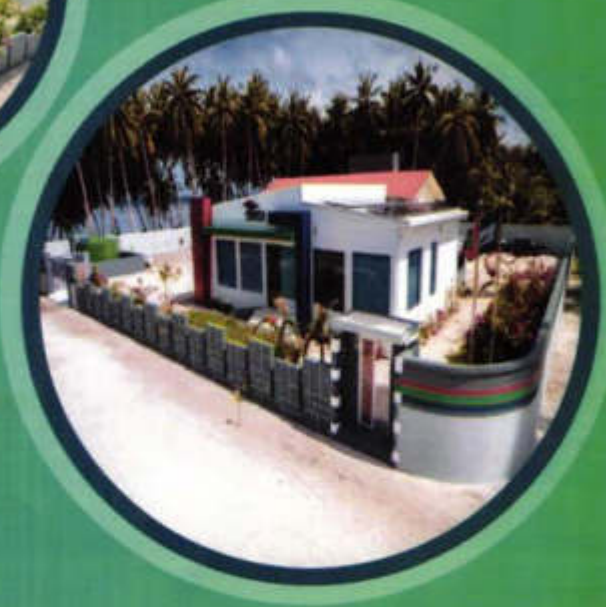


QUARTERLY REPORT

Q2 2023



FENAKA CORPORATION LIMITED
FNK/R29/2023/3
15th August 2023

QUARTERLY REPORT (Q2 - 2023)			
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Document approved by:

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Revision History

Issue	Date	Chapter & Sections Affected	Amended by	Reason for change

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Organizational Highlights

Major Highlights

GOLD 100 Awards

Fenaka Corporation Limited was honored with the prestigious 'GOLD 100' award, the highest recognition in the business networking arena in the Maldives. This distinguished accolade was presented during the Corporate Maldives GOLD 100 Gala, held at Crossroads Maldives on 17th May 2023.

Quran Competition 1444

The 8th annual 'Fenaka Family Quran Competition' took place from 17th April to 20th April 2023, in Male' City. The competition saw enthusiastic participation from a total of 78 individuals, including Fenaka employees and their families. The first-place winner was awarded a cash prize of MVR 15,000, the second-place winner received MVR 10,000, and the third-place winner was awarded MVR 5,000 in recognition of their outstanding achievements.

Achievement of Business Goals and Objectives

- The powerhouse upgrade and relocation projects of the island branches were continued during the quarter.
- The company continued the works of its renewable energy projects to achieve the 70% renewable energy target.
- Smart meters were established in Dh. Kudahuvadhoo island.
- Fenaka Institute of Research and Technology conducted several programs to build the capacity of our employees.
- Rehabilitation of ice plants.
- Rehabilitation of existing sewerage facilities.
- Improving the grid connection by providing generator sets and cables.

Organizational Highlights

Business Concepts

The primary business concept of the company is to provide island communities with electricity, safe and clean water, sewerage services, and the provision of ice to fishermen. As the current tariff rates, determined by the government, fall below our cost of production, the company is actively exploring strategies to minimize costs through increased efficiency and revenue generation via diversification plans. This approach also aims to alleviate the existing subsidy burden carried by the government.

Electricity

During the second quarter of 2023, both electricity generation and consumption witnessed growth compared to the preceding quarter. The total units generated by diesel generators saw a notable increase of 17.02 percent, while units generated through solar power experienced a substantial rise of 28.38 percent. Concurrently, total units consumed during the quarter rose by 19.34 percent.

