



ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2022

DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of SREE AGRO is pleased to present the performance for three months and the six months ended 30 June 2022. We are proud to make our first announcement of the Group's results post the listing of the shares of SREE AGRO on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") on 20 June 2022.

SREE AGRO mainly acts as the holding company of SREE PLC (Zambia), and is partially 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 SREE GROUP faced various challenges during the last six months, mainly attributed to "Inflation, high supply chain times" due to post pandemic effects and war in Europe - which in turn affected the purchase parity of people and supply delays.

The other important factor is volatile soft commodity prices.

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

- Quarter to date profit after tax at USD 788,971 against profit after tax of USD 438,220 for the previous quarter (SREE PLC).
- 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 Q3 & Q4 and the Management remains on track to achieve its 2022 estimates. Rising inflation, volatile soft commodity prices are posing 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

11 August 2022

HIGHLIGHTS OF PERFORMANCE OF SREE GROUP

- Quarterly revenues at USD 6.967 million against USD 5.550 million for the previous quarter (SREE PLC), an increase of 25.5%
- Quarterly Operational EBITDA at USD 1,886,000 against USD 1,039,900 for the previous quarter (SREE PLC), showing a healthy 81.4% EBITDA growth over last quarter.

Consolidated Statement of Financial Position

	Unaudited as at 30 June 2022 USD	Audited as at 31 December 2021 USD
ASSETS		
Non-Current Assets		
Property plant and equipment	17,599,723	18,198,633
Total Non-Current Assets	17,599,723	18,198,633
Current Assets		
Inventories	2,905,943	2,958,624
Trade and other receivables	3,485,966	2,428,327
Cash and cash equivalents	436,537	573,242
Total Current Assets	6,828,446	5,960,193
Total Assets	24,428,169	24,158,826
EQUITY & LIABILITIES		
EQUITY		
Equity share capital	5,002,350	5,002,350
Retained earnings	5,608,635	4,819,664
Translation reserve	1,940,204	2,882,198
Capital and reserves attributable to owners of SREE AGRO LIMITED	12,551,189	12,704,212
Non-Current Liabilities		
Borrowings	1,107,645	1,565,237
Other payables	5,000,000	5,000,000
Deferred tax liabilities	1,635,503	1,245,911
Total Non-Current Liabilities	7,743,149	7,811,148
Current Liabilities		
Due to shareholders	11,950	11,950
Trade and other payables	4,055,222	3,435,030
Tax liability	66,659	196,486
Total Current Liabilities	4,133,831	3,643,466
Total Equity & Liabilities	24,428,169	24,158,826
Number of Shares in Issue	5,100,000	5,100,000
Net asset value per share	2.46	2.49

Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Unaudited for the 6 months ended 30 June 2022 USD	Unaudited for the 3 months ended April to June 2022 USD
Revenue from operations	12,517,969	6,967,371
Total income	12,517,969	6,967,371
Expenditure		
Cost of sales	10,081,956	5,607,205
Operating expenses	257,754	149,972
Listing fees	29,062	24,433
Sales and distribution expenses	137,353	76,115
Administration expenses	125,497	69,742
Total expenditure	10,631,622	5,927,467
Profit before finance cost, depreciation and tax	1,886,347	1,039,904
Finance costs	(539,618)	(293,234)
Depreciation	(301,952)	(152,572)
Profit before tax	1,044,777	594,098
Income tax expense		
Current tax	(111,911)	(65,930)
Deferred tax	(143,895)	(89,948)
Profit for the period	788,971	438,220
Number of Shares in Issue	5,100,000	5,100,000
Earnings per share	0.15	0.09
Profit attributable to Owners of the Company	788,971	438,220

Statement of Comprehensive Income

	Unaudited for the 6 months ended 30 June 2022 USD	Unaudited for the 3 months ended April to June 2022 USD
Profit for the period	788,971	438,220
<i>Items that will not be reclassified to profit or loss:</i>		
Translation of foreign subsidiaries	(941,994)	(637,319)
Total comprehensive loss for the period	(153,023)	(199,099)
Total comprehensive income for the period attributable to owners of the Company	(153,023)	(199,099)

Consolidated Statement of Cash flows

	Unaudited for the 6 months ended 30 June 2022 USD
Net cash flow used in operating activities	(287,835)
Net cash flow used in investing activities	(470,577)
Net cash flow from financing activities	645,055
Net decrease in cash and cash equivalents	(113,357)
Cash and cash equivalents at the beginning of the period	549,894
Cash and cash equivalents at the end of the period	436,537

The Company is required to publish consolidated interim financial results for the three months and six months ended 30 June 2022 in terms of Listing Rule 12.19 of the SEM. SREE AGRO completed the acquisition of SREE PLC in July 2021, as such the unaudited figures for the three months and six months ended 30 June 2021 have not been included as comparatives as the latter are standalone figures and hence not comparable.

The abridged unaudited consolidated financial statements for the three months and six months ended 30 June 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 11 August 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 USD	Retained earnings USD	Translation reserve USD	Total equity 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	-	-	(941,994)	(941,994)
Retained earnings	-	788,971	-	788,971
Balance as at 30 June 2022	5,002,350	5,608,635	1,940,204	12,551,189