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The Board of Directors
Velogic Holding Company Limited
Freeport Zone 7 MU
Port Louis,
Mauritius

Dear Board Members

Velogic Holding Company Limited 5 Years Group Financial Forecast

Context and Purpose

Velogic Holding Company Limited ("the Company") is proposing the listing of its ordinary shares on the Stock Exchange of Mauritius subject to the approval of the Financial Services Commission. In that context the management plans to include the forecasted condensed statements of profit or loss and condensed statements of cash flows of the Company the 5-years period from 01 July 2021 to 30 June 2026 (altogether referred to as "financial forecasts" or "Group financial forecast") in their admission document.

We have been appointed to give an assurance report on these financial forecasts. Accordingly we have performed the procedures agreed with you as per the Statement of Work dated 18 August 2021 ("SOW") as enumerated below on the financial forecasts of Velogic Holding Company Limited and its subsidiaries (altogether referred to as "the Velogic Group" or "the Group") for the above-mentioned period.

Our engagement was undertaken in accordance with the International Standards on Assurance Engagements 3400 ("ISAE 3400") applicable to examination of prospective financial information.

The procedures performed are summarised as follows:

1. Obtained the Group financial forecast for the 5-years period;

2. We have assessed the source and reliability of the evidence supporting management's best-estimates;

3. We have considered whether, when hypothetical assumptions are used, all significant implications of such assumptions have been taken into consideration;

4. We have assessed whether the assumptions are consistent with the purpose of the prospective financial information and with our understanding of the business gained through discussion with management, and that there is no reason to believe they are clearly unrealistic;

5. We have determined if the prospective financial information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions or hypothetical assumptions; and

6. We have ensured the prospective financial information is properly prepared on the basis of the assumptions discussed above and on a consistent basis with historical financial statements, using appropriate accounting principles.

Management Responsibilities

The management is responsible for:

a. The preparation and presentation of the Group financial forecast;
b. The identification of the assumptions used;
c. Making reasonable assumptions using historical trends and judgments and set up the basis on which the assumptions are based on.

Opinion

We have examined the financial forecast of Velogic Group for the period from 01 July 2021 to 30 June 2026 in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the financial. Further, in our opinion the forecast is properly prepared on the basis of the assumptions.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

Limitations on scope and Use of our report

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, a risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed. It is also not an objective of the engagement to detect fraud or illegal acts, nor have we tested compliance with the laws or regulations of any jurisdiction.

This report should be used exclusively in the context and for the purpose set out above. It should not be used or distributed in any other context.

Yours faithfully,

Ernst & Young

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ANNEX

Forecasted Condensed Statements of Profit or Loss					
Amount in MUR'm	FY22	FY23	FY24	FY25	FY26
Revenue	3,939	4,316	4,659	4,922	5,201
Cost of sales	(2,680)	(2,922)	(3,169)	(3,352)	(3,541)
Gross profit	1,259	1,395	1,491	1,571	1,660
Gross profit margin (%)	32%	32%	32%	32%	32%
Selling, General and Administrative expenses	(858.6)	(896.8)	(938.8)	(976.5)	(1,010.9)
Depreciation	(170.2)	(171.2)	(174.7)	(176.5)	(185.1)
Profit before interest and tax	230.3	326.9	377.2	417.6	464.2
Financial charges	(43.7)	(44.8)	(39.8)	(32.6)	(31.3)
Profit before tax	186.6	282.1	337.4	385.0	432.9
Taxation	(50.1)	(76.5)	(86.6)	(100.8)	(110.7)
Profit after tax	136.5	205.6	250.8	284.2	322.2
Profit after tax margin (%)	3%	5%	5%	6%	6%

EBITDA*	343	444	497	538	594
EBITDA* margin (%)	9%	10%	11%	11%	11%

Forecasted Condensed Statements of cash flows					
Amount in MUR'm	FY22	FY23	FY24	FY25	FY26
Net cash generated from operating activities	132	331	352	399	436
Net cash from investing activities	(496)	(256)	(107)	(110)	(114)
Net cash used in financing activities	185	(57)	(252)	(225)	(269)
Net increase/(decrease) in cash and cash equivalents	(180)	18	(7)	64	53
Opening balance	333	164	182	175	239
Exchange difference on opening balances	11	0	0	0	(0)
Closing balance	164	182	175	239	292

<u>Notes to the Annex and Management assumptions:</u>

The assumptions below are appropriate as of date the prospective financial information was prepared even though the underlying information may have been accumulated over a period of time:

1. The accounting policies are consistent with the most recent historical financial statements.

2. Revenue growth rates of each individual underlying cash generating units (CGUs) are based on

    - historical trends unless there are specific strategic decisions (see below)

    - macroeconomic factors in the jurisdictions where the CGUs operate.

3. Costs will increase at an assumed inflation rate depending on the jurisdiction where the CGU operate

4. Exchange rates have been held constant at the closing rate as at June 30, 2021 over the 5-year period.

5. The lease expenses were reclassified to rental expense as an operational item to EBITDA and the corresponding lease liabilities were removed from net debt. This is in line with the valuation approach.

6. Strategic decisions:

   - Acquisition of minority stake in the Kenya venture in financial year 2022. The share purchase agreement is in the process of finalization. It has been assumed that it will partly be financed as cash and partly by loans and will be repaid over a period of 9 years.

   - Acquisition of new investment in East Africa in financial year 2023. It has been assumed that it will be financed by loans and will be repaid over a period of 3 years.

   - The haulage activity will exit its current rental contract in Pailles in January 2022 to occupy newly constructed garage facility in Riche Terre.

   - Relocation of UPS office from Pailles to newly refurbished premises in Mer Rouge in December 2021.

   - A potential strategic partnership for France is being explored with an interested party, to improve cross-selling and economies of scale in the country. Future arrangements have not yet been finalised and therefore not incorporated in the forecasts.

Note - Specific CGUs have different specific assumptions depending on the strategic intents, the jurisdiction in which the CGUs operate and the currencies in which the revenues are derived.