

MIWA SUGAR LIMITED AND ITS SUBSIDIARIES FOR THE QUARTER ENDED 30 SEPTEMBER 2023

Miwa Sugar delivers excellent results, driven by strong sales in Tanzania and increased production, higher sales and better prices in Kenya

UNAUDITED GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Unaudited 3 months ended 30 Sep 2023 |
|---|--|
| | USD'000 |
| REVENUE | 71,741 |
| Earnings before interest, taxes, depreciation and amortisation | 41,086 |
| Depreciation, amortisation and release of deferred income | (2,949) |
| Earnings before interest and taxation | 38,137 |
| Finance costs | (2,150) |
| Profit before taxation | 35,987 |
| Taxation | (12,354) |
| Profit for the period | 23,633 |
| Other comprehensive loss for the period | (4,890) |
| Total comprehensive income for the period | 18,743 |
| Profit attributable to: | |
| - Equity holders | 10,303 |
| - Non-controlling interest | 13,330 |
| | 23,633 |
| Total comprehensive income attributable to: | |
| - Equity holders | 7,587 |
| - Non-controlling interest | 11,156 |
| | 18,743 |
| Earnings per share | USD 0.03 |
| Dividend per share | USD - |

UNAUDITED GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

| | Unaudited 30 Sep 2023 | Audited 30 Jun 2023 |
|---|--------------------------|------------------------|
| | USD'000 | USD'000 |
| ASSETS EMPLOYED | | |
| Non-current assets | | |
| Property, plant and equipment and right-of-use assets | 99,092 | 101,927 |
| Intangible assets | 16,656 | 17,553 |
| Financial assets at amortised cost | 3,646 | 4,495 |
| | 119,394 | 123,975 |
| Current assets | 119,831 | 105,214 |
| TOTAL ASSETS | 239,225 | 229,189 |
| EQUITY AND LIABILITIES | | |
| Shareholders' interest | 27,864 | 20,277 |
| Non-controlling interest | 49,914 | 38,758 |
| Non-current liabilities | 105,171 | 90,155 |
| Current liabilities | 56,276 | 79,999 |
| TOTAL EQUITY AND LIABILITIES | 239,225 | 229,189 |
| Interest-bearing debt | 88,740 | 93,330 |
| Net asset value per share | USD 0.087 | 0.063 |
| Number of ordinary shares in issue | No 318,492,120 | 318,492,120 |

UNAUDITED GROUP SEGMENTAL INFORMATION

| | Revenue Unaudited 3 months ended 30 Sep 2023 | Profit Unaudited 3 months ended 30 Sep 2023 |
|--------------------------|---|--|
| | USD'000 | USD'000 |
| Country analysis* | | |
| Tanzania | 33,007 | 13,499 |
| Kenya | 38,734 | 10,134 |
| | 71,741 | 23,633 |

*Profit after tax is adjusted for internal group costs and will not tally with the breakdown in the commentary.

UNAUDITED GROUP CONDENSED STATEMENT OF CASH FLOWS

| | Unaudited 30 Sep 2023 |
|---|--------------------------|
| | USD'000 |
| Net cash flow from operating activities | 29,554 |
| Net cash flow used in investing activities | (3,902) |
| Net cash flow used in financing activities | (3,834) |
| Net increase in cash and cash equivalents | 21,817 |
| Opening balance at 1 July 2023 | 5,041 |
| Cash and cash equivalents at 30 September 2023 | 26,858 |

UNAUDITED GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders | Non-controlling interest | Total equity |
|---|-----------------------------------|-----------------------------|---------------|
| | USD'000 | USD'000 | USD'000 |
| At 1 July 2023 | 20,277 | 38,758 | 59,035 |
| Total comprehensive income for the period | 7,587 | 11,156 | 18,743 |
| At 30 September 2023 | 27,864 | 49,914 | 77,778 |

GROUP

Miwa Sugar Limited ("Miwa Sugar" or "the Group") publishes its first quarter accounts for the period ended 30 September 2023. As a newly listed company on the Development and Enterprise Market of the Stock Exchange of Mauritius on 28 November 2022, there are no statutory comparatives - the Group recorded revenue and a net profit of USD 71.7m and USD 23.6m respectively. EBITDA stood at USD 41.1m, displaying the strong cash generating potential of the underlying operations. Whilst it is noteworthy that, in quarter 1, Miwa Sugar has already recorded 50% and 86% of last year's 9 months of revenue and profit after tax respectively, caution should be exercised when analysing its financial performance given revenue and costs do not accrue evenly throughout the financial year.

