



HELA APPAREL HOLDINGS

INFORMATION MEMORANDUM



CAL

CT CLSA

DECEMBER 2021

PRIVATE & CONFIDENTIAL

TABLE OF CONTENTS



- 1. At a Glance**
- 2. Key Highlights**
- 3. Growing Global Industry**
- 4. Company Overview**
 - i. Culture of Speed & Agility
 - ii. Strong Customer Relationships
 - iii. Spearheading Africa's Apparel Revolution
 - iv. A Sustainable & Ethical Manufacturer
- 5. Reputable Leadership**
- 6. Financial Forecasts & Valuation**
- 7. Use of Proceeds**
- 8. Annexures**

AT A GLANCE

THE HELA STORY

With three decades of experience in the apparel sector, Hela Apparel Holdings focuses on providing supply chain solutions for the fashion and medical apparel industries.

The Company provides design to delivery solutions in the intimate-wear, kids-wear, active-wear and medical-wear product categories. Hela has an extensive client base across the US, Europe and Asia.

Headquartered in Sri Lanka, Hela has 11 factories across Sri Lanka, Kenya and Ethiopia as well as partnered capacity in Tanzania and Mozambique. It is also supported through its design centres in Sri Lanka, US, UK, and France.

Hela is aiming to raise LKR 4 bn to fund key growth initiatives in Sri Lanka and strengthen the company's balance sheet to support further expansion in Africa.

COMPANY SNAPSHOT



11

Directly-Operated
Production Facilities



4

Design
Centres



6

Manufacturing
Countries of Origin



100%

USD
Revenue



USD 270mn

Forecasted
Revenue in FY22E



5.7%

USD
Dividend Yield



18,000+

Employee
Base



ESOP

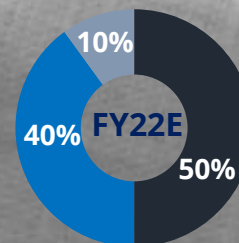
Management as
shareholders



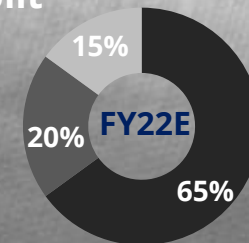
SAP

Digital
Core

Revenue Split



■ Sri Lanka
■ Kenya
■ Ethiopia



■ Intimates
■ Kidswear
■ Activewear

KEY IPO HIGHLIGHTS



Ordinary Voting

Type of Share



LKR 15

IPO Price per Share



LKR 4bn

Offer Size



267,108,998

Shares Offered



20.5%

Stake Offered



LKR 19.5bn

Market Capitalization

USE OF PROCEEDS

Balance sheet strengthening
to support African expansion



LKR 2bn

Supply chain security through
vertical integration



LKR 1bn

Investment in SAP as
Hela's digital core



LKR 0.6bn

Facilitate automation,
productivity and upgrades



LKR 0.4bn

VALUATION UPSIDE ON HELA SHARES

The IPO price per share of LKR 15.00 offers an upside of 28.4% to an IPO investor compared to the value per share of LKR 19.25 derived from the DCF valuation

28.4%
UPSIDE

The implied price/earnings ratio (PER) based on the FY22E earnings attributable to the equity shareholders, of LKR 1,570mn, is at 10.5x¹. This is lower than the market cap weighted average of local peer PER of 12.9x.

10.5x
IMPLIED PER

KEY INVESTMENT HIGHLIGHTS

BUILT ON A CULTURE OF SPEED & AGILITY



An end-to-end solution driven apparel manufacturer which is an integral part of its customers' supply chain

STRONG CUSTOMER RELATIONSHIPS



Trusted supplier for leading global brands including Tommy Hilfiger, Calvin Klein, Michael Kors, and VF Corp

SPEARHEADING AFRICA'S APPAREL REVOLUTION



Strategically located manufacturing facilities in Africa, capitalizing on the benefits each country has to offer

A SUSTAINABLE AND ETHICAL MANUFACTURER



Winner of PVH's Global Human Rights award in 2016 & Ethiopia's Most Inclusive Employer award in 2019



A multi-country origin strategy that meets the varying needs of our customers



One of the largest vendors for PVH sleepwear and underwear as well as the largest manufacturer for Michael Kors in men's underwear



One of the leading apparel manufacturers in Africa—c. 19% export share in Kenya



Winner of the Most Sustainable Factory Award and the Sustainability Award from ASDA and Tesco in 2021, respectively



Senior management with proven experience operating in Africa and a core competency built on business turnarounds



Building long-term relationships with customers through strategic initiatives



One of the largest bra manufacturing plants in East Africa with technical capabilities to manufacture complex bras



Supporting the development of sustainable cotton sourcing in Africa to build an Africa-for-Africa supply chain



GROWING GLOBAL INDUSTRY

Strong outlook for the apparel sector backed by the rapid recovery in global consumer spending

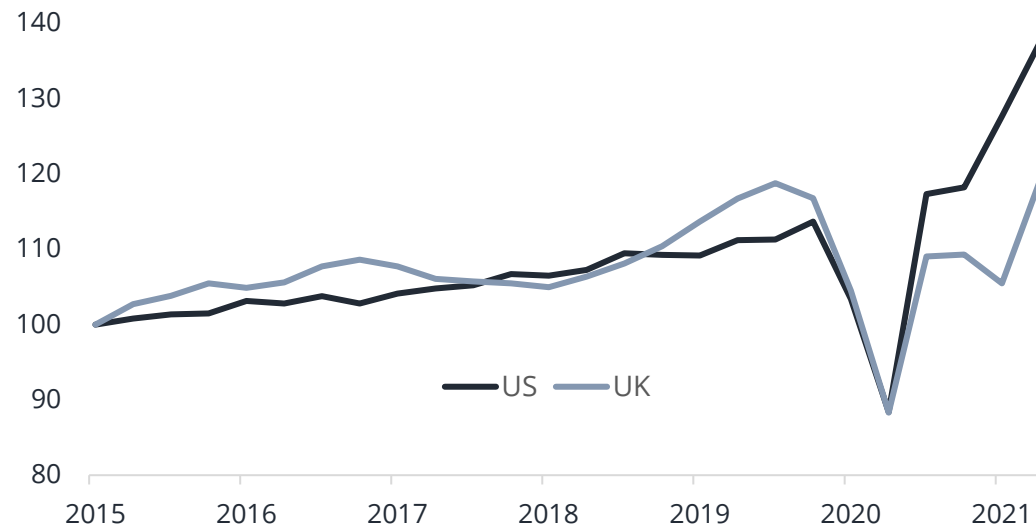
Consumer demand for apparel has rebounded since the initial phase of the pandemic and is expected to continue growing in the medium term

RAPID REBOUND IN APPAREL DEMAND FOLLOWING PANDEMIC

Following the demand shock triggered by the COVID-19 pandemic, consumer demand for clothing and footwear has rebounded rapidly in key markets. This is particularly the case in the developed world where extraordinary government stimulus policies have protected household incomes.

While the recovery in demand is uneven due to sporadic surges in infections across the world, it is expected to broaden and strengthen into 2022 as the rollout of vaccinations globally accelerates.

Household Consumption of Clothing & Footwear
(Constant Prices, 2010 Q1=100)

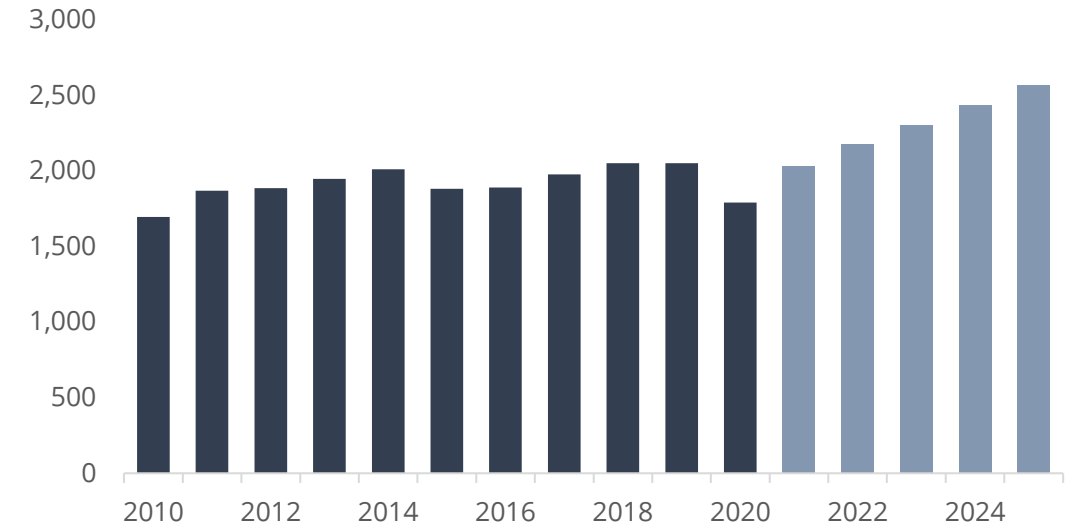


LONG-TERM UPWARD TREND IN CONSUMER SPENDING ON APPAREL

Globally, spending on clothing and footwear is expected to grow at a CAGR of 6.1% between 2021 and 2025, to exceed USD 2.5 trillion. This will be driven by resumption of growth in population, disposable income and urbanization across developing economies, as well as robust demand in advanced economies.

As the trend towards more responsible consumption gathers steam, innovative solutions such as circular products using recycled fabrics are expected to continue driving consumer spending on apparel products.

