

## SWISSPORT TANZANIA PLC UN-AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020

### Commentary

The Board of Directors of Swissport Tanzania Plc. is pleased to publish the un-audited financial results for the six months period ended 30 June 2020. Total revenue during the period decreased by 25% from TShs 17,240 million to TShs 12,914 million while a net loss of TShs 1,128 million was posted, compared to a net profit of TShs 1,225 million reported during the same period last year. Total operating costs declined by 10% from TShs 15,132 million to TShs 13,667 million due to various cost saving initiatives adopted by management. The sharp deterioration in revenue and profit was attributed by the adverse impact of the COVID-19 pandemic on the aviation industry. During these unprecedented times, governments around the globe imposed travel restrictions to control the spread of COVID-19 virus while airlines suspended international flights and significantly reduced domestic operations. As a consequence, the number of flights and volume of cargo handled during the period decreased substantially and negatively impacted the performance of the business. Cargo volumes went down by about 40% compared to pre-Covid but were fairly stable to sustain the business. Flight frequencies were significantly down; we handled only about 20% of pre-covid-19 volumes.

### Interim Dividend to Shareholders

With reference to the reported net loss, the Board has decided not to declare interim dividend for the period.

### Future Outlook

The recent alleviation of travel restrictions by some governments around the globe and consequently, the slow resumption of businesses by several airlines are encouraging signs of business recovery.

### STATEMENT OF PROFIT AND LOSS AND OTHER

COMPREHENSIVE INCOME For Six Months Ended 30 June	2020 TShs M	2019 TShs M	% Change
Revenue	12,718	17,123	(26%)
Other operating income	196	117	67%
<b>Total revenue</b>	<b>12,914</b>	<b>17,240</b>	<b>(25%)</b>
Total operating expenses	13,667	15,132	(10%)
<b>Operating (loss)/profit</b>	<b>(753)</b>	<b>2,108</b>	<b>(136%)</b>
Finance costs	134	281	(52%)
<b>(Loss)/profit before income tax</b>	<b>(887)</b>	<b>1,828</b>	<b>(149%)</b>
Income tax expense	241	603	(60%)
<b>(Loss)/profit for the period</b>	<b>(1,128)</b>	<b>1,225</b>	<b>(192%)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(1,128)</b>	<b>1,225</b>	<b>(192%)</b>
<b>Earnings per share</b>	<b>(31.33)</b>	<b>34.02</b>	<b>(192%)</b>
<b>Dividend per share</b>		<b>17.01</b>	<b>(100%)</b>

### STATEMENT OF FINANCIAL POSITION

As 30 June 2020	2020 TShs M	2019 TShs M	% Change
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible asset	15,729	17,289	(9%)
Property and equipment	16,534	15,880	4%
Right of use of asset	799	1,403	(43%)
Deferred tax asset	810	562	44%
Staff receivables	69	83	(17%)
	<b>33,941</b>	<b>35,217</b>	<b>(4%)</b>
<b>Current assets</b>			
Inventories	424	333	27%
Trade and other receivables	3,643	6,724	(46%)
Income tax recoverable	1,137	359	217%
Cash and cash equivalents	3,521	2,677	32%
	<b>8,725</b>	<b>10,092</b>	<b>(14%)</b>
<b>Total assets</b>	<b>42,666</b>	<b>45,309</b>	<b>(6%)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	360	360	0%
Retained earnings	29,173	29,215	0%
<b>Total equity</b>	<b>29,533</b>	<b>29,575</b>	<b>0%</b>
<b>Non-current liabilities</b>			
Lease Liabilities ( long term)	465	889	(48%)
Retirement benefit obligations	2,948	2,661	11%
	<b>3,413</b>	<b>3,550</b>	<b>(4%)</b>
<b>Current liabilities</b>			
Trade and other payables	9,063	11,609	(22%)
Lease Liabilities ( short term)	657	575	14%
	<b>9,720</b>	<b>12,184</b>	<b>(20%)</b>
<b>Total equity and liabilities</b>	<b>42,666</b>	<b>45,309</b>	<b>(6%)</b>

A few of our airline customers have resumed operations at JNIA and KIA albeit with frequencies significantly below pre Covid-19. Our business is slowly recovering as business cautiously resumes and we expect to register a gradual increase of cargo and flight volumes towards the end of the year. To further mitigate the adverse financial impact of COVID-19, management has instituted a number of cost saving measures. The financial outlook reflects the aforementioned developments.

Management is carefully monitoring the situation and taking appropriate actions to protect the safety and health of our staff and the travelling community while supporting the airlines during the re-start of operations and responding to the rapidly changing business landscape.

### Appreciation and commitment

The Board would like to thank all customers for their support and our employees for the hard work during these unprecedented times. The Board is committed to implement appropriate strategies to ensure the business remains sustainable in the post Covid-19 era.

Jeroen de Clercq  
Board Chairman

### STATEMENT OF CASH FLOWS

For Six Months Ended 30 Months June	2020 TShs M	2019 TShs M
(Loss)/profit before income tax	(887)	1,225
<b>Adjustment for:</b>		
Depreciation of property and equipment	1,143	1,579
Amortization of intangible assets	1,492	1,145
Provision for retirement benefit obligation	212	610
<b>Working capital adjustment</b>		
(Increase)/decrease in inventories	(91)	1
Decrease in trade and other receivables	3,081	4,106
Decrease in trade and other payables	(2,546)	(1,334)
	<b>2,404</b>	<b>7,332</b>
Retirement benefit paid	(255)	(791)
Income tax paid	(774)	(1,046)
<b>Cash generated from operating activities</b>	<b>1,375</b>	<b>5,495</b>
<b>Investing activities</b>		
Purchase of property and equipment	(531)	(2,131)
<b>Cash used in investing activities</b>	<b>(531)</b>	<b>(2,131)</b>
<b>Financing activities</b>		
Loan repayment	-	(2,102)
Dividends paid to Company's shareholders	-	(1,495)
<b>Cash used in financing activities</b>	<b>-</b>	<b>(3,597)</b>
Net decrease in cash and cash equivalents	844	(233)
Cash and cash equivalents at 1 January	2,677	2,910
<b>Cash and cash equivalents at 30 June</b>	<b>3,521</b>	<b>2,677</b>



**From landing to take-off: we care !**

Jeroen de Clercq  
Board Chairman

Mrisho Yassin  
Chief Executive Officer

Imani Mtafya  
Chief Financial Officer