

MIWA SUGAR LIMITED AND ITS SUBSIDIARIES FOR THE PERIOD 1 OCTOBER TO 31 DECEMBER 2022

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

	3 months to 31 Dec 22	
	USD'000	
REVENUE	50,884	
Earnings before interest, taxation, depreciation and amortisation	26,114	
Depreciation, amortisation and release of deferred income	(2,875)	
Earnings before interest and taxation	23,239	
Finance costs	(2,104)	
Profit before taxation	21,135	
Taxation	(8,278)	
Profit for the period	12,857	
Other comprehensive loss for the period	(5,284)	
Total comprehensive income for the period	7,573	
Profit attributable to:		
- Equity holders	5,315	
- Non-controlling interests	7,542	
	12,857	
Total comprehensive income attributable to:		
- Equity holders	716	
- Non-controlling interests	6,857	
	7,573	
Earnings per share	USD 0.02	
Dividend per share	USD 0.008	

UNAUDITED GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	31 Dec 22	
	USD'000	
ASSETS EMPLOYED		
Non-current assets		
Property, plant and equipment and right-of-use assets	106,092	
Intangible assets	19,782	
Non-current receivables	5,433	
	131,307	
Current assets	107,462	
TOTAL ASSETS	238,769	
EQUITY AND LIABILITIES		
Shareholders' interests	25,104	
Non-controlling interests	37,715	
Non-current liabilities	114,757	
Current liabilities	61,193	
TOTAL EQUITY AND LIABILITIES	238,769	
Net interest-bearing debt	99,365	
Net asset value per share	USD 0.08	
Number of shares in issue	No 318,492,120	

UNAUDITED GROUP SEGMENTAL INFORMATION

	Revenue 3 months to 31 Dec 22	Profit 3 months to 31 Dec 22
	USD'000	USD'000
Country analysis		
Tanzania	24,902	9,888
Kenya	25,982	2,969
	50,884	12,857

UNAUDITED GROUP CONDENSED STATEMENT OF CASH FLOWS

	31 Dec 22
	USD'000
Net cash flow from operating activities	11,462
Net cash flow used in investing activities	(2,121)
Net cash flow used in financing activities	(1,402)
Net increase in cash and cash equivalents	7,939
Cash and cash equivalents at 1 October	(13,929)
Cash and cash equivalents at 31 December	(5,990)

UNAUDITED GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders	Non-controlling interests	Total equity
	USD'000	USD'000	USD'000
Transfer from Alteo Limited	26,936	35,798	62,734
Total comprehensive income for the period	716	6,857	7,573
Dividend	(2,548)	(4,940)	(7,488)
At 31 December 2022	25,104	37,715	62,819

GROUP

Miwa Sugar Limited ("Miwa Sugar" or "the Group") was newly listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius on 28 November 2022. It is the holding company for all East African sugarcane growing and milling operations, following the transfer from Alteo Limited. Through its investment companies, Miwa Sugar manages and controls two factories in Tanzania (TPC Ltd) and Kenya (Transmara Sugar Company Ltd).

For the quarter ended 31 December 2022, the Group recorded revenue and a net profit of USD 51m and USD 13m respectively. The group's EBITDA stood at USD 26m, demonstrating its ability to deliver strong results at an attractive margin.

Tanzanian and Kenyan operations generated USD 25m and USD 26m of revenue respectively, generating corresponding net profits of USD 10m and USD 3m. These results highlights the healthy financials of these two independent operations, operating in markets where there is a deficit in the national production of sugar resulting in attractive local sugar prices.

The loss on Other Comprehensive Income relates to the retranslation in USD of Miwa Sugar Limited's foreign subsidiaries assets denominated in their respective local currencies.

The company declared an interim dividend of 0.80 US\$ cents during the period under review, paid on or around 31 January 2023.

GROUP PROFORMA

As a newly incorporated entity, the Group does not have any comparative for the prior year. With a 30 June year end, it has started consolidating results of its subsidiaries as from the second quarter of FY 22/23. For a better understanding of the progress in the performance of its underlying entities, the following pro-forma has been drawn.

USD '000	3 months to 31 Dec 22	3 months to 31 Dec 21
	Revenue	50,884
EBITDA	26,114	25,671
PAT	12,857	11,629

Over the 3-months period, revenue increased by 5% to USD 50.9m, with net profit improving by 11% to USD 12.9m. A higher sugar price was an important component of these improved results, although our margins were somehow impacted by lower cane crushed and inflationary costs pressures.

The following two sections provide the independent performance of Miwa Limited subsidiaries. The full semester results are also provided, along with the quarterly performance for Q2 - caution should be exercised not to compare these entity level results to the segmental information in the statutory accounts as some internal group costs are excluded below.

TPC LTD

USD '000	3 months to 31 Dec 22	3 months to 31 Dec 21	6 months to 31 Dec 22	6 months to 31 Dec 21
	Revenue	24,902	26,016	45,933
EBITDA	17,772	19,618	34,435	34,416
PAT	10,492	11,069	20,082	19,642

The Group's Tanzanian operations had a record productivity year in terms of cane tonnage per hectare demonstrating the consistent progress achieved through the optimisation of our cane husbandry techniques. Whilst headline revenue for the semester was down due to the absence of sale of imported sugar, EBITDA was on par with last year and profitability was 2% up at USD 20.1m. A higher average selling price of sugar contributed to this improved performance despite headwinds from higher operational expenditures.

TRANSMARA SUGAR LTD

USD '000	3 months to 31 Dec 22	3 months to 31 Dec 21	6 months to 31 Dec 22	6 months to 31 Dec 21
	Revenue	25,982	22,324	49,561
EBITDA	7,852	5,620	14,385	9,417
PAT	3,708	1,801	6,543	2,194

Kenyan operations at Transmara Sugar Ltd experienced a lower level of production which were partly affected by the local elections causing a week's stoppage in July. Revenue for the semester was nonetheless up by 11% due to a higher selling price of sugar on the local market compared to last year. This resulted in an EBITDA of USD 14.4m (a 53% increase) and net profits of USD 6.5m (198% increase). These results highlight the steady progress made in Kenya over the past few years including haulage and factory efficiency improvements.

OUTLOOK

The strong performance across both Tanzanian and Kenyan operations is expected to continue into the second half of the year until the end of the crop season. A number of key projects are being explored in order to diversify revenue streams on existing operations. Management will remain active at investigating growth opportunities in sugar related activities in the East African region.

By Order of the Board

13 February 2023

Notes:

The condensed financial statements for the 3 months ended 31 December 2022 are unaudited and have been prepared using the Group's accounting policies.

This notice is issued pursuant to the DEM Rule 17.

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