Global Consumer Spending on Clothing & Footwear
(USD Billions)



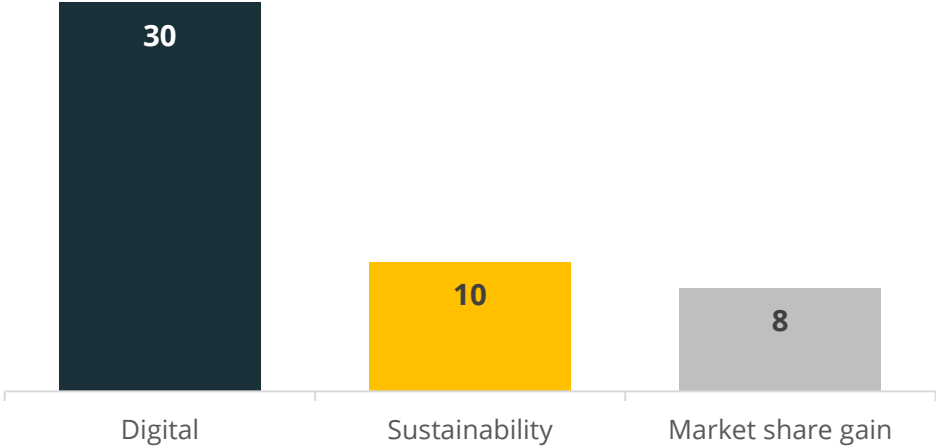
Source: US Bureau of Economic Analysis & UK Office for National Statistics, Statista

COVID-19 has accelerated a number of trends in the industry - Global fashion executives expect digitalization and sustainability to be the biggest opportunities

DIGITALIZATION AND SUSTAINABILITY ARE INCREASINGLY IMPORTANT

Digital adoption has soared during the pandemic, with brands expanding their ecommerce offerings and embracing digital innovations, such as 3D sampling. The shift to digital solutions is expected to be permanent and will continue to create opportunities to build smarter operating models and differentiated customer propositions.

Biggest Opportunities for the Fashion Industry in 2021
(% of Surveyed Industry Executives)



Sustainability also remains high on consumer agendas – 60% of consumers in a recent McKinsey survey said brands’ promotion of sustainability was an important factor in their purchasing decisions. In response, brands are stepping up their sustainability efforts and manufacturers have a central role to play in providing solutions.

OTHER KEY TRENDS IN APPAREL

Speed



The need for flexibility and speed will continue, as brands place greater emphasis on reducing inventories to increase full-price sell through

Deeper Partnerships



The vulnerability of global supply chains has been exposed; brands are seeking deeper partnerships with key manufacturers that can provide greater agility and accountability

Inclusive Culture



Consumer and brand pressure will continue to push manufacturers to embrace more inclusive practices across their business, products and supply chains

Material revolution



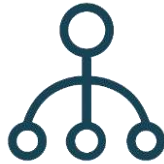
Alternative materials and sustainable substitutes are on their way to adoption at large scale

Casualization



The shift towards casual clothing was supercharged by the pandemic and is likely to remain a dominant force driving growth in the athleisure and loungewear segments

Brand Consolidation



M&A activity is likely to remain high in the aftermath of the pandemic as brands manoeuvre to acquire market share, unlock new opportunities and expand capabilities

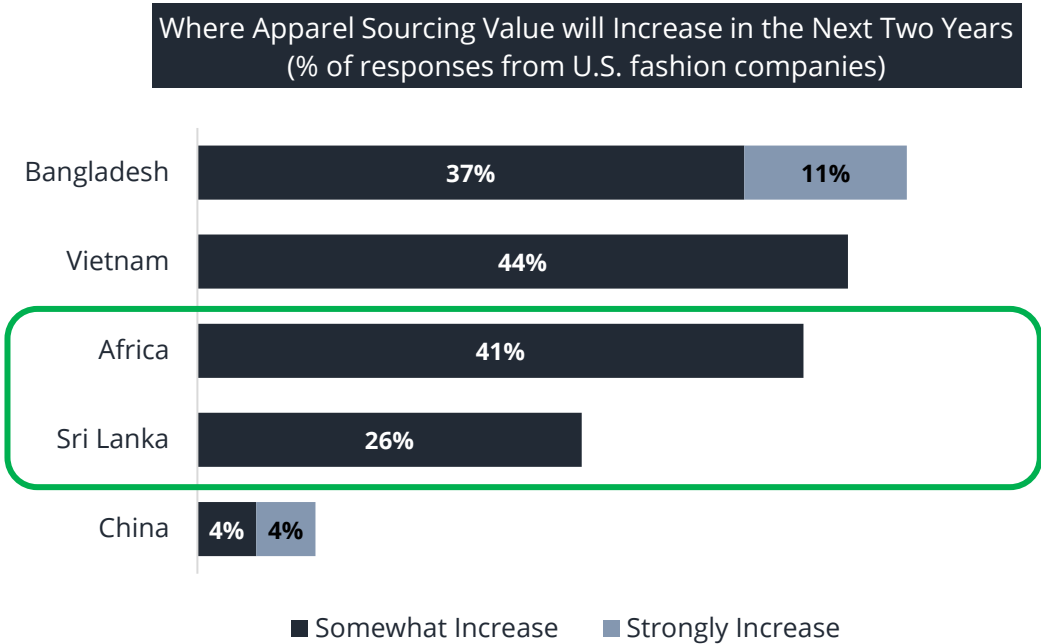
Source: BOF – McKinsey State of Fashion Report 2021
United States Fashion Industry Association – 2021 Benchmarking Study

Apparel sourcing executives are increasingly looking beyond China to the rest of Asia and Africa – Sri Lanka has a key role to play in this shift

LOOKING BEYOND CHINA

China’s position as the world’s top exporter of apparel products remains unchallenged. However, rising labour costs and concerns about the use of forced labour is driving international apparel sourcing executives to look for alternative manufacturing locations.

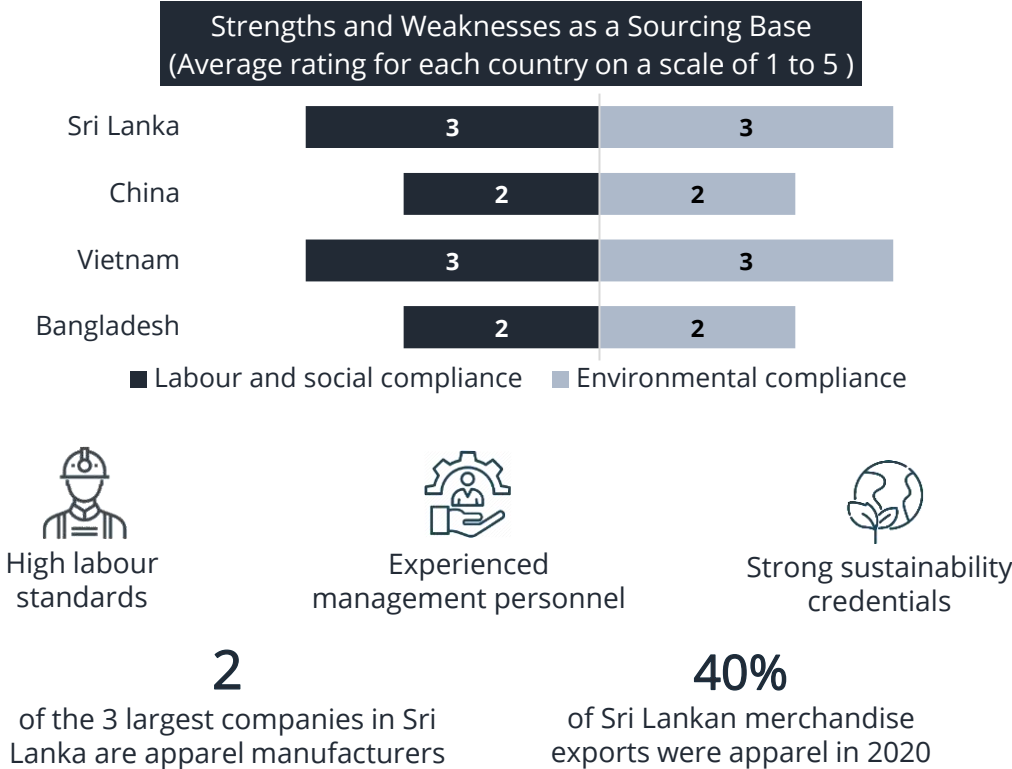
This shift will benefit other sourcing destinations in Asia, including Sri Lanka, as well as Africa – 41% of fashion executives expected to increase sourcing from Africa and 26% from Sri Lanka in the next two years.



SRI LANKA REMAINS A SOLID BASE FOR THE APPAREL SECTOR

Sri Lanka is well known globally for its ethical labour, environmental, and sustainability standards. The high-level of technical skill in the industry means that it remains a sought after apparel sourcing destinations for premium brands.

Sri Lanka is also well known for its abundance of skilled apparel management experience, with many such managers being employed in emerging sourcing locations.



