

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 Rs'000	2021 Rs'000
Revenue	4,194,331	3,634,553
Profit before finance costs	113,783	133,163
Finance costs	(77,979)	(80,467)
Share of results of associates & joint ventures	125,952	(66,069)
Impairment of receivables	(3,192)	(14,715)
Profit on disposal of subsidiaries	-	24,609
Profit/(Loss) before tax	158,564	(3,479)
Income tax	(16,285)	(11,603)
Post tax profit from discontinued operations	16,480	-
Profit/(Loss) for the year	158,759	(15,082)
Attributable to:		
Owners of the parent	137,064	(24,289)
Non controlling interests	21,695	9,207
Profit/(loss) for the year	158,759	(15,082)
Other comprehensive income/(loss) for the period net of tax	337,263	(673)
Total comprehensive income/(loss) for the period	496,022	(15,755)
Other comprehensive income/(loss) attributable to:		
Owners of the parent	319,787	7,159
Non controlling interests	17,476	(7,832)
	337,263	(673)
Earnings/(loss) per share from continuing operations(Rs/cents)	10.71	(2.16)
Earnings per share from discontinued operations(Rs/cents)	1.46	-

NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

Year ended 31 December	Revenue		Profit/(Loss) after tax	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Chemicals	2,122,412	1,712,850	56,617	(3,814)
Equipment & Systems	1,357,105	1,249,675	(776)	24,487
Technology	769,980	772,170	(2,151)	3,551
Investments & Corporate (Note 1)	194,505	166,776	151,978	(54,821)
Non-recurring items (Note 2)	-	-	16,480	24,609
Consolidation adjustments	(249,671)	(266,918)	(63,389)	(9,094)
Group Revenue	4,194,331	3,634,553	158,759	(15,082)

Note 1: The Profit/(Loss) after tax for segment 'Investments and Corporate' includes the share of results of most associates and joint ventures.

Note 2: Non-recurring items are attributable to 'Investments and Corporate' segment for 2022 and to 'Equipment and Systems' for 2021.

Restatement for the year 2021 refers to the reclassification of Rs445M from Retained earnings to Revaluation reserve without changing the total Equity of the Group, in relation to the revaluation of Land and Buildings.

STATEMENT OF FINANCIAL POSITION

	GROUP	
	2022 Rs'000	Restated 2021 Rs'000
ASSETS		
Non-current assets	2,768,783	2,302,569
Current assets	2,235,596	2,006,361
Total assets	5,004,379	4,308,930
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,703,602	1,246,736
Non controlling interests	201,378	182,015
Total equity	1,904,980	1,428,751
Non-current liabilities	1,000,686	958,148
Current liabilities	2,098,713	1,922,031
Total equity and liabilities	5,004,379	4,308,930
Net assets per share (Rs)	151.31	110.73
Number of ordinary shares	11,259,388	11,259,388

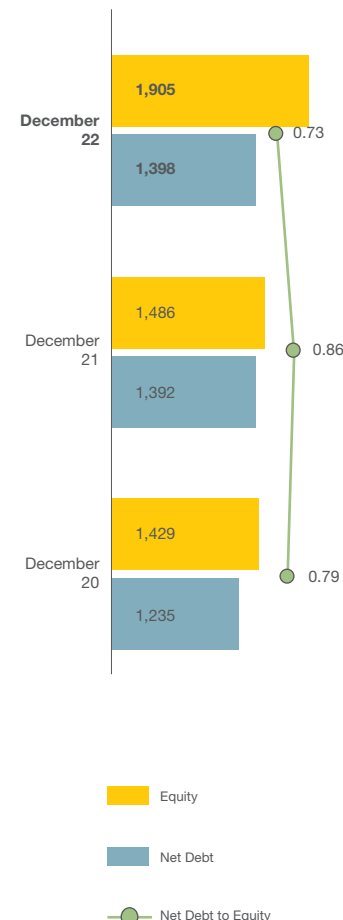
STATEMENT OF CHANGES IN EQUITY

	Owner of the Parent Rs'000	Non-controlling interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2022 - restated	1,246,736	182,015	1,428,751
Profit for the year	137,064	21,695	158,759
Acquisition of additional interests in subsidiary	15	(19,808)	(19,793)
Other comprehensive income	319,787	17,476	337,263
Balance at 31 December 2022	1,703,602	201,378	1,904,980
Balance at 1 January 2021 - restated	1,263,866	150,755	1,414,621
Loss for the year	(24,289)	9,207	(15,082)
Other comprehensive income/(loss)	7,159	(7,832)	(673)
Acquisition of subsidiary	-	27,379	27,379
Disposal of subsidiary	-	2,506	2,506
Balance at 31 December 2021 - restated	1,246,736	182,015	1,428,751

