

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2022

DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of SREE AGRO is pleased to present the performance for the three months and the nine months ended 30 September 2022.

SREE AGRO mainly acts as the holding company of SREE PLC (Zambia), which is involved in the trading and distribution activities of a wide range of soft commodities. The SREE Group sells to customers in Zambia & neighboring African countries. The Group operates in:

- Essential food trading (Fish, Chicken, Goat, Maize flour, Rice, Edible oil, Sugar, Salt & other food products); and
- Agro processing (Aquaculture, Farming & Maize Milling).

The subsidiary company SREE PLC faced various challenges during the last three months, mainly attributed to "Edible Oil" price issues and other related issues.

Due to the above challenges, the SREE PLC just managed to keep its topline and bottom-line numbers at par with its previous years and planned budgets.

HIGHLIGHTS OF PERFORMANCE OF SREE GROUP

- Quarterly revenues at USD 5.272 million against USD 6.967 million for the previous quarter, a decrease of 24.33%
- Operational EBITDA for the nine months ended 30 September 2022 stood at USD 2,353,545 against USD 467,198 for the 3 months ended 30 September 2022, showing a healthy EBITDA growth of 24.8%.

- Profit after tax for the nine months ended 30 September 2022 stood at USD 774,647 against loss after tax of USD 14,323 for the 3 months ended 30 September 2022.
- Planted 16 Ha Moringa farming (Converting half of present "Fruits & Spices" farming).
- Moringa farming, processing shall increase the bottom-line from next financial year i.e., 2023.

CURRENT BUSINESS OUTLOOK

The Company has a good outlook for Q4 and onwards and the Management remains on track to achieve its 2022 estimates. Rising inflation, volatile soft commodity prices are continuing challenges. However, the product mix combinations, working to reduce the supply chain cycles are estimated to compensate for the above said issues.

We sincerely thank all our employees, customers, suppliers, shareholders & other stakeholders for their continued patronage and support during the pandemic and post pandemic difficult times. We reiterate the Management's commitment of consistent performance and to create value in line with our long-term vision.

The Group is committed to grow the essential food company, handling basket of fillers (essential foods) benefitting people in Sub-Saharan Africa.

By order of the Board

10 November 2022

Consolidated Statement of Financial Position

	Unaudited as at 30 September 2022	Audited as at 31 December 2021
	USD	USD
ASSETS		
Non-Current Assets		
Property plant and equipment	19,114,720	18,198,633
Total Non-Current Assets	19,114,720	18,198,633
Current Assets		
Inventories	3,788,725	2,958,624
Trade and other receivables	3,132,072	2,428,327
Cash and cash equivalents	536,564	573,242
Total Current Assets	7,457,361	5,960,193
Total Assets	26,572,081	24,158,826
EQUITY & LIABILITIES		
EQUITY		
Equity share capital	5,002,350	5,002,350
Retained earnings	5,594,311	4,819,664
Translation reserve	3,619,439	2,882,198
Capital and reserves attributable to owners of SREE AGRO LIMITED	14,216,100	12,704,212
Non-Current Liabilities		
Borrowings	979,549	1,565,237
Other payables	5,000,000	5,000,000
Deferred tax liabilities	1,796,219	1,245,911
Total Non-Current Liabilities	7,775,768	7,811,148
Current Liabilities		
Due to shareholders	11,950	11,950
Trade and other payables	4,566,210	3,435,030
Tax liability	2,053	196,486
Total Current Liabilities	4,580,213	3,643,466
Total Equity & Liabilities	26,572,081	24,158,826
Number of Shares in Issue	5,100,000	5,100,000
Net asset value per share	2.79	2.49

Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Unaudited for the 9 months ended 30 September 2022	Unaudited for the 3 months ended 30 September 2022
	USD	USD
Revenue from operations	17,789,768	5,271,799
Total income	17,789,768	5,271,799
Expenditure		
Cost of sales	14,649,049	4,567,092
Operating expenses	368,985	111,231
Listing fees	35,102	6,040
Sales and distribution expenses	201,104	63,751
Administration expenses	181,984	56,487
Total expenditure	15,436,224	4,804,601
Profit before finance cost, depreciation and tax	2,353,544	467,198
Finance costs	(862,762)	(323,144)
Depreciation	(453,264)	(151,312)
Profit / (Loss) before tax	1,037,518	(7,258)
Income tax expense		
Current tax	(113,884)	(1,973)
Deferred tax	(148,987)	(5,092)
Profit / (Loss) for the period	774,647	(14,323)
Number of Shares in Issue	5,100,000	5,100,000
Earnings/(loss) per share	0.15	(0.003)
Profit attributable to Owners of the Company	774,647	(14,323)

Statement of Comprehensive Income

	Unaudited for the 9 months ended 30 September 2022	Unaudited for the 3 months ended July to Sept 2022
	USD	USD
Profit / (Loss) for the period	774,647	(14,323)
<i>Items that will not be reclassified to profit or loss:</i>		
Translation of foreign subsidiaries	737,241	1,679,235
Total comprehensive loss for the period	1,511,888	1,664,912
Total comprehensive income for the period attributable to owners of the Company	1,511,888	1,664,912

Consolidated Statement of Cash flows

	Unaudited for the 9 months ended 30 September 2022
	USD
Net cash flow used in operating activities	(735,424)
Net cash flow used in investing activities	(2,136,887)
Net cash flow from financing activities	1,145,733
Net decrease in cash and cash equivalents	(1,726,578)
Cash and cash equivalents at the beginning of the period	549,894
Foreign exchange difference	1,713,247
Cash and cash equivalents at the end of the period	536,563

The Company is required to publish consolidated interim financial results for the three months and nine months ended 30 September 2022 in terms of Listing Rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months and nine months ended 30 September 2022 ("abridged unaudited consolidated financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting and the SEM Listing Rules.

The abridged unaudited consolidated financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited consolidated financial statements were approved by the Board of Directors (the "Board") on 10 November 2022.

This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mr Bashir Nabeebokus.

For further information, please contact:
Perigeum Capital Ltd

SEM Authorised Representative and Sponsor



GlobalServe Management Limited
Company Secretary



Statement of Changes in Equity

	Share capital	Retained earnings	Translation reserve	Total equity
	USD	USD	USD	USD
Balance as at 01 January 2022	5,002,350	4,819,664	2,882,198	12,704,212
Shares issued during the period	-	-	-	-
Other comprehensive income	-	-	737,241	737,241
Retained earnings	-	774,647	-	774,647
Balance as at 30 Sept 2022	5,002,350	5,594,311	3,619,439	14,216,100