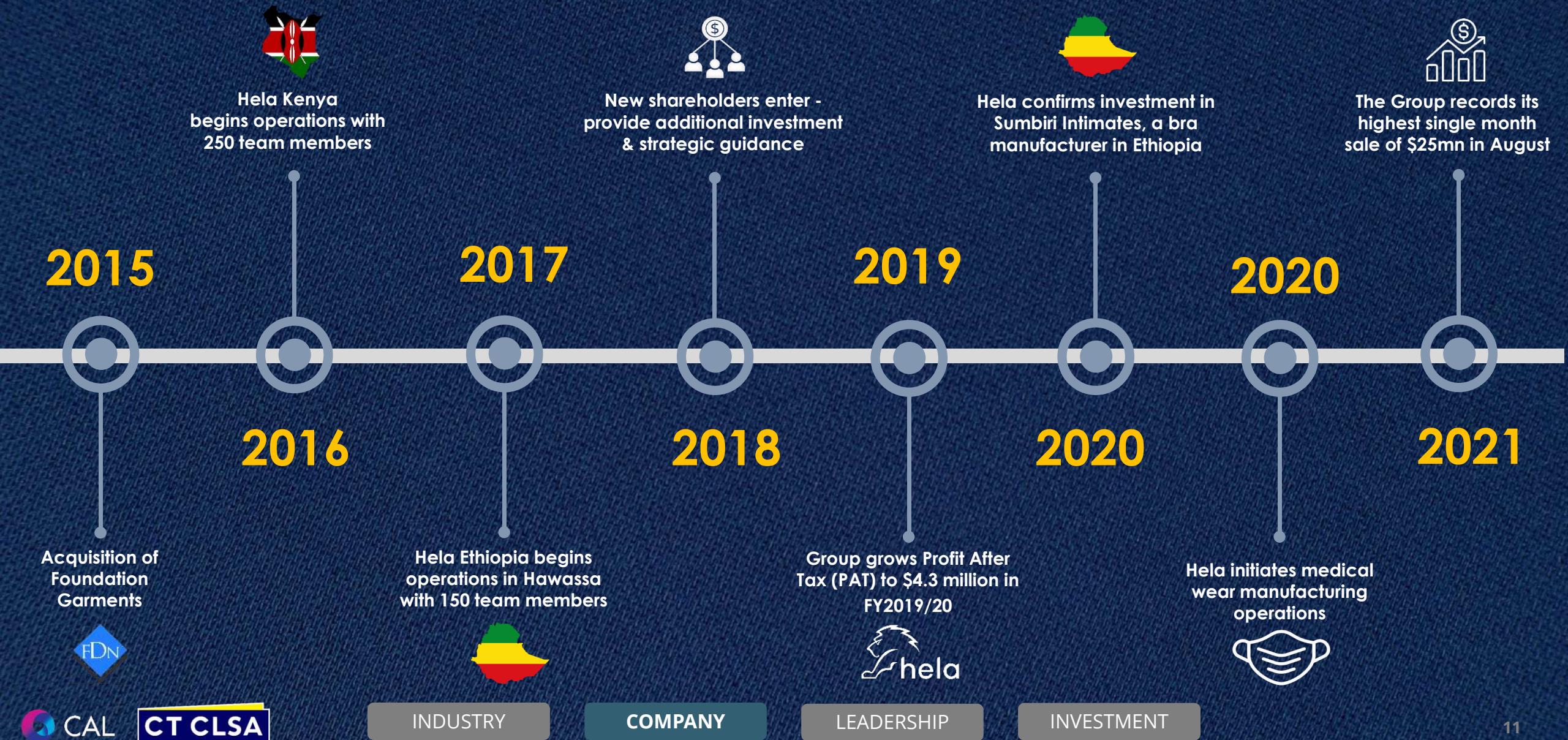
Source: United States Fashion Industry Association – 2021 Benchmarking Study

A woman with short dark hair, wearing a blue polo shirt with a small logo, is smiling and looking towards the camera. She is seated at a sewing machine in a factory or workshop. In the background, other workers and sewing machines are visible, though out of focus. The lighting is bright and even.

COMPANY OVERVIEW

Hela is building value for its customers through disruptive solutions across multiple product categories and geographies

Hela has grown rapidly to become a leading ethical apparel manufacturer in Sri Lanka and East Africa



An expert in innovative value creation in the apparel sector across multiple product categories and geographies

A WORLD OF APPAREL

Hela's purpose is to create value for its clients through continuous innovation, while aiding them to gain market share and increased consumer engagement

HELA'S STRATEGIC PILLARS

Customer Centric



Supply Chain Agility & Integrity



Building Long Lasting Relationships



Cost Leadership



REVENUE BY DESTINATION (FY21)

56%



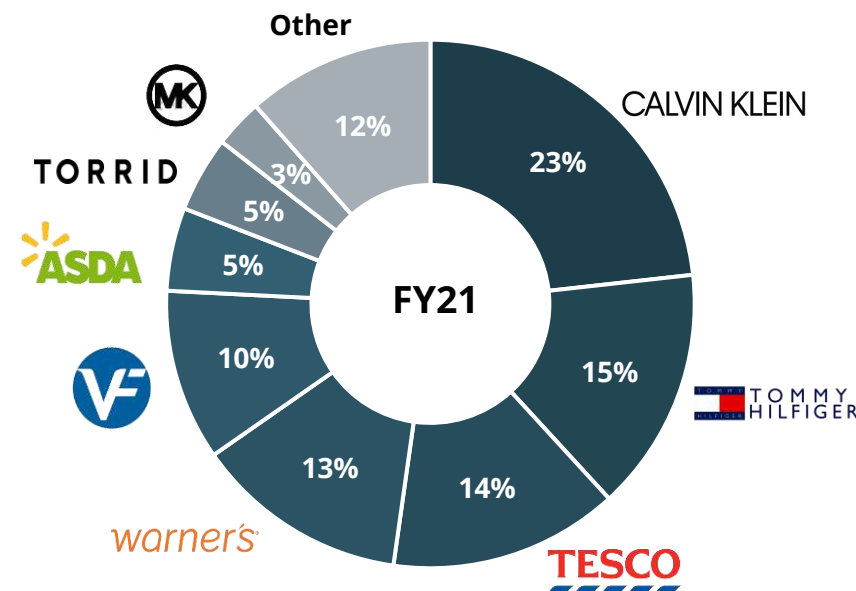
38%



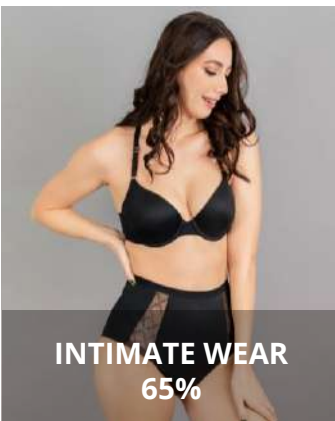
6%

OTHER

REVENUE BY CUSTOMER



REVENUE BY KEY PRODUCT VERTICALS (FY22E)



INTIMATE WEAR
65%



KIDSWEAR
20%



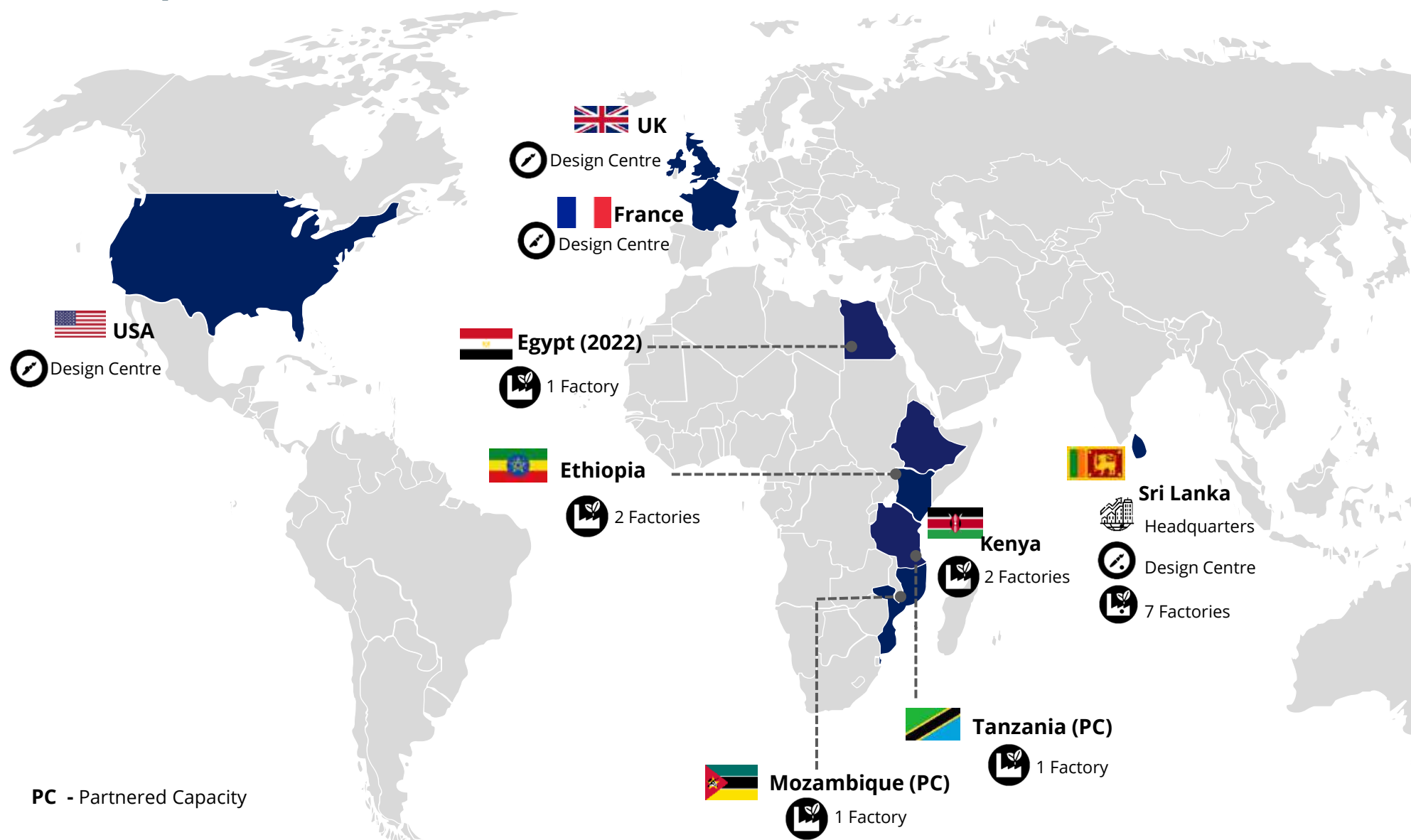
ACTIVEWEAR
15%



MEDICAL WEAR
★

*Medical wear is a new vertical which Hela introduced in FY22

Comprehensive geographic presence - enabling Hela to provide customers with a unique combination of solutions



