

QUALITY BEVERAGES LIMITED

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	<u>30 September 2023</u>	<u>31 December 2022</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
	Rs	Rs	Rs	Rs
ASSETS				
Non-current assets	1,174,310,638	1,191,925,103	1,178,753,944	1,198,118,775
Current assets	571,960,400	780,947,822	555,179,096	764,889,180
TOTAL ASSETS	Rs 1,746,271,038	1,972,872,925	1,733,933,040	1,963,007,955
EQUITY AND LIABILITIES				
Capital and reserves				
Total Equity	686,592,716	703,650,047	692,076,204	696,615,590
Non-current liabilities	527,225,868	518,107,556	523,587,642	515,060,875
Current liabilities	532,452,454	751,115,322	518,269,194	751,331,490
TOTAL EQUITY AND LIABILITIES	Rs 1,746,271,038	1,972,872,925	1,733,933,040	1,963,007,955

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				THE COMPANY			
	<u>Quarter ended</u>	<u>Quarter ended</u>	<u>9 months ended</u>	<u>9 months ended</u>	<u>Quarter ended</u>	<u>Quarter ended</u>	<u>9 months ended</u>	<u>9 months ended</u>
	<u>30 September 2023</u>	<u>30 September 2022</u>	<u>30 September 2023</u>	<u>30 September 2022</u>	<u>30 September 2023</u>	<u>30 September 2022</u>	<u>30 September 2023</u>	<u>30 September 2022</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Revenue from contracts with customers	548,080,481	508,677,469	1,608,674,310	1,425,001,411	449,375,209	411,998,870	1,354,351,096	1,192,465,158
Operating Profit	1,490,621	7,746,983	9,346,885	40,552,729	744,657	6,502,123	22,239,104	39,486,188
Finance costs	(9,222,251)	(6,434,800)	(29,616,581)	(18,277,544)	(9,406,526)	(6,458,197)	(30,474,242)	(18,355,392)
Profit/(loss) before taxation	(7,731,630)	1,312,183	(20,269,696)	22,275,185	(8,661,870)	43,926	(8,235,137)	21,130,796
Taxation	1,101,813	(212,611)	3,212,365	(8,518,116)	1,436,745	(9,344)	3,695,751	(7,710,868)
Profit/(loss) for the period	Rs (6,629,817)	1,099,572	(17,057,331)	13,757,069	(7,225,125)	34,582	(4,539,386)	13,419,929
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	Rs (6,629,817)	1,099,572	(17,057,331)	13,757,069	(7,225,125)	34,582	(4,539,386)	13,419,929
Basic and diluted earnings per share	Rs (0.18)	0.03	(0.46)	0.37				

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	THE GROUP		THE COMPANY	
	<u>9 months ended</u>	<u>9 months ended</u>	<u>9 months ended</u>	<u>9 months ended</u>
	<u>30 September 2023</u>	<u>30 September 2022</u>	<u>30 September 2023</u>	<u>30 September 2022</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	Rs	Rs	Rs	Rs
Balance at 1 January	703,650,047	557,073,026	696,615,590	554,206,568
Profit/(loss) for the period	(17,057,331)	13,757,069	(4,539,386)	13,419,929
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(17,057,331)	13,757,069	(4,539,386)	13,419,929
Balance at 30 September	Rs 686,592,716	570,830,095	692,076,204	567,626,497

QUALITY BEVERAGES LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS**

	THE GROUP		THE COMPANY	
	9 months ended 30 September 2023 (Unaudited)	9 months ended 30 September 2022 (Unaudited)	9 months ended 30 September 2023 (Unaudited)	9 months ended 30 September 2022 (Unaudited)
	Rs	Rs	Rs	Rs
NET CASH GENERATED FROM OPERATING ACTIVITIES	139,963,708	60,311,806	154,128,257	47,226,902
NET CASH USED IN INVESTING ACTIVITIES	(55,069,945)	(45,585,706)	(52,197,716)	(45,668,896)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	9,090,382	(17,208,346)	(14,164,505)	(1,819,141)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	93,984,145	(2,482,246)	87,766,036	(261,135)
EFFECTS OF CURRENCY TRANSLATION	(542,036)	4,678,601	(542,036)	4,678,601
CASH AND CASH EQUIVALENTS-OPENING	(71,382,615)	28,380,283	(68,018,615)	5,297,834
CASH AND CASH EQUIVALENTS-CLOSING	Rs 22,059,495	30,576,639	19,205,385	9,715,301