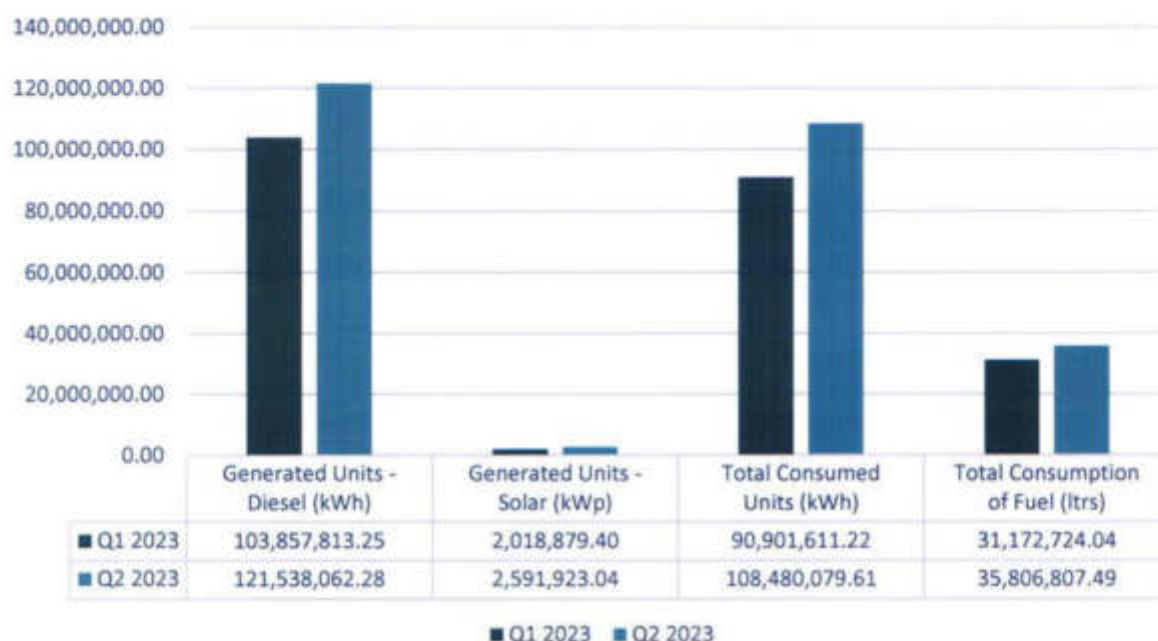


Figure 1: Electricity Generation and Consumption

Renewable Energy Integration

The total solar installed increased by a notable 47.03 percent in the second quarter compared to the first quarter. The details of solar installed as at the end of second quarter are as below:

Project	Total Solar PV (kWp)	Total Battery Capacity (kWh)
Solar PV Installed Under World Bank Funding	550	
Solar PV Installed Under GIZ (German Funding)	208	
POISED Project Pilot Phase (Phase 1)	2,313	
POISED Phase 2B - HA. Atoll	2,219	2,480
POISED Phase 3 – Sh. & Noonu Atoll	2,862	3,202
POISED Phase 2A - HDh Atoll	3,183	1,323
Utility PV Installed by Fenaka	336	-
PV Installed by Fenaka as Contractor	285	-
PV Installed Under Net-metering (By Customer)	4,846	-
Home Solar Project (Installed by Fenaka)	888	
PV Installed by IPP Under PPA	25	
TOTAL	17,716	7,005

Table 1: Solar PV Installation

Of the electricity generated from solar energy, 73 percent is derived from hybrid systems, with net metering accounting for 24 percent, and home solar contributing 3 percent.