11 Owned Production Facilities	
SRI LANKA	
	Output capacity of 4 million units per month
	500,000 Production hours per month
	9,639 Employees
	Sleepwear, Boxers, Lingerie, Activewear, and Kidswear
KENYA	
	Output capacity of 2.5 million units per month
	300,000 Production hours per month
	4,602 Employees
	Boxers, Tops, Woven Pants, and Sleepwear
ETHIOPIA	
	Output capacity of 1.5 million units per month
	120,000 Production hours per month
	4,448 Employees
	Panties & Bras



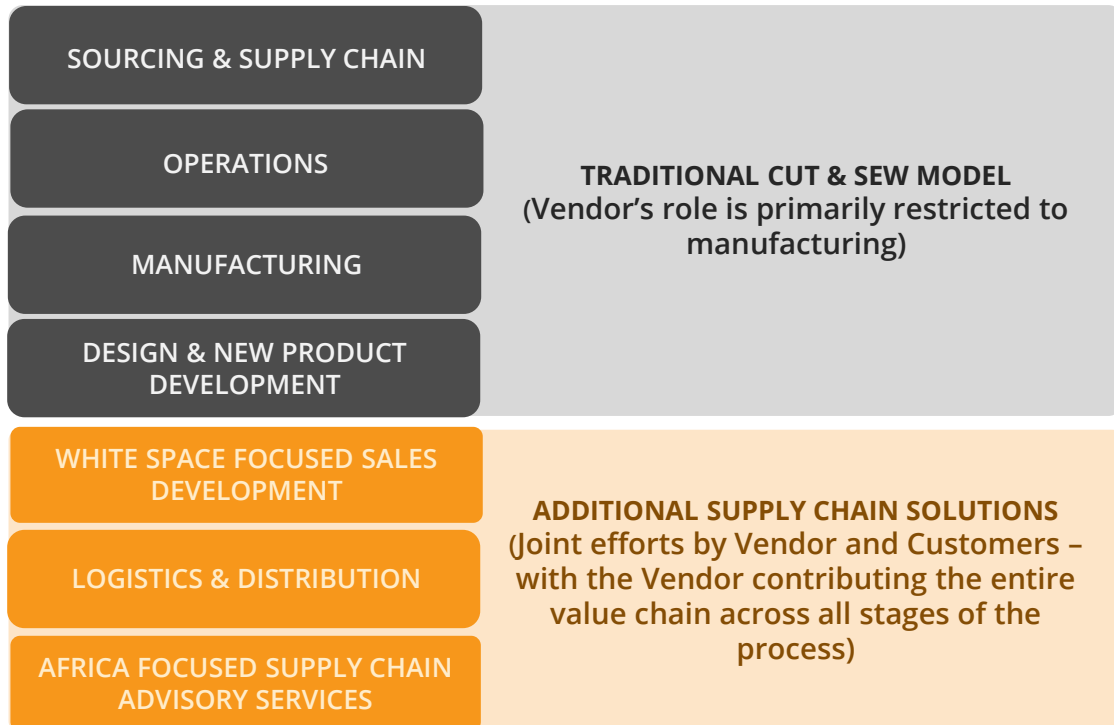
BUILT ON A CULTURE OF SPEED & AGILITY

A Company built on a culture of agility to meet the evolving needs of its customers

Not just a traditional cut-and-sew player – Hela has evolved into a solutions provider, playing an integral role in the customer's supply chain

END-TO-END SOLUTIONS PROVIDER

Hela's focus on providing end-to-end supply chain solutions has enabled the company to evolve from a traditional cut and sew model, thereby making it integral to the customer's future.



TRANSFORMATION INTO A SOLUTION-DRIVEN MANUFACTURER

THE PROBLEM

A vendor for a common customer was finding it challenging to scale up in Ethiopia.

Given Ethiopia's importance to the retailer and Hela's proven track record in Africa, they reached out to Hela to suggest a joint venture opportunity.

THE SOLUTION

Hela took over the management of the plant in December 2020 leveraging its champion turnaround management team to streamline operations, optimize planning and restructure the cost base.

THE RESULT

Hela's efficiency improvements, cost savings and technical prowess resulted in the factory turning profitable within 8 months of Hela taking over.

Production capacity is on track to reach 1mn units/month at full scale which will help the customer save over USD 10mn annually through duty savings.

HELPING CUSTOMERS IMPROVE INVENTORY CYCLES FROM 2 TO 4 TIMES

Hela is constantly partnering with its customers to roll out new supply chain models to assist them in optimizing their inventory.

These innovative models reduce purchase order (PO)-to-delivery lead times from 90 days to 7 days.

Initiating collaborations with Clients and Peers alike to add value through product development – resulting in a win-win

UNLOCKING VALUE FOR CLIENTS THROUGH BRAND COLLABORATIONS

Hela has played a matchmaking role in the strategic collaboration of two iconic brands – going above and beyond what a generic vendor offers.

Hela's understanding of the clients' needs and ability to identify the collaboration potential will result in significant profit margin improvements for both brands.



This collaboration will allow the US luxury brand to become a long-term participant in the European sports-wear market and Hela will benefit by receiving exclusive manufacturing rights for this product range.

Hela is also partnering with key e-commerce platforms to develop a South Asian direct-to-consumer brand focused on active and loungewear. This will secure additional demand and capture greater value for the company.

MUTUAL SYNERGIES THROUGH COLLABORATIONS WITH PEERS



Safeguard Workwear – JV between Hela and IPS Kenya, the infrastructure and industrial development arm of the Aga Khan Fund for Economic Development (AKFED), to manufacture medical, personal care and industrial clothing.



Product development will be executed by Hela while AKFED will secure demand through its own chain of hospitals and medical universities, as well as through its network of government and non-government organizations



The relationship will add c. USD 1mn in profits for Hela and develop new market opportunities in FY24E



Hela took the lead role in providing technical assistance to help a large manufacturer of mosquito nets based in Tanzania become a manufacturer of high quality cotton-based fabrics.



Hela also helped to convert that operation from servicing the local market to becoming export oriented. The mill now services the fabric requirements of Hela Kenya for leading global brands.

The logo for Tesco, featuring the word "TESCO" in a bold, white, sans-serif font with three horizontal lines underneath.

Supplier Partner Award for Collaboration 2021

Multi-country origin strategy to meet the varying needs of the customer, made possible by Hela's expertise in turning distressed factories profitable

MULTI-COUNTRY ORIGIN STRATEGY TO CATER TO THE NEEDS OF THE CUSTOMER

Customers have country of origin preferences due to factors such as:

- ✓ Supply chain simplification
- ✓ Sector expertise
- ✓ Sustainability or development concerns
- ✓ Cost savings (e.g. duty concessions)

The preferred destination of Hela's largest customer was Africa and its first mover advantage helped to gain significant market share from other vendors.

ENABLING CUSTOMERS TO MAXIMISE BENEFITS ACROSS MARKETS




Each country/region has its own advantages. Hela, with factories across Sri Lanka and Africa, can maximize the advantages offered to clients:

One of Hela's customers wanted to shift their underwear manufacturing to Kenya (due to duty benefits). The customer did not have to switch vendors as Hela already had factories in Kenya. Thus Hela was able to offer both Sri Lanka's domain expertise and Kenya's duty concessions to the customer.

Hela's next expansion will be in Egypt – a USD 1bn industry that has the potential to rival Turkey (USD 25bn industry).

The Egypt operation will significantly reduce lead times for US and EU customers and improve the value proposition by localizing the supply chain for African manufacturing, while providing the customer indefinite duty free manufacturing.

ATTRACTIVE DUTY CONCESSIONS AND LEAD TIMES

	Sri Lanka	Kenya	Ethiopia	Egypt
 Duty	EU – 0%* US – 8%-32%	EU – 0% US – 0%	EU – 0% US – 0%**	EU – 0% US – 0%
 Estimated Lead Times	EU 23-25 days US 21-25 days	EU 23 days US 28 days	EU 23 days US 25 days	EU 3-7 days US 12-16 days
 Competitive Advantage	Agility & technical expertise	Skilled workforce	Cost advantages to target niche markets	Close to key markets

*under GSP+ concessions

**Under current AGOA tariff concessions

EXPERTS AT TURNING AROUND FACTORIES

Comprehensive geographic presence driven by management's unique operational turnaround and greenfield set-up experience, enabling Hela to replicate manufacturing excellence across continents in record time.



