GROUP CHIEF FINANCE OFFICER'S REPORT

GROUP PERFORMANCE BOUNCES BACK AFTER TWO CHALLENGING YEARS.

Background

The world has faced numerous challenges since the beginning of 2020, which affected people, economies and companies in profound ways we would not have expected a few years ago.

The COVID-19 outbreak first hit us as we approached the last quarter of the financial year ended FY2020 (year ended 30 June 2020). This threw the whole world, Mauritius and our group into sudden lockdowns, with restricted movement and halting foreign travel through border closures. These put significant pressure on logistics, sourcing of essential products including food, medications and spare parts for equipment and machinery. Hotels were closed off to foreign tourism, which put pressure on jobs and resulted in a shortage of foreign currency on the market for imports.

This largely persevered in the following financial year, FY2021, which for the purpose of this report is also referred to as "last year". Borders remained closed to foreign tourism, exacerbating the pressure on jobs, small businesses and the limited availability of foreign currency on the market. This in turn resulted in a further depreciation of the Mauritian Rupee (MUR) and an increase in overall household costs. People in non-essential services largely continued to work from home until the rate of infection got under control. Gradually in FY2021, local activity opened up and a sense of normality was restored in daily life, except for borders which were still closed. The vaccination programme came into force during the second half of FY2021 and there was a rapid take-up in the population.

In FY2021, Mauritius was included on the EU Black List off the back of the FATF Grey List, which had largely been addressed. This put Mauritius under the wrong focal lights and piled additional pressure on resources at Government level and main institutional levels.

With a vaccination programme in full swing, we started the current year FY2022 (year ended 30 June 2022) with no local lockdown, some operating restrictions in force, but borders still closed. There was a sense of optimism, however, that borders would re-open imminently, as could be observed in many European countries, UAE and some corridors in Asia.

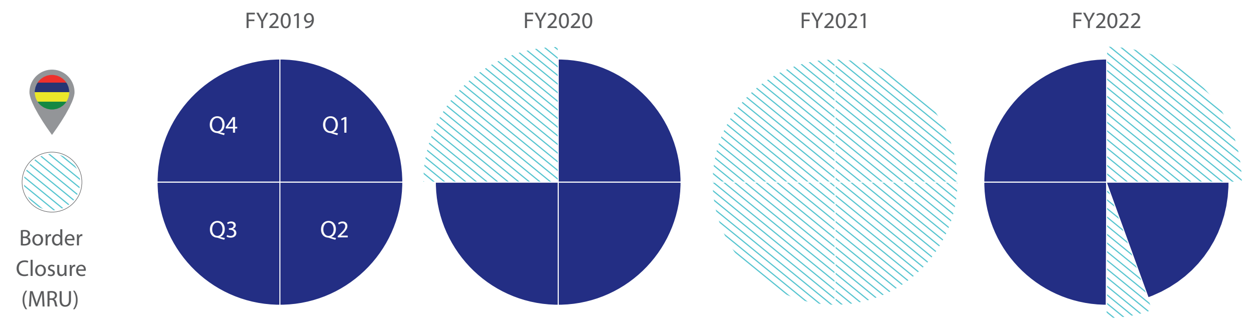
The Maldives and Reunion had eased travel restrictions earlier. In Mauritius, borders finally re-opened in October 2021 to foreign tourism and our hotels were back to near full occupancy only to be temporarily halted once again by the Omicron crisis in December 2021, which saw a lot of bookings during the peak tourism season in Mauritius get cancelled. The Omicron scare was short-lived, however, and the second half of FY2022 saw high demand for hotel bookings.

With concerted effort from all parties, Mauritius was removed from the FATF Grey List and EU Black List in early FY2022, much to the relief of the financial sector and industry at large.

The second half of the current year, however, saw the start of the war in Ukraine, which has since escalated into a human and commodity crisis. Sanctions against Russia and the war inside Ukraine itself have resulted in a shortage of key commodities typically sourced from both countries, which in turn have pushed up fuel and food prices and added to inflation. In response, many central banks have raised their benchmark interest rates which will have a profound impact on the economies around the world and people.

Performance of the group

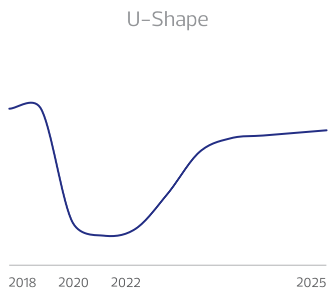
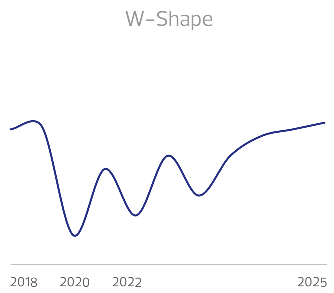
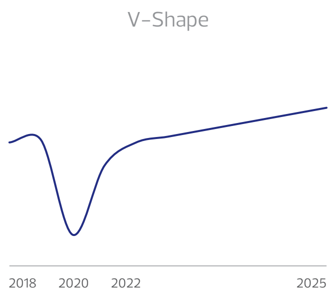
Given the above context, in commenting on our performance for the current year FY2022, I will analyse our results against two periods: (i) versus last year FY2021 – which as explained above, was a full financial year substantially impacted by COVID-19 and border closures and (ii) versus the full year results of FY2019, three financial years ago, which represents the last full financial year before the pandemic. The pandemic broke out as we approached the final quarter of FY2020, carried through FY2021 and faded in the first half of FY2022.



CFO'S REPORT

Also, in commenting on our results, I will use the same approach as I used in the last two years, by analysing businesses that we classified as "Highly Impacted by COVID-19" and those we classified as "Low to Medium Impact" separately.

To recap, in FY2020 and FY2021, we used the table below to show what we thought would happen across our business segments when we entered the pandemic, which ultimately transpired to be reflective of what actually happened as we moved through the pandemic and emerged on the other side of it. The table is as relevant for FY2022 as it was in FY2020 and FY2021.

