336,092	11,527,223
Property, plant and equipment	167,114	-
Investment Property	320,766	405,500
Right-of-use assets	655,117	689,682
Intangible assets	13,438	13,108
Investment in associated companies	-	6,960
Investment in joint ventures	27	31
Financial assets at fair value through OCI	18,672	91,391
Financial assets at amortised costs	12,511,226	12,733,895
Current assets	4,404,577	5,964,518
Non-current assets classified as held for sale	35,348	35,348
Total assets	16,951,151	18,733,761
Equity and liabilities		
Capital and Reserves		
Share capital	502,593	502,593
Share premium	292,450	292,450
Revaluation and other reserves	2,336,345	3,457,287
Retained earnings	2,503,706	2,139,673
Owners' interest	5,635,094	6,392,003
Non-controlling interests	1,100,207	1,034,676
Total Equity	6,735,301	7,426,679
Non-current liabilities	5,972,795	4,842,949
Current liabilities	4,243,055	6,464,133
Total equity and liabilities	16,951,151	18,733,761

4. STATEMENT OF CASH FLOW

	Year to	
	31/12/2023	31/12/2022
Net cash from/(used in) operating activities	1,208,148	(738,781)
Net cash (used in)/from investing activities	(50,759)	1,823,838
Net cash used in financing activities	(797,785)	(682,689)
Net increase in cash and cash equivalents	359,604	402,368
Cash and cash equivalents at beginning	(302,729)	(686,970)
Effect of foreign exchange rate changes	23,076	(18,127)
Cash and cash equivalents at end	79,951	(302,729)

5. SEGMENTAL INFORMATION

	Year to	
	31/12/2023	31/12/2022
Revenue		
Agro-Industry	2,781,708	2,304,582
Energy	4,599,707	6,339,614
Properties	1,217	-
Retail & Brands	179,243	121,218
Corporate & Financial Services	8,070	-
Total	7,569,945	8,765,414
EBITDA		
Agro-Industry	880,292	672,702
Energy	645,981	863,910
Agro-Industry & Energy	1,526,273	1,536,612
Properties	149,174	179,134
Retail & Brands	17,609	(46,422)
Properties & Retail & Brands	166,783	132,712
Corporate & Financial Services	63,798	-
Total EBITDA	1,756,854	1,669,324
Profit/(loss)		
Agro-Industry	359,256	137,800
Energy	38,162	324,063
Properties	141,435	173,750
Retail & Brands	(21,033)	(67,090)
Corporate & Financial Services	58,816	-
Total	576,636	568,523



As at 31 December 2023

Revenue	EBITDA	Profit for the year	Total Assets	Gearing	Net Asset Value Per Share
Rs 7,570 M	Rs 1,757 M	Rs 577 M	Rs 16,951 M	46.79%	Rs 84.09
Rs 8,765 M – 31 Dec 2022	Rs 1,669 M – 31 Dec 2022	Rs 569 M – 31 Dec 2022	Rs 18,734 M – 31 Dec 2022	41.49% – 31 Dec 2022	Rs 95.39 – 31 Dec 2022