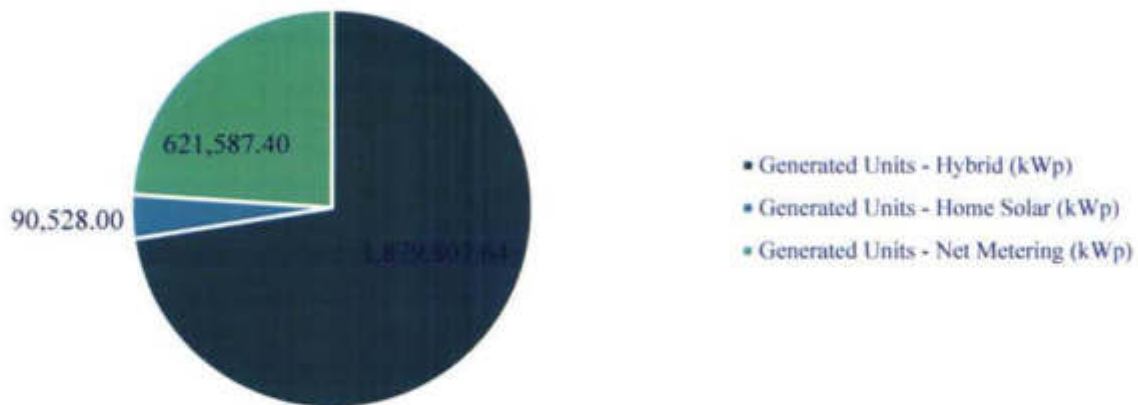


Figure 2: Solar Power Generation

Infrastructure Development

During the second quarter, five infrastructure development projects were completed:

Island	Project Description	Type	Completion Date	Project Value
HDh. Makunudhoo	Office Fancy Boundary Wall	In-House	April 2023	975,000.00
B. Eydhafushi	Office and PH Boundary wall extension	Contract	May 2023	1,568,942.37
GA. Kondey	New Powerhouse	Contract	May 2023	6,250,043.69
Dh. Kudahuvadhoo	New Office	Contract	June 2023	4,734,534.73
GA. Kondey	Office Block and Boundary Wall Remaining Works	In-House	June 2023	3,000,000.00

Table 2: Completed Infrastructure Development Projects

In addition, His Excellency President Ibrahim Mohamed Solih inaugurated several buildings of Fenaka Corporation Limited during the second quarter:

- Th. Hirilandhoo new office building on 2nd March 2023.
- F. Magoodhoo new office building on 27th May 2023.
- F. Feeali new powerhouse, office building and ice plant on 28th May 2023.

Ice Plants

On 30th April 2023, we entered into an agreement with the Ministry of Fisheries, Marine Resources, and Agriculture to supply and install 25-ton ice plants across five islands: HA. Dhihdhoo, GDh. Rathafandhoo, AA. Rasdhoo, Dh. Meedhoo, and L. Maamendhoo. This initiative is supported by the Saudi Fund for Development, and the total contract value for these installations amounts to MVR 24,925,743.79.

Capacity Building

The Fenaka Institute of Research and Technology has been actively involved in conducting various training sessions and launching new courses during the quarter.

Description	Location	Start Date	Number of Participants
New Courses			
C3 in Electrical Installation and Maintenance (Batch 05)	M, F, Dh, & Th Atoll	1 st April 2023	25 students
C3 in Utility Laboratory Technician Services (Batch 01)	HA, HDh, & Sh Atoll	4 th April 2023	19 students
C3 in Electrical Installation and Maintenance (Batch 07)	GDh. Atoll	6 th April 2023	16 students
Training Programs			
Domestic Appliances Safety Advance Workshop	HA. Utheem	10 th June 2023	41 participants
Domestic Appliances Safety Advance Workshop	HA. Vashafaru	10 th June 2023	33 participants
Domestic Appliances Safety Program	N. Miladhoo	22 nd June 2023	18 participants