Kenya Factory

Commenced – 2016
Break-even – 22 Months



Ethiopia Factory 1

Commenced – 2017
Break-even – 13 Months



Ethiopia Factory 2

Commenced – 2020
Break-even – 8 Months



Egypt Factory (Expected)

Commencement – 2022
Break-even – 6 Months

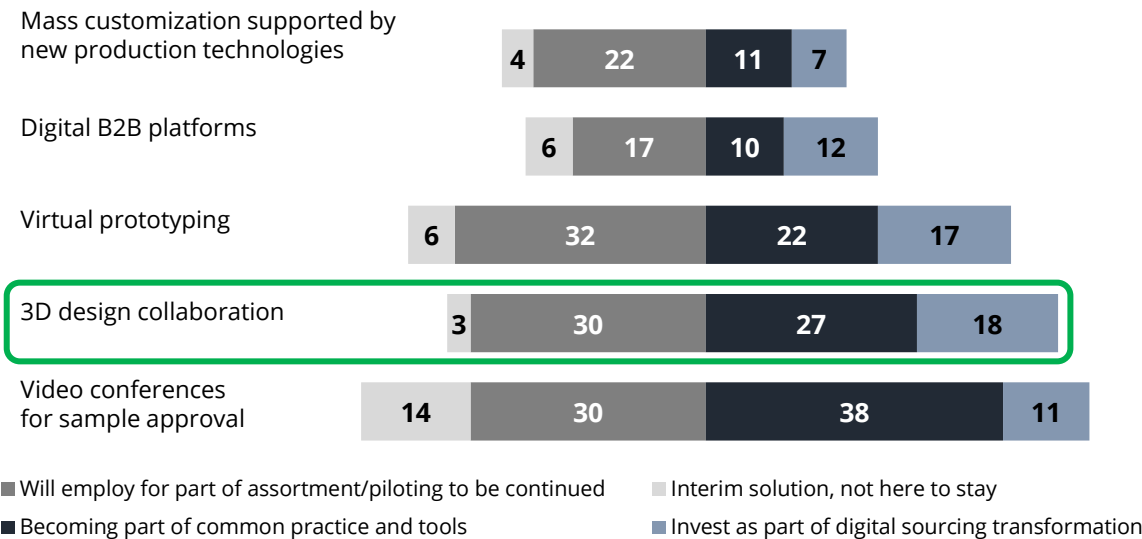
3-D virtual sampling gets a boost in the pandemic – leading to opportunities for agile manufacturers beyond COVID-19

POST-PANDEMIC DIGITALIZATION

One fact became abundantly clear during the COVID-19 pandemic: adopting technology is crucial to the longevity of a business. As companies around the world were forced to rely on alternative means to in-person collaboration, the need for innovations like digital sampling was more prominent than ever.

This accelerated the existing trend towards the greater usage of digital tools in the apparel sector. According to a 2020 survey, 27% of fashion sourcing executives believe 3D design will be common practice in the future and 18% expect to invest in it as part of their digital transformation.

Usage of Selected Digital Tools And Approaches
(% of responses from sourcing executives of fashion retailers and brands)



HELA ACTING AS THE SOLUTION PROVIDER

Hela rapidly adapted 3D sampling solutions during the pandemic to provide customers with an agile solution as they adjusted to working from home while managing disruptions to courier services.

Hela has since rolled out 3D sampling with most of its customers and plans to further invest in 3D tools to strengthen this offering.



BENEFITS



Avoids excessive rounds of physical sampling and associated sampling costs



Reduces textile waste



Reduces unnecessary carbon emissions from shipping



Significantly reduces sampling lead times and cost

Source: McKinsey & Company, Time for Change report 2020



STRONG CUSTOMER RELATIONSHIPS

Deep and narrow strategy focused on building strong and lasting relationships with key international brands

Hela has become a trusted supplier for several popular high-end brands as a result of the Company's customer-centric operational model



STRATEGIC BRANDS

CALVIN KLEIN

TOMMY  HILFIGER

KARL
KARL LAGERFELD


ellesse

TORRID
FASHION FOR SIZES 10 TO 30


PUMA


MICHAEL KORS

VANITY FAIR.

TESCO

LARGEST VENDOR FOR LEADING BRANDS

PVH

One of the largest
manufacturers for
sleepwear & underwear

TORRID
FASHION FOR SIZES 10 TO 30

Largest vendor for
intimate-wear


MICHAEL KORS

Largest manufacturer for
men's underwear

¹PVH is the parent company of major brands including Calvin Klein and Tommy Hilfiger

²Torrid is an inclusive American women's apparel chain

³Michael Kors offers men's and women's ready-to-wear, accessories, watches, jewellery, footwear, and fragrances












INDUSTRY

COMPANY

LEADERSHIP

INVESTMENT

Serving a diverse & robust portfolio of customers through customized engagement models

CATEGORY	CLIENTS	HELA ENGAGEMENT MODEL	DISTRIBUTION CHANNELS
Luxury & Lifestyle	 KARL LAGERFELD  CALVIN KLEIN  MICHAEL KORS  TOMMY HILFIGER  elle ^{se}  TORRID <small>FASHION FOR SIZES 10 TO 30</small>	<p>Focus on strong lifestyle brands with presence across multiple distribution channels.</p> <p>Matchmaking role on strategic collaborations to offer benefits to the customers while ensuring exclusive manufacturing rights.</p> <p>Partnering with the customer to base Hela staff in their offices to work directly with them and manage development, sourcing and manufacturing.</p> <p>Hela has design houses in both the US and Europe to provide design solutions in response to local trends.</p>	 Wholesale  Retail  E-commerce
Value	 warner's  TESCO	<p>Engagement with supermarkets and value brands ensures robust demand, regardless of economic conditions.</p> <p>Strategic sourcing partners for specific product lines.</p> <p>Hela offers high-quality manufacturing capacity along with design, supply-chain and logistics services.</p>	

Hela's holistic market approach enables it to achieve a level of flexibility which is unique in the apparel sourcing sector. Improving profitability during COVID-19 is a testament to this strategy as e-commerce and supermarket channels remained active during the pandemic



Hela's product innovations have gained wide market credibility, higher margins and stickier clients

HELA'S RECENT INNOVATIONS



Michael Kors Pinnacle
Moulded Boxer Short
with Gel Print



Tommy Recycle Premium Essentials Underwear
Made from a fabric blend featuring recycled and organic cotton



Augmented Reality T-shirt
Offers a gaming experience which is activated by scanning the t-shirt print



Dry3™ Technology for M&S and Van Heusen
Highly absorbent multipurpose fabric with a wide variety of applications



Warner's No Side Effects Panty
Full coverage style with side panels for a smoothing effect



Torrid One Size Panty
A smooth microfiber with 400% elongation in both length and width to fit all sizes



Tesco EPP Dress
Fully sustainable product, while maintaining an Entry Price Point



Calvin Klein Ultra Stretch
The four way stretch structure allows flexible fit for lounge pieces and is perfect for the new normal lifestyle – from WFH to workout mode

An award-winning apparel manufacturer on a journey to become the industry leader in ethical and sustainable manufacturing



Awarded for Hela's commitment towards empowering livelihoods for women and community uplift



Awarded for sustainability initiatives that were closely tied to Tesco's own values and strategies



Awarded for the high standards and exceptional practices built around sustainability at Hela's factories



Awarded for being the best solution provider across Tesco's supply chain



Awarded by the Ethiopian Center for Disability and Development in recognition of efforts to nurture a culture of inclusivity



Awarded for strategically collaborating with PVH on offering unmatched value to its brands, across multiple product categories



Awarded the best apparel exporter award - Medium category



Awarded the merit prize for Hela's contribution towards Sri Lanka's apparel exports



A group of African people, mostly young adults, are lined up and looking towards the camera. They are wearing matching blue polo shirts. The background is a plain, light-colored wall.

SPEARHEADING AFRICA'S APPAREL REVOLUTION

The next big destination for apparel where Hela has the first mover advantage

Hela has the first mover advantage to capitalize on Africa's transformation in the apparel industry at a time when brands are exiting China en masse

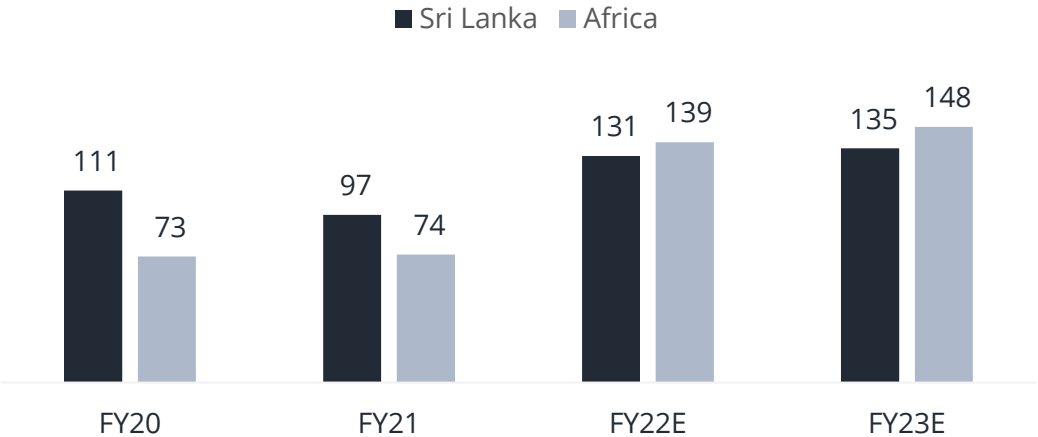
STRATEGICALLY LOCATED IN AFRICA WITH FIRST MOVER ADVANTAGE

Having identified Africa as the final frontier for apparel manufacturing, Hela's first mover advantage has secured it as the pioneer of the industry's rehabilitation in East Africa and one of the region's largest apparel exporters.

