

2022 First Half Year report



N.V. Consolidated Industries Corporation

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Managing Director's Report First Half Year 2022

The first half of 2022 was another volatile period due to cost inflation, continued supply chain disruptions, and increased demand for our products. Shortages of raw materials at our facility and those of our suppliers resulted in a lower fill rate in fulfilling retail orders. We acted quickly to inflationary pressures, raising prices on our portfolio. We added to our supply resiliency and capacity by sourcing new suppliers and increasing stock levels. We take pride in what we have accomplished during these trying times.

The Company delivered a first half performance that builds on our momentum for 2021. Despite the challenges, we are pleased to report a profitable first half of 2022:

- Reported sales were SRD 112.2 million, a 27.3% increase.
- Gross margins increased by SRD 4 million, driven by portfolio price increases.
- Operational expenses increased to SRD 41 million, a 50.6% increase, primarily due to higher labor, maintenance, and distribution costs. These were partially offset by our productivity improvements, leveraging our manufacturing costs with a profitable sales mix and the impact of higher pricing.
- Earnings from operations decreased from SRD 22.2 million in 2021 to SRD 12.4 million for this year. This 44.4% decrease is primarily attributed to higher commodity prices and low fill rates due to out of stock of key raw materials.

At 30 June, cash balance from operations was negative SRD 2.5 million, while we spent SRD 3.3 million in capital investments and diversification. Cashflow constraints are prevalent mainly due to higher stock levels needed to offset the supply disruptions and higher construction costs related to the relocation project.

Outlook Second Half Year 2022

We are focused on creating shared value for all stakeholders, over the short and long term. Growing insecurity around the world, heightened climate concerns, following an increase in unusual weather patterns, and worsening raw material shortages underlines the importance of this strategic direction.

Current projections show a continued improvement in our bottom line; however, we do expect to end the year below budget. Cashflow constraints will continue as we move forward with our long-term diversification plan and stock levels will have to remain higher than ideal. Additionally, our relocation project is scheduled to be commissioned in the fourth quarter of the year and will be an estimated 15% above budget.

With continued fiscal reforms on the horizon in Suriname, we expect prolonged pressure on disposable income of households which in turn can further affect our volumes and profitability.

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 as we navigate these uncertain times

Paramaribo, 10 August 2022

Ms. Kathleen Healy
Managing Director

Condensed Statement of Financial Position

at 30 June 2022

| | At 30 June 2022 | At 31 December 2021 |
|--|--------------------|---------------------|
| | SRD | SRD |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 37,423,538 | 36,024,287 |
| Subsidiary | 1,435,534 | 1,419,345 |
| Long-term investment | 1,083 | 1,083 |
| Total non-current assets | 38,860,155 | 37,444,715 |
| Current assets | | |
| Inventories | 88,344,197 | 74,372,508 |
| Subsidiary receivables | 16,436,660 | 16,265,949 |
| Trade and other receivables | 25,430,801 | 22,291,222 |
| Cash and cash equivalents | 13,371,474 | 21,256,672 |
| Total current assets | 143,583,132 | 134,186,351 |
| Total assets | 182,443,287 | 171,631,066 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 500,220 | 500,220 |
| Capital in excess of par value | 39,874 | 39,874 |
| Revaluation reserve | 4,902,791 | 4,902,791 |
| Retained earnings | 50,719,923 | 31,963,955 |
| Net earnings | 6,597,992 | 19,506,298 |
| Accumulated other comprehensive income | (3,099,538) | (3,099,538) |
| Total equity | 59,661,262 | 53,813,600 |
| Liabilities | | |
| Non-current liabilities | | |
| Deferred tax liability | 10,673,181 | 10,799,681 |
| Long-term employee benefit obligation | 17,938,171 | 17,381,633 |
| Long-term borrowings | 25,804,015 | 26,840,411 |
| Long-term lease liabilities | 1,443,082 | 1,564,397 |
| Total non-current liabilities | 55,858,449 | 56,586,122 |
| Current liabilities | | |
| Short-term borrowings | 26,142,603 | 16,163,810 |
| Short-term lease liabilities | 1,151,003 | 1,156,189 |
| Income tax payable | 2,575,902 | 6,040,002 |
| Trade and other payables | 37,054,068 | 37,871,343 |
| Total current liabilities | 66,923,576 | 61,231,344 |
| Total equity and liabilities | 182,443,287 | 171,631,066 |

