

**Velogic delivers strong quarterly results with a 19% upside in profitability following volume increases**

**Performance for the period ended 30 September 2022\***

**FINANCIAL**

<b>*Revenue</b> MUR m <b>938</b> $\Delta$ +19%	<b>*PAT</b> MUR m <b>63</b> $\Delta$ +19%	<b>NAVPS</b> MUR <b>18.19</b> $\Delta$ +4%
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**\*OPERATIONAL**

**\*\*CROSS-BORDER LOGISTICS**

Total Air (Tons) <b>1,162</b> Sep 21: 978	Total Sea (TEUs) <b>3,770</b> Sep 21: 3,668
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**PACKING**

(Tons) <b>1,521</b> Sep 21: 2,138
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**\*\*LANDSIDE LOGISTICS**

Container Storage (K TEU Days) <b>105</b> Sep 21: 259	Container Transport (Number of Trips) <b>21,514</b> Sep 21: 18,766	Sugar Cane Transportation (K Tons) <b>289</b> Sep 21: 234
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\*Financial and Operational KPI's relate to continuing operations. Following the disposal of 70% of Velogic France in May 22, its results are included as a share of profits for associate in the Group Financial Statements.

\*\*Cross-border logistics covers freight forwarding, customs brokerage and courier services. Landside logistics covers road haulage, warehousing and container depot activities.

**Comments on Results**

**Group Performance**

After the disposal of the 70% stake last year, Velogic France's result is included as the share of profits for associate in the Group Financial Statements. From its continuing operations, Velogic recorded a 19% revenue increase to MUR 938m (Q1 2021: MUR 790m) and higher profit for the period by 19% to MUR 63m (Q1 2021: MUR 53m). The profitability increase was achieved following the turnaround of the transport and warehousing activities in Mauritius and improved performance of cross-border logistics, mainly in Madagascar and Mauritius.

**Highlights by Geography**

**Mauritius**

Cross-border logistics witnessed a growth in its revenues and profits following volume increases in both air and sea freight shipments as recovery from the pandemic continues on the back of declining freight rates. This was partly offset by a 16% decrease in volumes for e-commerce courier activity.

Landside logistics rebounded with increased volumes for containerised transport from our existing and new customers. Performance of sugar cane transportation benefitted from higher tonnage in the period as new volumes were secured. Warehousing activity improved due to better capacity utilization with volume improvements. The upside were mitigated by a drop in the results of the container depot, following the loss of a customer in July last year.

Shipping activity performed better than last year driven by more agency work for vessel calls in the port. Sugar packing's PAT decreased mainly due to lower volumes and by a 11% depreciation of the British Pound against the Mauritian Rupee.

Mauritius usually outperforms the overseas activities during the first five months of the financial year due to the seasonality of the sugar cane transport and imports in the country.

**Overseas**

Overall, overseas operations performed better than last year notwithstanding the decrease in the share of contribution from 40% to 37%. Madagascar was a key contributor to the increase in profitability with higher gross profit margins, with the continued recoveries of inbound and outbound volumes from its main customers.

India experienced lower volumes from its key customers during the period but with improved gross margin percentage, profitability was maintained.

Kenya's performance was adversely impacted by lower customs clearance and transport volumes in the run-up to the elections coupled with the forex impact of the depreciation of the Kenyan shilling against the dollar on an intercompany loan payable.

**Strategic Achievements**

During the quarter, we signed a share purchase agreement to acquire a 100% stake in a transportation company in Kenya. The deal is expected to be completed by the end of year 2022 upon the fulfillment of the conditions precedent.

**Outlook**

With the threat of recession looming, the economic environment is unpredictable. However, we remain cautiously optimistic to continue our growth path.

By order of the Board  
07 November 2022

**STATEMENT OF PROFIT OR LOSS**

In Rs 000	THE GROUP		
	Unaudited 3 months ended 30 September 2022	Unaudited 3 months ended 30 September 2021	Audited year ended 30 June 2022
<b>CONTINUING OPERATIONS</b>			
Revenue from sale of services	938,399	789,665	3,658,567
Gross profit	325,760	303,060	1,220,642
Share of profit/(loss) of associate	675	-	(339)
Profit before finance costs, tax, depreciation and amortisation	131,096	121,628	481,051
Depreciation and amortisation	(41,318)	(44,740)	(177,722)
Finance costs	(10,736)	(9,618)	(38,560)
Profit before taxation	79,042	67,270	264,769
Taxation	(16,255)	(14,405)	(73,851)
<b>PROFIT FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS</b>	<b>62,787</b>	<b>52,865</b>	<b>190,918</b>
<b>DISCONTINUED OPERATIONS</b>			
Revenue from sale of services	-	231,296	968,058
Gross profit	-	28,763	116,425
Profit before finance costs, tax, depreciation and amortisation	-	2,303	8,765
Profit before profit on disposal of subsidiary	-	681	2,731
Profit on disposal of subsidiary	-	-	21,944
<b>PROFIT FOR THE PERIOD/YEAR FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>681</b>	<b>24,675</b>
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>62,787</b>	<b>53,546</b>	<b>215,593</b>
<b>Attributable to:</b>			
Owners of the parent	59,860	44,939	198,270
Non-controlling interests	2,927	8,607	17,323
	<b>62,787</b>	<b>53,546</b>	<b>215,593</b>
<b>Earnings per share (EPS)</b>			
From continuing operations	Rs 0.64	0.47	1.86
From continuing operations and discontinued operations	Rs 0.64	0.48	2.12
Number of ordinary shares used in calculation	Rs 93,515,565	93,515,565	93,515,565
Interim dividend per ordinary share	-	-	0.29
Final dividend per ordinary share	Rs -	-	0.43
Net asset value per share (NAVPS)	Rs 18.19	17.54	17.58

