

QUALITY BEVERAGES LIMITED

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	<u>30 June 2023</u>	<u>31 December 2022</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs	Rs	Rs	Rs
ASSETS				
Non-current assets	1,169,974,096	1,191,925,103	1,175,585,413	1,198,118,775
Current assets	658,201,446	780,947,822	659,701,560	764,889,180
TOTAL ASSETS	Rs 1,828,175,542	1,972,872,925	1,835,286,973	1,963,007,955
EQUITY AND LIABILITIES				
Capital and reserves				
Total Equity	693,222,533	703,650,047	699,301,329	696,615,590
Non-current liabilities	537,901,707	518,107,556	534,296,919	515,060,875
Current liabilities	597,051,302	751,115,322	601,688,725	751,331,490
TOTAL EQUITY AND LIABILITIES	Rs 1,828,175,542	1,972,872,925	1,835,286,973	1,963,007,955

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP				THE COMPANY			
	Quarter ended <u>30 June 2023</u>	Quarter ended <u>30 June 2022</u>	6 months ended <u>30 June 2023</u>	6 months ended <u>30 June 2022</u>	Quarter ended <u>30 June 2023</u>	Quarter ended <u>30 June 2022</u>	6 months ended <u>30 June 2023</u>	6 months ended <u>30 June 2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Revenue from contracts with customers	545,718,806	489,053,809	1,060,593,830	916,323,942	464,336,701	410,125,122	904,975,887	780,466,287
Operating Profit/(Loss)	12,246,938	22,117,496	7,856,264	32,805,746	25,586,976	21,664,532	21,494,448	32,984,065
Finance costs	(10,531,304)	(5,892,996)	(20,394,330)	(11,842,744)	(10,883,659)	(5,953,539)	(21,067,715)	(11,897,195)
Profit/(Loss) before taxation	1,715,634	16,224,500	(12,538,066)	20,963,002	14,703,317	15,710,992	426,733	21,086,870
Taxation	(340,885)	(3,300,674)	2,110,552	(8,305,506)	(138,337)	(2,678,565)	2,259,006	(7,701,524)
Profit/(Loss) for the period	Rs 1,374,749	12,923,827	(10,427,514)	12,657,496	14,564,980	13,032,428	2,685,739	13,385,346
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	Rs 1,374,749	12,923,826	(10,427,514)	12,657,496	14,564,980	13,032,428	2,685,739	13,385,346
Basic and diluted earnings per share	Rs 0.04	0.35	(0.28)	0.34			-	-

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	THE GROUP		THE COMPANY	
	6 months ended <u>30 June 2023</u>	6 months ended <u>30 June 2022</u>	6 months ended <u>30 June 2023</u>	6 months ended <u>30 June 2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs	Rs	Rs	Rs
Balance at 1 January	703,650,047	557,073,026	696,615,590	554,206,568
Profit/(Loss) for the period	(10,427,514)	12,657,496	2,685,739	13,385,346
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(10,427,514)	12,657,496	2,685,739	13,385,346
Balance at 30 June	Rs 693,222,533	569,730,522	699,301,329	567,591,914

QUALITY BEVERAGES LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS**

	THE GROUP		THE COMPANY	
	6 months ended	6 months ended	6 months ended	6 months ended
	<u>30 June 2023</u>	<u>30 June 2022</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs	Rs	Rs	Rs
NET CASH GENERATED FROM OPERATING ACTIVITIES	36,271,718	70,727,539	30,923,704	56,178,321
NET CASH USED IN INVESTING ACTIVITIES	(31,906,361)	(24,887,146)	(30,800,989)	(24,941,146)
NET CASH USED IN FINANCING ACTIVITIES	(20,741,458)	(18,599,207)	(20,233,589)	(5,074,450)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(16,376,101)	27,241,186	(20,110,873)	26,162,726
EFFECTS OF CURRENCY TRANSLATION	487,016	(1,666,034)	487,016	(1,666,034)
CASH AND CASH EQUIVALENTS-OPENING	(71,382,615)	28,380,283	(68,018,615)	5,297,834
CASH AND CASH EQUIVALENTS-CLOSING	Rs (87,271,699)	53,955,435	(87,642,472)	29,794,526

SEGMENTAL INFORMATION - GROUP

	THE GROUP			
	Quarter ended	Quarter ended	6 months ended	6 months ended
	<u>30 June 2023</u>	<u>30 June 2022</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Rs	Rs	Rs	Rs
Revenue				
Manufacturing and trading	543,042,959	486,145,527	1,055,372,612	911,382,455
Advertising	2,675,848	2,908,283	5,221,217	4,941,487
Rs	545,718,806	489,053,810	1,060,593,830	916,323,942
Segment Results				
Manufacturing and trading	1,510,840	15,694,529	(13,189,023)	20,968,321
Advertising	204,794	529,972	650,957	(5,318)
Rs	1,715,634	16,224,501	(12,538,066)	20,963,003
Taxation	(340,885)	(3,300,674)	2,110,552	(8,305,506)
Rs	1,374,749	12,923,827	(10,427,514)	12,657,497

NOTES:

The unaudited condensed financial statements for the period ended 30 June 2023 are prepared in accordance with International Financial Reporting Standard and on the same basis as the accounting policies set out in the audited statutory financial statements for the year ended 31 December 2022.

RESULTS

Despite a market environment that remained challenging during the first half of the year, the Group delivered 16% revenue growth and reached Rs1.06 billion turnover compared to Rs 916.3 million prior year. This was mainly driven by double digit volume growth across all our beverage categories coupled with incremental revenue from the new juice and cereal categories that were introduced in early 2022. The strong growth from our beverage categories helped to overcome a sluggish performance across most of our food categories. On the other hand, and despite a margin improvement during the second quarter compared to the first quarter of the year, our operating margins for the first six months were negatively impacted by increased costs of raw materials, the margin controls imposed on our retail margarines and spreads categories that did not allow us to cover our relevant costs and continues in effect since July 2022, the depreciation of the Mauritian rupee against all major currencies and increased warehousing and logistics costs. This impacted the overall Group profitability and as a result, we ended the first half of the year with a Group loss after tax of Rs10.4 M compared to a profit of Rs12.7 M prior year.

PROSPECTS

On the back on an improvement of our operating margins during the second quarter compared to the first quarter of the year, increasing sales and continued operating efficiencies, we expect bottom line to improve over the next six months.

As we look further into the future, our business environment will most likely remain volatile. As such, we will adjust as needed our strategic priorities to continue to deliver profitable growth and continue to design and adapt our product portfolio to best address consumers' needs.

By order of the Board

Currimjee Secretaries Limited
Secretary

Dated this: 07 August 2023

The Board of Directors of Quality Beverages Limited accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements prepared in accordance with International Financial Reporting Standards. Copies of the report are available to the public, free of charge, at the registered office of the Company: 38, Royal Street, Port Louis.

These Financial Statements are issued pursuant to DEM Rule 17 and Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

The statement of direct and indirect interests pursuant to the rule 8(2)(m) of the Securities Act(Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, Currimjee Secretaries Limited.