

2023

First Half

Year Report





Table of Content

• Managing Director's Report First Half Year 2023	2
• Condensed Consolidated Statement of Financial Position at 30 June 2023	3
• Condensed Consolidated Statement of Income for the six months ended 30 June 2023	4
• Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2023	4
• Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2023	5
• Condensed Consolidated Statement of Cashflows for the six months ended 30 June 2023	6
• Notes to the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2023	7 - 9



Managing Director's Report First Half Year 2023

Supply chain stabilization, decreases in some prices of key raw materials, growing insecurity worldwide, and heightened climate concerns set the tone for the first half of the year. Regionally, tourism picked back up; however, pressure on disposable income remains due to inflation continuing its slow but steady climb in the first half of the year.

Suriname's economy remains fragile, even though the FX-Foreign Exchange rate has been stable in the last few months. Interest rates and inflation remain challenging for the remainder of the year.

The Company delivered a first half-year performance of SRD 24.0 million in earnings before tax compared to SRD 19.3 million last year.

Despite some challenges, we are pleased to report the following consolidated results for the first half of 2023:

- Sales amounted to SRD 164.7 million, a 47% increase
- Gross margins increased by SRD 31.5 million, driven by improved margins
- Operational expenses increased by SRD 21.6 million, primarily due to higher personnel, administrative, and depreciation expenses.
- Earnings from operations increased from SRD 10.3 million to SRD 20.2 million for this half year. This 96% increase is primarily attributed to improved margins.

We realized First Time Adoption of IFRS for the 2022 annual report. This was also applied to the half-year report 2023.

In June 2023, we held a successful claim issuance to raise funds for the next two investment phases of our long-term strategic growth plan – Diversification.

Outlook Second Half Year 2023

We remain focused on achieving our goals and creating shared value for all stakeholders over the short and long term. We expect our performance in the second half of the year 2023 to further improve and are on track to achieving our budgeted goals.

We are grateful to our employees for their consistent dedication and trust and will continue to prioritize their safety and well-being. We also take this opportunity to thank all our stakeholders for their continued support.

Paramaribo, 10 August 2023

Ms. Kathleen Healy
Managing Director

Condensed Statement of Financial Position

at 30 June 2023

	At 30 June 2023	At 31 December 2022
	SRD	SRD
ASSETS		
Non-current assets		
Property, plant and equipment	150,676,750	128,996,544
Long-term investment	83	83
Total non-current assets	150,676,833	128,996,627
Current assets		
Inventories	149,272,172	129,014,443
Trade and other receivables	39,622,482	33,080,510
Income tax receivable	664,187	636,765
Cash and cash equivalents	14,593,750	5,781,043
Total current assets	204,152,591	168,512,761
Total assets	354,829,424	297,509,388
EQUITY AND LIABILITIES		
Equity		
Share capital	6,386,529	5,187,787
Share premium	51,551,079	4,409,068
Retained earnings	85,967,894	56,942,697
Net earnings	22,905,946	29,025,197
Accumulated other comprehensive income	9,443,435	9,443,435
Equity attributable to equity holders of the parent company	176,254,883	105,008,184
Non-controlling interest	79,037	20,298
Total equity	176,333,920	105,028,482
Liabilities		
Non-current liabilities		
Deferred tax liability	33,271,242	33,271,242
Employee benefit obligation	29,068,089	26,742,992
Long-term borrowings	23,856,093	24,649,504
Long-term lease liabilities	1,607,162	1,902,474
Total non-current liabilities	87,802,586	86,566,212
Current liabilities		
Short-term borrowings	43,439,887	32,866,816
Short-term Lease liabilities	1,337,682	1,385,120
Income tax payable	359,043	444,265
Trade and other payables	45,556,306	71,218,493
Total current liabilities	90,692,918	105,914,694
Total equity and liabilities	354,829,424	297,509,388

Paramaribo, 10 August 2023

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
O. Smith
P. Healy
E. Woei-A-Tjoen
D. Jong-A-Lock

Managing Director

K. Healy

Condensed Statement of Income

for the six months ended 30 June 2023

	30 June 2023	30 June 2022
	SRD	SRD
Sales	164,667,530	112,264,246
Cost of sales	(96,080,752)	(75,162,484)
Gross profit	68,586,778	37,101,762
Personnel expense	(23,058,078)	(13,569,028)
Distribution expense	(3,533,864)	(2,044,836)
Administrative expense	(16,590,601)	(9,136,314)
Depreciation and amortization	(5,173,661)	(2,026,786)
Total expenses from operations	(48,356,204)	(26,776,964)
Earnings from operations	20,230,574	10,324,798
Finance costs	(2,850,279)	(2,100,089)
Exchange rate (losses)/ gains	(14,680,681)	(441,991)
Net monetary gains	21,163,236	11,484,689
Other non-operating income	115,147	46,684
Earnings before tax	23,977,997	19,314,091
Income tax	(1,013,314)	(3,711,541)
Net earnings	22,964,683	15,602,550

