



## Velogic maintains its growth in operational profitability with a 22% upside for the quarter

### Performance for the quarter ended 31 December 2022

#### FINANCIAL

<b>*Revenue</b> MUR m	<b>861</b> ▼ -13%	<b>***PAT</b> MUR m	<b>77</b> ▲ +22%	<b>NAVPS</b> MUR	<b>18.71</b> ▲ +6%
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#### \*OPERATIONAL

##### > \*\*CROSS-BORDER LOGISTICS

Air Freight (Tons)	Sea Freight (TEUs)	Express Courier (No. of Shipments)	(Tons)
<b>1,126</b>	<b>2,710</b>	<b>28,854</b>	<b>1,765</b>
Dec 21: 1,218	Dec 21: 2,681	Dec 21: 30,449	Dec 21: 1,955

##### > PACKING

Container Storage (K TEU Days)	Container Transport (No. of Trips)	Sugar Cane Transportation (K Tons)
<b>87</b>	<b>18,589</b>	<b>161</b>
Dec 21: 192	Dec 21: 18,173	Dec 21: 232

##### > \*\*LANDSIDE LOGISTICS

Container Storage (K TEU Days)	Container Transport (No. of Trips)	Sugar Cane Transportation (K Tons)
<b>87</b>	<b>18,589</b>	<b>161</b>
Dec 21: 192	Dec 21: 18,173	Dec 21: 232

\*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.

\*\*\* The Profit After Tax (PAT) excludes negative Goodwill on acquisition of company in Kenya.

### Comments on Results

#### Group Performance

Velogic grew its profits from its continuing activities before exceptional items to MUR 77 m (Q2 2022: MUR 63 m) on the back of increased sea freight volumes, which also resulted in an increase in containerized road haulage in both Kenya and Mauritius. There was however a 13% drop in its revenues to MUR 861 m (Q2 2022: MUR 987 m) mainly due to the significant drop in freight rates. Gain on foreign exchange translation in Madagascar and Kenya of MUR 8 m and overhead costs reduction also contributed to the increase in bottom line. Following the successful completion of the acquisition of the transport company in Kenya in December, one month's results of MUR 1 m was included in the quarter results.

After including the exceptional gain of MUR 38 m of negative goodwill following the acquisition in Kenya, the profits for the quarter was Rs 115 m.

#### Highlights by Geography

##### Mauritius

Profitability for the quarter was maintained at a similar level compared to the previous year despite lower revenues.

Revenues for cross-border logistics were lower following reduced freight rates but profitability improved, driven by better volumes on air and sea imports with a pick-up in demand for refrigerated products and continued growth of air activity, mainly attributed to a buoyant hospitality sector. This was partly offset by a decline in courier activity, with a fall in e-commerce volumes.

Landside logistics benefitted from the increase in volume for containerised transport with increased container imports and new customer acquisitions but was partly offset by lower tonnage of sugar cane transported following a bad harvest compared to last year. Warehousing activity performed in line with last year. Container depot's performance was adversely affected by weaker storage volumes.

Shipping activity was affected by lower number of containers handled by the inter-island stevedoring activity and reduced commissions on the bulk shipping activity related to the fall in charter rates. Sugar packing's profit decrease was due to lower orders for special sugar with a drop-in consumption in the UK and the depreciation of the British Pound against the Mauritian Rupee by 11%.

##### Overseas

Overseas operations performed better than last year with an increase in its share of contribution from 47% to 52%. Madagascar remained a key contributor amidst enhanced sea volumes from its key customers. The depreciation of the Ariary against the Euro and U.S. dollar on the foreign-denominated balances and reversal of doubtful debt provision with better collections, generated upsides in addition to improved sea freight volumes.

Kenya's performance rebounded with higher transport volumes in the quarter following the pick-up of the economic activities, coupled with a forex gain on an intercompany loan.

India experienced a dip in its profitability following a drop in air export volume and reduced gross profit per unit.

Reunion's cross-border logistics performed better with improved volumes on its air imports partly offset by lower number of shipments for courier following a drop in e-commerce.

#### Results for the 6 months to December 2022

Group revenues on the continuing activities for the 6 months to December 2022 was in line with last year at MUR 1.8 bn and operational profits increased by 21% to MUR 139 m (H1 2021: MUR 115 m) and MUR 178 m after including exceptional gain from the acquisition in Kenya.

#### Outlook

The business environment remains uncertain, nevertheless, Velogic expects to improve its financial performance compared to financial year 2022.