Industry sector	Impact level	IBL's view of potential recovery scenarios	
· Hospitality - Hotels, Tourism & Associated Services · Property - Sales, Development, Contracting and Supplies · Logistics - Aviation	High		Businesses are projected to face significant slowdowns and challenges for as along as the pandemic lasts on a global scale and a remedy for COVID-19 has not been found.
· Financial Services - Banking, Insurance and Global Business · Property - Rental	Medium		Businesses or certain product lines expected to experience a bumpy ride in the medium term (e.g. resulting from default on loans or other challenges and uncertainties) until a new baseline is found.
· Agro · Energy · Wholesale consumer goods · Healthcare · Logistics - Warehousing, Shipping & Transport · Life Sciences · Technology · Seafood	Low		Businesses resumed relatively rapidly, though some now face doing business under new baseline conditions, e.g. rising import costs, reduced customer disposable income.

Group Profit and Loss

The summarised Profit and Loss below is an abridged version of the profit and loss in the financial statements. My analytical review will cover 4 key lines: Revenue, Profit from Operations, Share of results of associates and joint ventures, Profit before tax and an additional element which we have called "underlying profit" which is the profit before tax excluding the impact of non-recurring items which are reported in Other gains and losses in the group profit or loss.

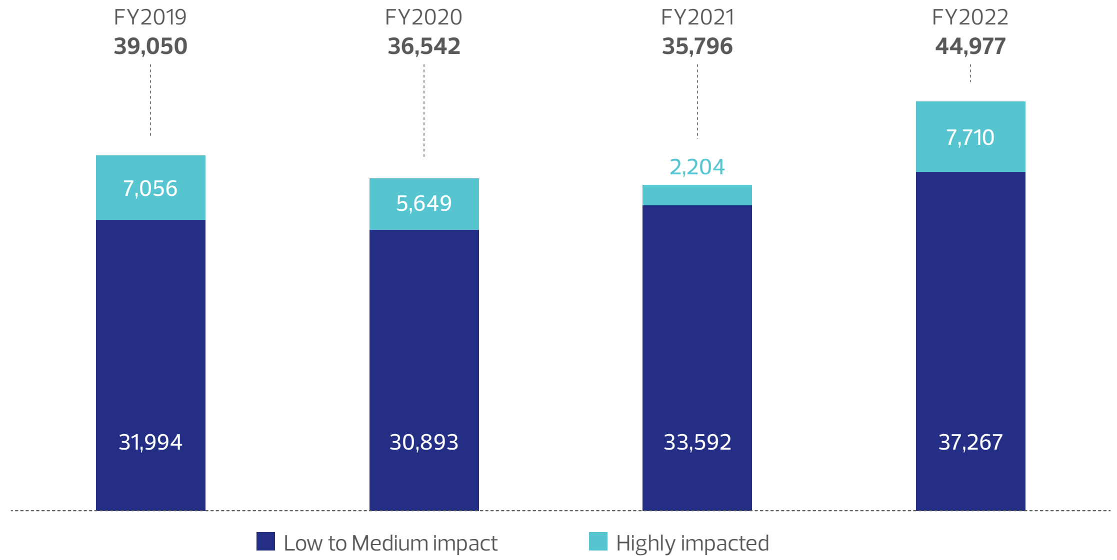
GROUP PERFORMANCE FOR FY2022

Summary of the published results of the Group

	THE GROUP	
	Audited	
	Year Ended 30.06.2022	Year Ended 30.06.2021
		Restated
	Rs000	Rs000
Revenue	**44,977,148**	35,796,136
Profit from operations	**3,359,951**	584,964
Share of results of associates and joint ventures	**905,556**	757,029
Other gains and losses	**(404,377)**	133,719
Net Finance costs	**(1,183,070)**	(1,108,104)
Profit before taxation	**2,678,060**	367,608
Taxation	**(736,366)**	(138,895)
Profit for the year from continuing operations	**1,941,694**	228,713
Discontinued operations		
Profit/(Loss) for the year from discontinued operations	**23,123**	(131,301)
Profit for the year	**1,964,817**	97,412
Other comprehensive income for the year	**392,407**	1,906,046
Total comprehensive income for the year	**2,357,224**	2,003,458

Group revenue

Group revenue for FY2022 increased by 26% compared to FY2021 and surpassed the overall revenue achieved prior to COVID-19 in FY2019 by 15%.



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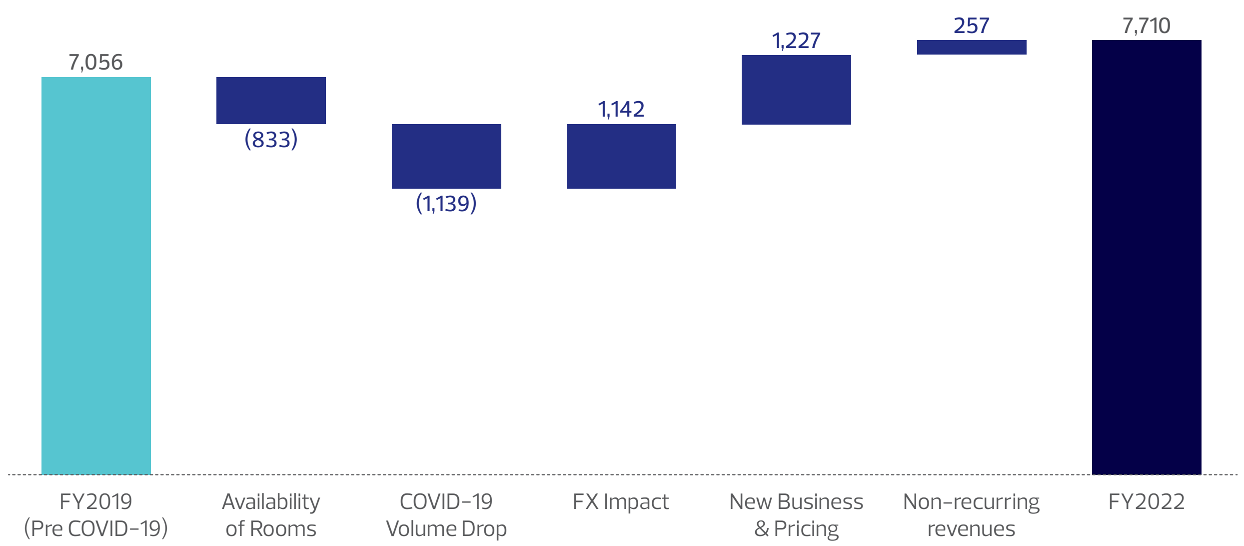
Analysis of Revenues for businesses classified as "Low to Medium Impact"

The revenues achieved by "Low to Medium Impact" sectors achieved a steady growth, with 11% growth delivered versus FY2021 and cumulative growth of 16% compared to FY2019, which represents a CAGR of 5% over the period. This top-line growth has been generated through the three factors below in reasonably even proportions:

- Exchange rates: The MUR has fallen versus major currencies since the onset of COVID-19, which means that businesses generating hard currency revenues such as DTOS, CNOI and the Seafood cluster report higher revenues in MUR upon conversion.
- Inflation: This phenomenon affects the cost of goods and services sourced both locally and abroad. It follows that businesses have to reprice in an attempt to maintain margins whilst remaining competitive. This in turn increases the price to the end customer and, at times, it changes buying behaviour.
- Organic growth: Our businesses are constantly looking for growth both locally and abroad. A number of initiatives have yielded growth across the various clusters.