This position has allowed Hela to attract a substantial portion of business from major global brands that are migrating to the region.

KENYA	ETHIOPIA	EGYPT
Hela represents 19% of Kenyan apparel exports	Hela is one of the largest intimates exporter	Hela aims to be the largest intimates exporter by 2024

HELA'S AFRICA REVENUE GROWTH PROJECTIONS (USD MN)

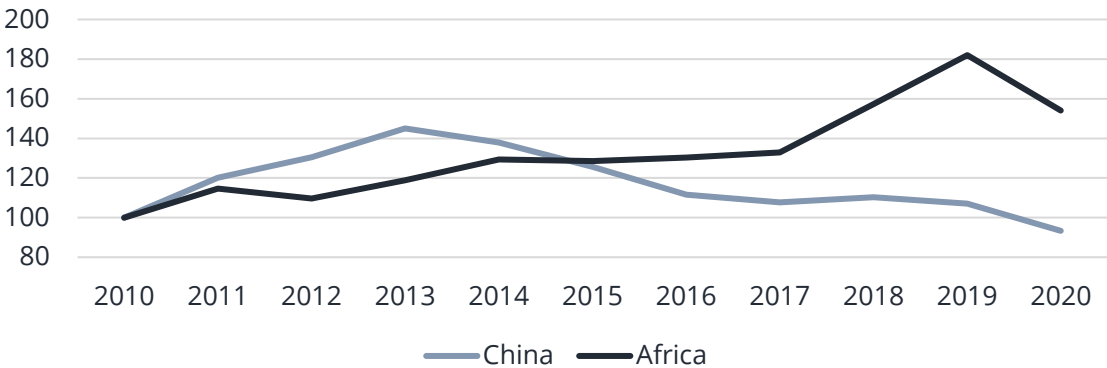


AFRICA IS THE NEXT MAJOR DESTINATION FOR APPAREL

With many brands seeking to move manufacturing out of China due to rising costs, US tariffs and concerns over forced labour, changes to global apparel supply chains have accelerated. European buyers are now also joining their US counterparts in the search for alternative sourcing destinations.

Hela is in a unique position to capitalize on this as customers seek reliable, established and high-quality suppliers in the African region to enable them to benefit from the cost and duty benefits of sourcing from the region.

Apparel Exports Movement (Indexed to 100)



Hela is leading the development of textile supply chains in East Africa to ensure it can offer a robust value proposition to its customers. Through collaboration with local textile mills, Hela has already increased use of African fabrics in its Kenyan and Ethiopian plants to 10% of the total requirement. Further expansion plans in Africa's supply chain are also under discussion.

Source: AGOA.info, UN Comtrade, Management Information

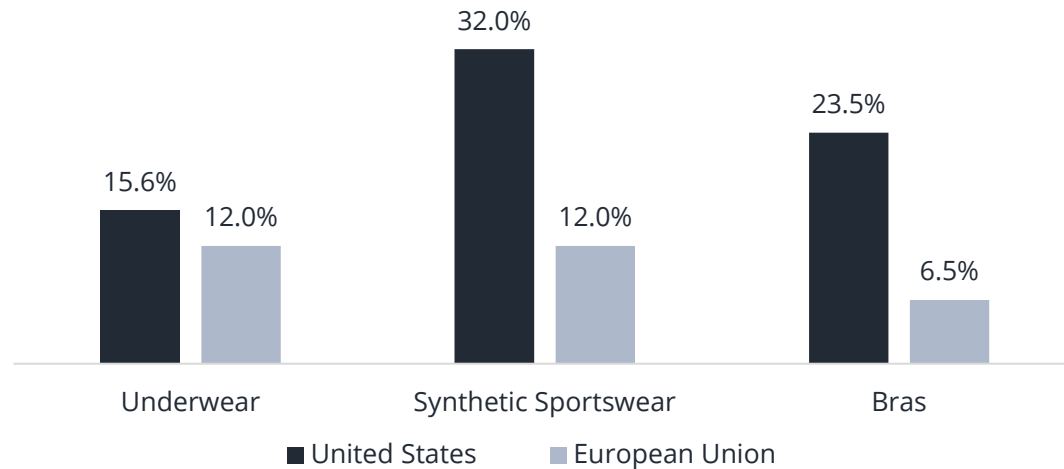
Duty free access to Europe and the US coupled with government commitments to develop the apparel sector will make Africa a future fashion hub

AFRICA OFFERS SIGNIFICANT DUTY BENEFITS

Exporting from the African region provides significant duty benefits. The Africa Growth and Opportunity Act (AGOA) provides duty free access to the US with no restrictions on the use of imported fabric. Similarly, Europe's GSP scheme and network of Economic Partnership Agreements allows uninhibited access to the European Union and UK markets. Many African countries also benefit from duty free access to other markets, including Canada, Australia and Japan.

This allows apparel brands to make savings of up to 32% compared to sourcing from other regions, which Hela is able to pass on to its customers' bottom line.

Standard Import Duty on Apparel Products



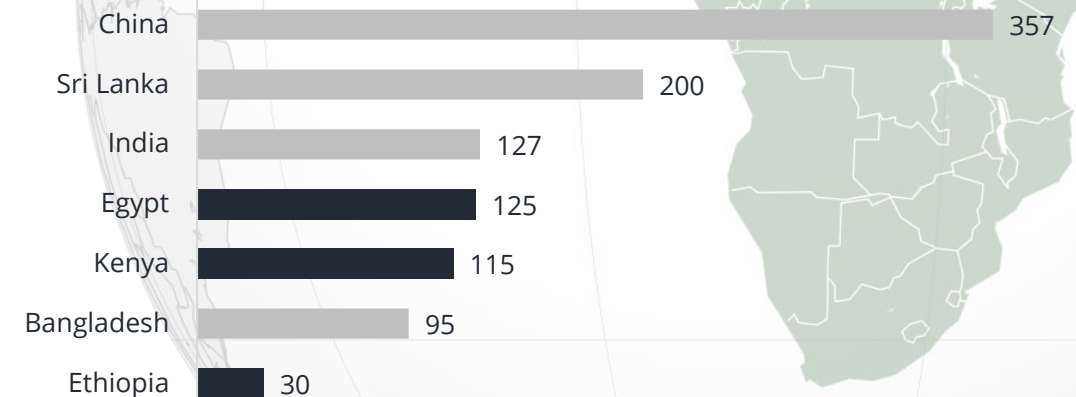
Source: World Trade Organisation

SUPPORTED BY FAVOURABLE GOVERNMENT POLICIES AND COST BENEFITS

Major African governments (including in Kenya and Ethiopia) have identified apparel manufacturing as crucial to their next stage of development and are pursuing a range of supportive policies. For example, Hela's African plants benefit from significant investment incentives, including corporate tax holidays of up to ten years and subsidized utilities.

Coupled with a lower-than-average labour cost, this allows Hela to offer cost-competitive manufacturing solutions while maintaining favourable margins.

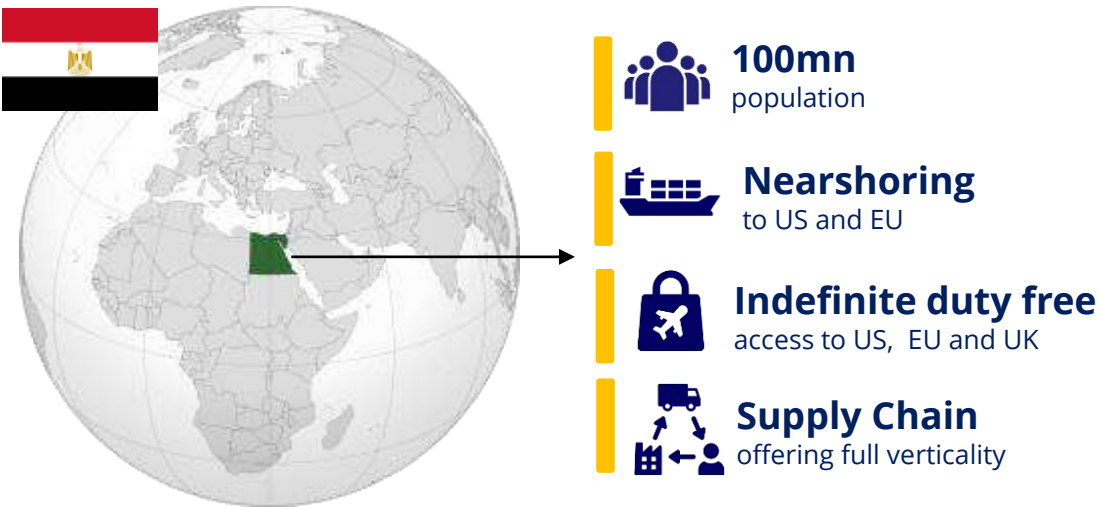
Avg. Apparel Labour Cost (USD per month)



Source: MSINGI Textile And Apparel Industry In East Africa | Country Benchmarking Report 2020
Business & Human Rights. Resource centre

Hela's next expansion in Africa will be in Egypt – offering a “nearshoring” solution with a well-developed local supply chain

WHY EGYPT?