Condensed Statement of Comprehensive Income

for the six months ended 30 June 2023

Net earnings	22,964,683	15,602,550
<i>Other comprehensive income:</i>		
Actuarial (loss)/gain on defined benefit obligation	-	-
Income tax on defined benefit obligation	-	-
Other comprehensive income net of taxes	-	-
Total comprehensive income	22,964,683	15,602,550

Paramaribo, 10 August 2023

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
O. Smith
P. Healy
E. Woei-A-Tjoen
D. Jong-A-Lock

Managing Director

K. Healy

Consolidated Condensed Statement of Financial Position

at 30 June 2023

in SRD	Share capital	Share premium	Retained earnings	Other Reserves	Equity for shareholders of NV CIC	Non-controlling interest	Total Group Equity
Equity at 1 January 2022	3,509,862	2,983,010	57,442,917	(5,637,097)	58,298,692	15,786	58,314,478
Net earnings	-	-	15,602,550	-	15,602,550	180	15,602,730
Other comprehensive income	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Hyperinflation adjustments	186,437	158,451	-	-	344,888	-	344,888
Equity at 30 June 2022	3,696,299	3,141,461	73,045,467	(5,637,097)	74,246,130	15,966	74,262,096
Net earnings	-	-	13,422,647	-	13,422,647	18,935	13,441,582
Other comprehensive income	-	-	-	15,080,532	15,080,532	-	15,080,532
Dividend	-	-	(500,220)	-	(500,220)	-	(500,220)
Hyperinflation adjustments	1,491,488	1,267,607	-	-	2,759,095	(14,603)	2,744,492
Equity at 31 December 2022 before appropriation of net earnings	5,187,787	4,409,068	85,967,894	9,443,435	105,008,184	20,298	105,028,482
Addition to retained earning	-	-	-	-	-	-	-
Equity at 31 December 2022 after appropriation of net earnings	5,187,787	4,409,068	85,967,894	9,443,435	105,008,184	20,298	105,028,482
Net earnings	-	-	22,905,946	-	22,905,946	58,739	22,964,685
Other comprehensive income	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Share issuance	144,973	46,246,419	-	-	46,391,392	-	46,391,392
Hyperinflation adjustments	1,053,769	895,592	-	-	1,949,361	-	1,949,361
Equity at 30 June 2023	6,386,529	51,551,079	108,873,840	9,443,435	176,254,883	79,037	176,333,920

Paramaribo, 10 August 2023

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
O. Smith
P. Healy
E. Woei-A-Tjoen
D. Jong-A-Lock

Managing Director

K. Healy

Condensed Statement of Cashflows

for the six months ended 30 June 2023

	30-Jun-23	31-Dec-22
	SRD	SRD
Cash flows from operating activities		
Earnings before tax	23,977,997	38,858,074
<i>Adjusted for:</i>		
- Depreciation included in operational expenses	5,173,661	5,971,043
- Depreciation included in cost of sales	5,084,597	7,534,618
- Net monetary (losses)/gains	(21,163,236)	(25,604,959)
- Corrections on property, plant and equipment		172,330
- Write-down of inventories	(775,000)	-
- Bad Debts expense	-	8,924
- Maintenance on lease	393,664	556,171
- Finance costs	2,850,279	2,141,875
- Revaluation (gain) / loss on borrowings	3,978,092	5,447,009
- Revaluation (gain) / loss on lease liabilities	489,130	898,376
- Personnel costs related to defined benefit obligation	3,249,427	8,132,336
<i>Changes in working capital:</i>		
- change in inventories	(20,257,729)	(52,690,692)
- change in trade and other receivables	(6,541,972)	(10,789,288)
- change in trade and other payables	(25,662,187)	33,334,710
- Adjustments due to write-down of inventory	775,000	-
- Adjustments regarding payables	-	(170,090)
<i>Other:</i>		
Payment related to defined benefit obligation	(924,330)	(622,305)
Cash balance from operations	(29,142,764)	13,178,132
Paid income tax	(1,125,957)	(8,733,074)
Net cash balance from operating activities	(30,268,721)	4,445,058
Cash flows from investing activities		
Purchase of property, plant & equipment	(9,032,997)	(23,660,830)
Net cash from investing activities	(9,032,997)	(23,660,830)
Cash flows from financing activities		
Proceeds from loans and overdrafts	9,922,706	9,215,645
Repayments of loans	(4,121,139)	(150,555)
Lease payments	(1,355,924)	(2,222,119)
Paid interest	(2,719,899)	(1,906,653)
Dividend paid	(2,711)	(1,196,175)
Share issuance	46,391,392	-
Net cash from financing activities	48,114,425	3,740,143
Net increase / (decrease) in cash for the year	8,812,707	(15,475,629)
Cash and cash equivalents at 1 January	5,781,043	21,256,672
Cash and cash equivalents at end of period	14,593,750	5,781,043