Analysis of Revenues for businesses classified as "Highly Impacted by COVID-19"

It is clear that the revenue trajectory for sectors "Highly Impacted by COVID-19" has been bumpy from FY2019 to FY2022 for that very reason.



Analysis for how businesses "Highly Impacted by COVID-19" have evolved between FY2019 and FY2022 highlights the following:

Availability of rooms – LUX* seized the opportunity whilst borders were closed to revamp the portfolio of hotels. LIR sold one of the hotels in Reunion Island and closed Merville down to rebuild its new flagship hotel LUX* Grand Baie. The latter opened in the second quarter of the financial year despite the Omicron crisis in December 2021.

Volume Drop – this represents mainly the adverse impact of having had borders closed in Mauritius till October 2021. The Maldives and Reunion were not as severely affected as they had almost fully re-opened for business last year.

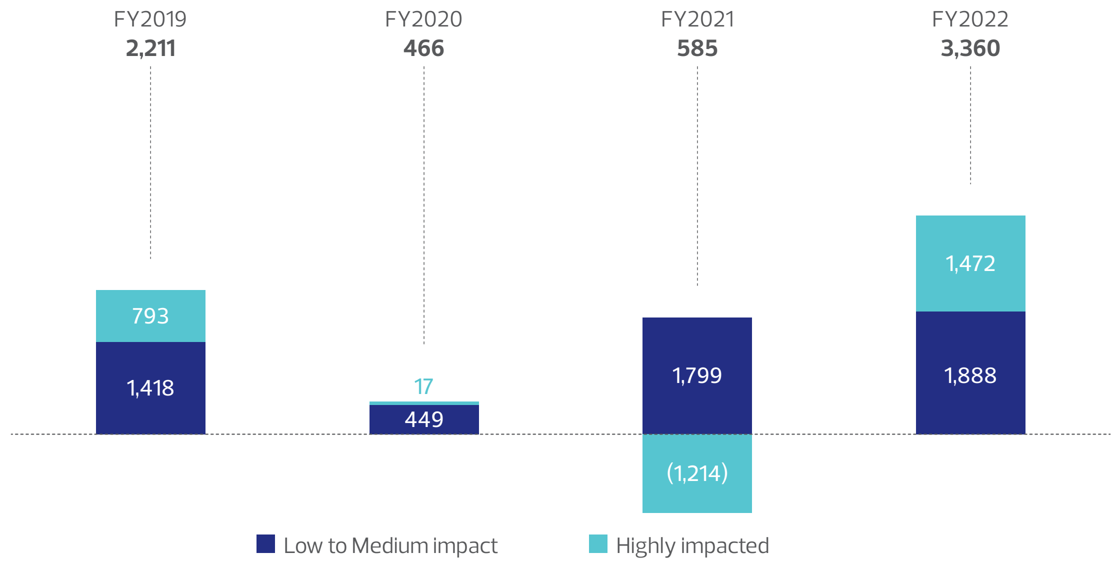
FX Impact – LUX* generates a significant share of its revenue in hard currencies, mainly USD, EUR and GBP. For the purposes of the analysis above, we have estimated the effect of MUR conversion rates for the relative share of revenue from each currency.

New Business and Pricing – represents the effect of optimising occupancy and pricing implementation since FY2019, catering to demand and also includes the impact of relaunching LUX* Grand Baie as a premium 5* resort.

Operating Profit

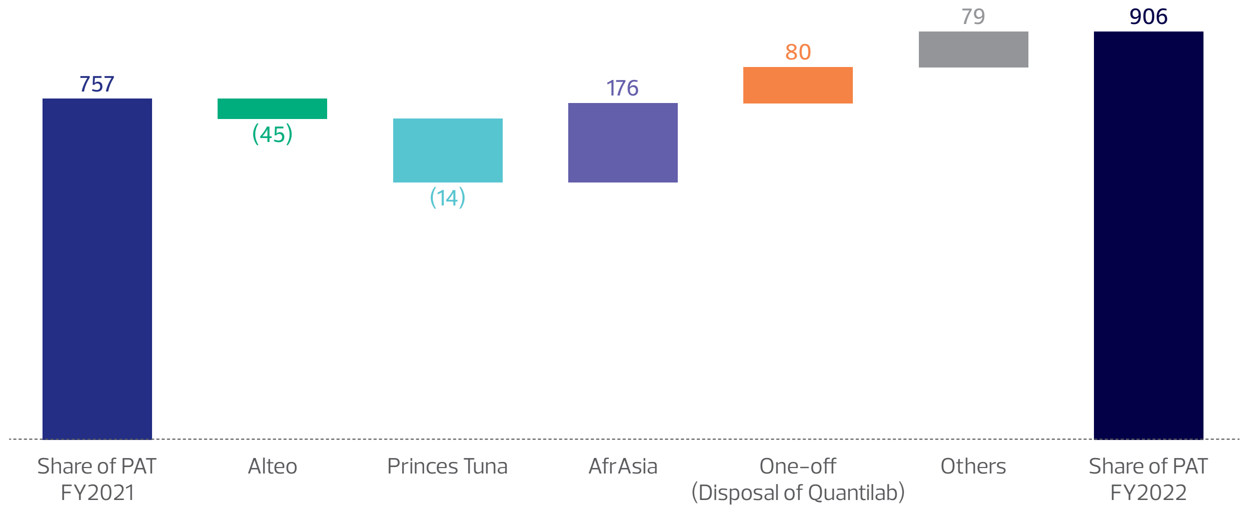
The group's operating profit for FY2022 has increased by nearly 6 times compared to last year and is higher than FY2019 (pre-COVID) by 52%.