Tanzanian operations contributed USD 33.0m of Group revenue, with the balance of USD 38.7m attributable to Kenyan operations. Correspondingly profitability was USD 13.5m and USD 10.1m respectively. These results showcase the efficiency of TPC Limited ("TPC") in achieving excellent margins from its revenue. The increase in revenue achieved by Transmara Sugar Company Limited ("TSCL") in Kenya bears testament to the material turnaround that has ensured consistent cane availability and sustained crushing and thus allowed TSCL to benefit fully from favourable pricing conditions in the country.

The other comprehensive loss of USD 4.9m relates to the retranslation in USD of Miwa Sugar's foreign subsidiary assets, denominated in their respective currencies.

GROUP PROFORMA

Miwa Sugar, as a new group started consolidating results of its subsidiaries from the second quarter of FY 22/23. To aid understanding of the progress in the performance of its underlying entities, the following pro-forma has been drawn, providing results for the 3-month period to 30 September 2023.

| USD'000 | 3 months to 30 Sep 2023 | 3 months to 30 Sep 2022 |
|---------|----------------------------|----------------------------|
| Revenue | 71,741 | 44,610 |
| EBITDA | 41,086 | 23,935 |
| PAT | 23,633 | 12,696 |

These comparative results were disclosed as discontinued operations in the quarter 1 results of Alteo Limited and represent the African operations which today comprise Miwa Sugar. Over the period under review, revenue increased by 61% to USD 71.7m with net profit up by a corresponding USD 10.9m (86%). The drivers for this performance are elaborated in the two sections which follow, representing the independent performance of the Miwa Sugar subsidiaries.

TPC

| USD'000 | 3 months to 30 Sep 2023 | 3 months to 30 Sep 2022 |
|---------|----------------------------|----------------------------|
| Revenue | 33,007 | 21,031 |
| EBITDA | 22,950 | 16,663 |
| PAT | 14,019 | 9,590 |

TPC achieved an excellent performance, despite the quarter seeing lower production of c. 2,500 tonnes of sugar compared to last year, with productivity and average yield also falling by c. 6% (note that FY22/23 represented a record year for TPC and yields remain within the 3-year average). The enhanced performance is primarily due to the sale of an extra 14,000 tonnes of sugar at average prices that were 5% higher in local currency. The depreciation of the Tanzanian currency reduced this price increase in USD terms, losing 3% compared to the prior year. EBITDA nonetheless saw a USD 6.3m increase over the 3-month period, with profitability also up by USD 4.4m.

TSCL

| USD'000 | 3 months to 30 Sep 2023 | 3 months to 30 Sep 2022 |
|---------|----------------------------|----------------------------|
| Revenue | 38,734 | 23,579 |
| EBITDA | 18,006 | 6,533 |
| PAT | 10,984 | 2,835 |

The ongoing progress at TSCL continues to deliver excellent results. Cane crushed and sugar produced/sold increased by 17% and 19% respectively with better recovery and factory crushing availability over the period compared to last year. The national supply of sugar in Kenya remains constrained, with poor cane availability in regions outside Transmara and several mills remaining shut following a government order earlier in the year - sugar prices increased significantly over the quarter compared to last year. As a result, TSCL saw a USD 15.1m increase in revenue to USD 38.7m, an EBITDA up 176% to USD 18m and profitability reaching USD 10.9m from USD 2.8m in the prior corresponding period.

OUTLOOK

Over the remainder of the year both operations are expected to continue to perform strongly in their respective markets. Whilst sugar prices are expected to remain high in the second quarter, other mills are expected to re-open towards the end of the calendar year in Kenya which will enhance supply, along with confirmed entry of sugar imports towards the end of quarter 1. Management remains actively focused on optimising revenue for the forthcoming quarters and over the medium term, generating additional shareholder value through income stream diversification and exploring new ventures in the region.

By Order of the Board

10 November 2023

The condensed financial statements for the 3 months ended 30 September 2023 are unaudited and have been prepared using the Group's accounting policies.

The condensed unaudited financial statements are issued pursuant to the DEM Rule 17. Copies of these condensed unaudited financial statements and the statement of direct and indirect interests of Officers of Miwa Sugar are available to the public, free of charge, at the registered office of Miwa Sugar at Vivéa Business Park, Saint Pierre, Mauritius upon request made to the Company Secretary.

The Board of Directors of Miwa Sugar accepts full responsibility for the accuracy of the information contained in these condensed financial statements.