Table 3: New Course and Training Details

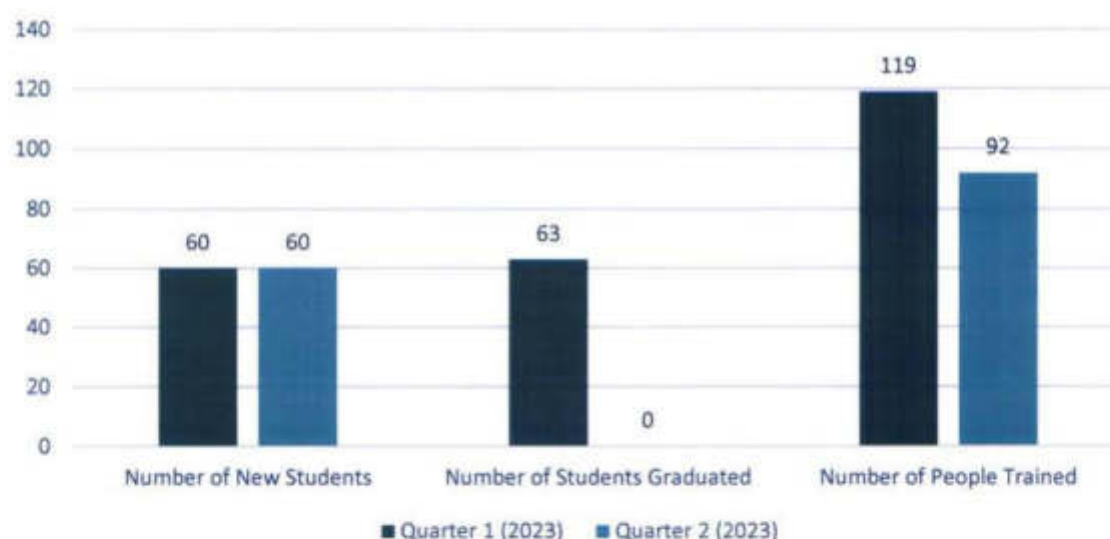


Figure 3: Student Details

ERP Re-Implementation Project

The ongoing ERP re-implementation project, in collaboration with our contractor, Pie Networks, has achieved significant milestones during this quarter. The implementation team at Pie Networks has successfully completed all major configurations and setting up of the new ERP system.

Comprehensive training sessions have been conducted for all major departments within Fenaka. This ensures our staff is well-prepared for a smooth transition to the new system. Additionally, we have collaboratively determined the cutoff date for the existing ERP system

with our finance team. The agreed-upon date is the 1st of September 2023, providing us with a clear target to work towards.

Currently, the User Acceptance Testing (UAT) phase is in progress and is expected to be completed by the 21st of August 2023. Our teams have been working to thoroughly test all modules and functionalities of the new ERP system to ensure its effectiveness and reliability. However, a recent challenge has arisen, causing a deviation from our initial timeline. This delay is attributed to an unexpected licensing issue with Microsoft. We have previously paid for the Microsoft Business Ready Enhancement Plan (BREP) for all subsequent years up until 2023. This should entitle us to a free upgrade and necessary licenses. Regrettably, Microsoft has indicated that they haven't received the payments we made through our previous Microsoft partner, Jinasena Infotech. This figure amounts to USD 366,000. To resolve this issue, Microsoft requested a comprehensive breakdown of all transactions related to the BREP payments. Our finance team has been working diligently to trace and collate payment details, some of which span over five years.

Despite the licensing-related delay, all other modules and components of the project are on track and have undergone successful testing. We remain committed to the success of this initiative and are working collaboratively with Pie Networks and Microsoft to resolve the licensing matter promptly.

Contracted Projects

An agreement was signed with Maldives Police Services to fix electrical issues in HDh. Kulhudhuffushi Police Service on 16th May 2023. The contracted price of the project is MVR 366,628.42

An agreement was signed with Housing Development Corporation to supply and install electric cables in Thilafushi island, on 11th June 2023. The contracted price of the project is MVR. 6,002,100.00.

On 13th June 2023, Fenaka Corporation Limited entered into triparty agreements with the Ministry of Economic Development and the Bank of Maldives. These agreements mark a strategic partnership for the expansion of the ATM network across seven islands, including F. Bilehdhoo, HDh. Kumundhoo, HDh. Vaikaradhoo, L. Hithadhoo, N. Henbadhoo, Sh. Foakaidhoo, and Th. Kinbidhoo.

Market Highlights

Current Business Position

Can be determined with financial statements.