For "Low to Medium Impact" companies operating profit is up 5% versus last year and 33% compared to FY2019, implying an average annual growth trend of 10%.



For businesses "Highly Impacted by COVID-19", the recovery post COVID-19 has yielded profits of nearly Rs 1.5 billion in FY2022, exceeding those of FY2019 by 86%, equivalent to an annual growth rate of 23%. This increase can be attributable to increased pricing of hotels, the launch of LUX* Grand Baie, exchange differences on revenues from the hotel sector and two major non-recurring items this year, namely revenues from the sale of villas at LUX* Grand Baie and a compensation for the cancellation of a management contract following a change in ownership of a hotel under TLC management, offset by the impact of closed borders for part of the current year due to COVID-19 and subsequently Omicron and the availability of rooms as shown on the previous chart.

Share of results of Associates and Joint Ventures



The performance of the group's associates was mixed compared to last year. Alteo and PTM have had lower share of profits reported, whilst AfrAsia's performance has improved as reported in the cluster performance section of this report.

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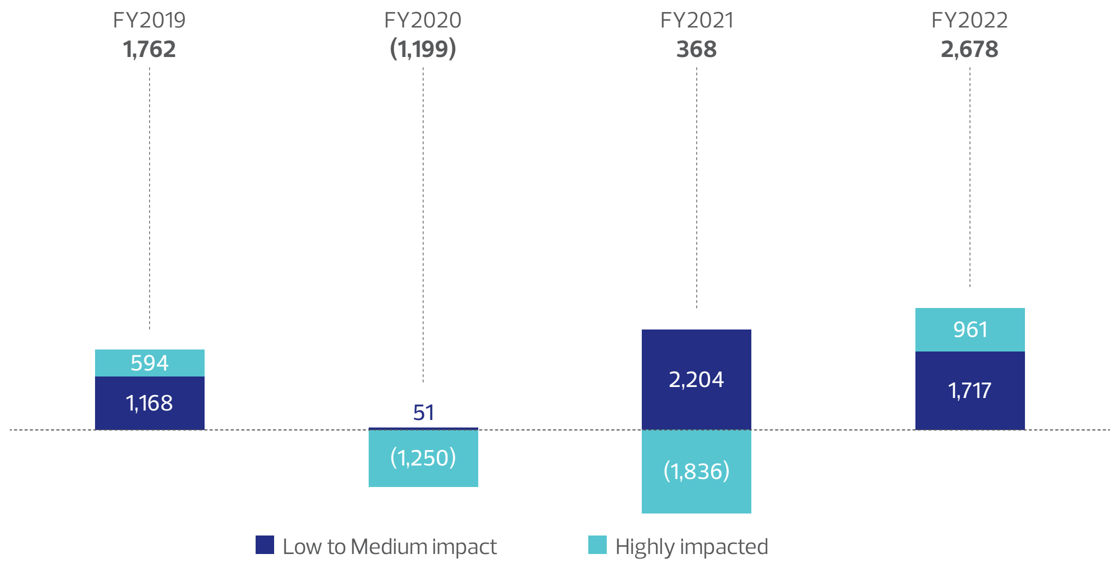
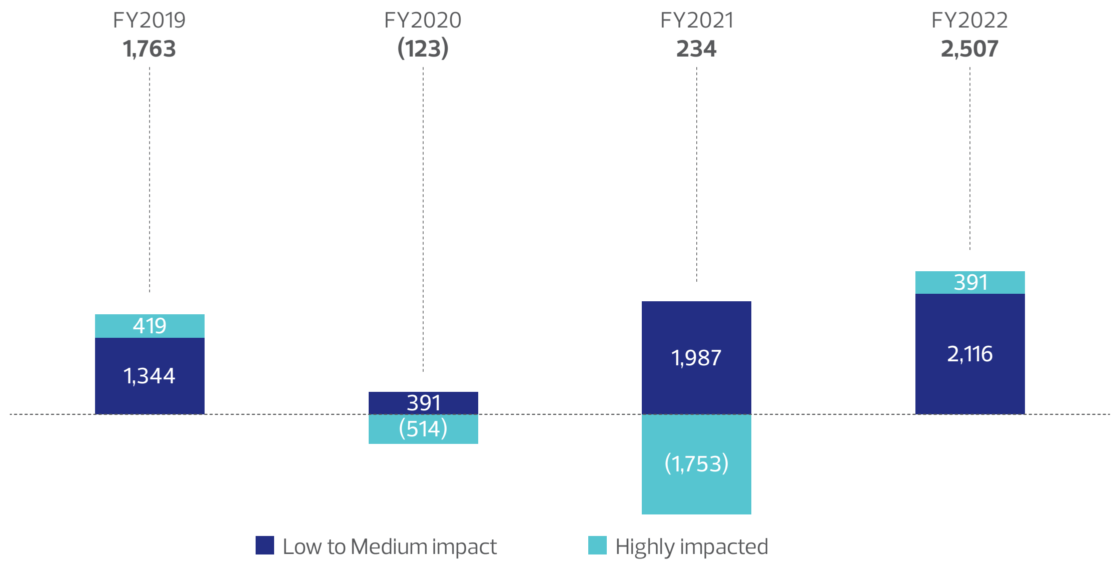
Profit before tax (PBT)



Whilst as expected, the performance of businesses "Highly Impacted by COVID-19" has improved year on year, as well as when compared to FY2019, the overall PBT of businesses classified as "Low to Medium Impact" has dropped compared to last year.

The main reason for this drop is the fact that the group has impaired the value of our associates in the balance sheet relating to PTM and MDM due lower performance than previous years, written down the value of goodwill relating to an acquisition by UBP and an impairment in the value of two assets held in LIR, namely in Mauritius and Reunion.

Underlying Profit



Underlying profit - defined as PBT excluding Other Gains and Losses and non-recurring items – was 11 times that of FY2021 and 42% above FY2019 (pre-COVID). This represents a Cumulative Annual Growth Rate (CAGR) of 12%.

For Low to Medium impacted businesses, underlying profit for FY2022 was 6% above that of FY2021 and 57% above that of FY2019 which represents a CAGR of 16%. This reflects the outcome of operational efficiency measures in the last few years.