Paramaribo, 10 August 2023

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
O. Smith
P. Healy
E. Woei-A-Tjoen
D. Jong-A-Lock

Managing Director

K. Healy

Notes to the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2023

1. Information on the reporting entity

N.V. Consolidated Industries Corporation (CIC) is registered and domiciled in Suriname. The Company is a publicly listed company registered on the Suriname Stock Exchange. Its registered office is located at Industrieweg - Zuid BR 34, Paramaribo, Suriname.

The consolidated financial statements of the Company as at and for the six months ended 30 June 2023 comprise of the Company and its subsidiaries CARIFRICO N.V. and CIC Plastics N.V (together referred as the Group).

As per 2021 the Company consolidates the subsidiary CARIFRICO N.V. (98.9%) in full as it is no longer dormant, considering the assets in Carifrico are used for the long-term expansion project. CIC Plastics N.V. is a dormant subsidiary.

The Company's parent, which is also its ultimate parent entity, is N.V. Verenigde Surinaamse Holdingmij./ United Suriname Holding Company (VSH United). VSH United holds a majority share of 60.63% in the Company.

The Group is involved in manufacturing a wide range of industrial and household detergents, plastic packaging material, and real estate. The Group has a manufacturing plant at above-mentioned address and sells in Suriname, the Caribbean and Europe.

These condensed consolidated interim financial statements were authorized for issue by the Supervisory Board on 10 August 2023.

The external auditor has not reviewed these financial statements.

2. Basis of preparation

2a) Statement of compliance

These condensed interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the revised act on annual reporting (Wet op de Jaarrekening 2017 no 84, zoals laatstelijk gewijzigd bij SB 2022 no 17).

For all periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP). The financial statements for the year ended 31 December 2022 were the first the Group has prepared in accordance with IFRS.

2b) Basis of preparation

The accounting policies followed in these condensed interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2022.

These condensed consolidated interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2022 annual report.

2c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis for the following items:

- Financial instruments at fair value
- Employee benefit obligations: Plan assets at fair value, Liability at present value

2d) Functional and presentation currency

The consolidated financial statements are presented in SRD, which is the Company's presentation and functional currency. All financial information presented in SRD has been rounded to the nearest dollar.

2e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Subsidiaries are recognized according to the equity method.

When assessing whether it has power over an investee and therefore controls the variability of its returns, CIC considers all relevant facts and circumstances, including:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated, and the financial statements of the subsidiaries are prepared for the same reporting period as the Company. Inter-company balances, transactions, income and expenses between Group companies are eliminated. Non-controlling interests represent the portion of earnings and net assets not held by the Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position.

2f) Use of estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in note 'Employee benefits Pension obligation'.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

At the time of approving the financial statements, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the free market exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange differences are recognized in the consolidated statement of income and shown as a separate expense line.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The exchange rates used for the USD and EURO at reporting dates are:

In SRD	30 June 2023	31 December 2022	30 June 2022
USD	38.50	32.00	22.80
EURO	41.76	34.13	23.81

4. Significant Events and Transactions

Share issuance

The exercise period of the company's share issuance to finance diversification plans ended 21 July 2023.

Received payments at reporting date are recognized on share capital and share premium in the condensed consolidated statement of financial position.

Borrowings and interest rates

In the first half year of 2023, the overdraft facility of USD 500,000 was increased by USD 500,000 to finance working capital requirements on an ongoing basis.

The interest rate on the SRD 30M loan entered in 2021 was increased effective 1 August 2023.

In August 2023, the Supervisory Board approved a loan for USD 252,500 to purchase distribution trucks. The Company will not extend the lease contracts.

5. Estimates

Current service costs and interest related to the defined benefit obligations have been recorded in the 30 June 2023 results. The amounts were estimated based on the actual results for the year ended 31 December 2022.

6. Dividends Paid

Total dividend 2022 amounted to SRD 0.10 per share of nominal SRD 0.10 per share.