Launching of New Product

No new products were launched.

Advertising and Promotions

The company continued its awareness campaign on the following:

- Responsible energy consumption
- Renewable energy
- Career opportunities in the field
- Online bill payment
- Awareness on powerhouse projects
- Most marketing communications related activities were carried out on social media.

Partnership with Suppliers

-

Diversification

The company has formulated several diversifications plans under the strategic business plan.

These include:

- Establishment of service and training centers
- Establishment of customer service center in two areas
- Establishment of water bottling plant
- Establishment of new ice plants
- Procurement of landing craft
- Developing fuel storage and monitoring mechanisms
- Establishment of workshops in zones
- Works were carried out to seek finance for the projects.

Board Activities

Board Meetings

Directors Name	Designation	Board Meeting
Mohamed Rasheed	Chairman	5/5
Ahmed Saeed Mohamed	Managing Director	3/5
Mohamed Athif	Director	5/5
Ahmed Ulwan	Director	5/5
Mariyam Rasheed	Director	5/5
Ibrahim Rasheed	Director	4/5
Ubaidulla Muaz	Director	5/5

Figure 4: Board meetings held during second quarter - 2023

	Board of Directors	Remuneration Committee	Audit Committee
Number of meetings held in Q2 - 2023	5	1	2

Figure 5: Number of meetings held during second quarter - 2023



FENAKA CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023

		2023		2022	
	<u>Notes</u>	<u>Q2</u>	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>
Revenue	1	621,995,119.29	550,141,836.37	503,832,885.61	484,457,070.47
Cost of Sales	2	318,856,714.53	280,614,325.60	233,936,391.21	232,524,810.15
Gross Profit		303,138,404.76	269,527,510.77	269,896,494.40	251,932,260.32
Selling and Marketing Costs	3				
Administrative Costs	4	218,864,392.46	195,951,132.29	190,574,786.91	186,064,702.98
Other Operating Expenses	5	663,608.25	1,844,636.45	1,096,457.89	945,394.92
Operating Profit		83,610,404.05	71,731,742.03	78,225,249.60	64,922,162.42
Finance Income	6				
Finance Cost	7	2,173,218.09	2,238,331.51	344,663.94	456,693.07
Depreciation		66,394,471.93	65,092,619.54	63,816,293.67	63,184,449.18
Profit Before Tax		15,042,714.03	4,400,790.98	14,064,291.99	1,281,020.17
Business Profit Tax	8				
Profit After Tax		15,042,714.03	4,400,790.98	14,064,291.99	1,281,020.17

FENAKA CORPORATION LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2023



	2023		2022	
	Q2	Q1	Q4	Q3
Operating Activities				
Profit Before Business Profit Tax	15,042,714.03	4,400,790.98	14,064,291.99	1,281,020.17
Adjustments For:				
Depreciation & Amortization	66,394,471.93	65,092,619.54	63,816,293.67	63,240,329.11
Interest Income	-	-	-	-
Interest Expenses	-	-	-	-
Dividend Income	-	-	-	-
Provision For Impairment of Receivables	-	-	-	-
Profit On Disposal of Proper, Plant & Equipment	-	-	-	-
Profit/Loss on Disposal of Investment	-	-	-	-
Operating Profit/Loss Before Working Capital Changes	81,437,185.96	69,493,410.52	77,880,585.66	64,521,349.28
Change In Working Capital				
Inventories	33,324,539.71	(90,615,899.51)	22,659,524.01	(17,311,150.04)
Trade & Other Receivables	54,098,820.65	(114,231,407.83)	(49,545,886.08)	(7,836,176.28)
Trade & Other Payables	182,604,679.77	356,849,373.82	230,148,019.96	259,523,086.76
Cash Flow from Operating Activities	351,465,226.10	221,495,477.00	281,142,243.55	298,897,109.72
Interest Paid				
Business Profit Tax Paid				
Net Cash Generated from Operating Activities	351,465,226.10	221,495,477.00	281,142,243.55	298,897,109.72
Cash Flow from Investing Activities				
Purchase of Property Plant & Equipment	(347,674,231.30)	(453,704,291.90)	(287,329,455.20)	(302,698,975.49)
Loan Repayment Received from Related Parties				
Interest Received				
Dividend Received				
Net Cash Generated from Investing Activities	(347,674,231.30)	(453,704,291.90)	(287,329,455.20)	(302,698,975.49)
Cash Flow from Financing Activities				
Proceeds from Borrowing				
Repayment of Loan		231,300,000.00		
Proceeds from Share Issuance (Net Proceeds)				
Net Payment Made from Currency SWAP				
Dividend Paid to Shareholders				
Net Cash Generated from Financing Activities		231,300,000.00	-	-
Net Increase/ Decrease in Cash & Cash Equivalent	3,790,994.80	(908,814.90)	(6,187,211.65)	(3,801,865.77)
Cash & Cash Equivalent at Beginning of The Month	8,497,596.98	9,406,411.88	15,593,623.53	19,395,489.30
Cash & Cash Equivalent at End of The Month	12,288,591.78	8,497,596.98	9,406,411.88	15,593,623.53