Paramaribo, 10 August 2022

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei-A-Tjoen

Managing Director

K. Healy

Condensed Statement of Income

for the six months ended 30 June 2022

| | 30-Jun-22 | 30-Jun-21 |
|---------------------------------------|---------------------|---------------------|
| | SRD | SRD |
| Sales | 112,264,246 | 88,214,922 |
| Cost of sales | (58,856,645) | (38,755,378) |
| Gross profit | 53,407,601 | 49,459,544 |
| Personnel expense | (21,549,561) | (14,321,792) |
| Distribution costs | (2,044,836) | (1,251,503) |
| Administrative expense | (15,345,351) | (9,818,225) |
| Depreciation | (1,688,321) | (1,867,558) |
| Total expenses from operations | (40,628,069) | (27,259,078) |
| Earnings from operations | 12,779,532 | 22,200,466 |
| Finance costs | (2,100,089) | (635,202) |
| Exchange rate (losses)/ gains | (441,991) | (2,450,252) |
| Other non-operating income | 46,684 | 45,710 |
| Earnings before tax | 10,284,136 | 19,160,722 |
| Income tax | (3,702,333) | (8,482,087) |
| Share of earnings of subsidiary | 16,189 | 22,062 |
| Net earnings | 6,597,992 | 10,700,697 |

EARNINGS PER SHARE

| | | |
|------------------------------|-----------|-----------|
| Number of shares outstanding | 5,002,200 | 5,002,200 |
| Earnings per share | 1.32 | 2.14 |

Condensed Statement of Comprehensive Income

for the six months ended 30 June 2022

| | | |
|---|------------------|-------------------|
| Net earnings | 6,597,992 | 10,700,697 |
| Other comprehensive income: | | |
| Actuarial (loss)/gain on defined benefit obligation | - | - |
| Income tax on defined benefit obligation | - | - |
| Other comprehensive income net of taxes | - | - |
| Total comprehensive income | 6,597,992 | 10,700,697 |

Paramaribo, 10 August 2022

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei-A-Tjoen

Managing Director

K. Healy

Consolidated Condensed Statement of Financial Position

at 30 June 2022

| | At 30 June 2022 | At 31 December 2021 |
|--|--------------------|---------------------|
| | SRD | SRD |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 55,289,253 | 53,715,282 |
| Long-term investment | 1,083 | 1,083 |
| Total non-current assets | 55,290,336 | 53,716,365 |
| Current assets | | |
| Inventories | 88,344,197 | 74,372,508 |
| Trade and other receivables | 25,430,801 | 22,291,222 |
| Cash and cash equivalents | 13,371,474 | 21,256,672 |
| Total current assets | 127,146,472 | 117,920,402 |
| Total assets | 182,436,808 | 171,636,767 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 500,220 | 500,220 |
| Capital in excess of par value | 39,874 | 39,874 |
| Revaluation reserve | 4,902,791 | 4,902,791 |
| Retained earnings | 50,719,923 | 31,963,955 |
| Net earnings | 6,597,992 | 19,506,298 |
| Accumulated other comprehensive income | (3,099,538) | (3,099,538) |
| Equity attributable to equity holders of the parent company | 59,661,262 | 53,813,600 |
| Non-controlling interest | 15,966 | 15,786 |
| Total equity | 59,677,228 | 53,829,386 |
| Liabilities | | |
| Non-current liabilities | | |
| Deferred tax liability | 10,673,181 | 10,799,681 |
| Long-term employee benefit obligation | 17,938,171 | 17,381,633 |
| Long-term borrowings | 25,804,015 | 26,840,411 |
| Long-term lease liabilities | 1,443,082 | 1,564,397 |
| Total non-current liabilities | 55,858,449 | 56,586,122 |
| Current liabilities | | |
| Short-term borrowings | 26,142,603 | 16,163,810 |
| Short-term lease liabilities | 1,151,003 | 1,156,189 |
| Income tax payable | 2,540,017 | 6,016,477 |
| Trade and other payables | 37,067,508 | 37,884,783 |
| Total current liabilities | 66,901,131 | 61,221,259 |
| Total equity and liabilities | 182,436,808 | 171,636,767 |