For Highly impacted businesses, underlying profitability was back into positive zone but slightly lower than FY2019 mainly due to the hotel and border closures during the year and increase in operating and other costs.

CLUSTER PERFORMANCE:

Agro and Energy: Alteo's underlying profitability improved during the year on the back of better results for the sugar cluster in Kenya, Tanzania and Mauritius, and a higher contribution from the property segment in Mauritius through the sale of serviced plots. The spin-off of Alteo's overseas operations in Kenya and Tanzania into Miwa Sugar has been initiated. Miwa Sugar, which will be an associate to IBL Ltd, will continue to develop its regional footprint mainly in East Africa, while Alteo remains focused on the local cane activities, coupled with property development in Mauritius.

Building and Engineering: The segment's results fell this year. Manser Saxon, the contracting business, suffered from delays on construction sites in the early part of the financial year due to a resurgence of COVID cases in Mauritius at the time. UBP's year on year performance dropped due to rising costs of raw materials in the period under review but also due to the fact that in FY2021 the company benefitted from a backlog of projects which were delayed when COVID first emerged in FY2020. Activities at the shipyard, CNOI, ramped up significantly during the year with its increased capacity after investments in the shipyard.

Commercial and Distribution: Winners' strong performance drives cluster results. The supermarket chain successfully completed its rebranding and launched the Victoria Urban Terminal outlet. BrandActiv posted stable results despite pressure on margins resulting from increased import costs. HealthActiv recorded good top line growth, which translated into higher operating profits. PhoenixBev's sales volumes increased in both Mauritius and Reunion, but overall profits were adversely impacted by non-recurring expenses relating to M&A activities during the year.

Financial Services: The removal of Mauritius from the EU's blacklist benefitted the sector. The performance of DTOS was positively impacted by FX rates and lower debtor provisioning. Eagle Insurance encountered a lower claims ratio from the health segment in particular and recorded higher underwriting profits. Ellgeo-Re, the reinsurance broker, was consolidated as a subsidiary as from the current financial year and posted strong results. AfrAsia Bank recorded a strong performance after being impacted by significant Expected Credit Losses during COVID.

Hospitality and Services: This segment was the most highly impacted by the pandemic. Last year, borders were closed to foreign tourists. They were re-opened in October 2021 only to be temporarily closed again due to the Omicron crisis in the peak season of the year in December 2021. Nonetheless, LUX* delivered robust results despite not operating for the full year locally. Occupancy for Mauritius averaged 60% for the year but reached pre-COVID levels in Reunion and the Maldives. LUX* Grand Baie opened during the year and is a success. Results for the hospitality sector benefitted from non-recurring sale of villas at LUX* Grand Baie and a compensation for the cancellation of a contract in the Maldives following a change in ownership of a hotel under TLC Management. Post year end, a fire broke out at LUX* Belle Mare which will impact results for the cluster in the forthcoming year.

Life and Technologies: CIDP recorded better results thanks to its Romanian subsidiary and cost saving initiatives. The group disposed of Quantilab Ltd in order to invest in new ventures.

Logistics: The aviation sub-segment, also highly impacted by the pandemic, witnessed a recovery year and curbed its losses. All activities are continuously ramping up. Somatrans handled higher freight volumes at better prices whilst managing costs efficiently. Logidis' warehousing occupancy improved but performance was adversely impacted by higher overheads resulting from a volatile international environment. The shipping segment was affected by rising administrative expenses and profitability fell slightly compared to last year.

Property: Bloomage maintained high occupancy levels. BlueLife's main segments benefitted from the re-opening of borders with real estate buyers and tourists resuming visits to Mauritius. Hotel occupancy has improved and revenues from the sale of serviced plots at Azuri increased in the vein of the opening of the Nine golf course. BlueLife has obtained its Smart city certificate for Azuri and aims to complete several projects in the vicinity in the coming financial year.

Seafood: Whilst Marine Biotechnology Products processed lower volumes, results are at par with last year with improved margins. MBPCI in Ivory Coast recorded better results through increased volumes, enhanced margins and lower overheads. Cervonic posted better results thanks to higher yields. Princes Tuna, our main associate in this sector, was impacted by factory closures caused by the COVID outbreak at the start of the financial year and economic uncertainties in its main market, namely UK.

CFO'S REPORT

GROUP STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	Audited	
	As at 30.06.2022	As at 30.06.21
		Restated
Assets	**Rs000**	Rs000
Property, plant and equipment	**30,163,221**	29,224,107
Investment properties	**3,356,188**	3,267,618
Intangible assets	**2,477,409**	2,456,225
Investments	**11,322,367**	11,273,701
Deferred tax assets	**287,942**	446,649
Right of use assets	**4,916,237**	4,829,342
Other assets	**88,961**	176,661
Non-current assets	**52,612,325**	51,674,303
Current assets	**22,663,088**	18,312,240
Assets classified as held for sale	**828,556**	838,519
Total Assets	**76,103,969**	70,825,062
Equity and Liabilities		
Equity attributable to owners of the parent	**15,943,453**	15,041,245
Other components of equity	**1,465,283**	749,083
Non-controlling interests	**12,180,393**	11,672,133
Total equity	**29,589,129**	27,462,461
Non-current liabilities	**25,866,149**	27,096,721
Current Liabilities	**20,194,110**	15,892,681
Liabilities associated with assets classified as held for sale	**454,581**	373,199
Total Equity and Liabilities	**76,103,969**	70,825,062

Total assets increased by over Rs 5.2 billion. Main increases relate to current assets from the Commercial & Distribution, Hospitality, and Building & Engineering clusters. Total equity increased mainly due to profits for the year. Rs 2 billion of long term debt is reported as due within 1 year of the balance sheet date, explaining the movement between non-current to current liabilities.

COMPANY PERFORMANCE FOR FY2022

Summary of the published results of the Company

	THE COMPANY	
	Audited	
	Year Ended 30.06.2022	Year Ended 30.06.2021
	Rs000	Rs000
Revenue	**5,445,467**	4,767,958
Dividend income	**825,709**	725,400
Total Revenue	**6,271,176**	5,493,358
Cost of sales	**(4,320,857)**	(3,779,105)
Gross Profit	**1,950,319**	1,714,253
Other income	**185,015**	204,711
Administrative expenses	**(1,518,400)**	(1,486,310)
Expected credit losses	**71,477**	(54,152)
Profit from operations	**688,411**	378,502
Other gains and losses	**-**	11,711
Net finance costs	**(432,289)**	(347,158)
Profit before taxation	**256,122**	43,055
Taxation	**(11,811)**	(31,975)
Profit for the year	**244,311**	11,080

Profit for the year for the Company increased by Rs 233 million mainly due to Rs 136 million from operational margins and an increase in dividends income by Rs 100 million.