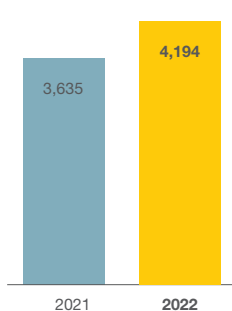
STATEMENT OF CASH FLOWS

	GROUP	
	2022 Rs'000	2021 Rs'000
Operating activities		
Net cash (absorbed in) / generated from operating activities from continuing operations	(61,040)	58,449
Investing activities		
Net cash (absorbed in) / generated from investing activities	(74,719)	(11,018)
Financing activities		
Net cash generated from financing activities	116,427	159,462
(Decrease)/Increase in cash and cash equivalents	(19,332)	206,893
Movement in cash and cash equivalents		
At 1 January	28,604	(167,273)
Net (decrease) / increase in cash and cash equivalents	(19,332)	206,893
Effect of foreign exchange difference	(2,302)	(11,016)
At 31 December	6,970	28,604

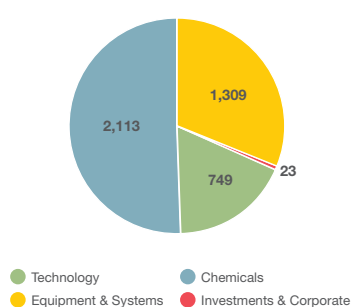
NET DEBT TO EQUITY (Rs M)



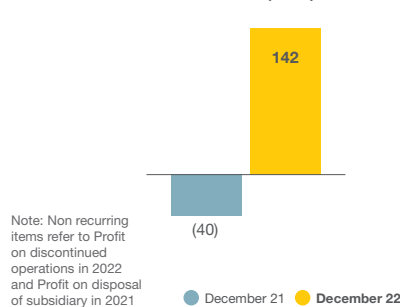
REVENUE (Rs M)



GROUP REVENUE BY SEGMENT (Rs M)

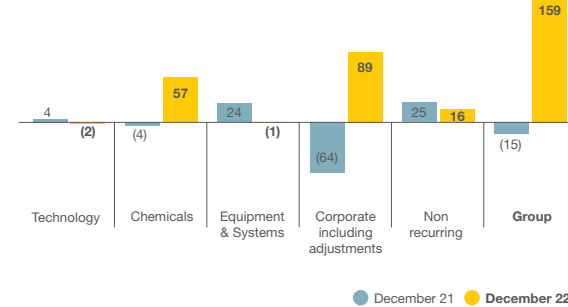


NORMALISED PAT AFTER ADJUSTING NON-RECURRING ITEMS (Rs M)



Note: Non recurring items refer to Profit on discontinued operations in 2022 and Profit on disposal of subsidiary in 2021

SEGMENT PAT (Rs M)



PROFILE

Based in Mauritius, Harel Mallac & Co. Ltd (the Group) also operates in six other countries across Africa and the Indian Ocean, employing over 860 people. The Group comprises four segments: Chemicals, Equipment & Systems, Investments & Corporate and Technology.

OVERALL PERFORMANCE

In 2022, the Group achieved a consolidated revenue from continuing operations of Rs 4.2 billion, an overall 15% increase from the previous year's Rs 3.6 billion. The full-year revenue included the consolidated revenue from Aerolik Ltd and its subsidiary in Reunion Island, which were acquired in May 2021. This growth was sustained by all divisions, with the Chemicals business segment achieving a 19% increase in revenue as compared to last year.

Despite higher inventory and operating costs in a context of soaring inflation and exchange rate fluctuations, the Group generated operational profits of Rs 113 million. The Profit after tax stood at Rs 159 million, representing a significant improvement from a loss of Rs 15 million in 2021.

2021. This performance is principally driven by the improved results of the Chemicals business segment and the Group's associate undertakings.

The Group's total assets increased by Rs 695 million to Rs 5 billion, principally driven by higher working capital to achieve higher sales, and the surplus arising from its triennial revaluation policy of its land and buildings of Rs 237 million. As a result, the net asset per share increased from Rs 110.73 as at 31 December 2021 to Rs 151.31 at 31 December 2022.

The negative cash flows from operating activities of Rs 61 million for the year reflect higher working capital needs.

BUSINESS SEGMENT PERFORMANCE

Chemicals achieved a turnaround in results following the pick-up of sectors in which its main clients operate, and the benefits of the internal restructuring initiated in 2021. The segment recorded a profit of Rs 57 million compared to a net loss of Rs 4 million last year.

Equipment & Systems' results were negatively affected by one-off provisions and higher import costs, resulting in a loss of Rs 0.8 million for the year compared to a net profit of Rs 24 million last year.

Investments & Corporate showed a significant improvement in results as the share of results of Associates and joint ventures recorded a profit of Rs 126 million compared to a loss of Rs 66 million last year, as most of the Group's Associates performed better than the previous year.

Technology segment was negatively impacted by compressed margins and longer lead times, recording a net loss of Rs 2 million compared to a profit of Rs 4 million last year.

OUTLOOK

The conflict between Russia and Ukraine and the global economic uncertainty are expected to continue to adversely affect commodity prices and the general economic environment.

Higher interest rates, combined with inflationary trends, will negatively impact the cost of borrowing and customer spending. The Board will continue to monitor developments and adapt its strategy to pursue the Group's long-term objectives.

The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged

financial statements have been audited by Nexia Baker & Arenson and have been prepared using same accounting policies as the audited financial statements for the year ended 31 December 2021. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Harel Mallac & Co. Ltd. The abridged audited financial statements are issued pursuant to Listing Rule 12.14.

By order of the Board

HM SECRETARIES LTD
Company Secretary

27 March 2023