

N.V. VERENIGDE SURINAAMSE HOLDINGMIJ.-
United Suriname Holding Company



Half Year Report 2023

N.V. Verenigde Surinaamse Holdingmij.-
United Suriname Holding Company
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Core Values

To be a Champion for our
Customers, Partners, Shareholders
and in the Community
we hold fast to these values:

- Your success is our desire
- Trust in our relationships and personally responsible for all our actions
- Creating a better company for a better world

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Report of the Managing Directors

Executive summary

VSH United

Group results for the first half of 2023 were higher than in 2022. Revenue from all segments improved.

- Logistics segment revenue up 97%
- Trading segment revenue up 133%
- Manufacturing segment revenue up 139%
- Real Estate segment revenue up 71%
- Services and investment revenue up 89%

Operating expenses increased with 79% in the first half year 2023 compared to first half year 2022. Earnings before income tax for the first half year 2023 amounted to SRD 351,954,313 and was 121% higher compared to SRD 159,309,440 for the first half year 2022.

The Business Environment

While recovering from pandemic disruptions, the global economy faces new strains from the war in Ukraine and rising interest rates, leaving it particularly vulnerable to further shocks, according to the World Bank.

Suriname's IMF-backed extended fund facility (EFF) received approval in June 2023, and progress continues with the Fund monitoring agreed targets.

In the first half of 2023, Suriname inflation increased substantially due to increases in the cost of food, utilities, fuel and the implementation of the Value Added Tax Act. The foreign currency exchange rates continued to rise in the first quarter of 2023 but have stabilized since April.

The Suriname financial sector remains under pressure, and vital economic indicators reported for the first half of 2023 are:

- IMF projects a real GDP growth of 2.1% over 2023
- The Central Bank of Suriname (CBvS) posted on 30 June 2023 an SRD-USD exchange rate of SRD 37.59 for USD 1.00 compared to an exchange rate of SRD 22.93 for USD 1.00 on 1 January 2023. As of the report date, the exchange rate is SRD 36.88 for USD 1.00
- The Central Bureau of Statistics (ABS) reported inflation for the period November 2022 – November 2023 of 38.7% (consumer goods pricing).

The Guyana economy continues to grow in line with offshore extraction industry developments. The IMF projects a real GDP growth of 38.4% for 2023.

Inflation is projected to remain relatively low at 5.5% in 2023.

The VSH Group's Financial Overview

	First half 2023	First half 2022
	SRD	SRD
Revenue	515,448,882	242,636,691
Operating (expenses)	(316,388,090)	(176,349,620)
Foreign exchange gains (losses)	18,082,470	(8,575,091)
Finance (costs)	(12,449,228)	(882,411)
Net monetary gains	81,824,502	85,756,558
Earnings from continuing operations	286,518,536	142,586,126
Other income*	65,435,777	16,723,314
Earnings before tax	351,954,313	159,309,440
Net Earnings	262,738,005	137,231,038

The Group realized a revenue increase of 112% with an operating expense increase of 79%. Share of earnings in Associate, joint venture and income from investments increased by 291% mainly because of better results from associate Company Assuria. Earnings before tax increased by 121% for the first half year of 2023 compared to the first half year of 2022. Net earnings increased by 91%.

* Share of earnings in associate company Assuria, joint venture VSH Tech B.V. and investment income

Report of the Managing Directors

Segment performance and reporting (x SRD 1,000)

Logistics segment

	First half 2023	First half 2022
	SRD	SRD
Revenue	297,904	151,117
Earning from continuing operations	195,173	65,146

Trading segment

	First half 2023	First half 2022
	SRD	SRD
Revenue	48,017	20,636
Earning from continuing operations	24,335	8,699

Manufacturing segment

	First half 2023	First half 2022
	SRD	SRD
Revenue	156,459	65,408
Earning from continuing operations	87,614	39,308

Real Estate segment

	First half 2023	First half 2022
	SRD	SRD
Revenue	19,939	11,675
Earning from continuing operations	18,024	51,585

Services & Investment segment

	First half 2023	First half 2022
	SRD	SRD
Revenue	236,051	125,192
Earning from continuing operations	186,424	97,417

Outlook

While still significant, Suriname inflation is expected to ease for the full year 2023, coming in at around 33%, compared to 55% in 2022. After a period of volatility, the exchange rate has shown signs of stabilization.

As a group we remain focused on achieving our goals and creating share 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.