The Company incurred higher costs due to a combination of inflation as well as costs relating to investment projects. The Company invested in Naivas, the largest retail chain of stores in Kenya, after the year end.

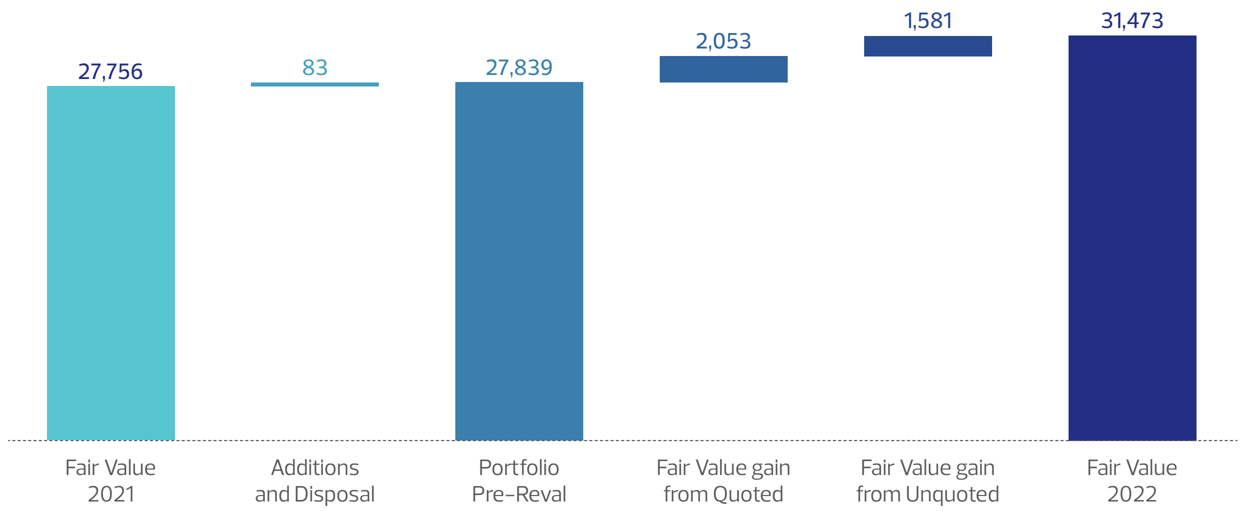
Expected credit losses were increased during FY2020 and FY2021 due to the heightened risks projected in those years associated with COVID-19. As we emerge out the pandemic, we have noted that we had been more prudent and have not incurred the losses we anticipated. We have therefore reversed some of the provisions we had made.

Net finance costs have increased in part due to interest rate hikes but also due to increase in borrowing. We have noted increases in interest rates after the year end, which will have an impact on the forthcoming year.

CFO'S REPORT

Company investment portfolio: Movement year on year (excluding other financial assets)

Figures in Rs millions



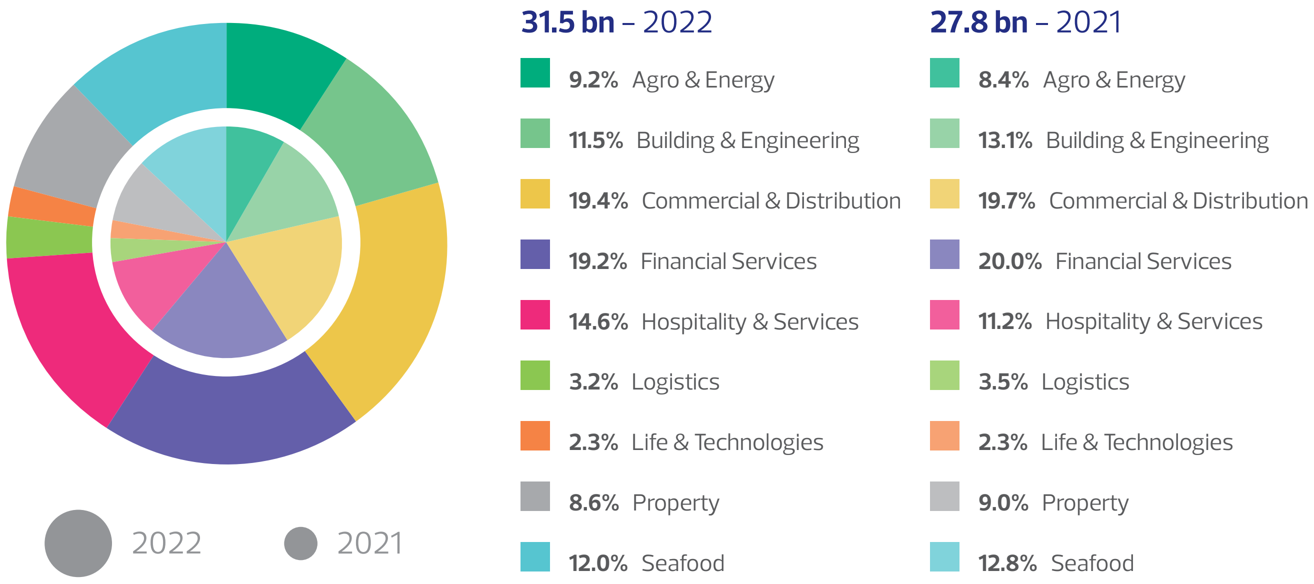
Overall, IBL's investments increased by 13% from Rs 27.8 billion last year to Rs 31.5 billion in June 2022.

The portfolio of non-listed businesses increased in value by 8% versus our listed portfolio which increased by 27% (table below). Highly impacted companies in the listed portfolio – LIR and BlueLife – saw their values increase by 49% after borders were re-opened, whereas other listed businesses overall yielded a fair value gain of 13%.

