



Inala Capital Limited

Listed on the Eswatini Stock Exchange ("ESE")
Share Code on the ESE: INALA
ISIN code: SZE000331049

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Audited for the year ended 31 December 2024	Audited for the year ended 31 December 2023
Figures in Emalangeni		
CONDENSED STATEMENT OF COMPREHENSIVE INCOME		
Revenue	1 636 362	1 909 091
Operating (losses)/gains	(1 127 989)	1 068 124
Operating expenses	(4 327 077)	(2 895 993)
Operating (loss)/profit	(3 818 704)	81 222
Interest income	3 554 249	3 152 279
Interest expense	(26 355)	(1 950)
(Loss)/profit before taxation	(290 810)	3 231 551
Taxation	(355 957)	958 579
Total comprehensive (loss)/income	(646 767)	4 190 130
(Loss)/earnings per share	(0,01)	0,06

CONDENSED STATEMENT OF FINANCIAL POSITION		
ASSETS		
NON-CURRENT ASSETS		
Investment in associate	30 727 580	30 260 923
Deferred tax	885 115	1 012 369
	31 612 695	31 273 292
CURRENT ASSETS		
Amounts owed by related parties	9 356 771	2 012 110
Trade and other receivables	2 100	823 471
Other financial assets	18 216 443	25 564 765
Cash and cash equivalents	2 003 081	675 573
	29 578 395	29 075 919
Non-current asset held for sale	1 567 555	3 162 201
TOTAL ASSETS	62 758 645	63 511 412
EQUITY AND LIABILITIES		
EQUITY		
Share capital	73 373 123	73 373 123
Reserves	(404 640)	-
Accumulated loss	(11 263 692)	(10 616 925)
TOTAL EQUITY	61 704 791	62 756 198
LIABILITIES		
Current Liabilities		
Trade and other payables	749 703	725 516
Amount owing to related parties	301 691	29 698
Tax payable	2 460	-
TOTAL LIABILITIES	1 053 854	755 214
TOTAL EQUITY AND LIABILITIES	62 758 645	63 511 412

CONDENSED STATEMENT OF CHANGES IN EQUITY		
SHARE CAPITAL	73 373 123	73 373 123
CAPITAL RESERVE	(404 640)	-
ACCUMULATED LOSS	(11 263 692)	(10 616 925)
Balance at the beginning of the period	(10 616 925)	(14 807 055)
(Loss)/profit for the year	(646 767)	4 190 130
TOTAL EQUITY	61 704 791	62 756 198

CONDENSED STATEMENT OF CASH FLOWS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	(3 074 296)	(3 525 034)
Interest income	410 187	298 457
Dividend income	1 636 362	1 909 091
Tax paid	(240 105)	(53 790)
NET CASH USED IN OPERATING ACTIVITIES	(1 267 852)	(1 371 276)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash advanced to group companies	(7 000 000)	(2 000 000)
Proceeds from other financial assets	10 000 000	-
NET CASH FROM INVESTING ACTIVITIES	3 000 000	(2 000 000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares	(404 640)	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(404 640)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	1 327 508	(3 371 276)
TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	675 573	4 046 849
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2 003 081	675 573

	Audited for the year ended 31 December 2024	Audited for the year ended 31 December 2023
Figures in Emalangeni		
NOTES		
1. STATEMENT OF COMPLIANCE		
The financial results have been prepared in accordance with IFRS © Accounting Standards ("IFRS") and in the manner required by the Companies' Act of 2009.		
The financial results presented have been reviewed and audited by the auditor of Inala Capital Limited (the "Company" or "Inala").		
2. EARNINGS		
2.1 EARNINGS PER SHARE		
Basic and diluted earnings per share	(0,01)	0.06
2.2 NUMBER OF ORDINARY SHARES OF E1 EACH IN ISSUE		
Issued	71 994 000	71 994 000
Weighted average	71 994 000	71 994 000
3. INVESTMENTS		
Unlisted investment in associate	30 727 580	30 260 923
Non-current asset held for sale	1 567 555	3 162 201
	32 295 135	33 423 124
4. LOANS AND RECEIVABLES		
Promissory note	18 216 443	25 564 765
	18 216 443	25 564 765
5. RELATED PARTY TRANSACTIONS		
Interest income	344 661	12 110
Interest expense	(22 139)	-
Management fees paid	(2 389 910)	(2 015 832)
All related party transactions are made at terms equivalent to those prevailing in arm's length transactions. There have been no guarantee provided or received for any related party receivables or payables.		
6. CASH GENERATED FROM OPERATIONS		
(Loss)/profit before tax	(290 810)	3 231 551
Adjustments for:		
Interest income	(3 554 249)	(3 152 279)
Interest expense	26 355	1 950
Dividend income	(1 636 362)	(1 909 091)
Fair value losses/ (gains)	1 127 989	(1 068 124)
Net movement in trade and other receivables	821 371	(816 539)
Net movement in trade and other payables	24 187	181 150
Net movement in other financial asset	147 723	-
Net movement in balance held with related parites	259 500	6 348
	(3 074 296)	(3 525 034)

COMMENTARY

INTRODUCTION

Inala Capital's core objective is to operate as an investment holding company, delivering attractive, long-term returns to its shareholders. The Company's investment philosophy centres on acquiring interests in companies exhibiting strong fundamentals and growth potential, primarily within the Kingdom of Eswatini. When appropriate opportunities are not available locally, Inala Capital extends its mandate to the broader Southern African Development Community (SADC) region.