Paramaribo, 10 August 2022

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei-A-Tjoen

Managing Director

K. Healy

Consolidated Condensed Statement of Income

for the six months ended 30 june 2022

| | 30-Jun-22 | 30-Jun-21 |
|---------------------------------------|---------------------|---------------------|
| | SRD | SRD |
| Sales | 112,264,246 | 88,214,922 |
| Cost of sales | (58,856,645) | (38,755,378) |
| Gross profit | 53,407,601 | 49,459,544 |
| Personnel expense | (21,549,561) | (14,321,792) |
| Distribution costs | (2,044,836) | (1,251,503) |
| Administrative expense | (15,319,774) | (9,785,734) |
| Depreciation | (1,688,321) | (1,867,558) |
| Total expenses from operations | (40,602,492) | (27,226,587) |
| Earnings from operations | 12,805,109 | 22,232,957 |
| Finance costs | (2,100,089) | (635,202) |
| Exchange rate (losses)/ gains | (441,991) | (2,450,252) |
| Other non-operating income | 46,684 | 45,710 |
| Earnings before tax | 10,309,713 | 19,193,213 |
| Income tax | (3,711,541) | (8,492,270) |
| Net earnings | 6,598,172 | 10,700,943 |

Consolidated Condensed Statement of Comprehensive Income

for the six months ended 30 june 2022

| | | |
|---|------------------|-------------------|
| Net earnings | 6,598,172 | 10,700,943 |
| <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 | 6,598,172 | 10,700,943 |

Paramaribo, 10 August 2022

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei-A-Tjoen

Managing Director

K. Healy

Condensed Statement of Changes in Equity

for the six months ended 30 June 2022

| in SRD | Share capital | Capital in excess of par value | Revaluation reserve | Retained earnings | Accumulated other comprehensive income | Total | Non-controlling interest | Total consolidated |
|---|---------------|--------------------------------|---------------------|-------------------|--|-------------|--------------------------|--------------------|
| Equity at 1 January 2021 | 500,220 | 39,874 | 4,902,791 | 35,715,605 | (830,711) | 40,327,779 | 15,309 | 40,343,088 |
| Net earnings | - | - | - | 10,700,697 | - | 10,700,697 | 245 | 10,700,942 |
| Dividend | - | - | - | - | - | - | - | - |
| Equity at 30 June 2021 | 500,220 | 39,874 | 4,902,791 | 46,416,302 | (830,711) | 51,028,476 | 15,554 | 51,044,030 |
| Net earnings | - | - | - | 8,805,601 | - | 8,805,601 | 232 | 8,805,833 |
| Other comprehensive income | - | - | - | - | (2,268,827) | (2,268,827) | - | (2,268,827) |
| Dividend | - | - | - | (3,751,650) | - | (3,751,650) | - | (3,751,650) |
| Equity at 31 December 2021 before appropriation of net earnings | 500,220 | 39,874 | 4,902,791 | 51,470,253 | (3,099,538) | 53,813,600 | 15,786 | 53,829,386 |
| Final dividend | - | - | - | (750,330) | - | (750,330) | - | (750,330) |
| Equity at 30 June 2022 after appropriation of net earnings | 500,220 | 39,874 | 4,902,791 | 50,719,923 | (3,099,538) | 53,063,270 | 15,786 | 53,079,056 |
| Net earnings | - | - | - | 6,597,992 | - | 6,597,992 | 180 | 6,598,172 |
| Dividend | - | - | - | - | - | - | - | - |
| Equity at 30 June 2022 | 500,220 | 39,874 | 4,902,791 | 57,317,915 | (3,099,538) | 59,661,262 | 15,966 | 59,677,228 |