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

In Rs 000	THE GROUP		
	Unaudited 3 months ended 30 September 2022	Unaudited 3 months ended 30 September 2021	Audited year ended 30 June 2022
Profit for the period	62,787	53,546	215,593
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of post employment benefit obligations	-	-	(1,571)
Related tax	-	-	188
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	(3,551)	(3,021)	(14,994)
Exchange differences on disposal of foreign operations	-	-	(10,283)
Other comprehensive (loss)/income for the period, net of tax	(3,551)	(3,021)	(26,660)
<b>Total comprehensive income for the period</b>	<b>59,236</b>	<b>50,525</b>	<b>188,933</b>
<b>Attributable to:</b>			
Owners of the parent	56,460	42,559	171,914
Non-controlling interests	2,776	7,966	17,019
	<b>59,236</b>	<b>50,525</b>	<b>188,933</b>

**STATEMENT OF FINANCIAL POSITION**

In Rs 000	THE GROUP		
	Unaudited 30 September 2022	Unaudited 30 September 2021	Audited year ended 30 June 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current assets	1,667,900	1,610,931	1,672,041
Right-of-use assets	214,233	246,699	234,795
	<b>1,882,133</b>	<b>1,857,630</b>	<b>1,906,836</b>
<b>Current assets</b>			
Trade and other receivables	1,020,191	1,156,351	946,442
Other current assets	198,516	199,991	125,086
Cash and cash equivalents	374,302	570,076	440,518
	<b>1,593,009</b>	<b>1,926,418</b>	<b>1,512,046</b>
<b>Total assets</b>	<b>3,475,142</b>	<b>3,784,048</b>	<b>3,418,882</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Equity attributable to equity holders of the parent	1,700,675	1,639,888	1,644,215
Non-controlling interests	47,427	216,715	44,651
<b>Total equity</b>	<b>1,748,102</b>	<b>1,856,603</b>	<b>1,688,866</b>
<b>Non-current liabilities</b>			
Borrowings	373,792	76,236	393,078
Lease liabilities	167,079	190,574	190,856
Other non-current liabilities	143,806	144,484	140,336
	<b>684,677</b>	<b>411,294</b>	<b>724,270</b>
<b>Current liabilities</b>			
Trade and other payables	759,604	947,041	721,930
Borrowings	191,517	474,838	161,945
Lease liabilities	67,784	70,289	61,635
Other current liabilities	23,175	23,983	14,646
Dividend payable	283	-	45,590
	<b>1,042,363</b>	<b>1,516,151</b>	<b>1,005,746</b>
<b>Total liabilities</b>	<b>1,727,040</b>	<b>1,927,445</b>	<b>1,730,016</b>
<b>Total equity and liabilities</b>	<b>3,475,142</b>	<b>3,784,048</b>	<b>3,418,882</b>

The abridged financial statements of the Group are unaudited and have been prepared using the same accounting policies as the audited financial statements for the year ended 30 June 2022.

These financial statements are issued pursuant to DEM Rule 17 and the Securities Act 2005.

Copies of the statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the financial statements are available free of charge upon request made to the Company Secretary at the registered office at Rogers House, No.5 President John Kennedy Street, Port Louis.

The Board of Directors of Velogic Holding Company Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

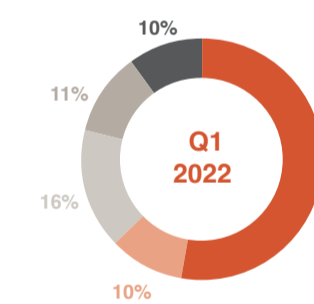
**STATEMENT OF CASH FLOWS**

In Rs 000	THE GROUP		
	Unaudited 3 months ended 30 September 2022	Unaudited 3 months ended 30 September 2021	Audited year ended 30 June 2022
Net cash generated from/(used in) operating activities	6,649	(8,136)	352,446
Net cash (used in) investing activities	(16,553)	(41,218)	(182,632)
Net cash (used in)/generated from financing activities	(90,248)	153,224	(167,594)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(100,152)</b>	<b>103,870</b>	<b>2,220</b>
Cash and cash equivalents - opening	408,587	433,084	433,084
Effects of exchange rate on cash and cash equivalents	(10,812)	(4,376)	(26,717)
<b>Cash and cash equivalents - closing</b>	<b>297,623</b>	<b>532,578</b>	<b>408,587</b>