By order of the Board  
09 February 2023

### STATEMENT OF PROFIT OR LOSS

In Rs 000	THE GROUP				
	Unaudited 3 months ended 31 December 2022	Unaudited 3 months ended 31 December 2021	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited year ended 30 June 2022
<b>CONTINUING OPERATIONS</b>					
Revenue from sale of services	860,656	987,238	1,799,055	1,776,903	3,658,567
Gross profit	319,097	326,372	644,857	629,432	1,220,642
Share of (loss)/profit of associate	(587)	-	88	-	(339)
Profit before finance costs, tax, depreciation and amortisation	149,128	134,291	280,224	255,919	481,051
Depreciation and amortisation	(41,474)	(45,473)	(82,792)	(90,213)	(177,722)
Finance costs	(10,425)	(9,189)	(21,161)	(18,807)	(38,560)
Profit before taxation	97,229	79,629	176,271	146,899	264,769
Taxation	(20,142)	(16,545)	(36,397)	(30,950)	(73,851)
Profit after taxation before exceptional item	77,087	63,084	139,874	115,949	190,918
Gain on bargain purchase	38,168	-	38,168	-	-
<b>PROFIT FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS</b>	<b>115,255</b>	<b>63,084</b>	<b>178,042</b>	<b>115,949</b>	<b>190,918</b>
<b>DISCONTINUED OPERATIONS</b>					
Revenue from sale of services	-	441,618	-	672,914	968,058
Gross profit	-	36,255	-	65,018	116,425
(Loss)/profit before finance costs, tax, depreciation and amortisation	-	(667)	-	1,636	8,765
(Loss)/profit before profit on disposal of subsidiary	-	(2,562)	-	(1,881)	2,731
Profit on disposal of subsidiary	-	-	-	-	21,944
<b>(LOSS)/PROFIT FOR THE PERIOD/YEAR FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>(2,562)</b>	<b>-</b>	<b>(1,881)</b>	<b>24,675</b>
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>115,255</b>	<b>60,522</b>	<b>178,042</b>	<b>114,068</b>	<b>215,593</b>
<b>Attributable to:</b>					
Owners of the parent	112,944	61,526	172,804	106,465	198,270
Non-controlling interests	2,311	(1,004)	5,238	7,603	17,323
	115,255	60,522	178,042	114,068	215,593
<b>Earnings per share (EPS)</b>					
From continuing operations	Rs 1.21	0.69	1.85	1.16	1.86
From continuing operations and discontinued operations	Rs 1.21	0.66	1.85	1.14	2.12
Number of ordinary shares used in calculation	93,515,565	93,515,565	93,515,565	93,515,565	93,515,565
Interim dividend per ordinary share	Rs 0.40	-	0.40	-	0.29
Final dividend per ordinary share	Rs -	-	-	-	0.43
Net asset value per share (NAVPS)	Rs 18.71	17.61	18.71	17.61	17.58

### STATEMENT OF OTHER COMPREHENSIVE INCOME

In Rs 000	THE GROUP				
	Unaudited 3 months ended 31 December 2022	Unaudited 3 months ended 31 December 2021	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited year ended 30 June 2022
Profit for the period/year	115,255	60,522	178,042	114,068	215,593
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of post employment benefit obligations	-	-	-	-	(1,571)
Related tax	-	-	-	-	188
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(27,029)	(10,629)	(30,580)	(13,650)	(14,994)
Exchange differences on disposal of foreign operations	-	-	-	-	(10,283)
Other comprehensive (loss)/income for the period, net of tax	(27,029)	(10,629)	(30,580)	(13,650)	(26,660)
<b>Total comprehensive income for the period</b>	<b>88,226</b>	<b>49,893</b>	<b>147,462</b>	<b>100,418</b>	<b>188,933</b>
<b>Attributable to:</b>					
Owners of the parent	86,166	50,196	142,626	92,755	171,914
Non-controlling interests	2,060	(303)	4,836	7,663	17,019
	88,226	49,893	147,462	100,418	188,933

### STATEMENT OF FINANCIAL POSITION

In Rs 000	THE GROUP		
	Unaudited 31 December 2022	Unaudited 31 December 2021	Audited 30 June 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current assets	1,669,564	1,601,618	1,672,041
Right-of-use assets	221,686	263,091	234,795
	1,891,250	1,864,709	1,906,836
<b>Current assets</b>			
Trade and other receivables	1,038,717	1,276,969	946,442
Other current assets	156,430	302,405	125,086
Cash and cash equivalents	423,577	377,310	440,518
	1,618,724	1,956,684	1,512,046
<b>Total assets</b>	<b>3,509,974</b>	<b>3,821,393</b>	<b>3,418,882</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Equity attributable to equity holders of the parent	1,749,435	1,646,391	1,644,215
Non-controlling interests	46,173	39,963	44,651
<b>Total equity</b>	<b>1,795,608</b>	<b>1,686,354</b>	<b>1,688,866</b>
<b>Non-current liabilities</b>			
Borrowings	367,151	352,453	393,078
Lease liabilities	172,758	232,903	190,856
Other non-current liabilities	137,940	145,857	140,336
	677,849	731,213	724,270
<b>Current liabilities</b>			
Trade and other payables	832,285	1,202,716	721,930
Borrowings	118,123	136,123	161,945
Lease liabilities	70,558	53,013	61,635
Other current liabilities	15,551	11,974	14,646
Dividend payable	-	-	45,590
	1,036,517	1,403,826	1,005,746
<b>Total liabilities</b>	<b>1,714,366</b>	<b>2,135,039</b>	<b>1,730,016</b>
<b>Total equity and liabilities</b>	<b>3,509,974</b>	<b>3,821,393</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.