Paramaribo, 10 August 2022

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei-A-Tjoen

Managing Director

K. Healy

Condensed Statement of Cashflows

for the six months ended 30 June 2022

| | 30-Jun-22 | 30-Jun-21 |
|---|--------------------|-------------|
| | SRD | SRD |
| Cash flows from operating activities | | |
| Earnings before tax | 10,309,713 | 19,193,213 |
| <i>Adjusted for:</i> | | |
| - Depreciation / amortization | 1,688,321 | 1,867,558 |
| - Maintenance and insurance on lease | 222,093 | 333,946 |
| - Finance costs | 2,100,089 | 635,202 |
| - Revaluation (gain) / loss on borrowings | 478,438 | - |
| - Revaluation (gain) / loss on lease liabilities | 142,150 | 461,270 |
| - Personnel costs related to defined benefit obligation | 1,083,794 | 868,000 |
| <i>Changes in working capital:</i> | | |
| - change in inventories | (13,971,689) | (8,722,517) |
| - change in trade and other receivables | (3,139,579) | (6,202,047) |
| - change in trade and other payables | (817,275) | 698,316 |
| - Adjustments in trade payable for dividends payable | (60,697) | (123,660) |
| <i>Other:</i> | | |
| Payment for jubilees | (94,116) | - |
| Payment of medical for pensioners | (433,140) | (238,112) |
| Cash balance from operations | (2,491,898) | 8,771,169 |
| Paid income tax | (7,314,502) | (407,597) |
| Net cash balance from operating activities | (9,806,400) | 8,363,572 |
| Cash flows from investing activities | | |
| Purchase of property, plant & equipment | (3,262,292) | (3,052,086) |
| Net cash from investing activities | (3,262,292) | (3,052,086) |
| Cash flows from financing activities | | |
| Proceeds from loans and overdrafts | 10,075,525 | 33,097,028 |
| Repayments of loans | (1,611,565) | (146,452) |
| Lease payments | (588,274) | (1,174,723) |
| Paid interest | (2,002,559) | (534,462) |
| Dividend paid | (689,633) | (1,377,000) |
| Net cash from financing activities | 5,183,494 | 29,864,391 |
| Net increase / (decrease) in cash for the year | (7,885,198) | 35,175,877 |
| Cash and cash equivalents at 1 January | 21,256,672 | 3,191,353 |
| Cash and cash equivalents at 30 June | 13,371,474 | 38,367,230 |

Paramaribo, 10 August 2022

Supervisory Board

S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei-A-Tjoen

Managing Director

K. Healy

Notes to the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2022

1. Information on the reporting entity

N.V. Consolidated Industries Corporation (CIC) is a company registered and domiciled in Suriname. The Company is a public listed company registered on the Suriname Stock Exchange. Its registered office is located at Industrieweg - Zuid BR 34, Paramaribo, Suriname. As per 2021 the company consolidates the subsidiary CARIFRICO NV (98.9%) in full as it is no longer dormant, considering the assets in Carifrico are used for the long-term expansion project. The consolidated financial statements of the Company as at and for the six months ended 30 June 2022 comprise of the Company and its subsidiary CARIFRICO NV (together referred as the Group).

The Company's parent, which is also its ultimate parent entity, is N.V. Verenigde Surinaamse Holdingsmij.-/ United Suriname Holding Company (VSH United). VSH United holds a majority share of 60.40% in the Company.

The Group is involved in the manufacturing of a wide range of industrial and household detergents and plastic packaging material.

The Group has a manufacturing plant at above mentioned address and sells in Suriname, South America, the Caribbean and Europe.

These consolidated condensed interim financial statements were authorized for issue by the Supervisory Board on 10 August 2022.

These financial statements have not been reviewed by the external auditor.

2. Accounting Policies

Basis of preparation

These consolidated condensed interim financial statements for the reporting period ended 30 June 2022 have been prepared under guidelines set forth by Accounting Standard IAS 34 'Interim Financial Reporting'.

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 2021.

These consolidated condensed 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 2021 annual report.

3. Exchange Rates

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 charged or credited to the condensed statement of income.

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

| In SRD | 30 June 2022 | 31 December 2021 | 30 June 2021 |
|--------|--------------|------------------|--------------|
| USD | 22.80 | 21.65 | 21.00 |
| EURO | 23.81 | 24.53 | 24.96 |

4. Significant Events and Transactions

In May 2022 the overdraft facility was temporarily increased by SRD 10,000,000 to accommodate increasing minimum stock level and increasing purchase prices due to supply chain disruption.

5. Estimates

Current service costs and interest related to the defined benefit obligations have been recorded in the results to 30 June, 2022. The amounts were estimated based on the actual results for the year ended 31 December, 2021.

6. Dividends Paid

Final dividend 2021 of SRD 0.15 per share of nominal SRD 0.10 per share was paid in April 2022.



N.V. Consolidated Industries Corporation



Paramaribo - Suriname



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