Paramaribo, 24 January 2024

Patrick Healy - Managing Director, Chief Executive Officer

Malini Ramsundersingh - Managing Director, Chief Legal & HR Officer

Paul Brahim - Managing Director, Chief Financial Officer

Condensed Consolidated Statement of Financial Position at 30 June 2023

before appropriation of profit

ASSETS	30 June 2023	31 December 2022
	SRD	SRD
NON-CURRENT ASSETS		
Property, plant and equipment	787,602,782	666,825,195
Intangible assets	1,229,883	661,515
Long term investments	83	83
Equity investments	28,218,586	33,844,355
Goodwill	67,822,079	55,430,258
Investment in associate and joint venture	614,023,519	448,569,963
Total non-current assets	1,498,896,932	1,205,331,369
CURRENT ASSETS		
Inventories	435,380,643	268,064,460
Trade and other receivables	569,341,774	406,705,296
Loans provided	106,321,738	-
Current tax receivables	664,187	-
Cash and cash equivalents	290,719,803	249,292,667
Total current assets	1,402,428,145	924,062,423
Total assets	2,901,325,077	2,129,393,792
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	4,248,556	3,531,267
Capital in excess of par value	2,240,397	1,862,148
Retained earnings	653,762,406	352,202,878
Result for the period	234,242,769	303,549,864
Other reserves	734,369,557	440,971,511
Equity attributable to equity holders of the parent company	1,628,863,685	1,102,117,668
Non-controlling interest	157,488,152	104,951,168
Total equity	1,786,351,837	1,207,068,836
LIABILITIES		
Non-current liabilities		
Long-term borrowings	219,770,194	195,828,287
Deferred tax	162,155,581	129,354,261
Lease liabilities	33,887,208	66,935,006
Employee benefit obligation	29,871,376	33,555,584
Long-term provisions	4,711,306	4,257,869
Total non-current liabilities	450,395,665	429,931,007
CURRENT LIABILITIES		
Trade and other payables	443,781,937	350,877,664
Short-term borrowings	107,743,191	79,298,049
Lease liabilities	33,496,556	18,029,757
Tax payables	78,889,516	42,788,786
Employee benefit obligation	453,437	1,247,865
Short-term provisions	212,938	151,828
Total current liabilities	664,577,575	492,393,949
Total equity and liabilities	2,901,325,077	2,129,393,792

Paramaribo, 24 January 2024

Supervisory Board of Directors

D. Halfhide, Chair

R. Hahn, Vice Chair

N. Beijer-de Bekker

K. Lim A Po

S. Smit

P. Fernandes

Managing Directors

P. Healy

M. Ramsundersingh

P. Brahim

Condensed Consolidated Statement of Income *for the period January 1 - June 30, 2023*

	30 June 2023	30 June 2022
	SRD	SRD
REVENUE		
Trading	48,017,241	20,635,835
Manufacturing	156,458,934	65,407,873
Logistics	297,903,588	151,116,518
Real estate	6,940,798	4,138,319
Other	6,128,321	1,338,145
Total revenue	515,448,882	242,636,690
Personnel expenses	(146,407,086)	(90,817,518)
Administrative expenses	(115,857,666)	(60,603,662)
Depreciation and amortisation	(54,123,338)	(24,928,440)
Total operating expenses	(316,388,090)	(176,349,620)
Exchange rate losses	18,082,470	(8,575,091)
Finance costs	(12,449,228)	(882,411)
Net monetary gains	81,824,502	85,756,558
Earnings from continuing operations	286,518,536	142,586,126
Share of profit in associate and joint venture	64,583,975	16,212,233
Investments	851,802	511,081
Earnings		
Earnings before income tax	351,954,313	159,309,440
Income tax expense	(89,216,308)	(22,078,402)
Net earnings	262,738,005	137,231,038
Attributable to:		
Non-controlling interests	28,495,236	12,500,292
Equity holders of the Parent Company	234,242,769	124,730,746
Weighted average number of shares	1,986,338	1,986,338
Earnings per share	117.93	62.79

Consolidated Statement of Comprehensive Income *for the period January 1 - June 30, 2023*

	30 June 2023	30 June 2022
	SRD	SRD
Net earnings	262,738,005	137,231,038
Non-controlling interests	(28,495,236)	(12,500,292)
	234,242,769	124,730,746
Other comprehensive income		
Actuarial (loss)/gain on defined benefit obligation	-	-
Currency translation adjustments foreign subsidiaries	17,876,541	(12,731,686)
Revaluation equity investments	1,461,999	1,271,146
OCI movements Associate	-	-
	19,338,540	(11,460,540)
Income tax	-	-
Other comprehensive income net of tax	19,338,540	(11,460,540)
Total comprehensive income	253,581,309	113,270,206

Paramaribo, 24 January 2024

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Operating Segments Reporting

x SRD 1,000	Logistics		Trading		Manufacturing		Real estate	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Segment revenue	297,904	151,117	48,017	20,636	156,459	65,408	6,941	4,138
Inter-segment revenue	-	-	-	-	-	-	12,998	7,537
Associate and joint venture income	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Segment operating revenue	297,904	151,117	48,017	20,636	156,459	65,408	19,939	11,675
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
Reportable segment assets	1,140,980	931,312	58,854	128,020	626,094	460,240	173,885	171,847
Reportable segment liabilities	603,812	521,866	48,550	128,618	339,714	284,183	18,972	47,407
Investments	66,489	30,938	6,682	4,114	37,337	27,743	61,040	19,953
Depreciation and amortisation	39,543	16,321	1,724	910	8,399	3,954	3,428	2,912
Employees of the reportable segment	199	195	34	32	193	188	9	8

Operating Segments Reporting

x SRD 1,000	Services and Investment		Elimination		Consolidated	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Segment revenue	6,128	1,338	-	-	515,449	242,637
Inter-segment revenue	164,487	107,131	(177,485)	(114,668)	-	-
Associate and joint venture income	64,584	16,212	-	-	64,584	16,212
Investment Income	852	511	-	-	852	511
Segment operating revenue	236,051	125,192	(177,485)	(114,668)	580,885	259,360
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
Reportable segment assets	1,748,992	1,516,831	(847,480)	(847,480)	2,901,325	2,360,770
Reportable segment liabilities	105,868	400,497	(1,943)	(1,943)	1,114,973	1,380,628
Investments	3,960	4,591	-	-	175,508	87,339
Depreciation and amortisation	1,030	831	-	-	54,123	24,928
Employees of the reportable segment	45	41	-	-	480	464