Figures in Rs millions

Movement in Value for Listed Investments	No of shares held (at June 2021)	Share price Jun-21 (Rs)	Share price Jun-22 (Rs)	Fair value 2021 (Rs M)	Additions (Rs M)	Total prior to revaluation (Rs M)	Fair value 2022 (Rs M)	Gain/ (Drop) in Portfolio (Rs M)	% Gain/ (loss) on quoted
LUX* (LIR)	77,425,389	33.00	51.25	2,555	-	2,555	3,968	1,413	55%
BlueLife	663,067,517	0.69	0.80	458	-	458	531	73	16%
Highly impacted companies				3,013	-	3,013	4,499	1,486	49%
Alteo	88,033,272	25.80	31.80	2,271	-	2,271	2,799	528	23%
UBP	8,785,100	144.75	139.00	1,272	-	1,272	1,221	(51)	(4%)
PICL	1,488,130	383.25	400.00	570	-	570	595	25	4%
PhoenixBev	527,659	600.00	600.00	317	-	317	317	0	0%
The Bee Equity	3,083,292	27.60	48.50	85	-	85	150	65	76%
Low to medium impact				4,515	-	4,515	5,082	567	13%
Total				**7,527**	**-**	**7,528**	**9,581**	**2,053**	**27%**

The movements above resulted in the following changes to the mix of IBL's overall portfolio:



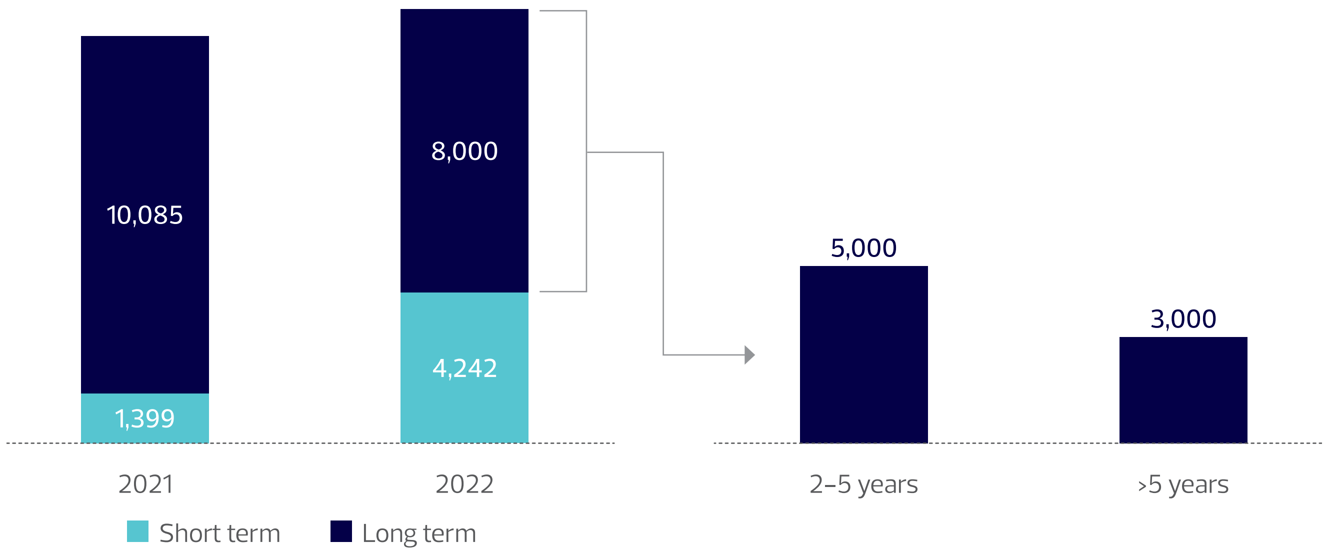
Borrowings

The Company issued Rs 3 billion of bonds in FY2021 mainly to refinance short-term debt to longer terms. As at 30 June 2022, the Company had Rs 2 billion of long term debt maturing within 1 year. At the time of writing, some of these have already been repaid.

The group's maturity profile as of 30 June 2022 is as follows.