SEGMENTAL INFORMATION - GROUP

	THE GROUP			
	Quarter ended 30 September 2023 (Unaudited)	Quarter ended 30 September 2022 (Unaudited)	9 months ended 30 September 2023 (Unaudited)	9 months ended 30 September 2022 (Unaudited)
	Rs	Rs	Rs	Rs
Revenue				
Manufacturing and trading	541,714,230	503,021,329	1,597,086,843	1,414,403,784
Advertising	6,366,250	5,656,140	11,587,467	10,597,626
Rs	548,080,481	508,677,469	1,608,674,310	1,425,001,411
Segment Results				
Manufacturing and trading	(8,084,394)	910,820	(21,273,417)	21,879,141
Advertising	352,764	401,363	1,003,721	396,044
Rs	(7,731,630)	1,312,183	(20,269,696)	22,275,185
Taxation	1,101,813	(212,611)	3,212,365	(8,518,116)
Rs	(6,629,817)	1,099,572	(17,057,331)	13,757,069

NOTES:

The unaudited condensed financial statements for the period ended 30 September 2023 are prepared in accordance with International Financial Reporting Standard and on the same basis as the accounting policies set out in the audited statutory financial statements for the year ended 31 December 2022.

RESULTS

Group sales for the first nine months stood at Rs1.6 Billion, up by +13% compared to same period prior year, fueled by double digit volume growth from our core beverage categories, and incremental revenue from the new juice and cereals brands that were introduced during 2022. While we continue to see strong growth momentum in our snacks business, other food categories such as spreads, margarines and milk had a sluggish performance.

Our operating margins for the first nine months were negatively impacted by increased manufacturing costs, the depreciation of the Mauritian Rupee against other major currencies and a temporary increase in our warehousing and logistics costs. Additionally, the mandatory mark-up imposed on our retail spreads and margarines has continued to significantly drag down our overall operating margins. Finally, one-off costs have further impacted overall profitability. As a result, the Group ended the first nine-month period with a loss after tax of Rs17.1 Million compared to a profit of Rs13.8 Million for the same period prior year.

PROSPECTS

We observed a slightly more optimistic business environment during the third quarter of the year with improved consumer confidence and with some sectors surpassing pre-pandemic levels. However, we remain cautious about the future but confident on the resilience of our categories and our ability to improve our performance by focusing on cost management initiatives, continuing to accelerate our beverage portfolio growth by stepping up our execution, and improving our supply chain to further accelerate growth from the new categories we entered. Looking further into the future, we will continue to diversify, expand our product portfolio and adjust as needed our strategic priorities to deliver profitable growth over time.

ACQUISITION OF SHARES OF SOAP & ALLIED INDUSTRIES LIMITED

Further to the public announcements released on 18 September 2023 and 6 October 2023, the Board of Directors of Quality Beverages Limited (QBL) issued an offer document to the shareholders of Soap and Allied Industries Ltd. (SAIL) on 16 October 2023. QBL wishes to inform that the Company has received an acceptance of the majority shares of SAIL (67.74% stake) held by Currimjee Industries Ltd and the voluntary offer is now unconditional. The acquisition of SAIL will allow QBL to acquire new brands and expand its reach, scale and manufacturing capacity as communicated in the offer document. Shareholders and the investing public are advised to continue exercising caution when dealing in the shares of QBL and will be kept informed of further developments in respect to the Voluntary Offer.

By order of the Board

Currimjee Secretaries Limited
Secretary

Dated this: 13 November 2023

The Board of Directors of Quality Beverages Limited accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements prepared in accordance with International Financial Reporting Standards. Copies of the report are available to the public, free of charge, at the registered office of the Company: 38, Royal Street, Port Louis.

These Financial Statements are issued pursuant to DEM Rule 17 and Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

The statement of direct and indirect interests pursuant to the rule 8(2)(m) of the Securities Act(Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, Currimjee Secretaries Limited