Egypt offers a **large, cost-effective, and skilled labour force**. The average age is 25 and the working age population is expected to grow rapidly over the coming decades. Average labour costs in the apparel sector are around USD 125 per month, which compares favourably to competitors like India or Vietnam.

Its **strategic geographical location** also allows it to offer a nearshoring solution for apparel brands, with shipping times as short as 3 days to Europe and 12 days to the US. Given its significant cost benefits over other nearshoring destinations such as Turkey or Eastern Europe, it is an extremely attractive sourcing location.

Indefinite duty free access to the US – through the Qualified Industrial Zone programme – and the EU & UK through bilateral free trade agreements, further strengthens Egypt's value proposition.

WELL-DEVELOPED SUPPLY CHAIN

Egypt is one of the few countries in Africa that offers a **fully vertically-integrated supply chain**, from cotton growing to fabric knitting. It is also the largest producer of extra long staple cotton in the region.



The textile sector is already well established in Egypt and has a strong reputation for quality, technical expertise and socially compliant factories, offering everything from basic cotton fabrics to complex synthetic products, including weft knitted fabrics and lace.

The Egyptian government also offers significant incentives to source locally, including export rebates on local value added. This is in addition to incentives for apparel manufacturing, including corporate tax holidays.

PRODUCT DIVERSITY



Egyptian Cotton

Twill

Synthetic

Pique

Fleece



A SUSTAINABLE AND ETHICAL MANUFACTURER

Hela is a social capital-focused manufacturer – driving inclusivity and sustainability across the apparel sector



CAL

CT CLSA

Hela provides 18,000+ stable jobs with opportunities for progression to those in vulnerable communities across Sri Lanka & Africa

ONE HELA



78% of Hela's workforce is female



30 is the median employee age



4,000+ new jobs were added between March 2020 and March 2021

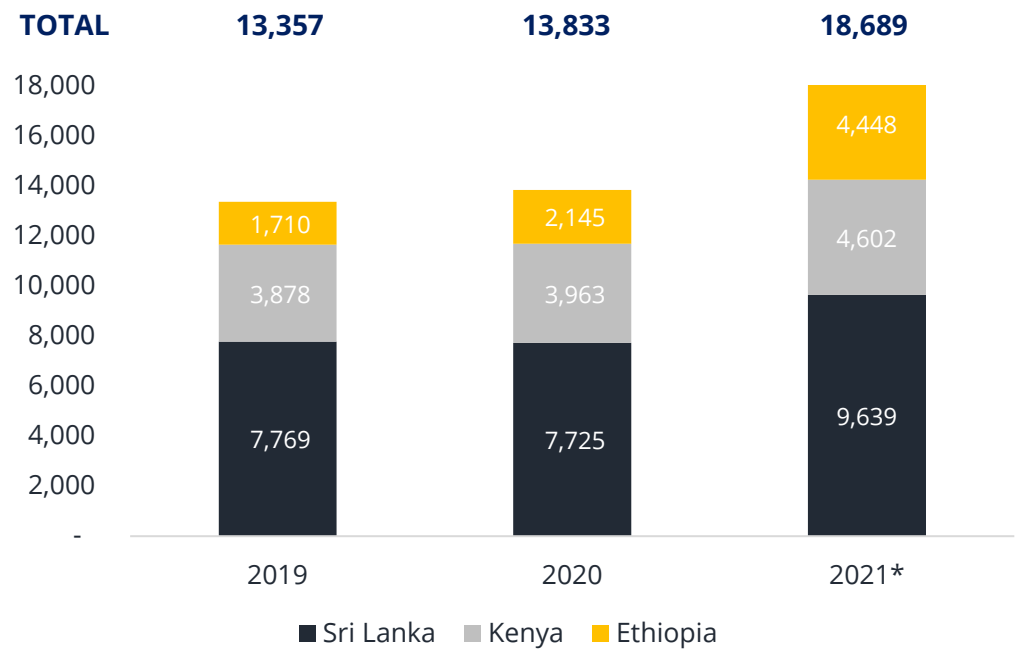


Zero Layoffs at team member level during the COVID-19 pandemic



COVID-19 Vaccinations guaranteed for all employees free of charge

EMPLOYEE GROWTH



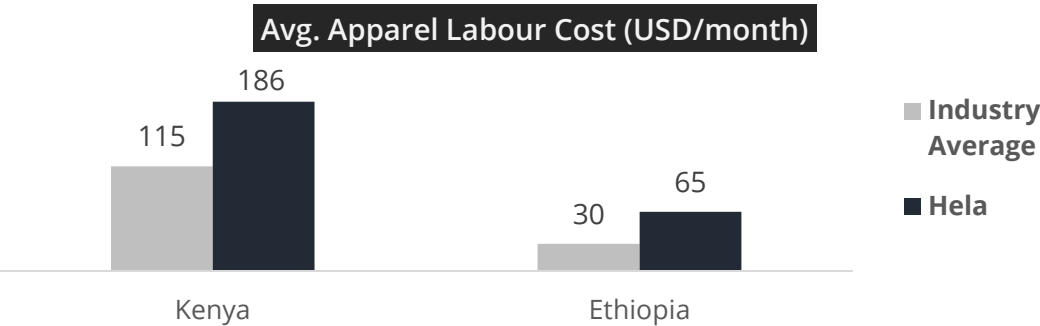
KEY BENEFITS FOR TEAM MEMBERS



Hela empowers its employees and the wider community through multiple CSR initiatives across its global footprint

RESPONSIBLE EMPLOYER

Hela’s focus on the triple bottom line ensures that the company is fully cognizant of its impact in the community. This has resulted in the company striving to ensure that its employee compensation is above the GDP per capita of the countries in which its operates.



To counter a shortage of clean drinking water, Hela Kenya provides each team member with 20L of drinking water that they may take home each day. This is part of the HELA FRESHI project. To date the company has provided over 5mn litres to its employees positively affecting over 1000 families.

The HELA CRECHE was started to provide free childcare to employees in Kenya, thereby reducing their economic burden and providing parents with peace of mind while they work. The children also benefit from spending time with child development professionals.



Global Human Rights Award 2016 Awarded by PVH



Most Inclusive Employer Award 2019 by the Ethiopian Center for Disability and Development

COMMITMENT TOWARDS COMMUNITY



PROJECT P.A.C.E.

Hela has rolled out the **Personal Advancement & Career Enhancement** (P.A.C.E) programme, an evidence-based comprehensive learning programme for female apparel workers that covers topics such as communication, problem solving and decision making, time and stress management, as well as water, sanitation and hygiene, health, and legal and financial literacy.



Hela has rolled out PACE in all Sri Lankan plants and was the **first company** to commence this programme in Ethiopia. Hela’s Internal target is set to produce **5,690 P.A.C.E. Certified employees** by 2023.



PROJECT DIRILIYA

Hela is forming a **Diriliya Club** in every plant to empower and support team members in improving the lives of their families, and uplifting them as heroes in society.



These clubs will provide support to employees to gain additional skills and leverage the wider Hela network to support the development of additional income sources for their families.

Hela is targeting to enroll **5% of the company’s employees (~1,000) by 2023.**

Source: MSINGI Textile And Apparel Industry In East Africa | Country Benchmarking Report 2020

Hela is at the forefront of sustainable manufacturing, which is becoming a focal point in the global apparel sector

POWERED BY THE SUN

Hela is continuously striving to be a responsible manufacturer, and has introduced multiple sustainability initiatives to reduce its environmental impact.



6
of Hela's factories will use solar panels by end-2022



41%
share of renewable energy usage in current energy mix



Corporate sustainability team
to ensure a positive contribution to the environment



Environmental Management System and Energy Management System in 2022
(to support Net Zero trajectory)

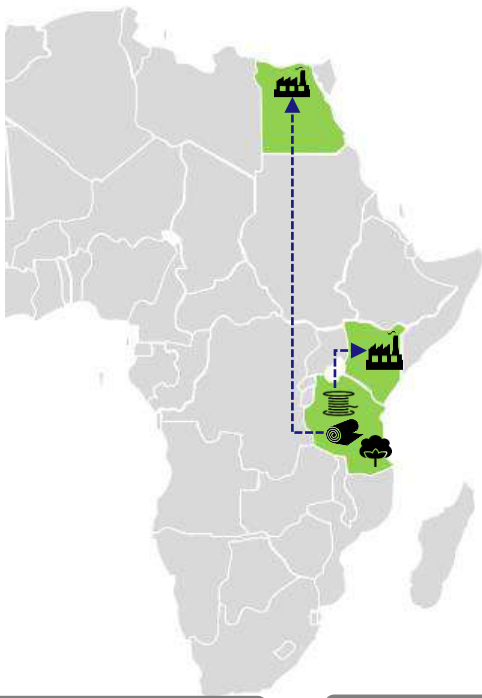
Multiple plant sustainability & environmental compliance certifications demonstrate these efforts. In particular, Hela has obtained both the Global Recycled Standard (GRS) and Global Organic Textile Standard (GOTS), and is working towards B Corp certification by 2022.



IMPACT COTTON™

Hela is leading the **rehabilitation of textile supply chains in East Africa** through its Impact Cotton initiative. Focusing initially on Tanzania – the world's fifth largest producer of organic cotton – this project aims to build linkages between cotton farmers, spinners and textiles mills, to produce high-quality fabrics that can be used in Hela's manufacturing operations across the region.

In addition to reducing the environmental impact of shipping fabrics from Asia, this project will allow Hela to provide customers with a **comprehensive, transparent and traceable African supply chain solution** at a time when major brands are seeking alternatives to opaque supply chain networks in Asia.