Borrowing profile

Maturity Profile of Long-Term loans



CFO'S REPORT

Company shareholder information

Figures in Rs

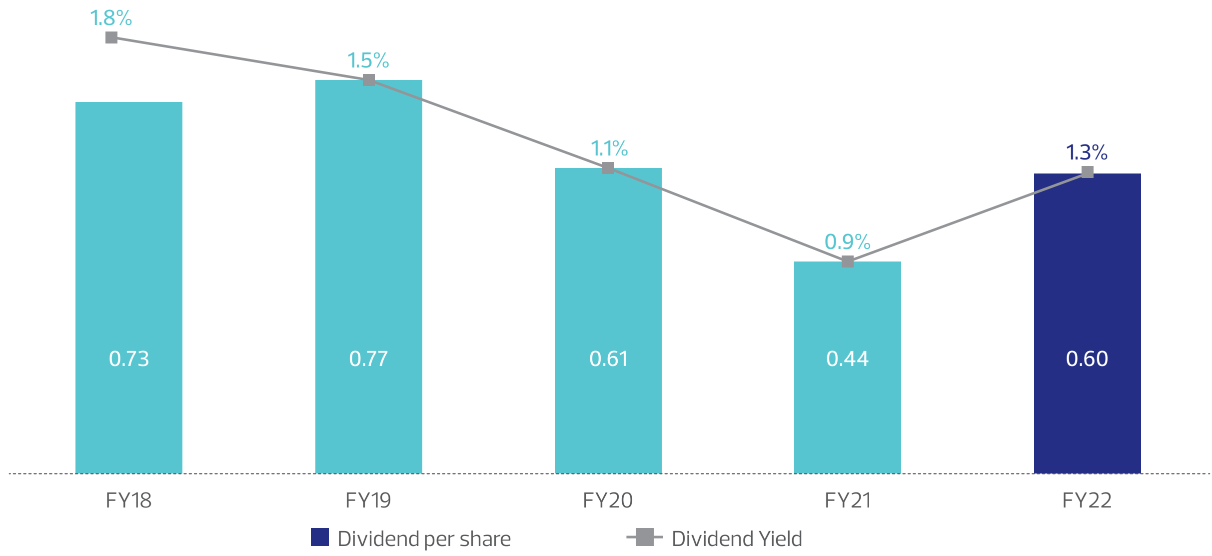
Share price evolution

Price	No of Shares	Capitalisation
52.00 30 JUNE 2022	680,224,040	35.4bn

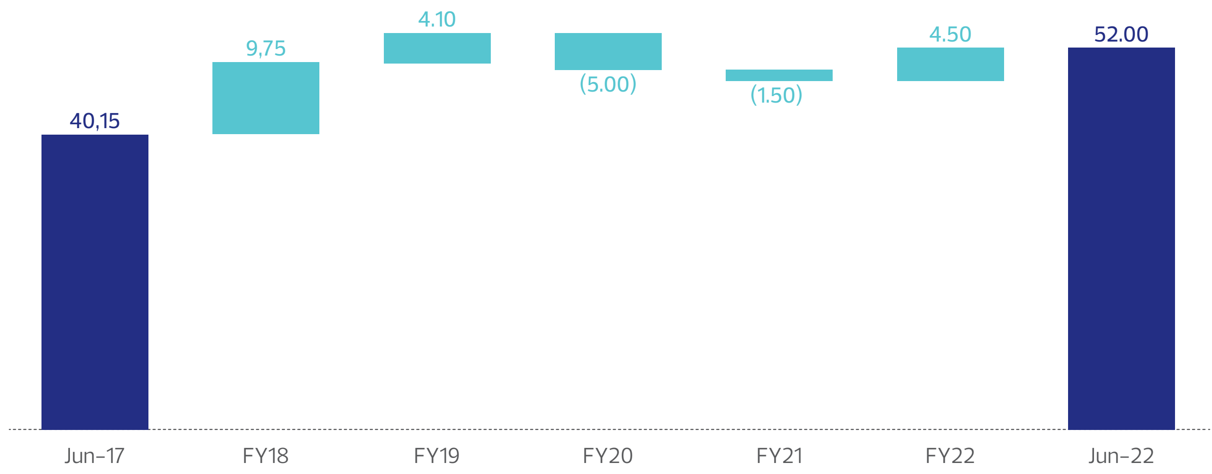
Financial Year 2022 Volume Traded Information		
Highest Volume Traded on any day 799,801	Total Shares Traded In FY2022 7,913,038	
Average Daily Volume Traded 31,779	Lowest 46.50	Highest 57.00

	FY2022	
Return to Shareholders:	**Rs**	**%**
Capital Appreciation	4.50	9.48%
Dividend Received	0.6	1.26%
Holding Period Return	**5.1**	**10.74%**

Return from Dividends



Return from Share Price



	Since Listing (14 July 16 to 30 Jun 22)	5 Yrs (01 July 17 to 30 Jun 22)	3 Yrs (01 July 19 to 30 Jun 22)	1 Yr (01 July 21 to 30 Jun 22)
Cummulative	108.4%	37.36%	(0.65)%	10.74%
Annualised	13.02%	6.55%	(0.22)%	

Investment x2 for shareholders holding shares since amalgamation

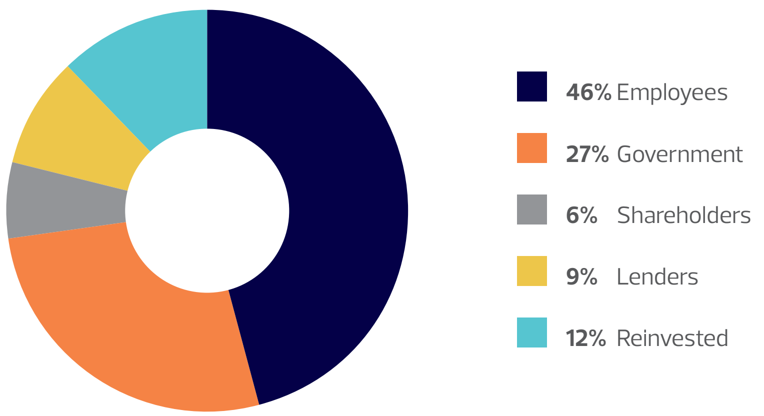
CFO'S REPORT

Value added statement — Group

	FY2022	FY2021 Restated
Value Created through:		
Revenues	**44,977,148**	35,796,136
Other Income	**1,313,439**	1,251,952
Cost of sales and Operating Expenses	**(32,060,346)**	(26,344,894)
Amortisation and Depreciation	**(2,435,940)**	(2,284,488)
Share of results of Associates and Joint Ventures	**905,556**	757,029
Profit/(Loss) for the year from discontinued operations	**23,123**	(131,301)
Other gains and losses and impairments	**(404,377)**	133,719
	12,318,603	9,178,153
Other comprehensive income	**392,407**	1,906,046
Total Value Created	**12,711,010**	11,084,199
Value distributed to:		
Employees: as remuneration and pension	**5,785,540**	5,372,516
Government: as taxes and duties	**3,385,176**	2,600,121
Shareholders: as dividends	**786,066**	637,074
Lenders: as finance costs less interest income	**1,183,070**	1,108,104
Reinvested or revalued within the group	**1,571,158**	1,366,384
Total value distributed	**12,711,010**	11,084,199

Value distribution

Share (%) of value distributed



Total value created has increased by 15%, driven mainly by the increase in profitability for the group. Better financial performance for FY2022 also results into higher value distributed to Government through taxes and duties.

Overall outlook

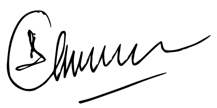
Mauritius deployed its vaccination campaign in the second half of FY2021. Take up increased rapidly in FY2021 and accelerated in FY2022 so much so that a large part of the population is now vaccinated.

Overall life and productivity have gone back to normal pre-COVID times, except that we are seeing a lot more "work from home" now that it is seen as somewhat normal. People are travelling more freely and tourist arrivals at all our resort destinations have increased significantly once borders re-opened after Omicron.

Our results for FY2022 testify to our resilience and will serve as a launchpad for medium term.

We anticipate some challenges in respect of demand from some of our markets due to rising costs and interest rates. In July 2022, IBL acquired a significant stake in Naivas, a major retail chain in Kenya. We are confident this business will be a significant contributor to our results in the future and that it will reinforce the group and validate our strategic ambitions.

The group continues to work on numerous growth opportunities. IBL will continue to rigorously evaluate and test these opportunities to ensure that any investments generate the planned returns in a short time.



DIPAK CHUMMUN
Group Chief Finance Officer