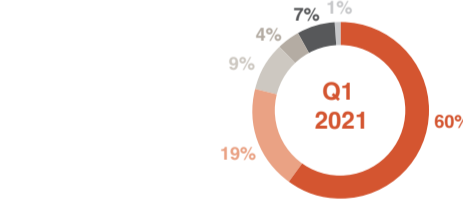
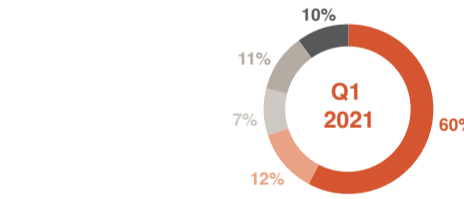
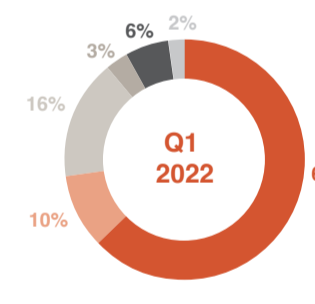
**STATEMENT OF CHANGES IN EQUITY**

In Rs 000	THE GROUP					
	Share capital	Other reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
At 1 July 2021	1,019,294	260,004	318,031	1,597,329	213,429	1,810,758
Profit for the period	-	-	44,939	44,939	8,607	53,546
Other comprehensive (loss)/income for the period	-	(2,380)	-	(2,380)	(641)	(3,021)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(2,380)</b>	<b>44,939</b>	<b>42,559</b>	<b>7,966</b>	<b>50,525</b>
Dividends	-	-	-	-	(4,680)	(4,680)
<b>At 30 September 2021</b>	<b>1,019,294</b>	<b>257,624</b>	<b>362,970</b>	<b>1,639,888</b>	<b>216,715</b>	<b>1,856,603</b>
At 1 July 2022	1,019,294	232,630	392,291	1,644,215	44,651	1,688,866
Profit for the period	-	-	59,860	59,860	2,927	62,787
Other comprehensive (loss)/income for the period	-	(3,400)	-	(3,400)	(151)	(3,551)
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>(3,400)</b>	<b>59,860</b>	<b>56,460</b>	<b>2,776</b>	<b>59,236</b>
<b>At 30 September 2022</b>	<b>1,019,294</b>	<b>229,230</b>	<b>452,151</b>	<b>1,700,675</b>	<b>47,427</b>	<b>1,748,102</b>

**\*SALES OF SERVICES BY GEOGRAPHY (%)**



**\*CONTRIBUTION BY GEOGRAPHY (%)**



\*Figures include only continuing operations. Velogic France's discontinued operations in the previous year was excluded for ease of comparison.

Legend: Mauritius (Orange), Kenya (Red), Madagascar (Grey), India (Dark Grey), Reunion (Black), Singapore (Light Grey)

**SECTOR ANALYSIS**

In Rs 000	THE GROUP		
	Unaudited 3 months ended 30 September 2022	Unaudited 3 months ended 30 September 2021	Audited year ended 30 June 2022
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Cross-border logistics	636,194	499,239	2,642,940
Landside logistics	261,735	245,993	845,977
Packing & shipping	40,470	44,433	169,650
<b>Revenue from sale of services</b>	<b>938,399</b>	<b>789,665</b>	<b>3,658,567</b>
<b>PROFIT FOR THE PERIOD</b>			
Cross-border logistics	23,731	14,418	93,103
Landside logistics	33,659	32,583	64,330
Packing & shipping	5,397	5,864	33,485
	<b>62,787</b>	<b>52,865</b>	<b>190,918</b>
<b>DISCONTINUED OPERATIONS</b>			
<b>REVENUE</b>			
Cross-border logistics	-	231,296	968,058
Landside logistics	-	-	-
Packing & shipping	-	-	-
<b>Revenue from sale of services</b>	<b>-</b>	<b>231,296</b>	<b>968,058</b>
<b>PROFIT FOR THE PERIOD</b>			
Cross-border logistics	-	681	24,675
Port Related and transport services	-	-	-
Packing & shipping	-	-	-
	<b>-</b>	<b>681</b>	<b>24,675</b>
<b>TOTAL CONTINUING AND DISCONTINUED OPERATIONS</b>			
<b>REVENUE</b>			
Cross-border logistics	636,194	730,535	3,610,998
Landside logistics	261,735	245,993	845,977
Packing & shipping	40,470	44,433	169,650
<b>Revenue from sale of services</b>	<b>938,399</b>	<b>1,020,961</b>	<b>4,626,625</b>
<b>PROFIT FOR THE PERIOD</b>			
Cross-border logistics	23,731	15,099	117,778
Landside logistics	33,659	32,583	64,330
Packing & shipping	5,397	5,864	33,485
	<b>62,787</b>	<b>53,546</b>	<b>215,593</b>