STRATEGIC MILESTONES

During the year under review, Inala Capital made significant progress on its strategic growth plan. All necessary regulatory approvals were secured for key transactions presented to shareholders in Q4 2023, culminating in the successful execution and conclusion of the Share Repurchase Program in Q4 2024. Details regarding these transactions are available in the Circular to shareholders. Central to the Company's vision to build a leading presence within Africa's food value chain is the proposed acquisition of 47 KFC restaurants in South Africa. This transaction complements the group's existing portfolio, enhances dividend prospects, and delivers geographic diversification for Eswatini shareholders. The Manager has already assumed oversight of the expanded portfolio.

OPERATIONAL REVIEW

In 2024, Alliance Foods (trading as KFC Eswatini) achieved stable topline growth, although profits were temporarily impacted by a shift in consumer preferences towards lower-margin menu items. Management anticipates a reversal of this trend as food inflation stabilises. At the reporting date, Inala Capital has maintained a robust financial position, evidenced by low debt (E301.7 thousand) and ample liquidity, with cash and cash equivalents of E2.0 million and other financial assets of E18.2 million. The independently valued unlisted equity portfolio increased by 1.5% year-on-year to E30.7 million. Total assets stand at E62.8 million against total liabilities of E1.0 million, underpinning healthy liquidity and coverage metrics. Net Asset Value as at 31 December 2024 was E61.7 million, representing a marginal E1.0 million decline, explained by an operating loss of E646.8 thousand and reserves totalling E404.6 thousand.

HIGHLIGHTS			
Nav per share E0.86	Equity investment valued at E30.7 m	Other investment valued at E18.2 m	Dividend income E1.6 m

OUTLOOK

Following the completion of the strategic share repurchase program, Inala Capital is poised for continued growth, aiming to reinforce its leadership within the African food value chain. While macroeconomic challenges such as protectionist trade policies, geopolitical instability, and cautious investor sentiment persist, the Company is strategically positioned to leverage emerging opportunities. General Africa Foods Eswatini continues to face pressures from a challenging retail environment in both Eswatini and South Africa. During FY2024, the group concluded the closure of the last OBC Butchery in South Africa to focus on the ESDI brand, and as part of restructuring, recognised an impairment relating to West Pack store closures outside Eswatini. The Company invests in short-term fixed income securities to ensure liquidity and resilience, with part of these resources utilised for the share buyback in 2024, reducing fixed income investments from E25.6 million (FY2023) to E18.2 million. Notably, only 4.8% of investors opted to exit, indicating strong shareholder confidence.

FINANCIAL REVIEW

During FY2024, Inala Capital generated E1.6 million in revenue from dividends received from investee companies. The Company recognised a loss on the revaluation of investments of E1.1 million and operating expenses of E4.3 million, resulting in an operating loss of E3.8 million for the period. Interest income from fixed income and money market investments amounted to E3.5 million, significantly offsetting the operating loss. After accounting for taxation and financing costs, the net loss for the year was E646.8 thousand.

The Company continues to adhere to its strategic mandate of value-driven investment primarily in Eswatini and wider SADC, consistently seeking to enhance shareholder returns. Notable achievements for the year include the successful completion of a share repurchase program with minimal opt-outs, operational progress on major acquisitions, and the rationalisation of non-core assets. Financial discipline remains strong, demonstrated by prudent liquidity management and a stable balance sheet with low leverage. The portfolio saw a 1.5% uplift in unlisted equity valuations and a year-on-year Net Asset Value reduction attributed to operating performance rather than structural weaknesses.

CONCLUSION

Inala Capital remains committed to optimising portfolio value, capitalising on expansion opportunities within the food value chain, and upholding financial governance and open engagement with stakeholders. Management will continue to focus on extracting value from new acquisitions, proactively monitoring market risks, and sustaining robust communication with investors.

This commentary should be read in conjunction with the detailed financial statements for the year ended 31 December 2024

By order of the Board

Chairman

AT Dlamini

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 AFRICAN ALLIANCE		 SNG Grant Thornton	
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Inala Capital Limited (Incorporated in the Kingdom of Eswatini Reg. No. 2364 of 2017)

Directors: AT Dlamini* (Chairman), AMB de Castro, S Khumalo*, NK Mabuza, WD Thwala*
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