FENAKA CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023



	2023		2022	
	Q1	Q4	Q3	Q2
Assets				
Non-Current Assets				
Property Plant & Equipment	4,501,889,449.44	4,220,609,690.07	3,849,461,414.71	3,625,948,253.17
Investment in Subsidiaries				
Investment in Associates				
Investment in Joint Ventures				
Available for Sales Financial Assets				
Deferred Tax Assets				
Intangible Assets	0.00	0.00	0.00	0.00
Total Noncurrent Assets	4,501,889,449.44	4,220,609,690.07	3,849,461,414.71	3,625,948,253.18
Current Asset				
Inventories	504,048,535.71	537,373,075.42	446,757,175.91	469,416,699.92
Trade & Other Receivables	384,522,688.09	438,621,508.74	324,390,100.91	274,844,214.83
Cash & Cash Equivalent	12,288,590.78	8,497,596.98	9,406,407.88	15,593,619.53
Total current assets	900,859,814.58	984,492,181.15	780,553,684.70	759,854,534.28
Total Assets	5,402,749,264.02	5,205,101,871.22	4,630,015,099.41	4,385,802,787.46
Equity and Reserve				
Share Capital	2,507,592,102.00	2,507,592,102.00	2,507,592,102.00	2,507,592,102.00
Share Premium				
General Reserve				
Retained Earning	(191,090,255.04)	(206,132,969.07)	(210,533,760.05)	(224,598,052.05)
Total Equity	2,316,501,846.96	2,301,459,132.93	2,314,521,736.95	2,300,457,444.95
Non-Current Liabilities				
Loans & Borrowing	277,742,584.11	277,742,584.11	69,572,582.11	69,572,582.11
Deferred Income				
Employee Defined Benefit Liability	23,810,917.00	23,810,917.00	23,810,917.00	23,810,917.00
Current Liabilities				
Current Tax Liabilities				
Derivative Financial Instrument				
Trade & Other Payables	2,700,381,530.23	2,517,776,850.46	2,160,927,476.64	1,930,779,456.68
Borrowing	81,879,999.72	81,879,999.72	58,749,999.72	58,749,999.72
Employee Defined Benefit Liability	2,432,387.00	2,432,387.00	2,432,387.00	2,432,387.00
Total Current Liabilities	2,784,693,916.95	2,602,089,237.18	2,222,109,863.36	1,991,961,843.40
Total Liabilities	3,086,247,418.06	2,903,642,738.29	2,315,493,362.47	2,085,345,342.51
Total Equity & Liabilities	5,402,749,264.02	5,205,101,871.22	4,630,015,099.41	4,385,802,787.46