#### Velogic Holding Company Limited

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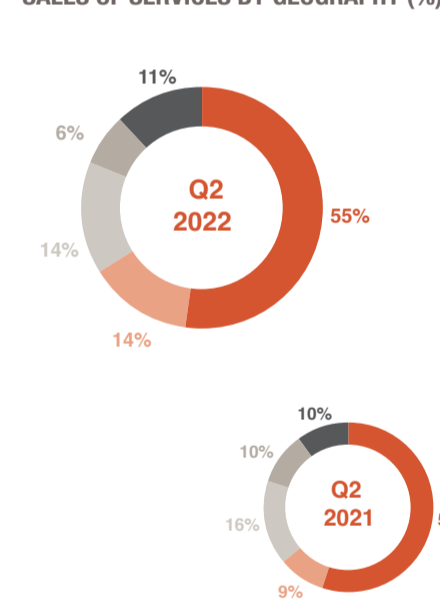
### STATEMENT OF CASH FLOWS

In Rs 000	THE GROUP		
	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited year ended 30 June 2022
Net cash generated from operating activities	175,395	124,899	352,446
Net cash from/(used in) investing activities	5,473	(310,808)	(182,632)
Net cash (used in)/generated from financing activities	(180,934)	108,186	(167,594)
Net (decrease)/increase in cash and cash equivalents	(66)	(77,723)	2,220
Cash and cash equivalents - opening	408,587	433,084	433,084
Effects of exchange rate on cash and cash equivalents	(9,033)	(4,980)	(26,717)
<b>Cash and cash equivalents - closing</b>	<b>399,488</b>	<b>350,381</b>	<b>408,587</b>

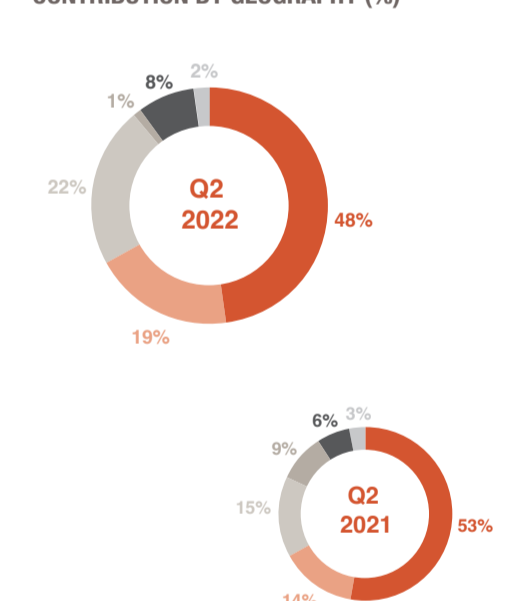
### STATEMENT OF CHANGES IN EQUITY

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	-	-	106,465	106,465	7,603	114,068
Other comprehensive (loss)/income for the period	-	(13,710)	-	(13,710)	60	(13,650)
Total comprehensive (loss)/income for the period	-	(13,710)	106,465	92,755	7,663	100,418
Acquisition of non - controlling interests	-	-	(43,693)	(43,693)	(175,321)	(219,014)
Dividends	-	-	-	-	(5,808)	(5,808)
At 31 December 2021	1,019,294	246,294	380,803	1,646,391	39,963	1,686,354
At 1 July 2022	1,019,294	232,630	392,291	1,644,215	44,651	1,688,866
Profit for the period	-	-	172,804	172,804	5,238	178,042
Other comprehensive (loss)/income for the period	-	(30,178)	-	(30,178)	(402)	(30,580)
Total comprehensive (loss)/income for the period	-	(30,178)	172,804	142,626	4,836	147,462
Dividends	-	-	(37,406)	(37,406)	(3,314)	(40,720)
At 31 December 2022	1,019,294	202,452	527,689	1,749,435	46,173	1,795,608

### \*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 (green), India (blue), Reunion (purple), Singapore (grey)

### SECTOR ANALYSIS

In Rs 000	THE GROUP				
	Unaudited 3 months ended 31 December 2022	Unaudited 3 months ended 31 December 2021	Unaudited 6 months ended 31 December 2022	Unaudited 6 months ended 31 December 2021	Audited year ended 30 June 2022
<b>CONTINUING OPERATIONS</b>					
<b>REVENUE</b>					
Activity					
Cross-border logistics	571,138	709,580	1,207,332	1,208,819	2,642,940
Landside logistics	258,898	234,386	520,633	480,379	845,977
Packing & shipping	30,620	43,272	71,090	87,705	169,650
Corporate Office	-	-	-	-	-
Revenue from sale of services	860,656	987,238	1,799,055	1,776,903	3,658,567
<b>PROFIT FOR THE PERIOD</b>					
Cross-border logistics	43,443	30,114	68,816	47,722	115,730
Landside logistics	26,811	22,869	62,495	52,098	60,031