Organic Cotton from Tanzanian Farmers



Spinning in Tanzania



Knitting and Dyeing in Tanzania



Cut and Sew done by Hela in Kenya and Egypt

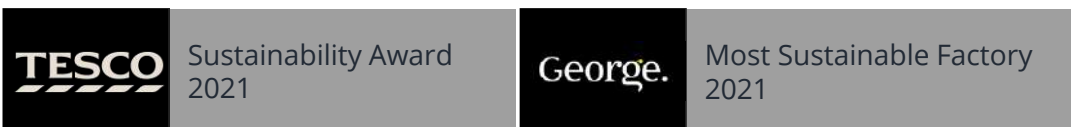
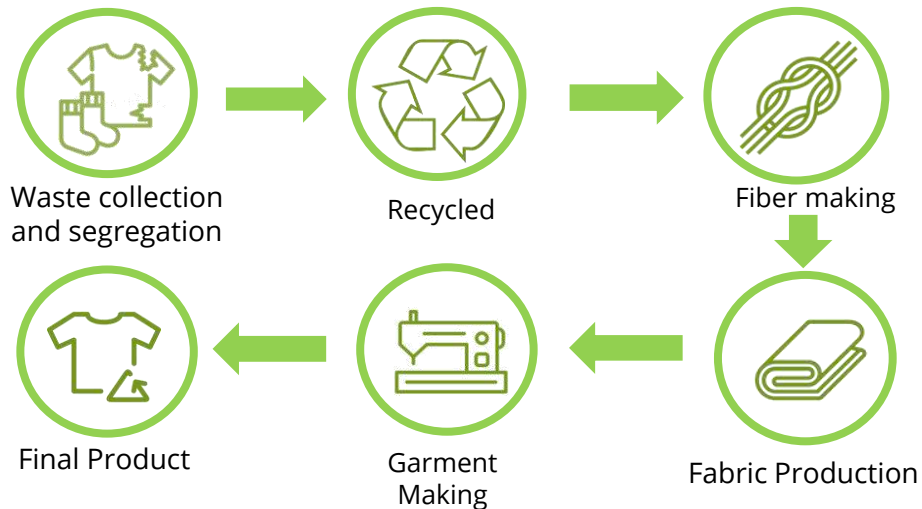
Hela is supporting the development of recycled cotton and driving further innovations in sustainable textiles

RECYCLED FABRICS

Hela is supporting the development of recycled cotton yarns made from used clothing in partnership with a Sri Lankan textile manufacturer. This has been rolled out with a number of Hela's customers as an additional 'circular' solution.

In addition to this, Hela has also supported the development of a polyester fabric range made from recycled PET bottles – branded as "RECLAIMED". Hela has demonstrated the viability of this product by manufacturing thousands of employee uniforms from this fabric.

RECYCLED COTTON PROCESS



SUSTAINABLE MATERIAL

WELLNESS FIBRE



To address the environmental impact of producing cotton and petroleum-based synthetic fabrics, Hela has partnered up with an international fibre manufacturer to provide its customers with fabrics using fibres derived from plant-based sustainable sources.

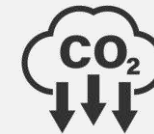
These fibres are produced exclusively from sustainable raw materials – including wood and seaweed – using methods that save both energy and resources. This also ensures they are entirely biodegradable.

TEA DYE COLORS



As an alternative solution to chemical dyes, which produce significant water pollution, Hela has introduced a process that uses natural tea pigments. This is a partnership with local Sri Lankan researchers and tea producers, and provides a range of colour options from Ceylon tea waste.

Tea dyeing is viable on a wide range of fabrics and has generated significant interest from Hela's customers as an additional sustainability offering.



Reduces carbon footprint of dyeing by 75%



Uses waste materials



Feasible on a range of fabrics



REPUTABLE LEADERSHIP

Combination of Shareholders, Board of Directors & Top Management with decades of industry experience driving Hela from the top

Shareholding consisting of a consortium of local and international giants in the apparel sector



LESING HELA



TARS INVESTMENTS LANKA



DILANKA JINADASA

An investment vehicle established by trusts, which benefit the family of Tom Singh, the UK fashion pioneer and founder of high-street fashion chain 'New Look'.

Over the last 30 years, New Look has grown in size and value, and generated several cash realisations for the Singh Family Trust that allowed them to build a diversified portfolio of private equity, real estate and liquid investments.

The Singh Family Trust are advised by London and Zurich based boutique investment advisor Rianta Capital, who have created a diversified global PE portfolio, with a strong focus on the retail sector.

Represented by Channa Palansuriya, who was formerly Chairman of Sampath Bank, and Chairman and Managing Director of Orit Group which comprises of Orit Apparel Lanka Ltd. and Orit Trading Lanka Ltd.

Channa's experience as a pioneer in the Sri Lankan apparel sector has helped Hela in expanding its footprint in Sri Lanka as well as providing the required expertise in local apparel sourcing.

Dilanka is the Group CEO and Executive Director of Hela Apparel Holdings.

He was formerly the Managing Director of Foundation Garments and is credited with transforming it into one of Sri Lanka's most progressive apparel organizations prior to its acquisition by Hela in 2016.

He has also been a Non-Executive Director at Panasian Power PLC, (a renewable energy company listed on the Colombo stock exchange).

Led by a group of industry professionals with decades of combined experience



A.R. Rasiah – Chairman

Rasiah has over 40 years of experience in the finance sector both internationally and locally. He is the former Finance Director of Nestle Lanka PLC and the former Chairman of Atlas Axillia (Pvt) Ltd. He was also the former Senior Director of Nations Trust Bank PLC, and served on the boards of the Colombo Fort Land & Building Group and Ceylon Cold Stores. He currently serves as a Director of Sunshine Tea Co. Ltd.



Aroshi Perera - Independent Non-Executive Director

Dynamic leader in the field of strategic planning, HR and risk management, having gathered extensive experience through her 20 year career. Aroshi started her career as a Corporate Banker, first at ABN AMRO Bank NV and later at Deutsche Bank AG Sri Lanka. She was the Group Director of Human Resource Development at Delmege while also serving on the Board of Delmege Interior Décor (Pvt) Ltd. She later joined the Brandix Group as Chief Risk Officer and subsequently as CEO of Brandix Hangers (Pvt) Ltd.



Trisha Peries – Independent Non-Executive Director

Trisha is the Head of Economic Research at Frontier Research (Pvt) Ltd, playing a key role in the development of its macroeconomic views, catering to many of Sri Lanka's largest listed conglomerates, private equity funds and investment banks. She plays a key role in providing and executing strategic business decisions for the firm, as well as leading initiatives to develop new opportunities within the economic product portfolio. She is also a member of the Board of Trustees to the CEPA Development Fund



Gayan Gunawardana - Independent Non-Executive Director

Gayan is a chartered accountant (CPA) who started his career at PWC UK. He has over 12 years of experience in leadership, finance and strategic planning with strong technical knowledge on accounting, audit and corporate governance. He has secured and executed several multimillion dollar investments and transactions across multiple businesses and industries. He is currently the CFO at listed renewable energy producer Panasian Power PLC.



Dr. Alastair Alderton - Non-Executive Director

Alastair is the CEO of Rianta Capital, a London and Zurich based boutique multi-asset investment advisor. As part of his role, he manages a global, diverse and dynamic investment portfolio in private equity, with a strong footprint in leading consumer-facing businesses and DTC retail. Alastair was formally a senior lawyer at law firm, Clifford Chance and holds a PhD in History from the University of Cambridge in addition to his Bachelors, Masters and Law School qualifications. Alastair has been chairman of Hela Advisory Board since its creation in 2018.



Patrick Schleiffer - Non-Executive Director

Patrick is a private equity investment manager at Rianta Capital, a London and Zurich based investment advisory firm. In his role, he oversees Rianta's private equity portfolio, which has a strong footprint in consumer-facing businesses and technology. During his time at Rianta, Patrick has closed several cross-border transactions ranging from the US, Germany, Spain, India, Australia, and Sri Lanka. Prior work experience include Obviam, the manager of the Swiss Investment Fund for Emerging Markets, where Patrick has focused on investments in healthcare, education and renewable energy in Africa and Latin America. Patrick is a CFA charter holder.

Experienced senior management providing an edge in identifying opportunities



Shameen Pieris - CEO - Hela Intimatewear

Shameen has 20 years of business strategy and finance experience. He held the position of Chief Operating Officer for Hela Kids and subsequently became the Chief Operating Officer for Hela intimates and Hela Africa. Prior to joining Hela, Shameen was the Head of Planning at MAS Intimates, where he was responsible for driving business strategy.



Moiz Rehmanjee - Group CFO

Moiz has held a number of leadership roles in Sri Lanka as well as overseas in Forbes listed companies and has over 20 years of experience. He is the former COO at Teejay Lanka and former Finance Director at Reckitt (Philippines).



Viraj Fernando - CEO - Hela Sportswear

Viraj has over 20 years experience in the industry, starting his career at MAS before spending 9 years at Brandix where he held the position of Senior General Manager prior to joining Hela. He possesses a Bachelor of Finance and an MBA from the University of Colombo.



Nadeesha Wijesingha - Group Chief People Officer

Nadeesha has over 23 years of experience in human resources and marketing roles. She held the position of Global HR Business Partner at Unilever Sri Lanka where she started her career as a management trainee. She has a BSc in Architecture from the University of Moratuwa, and an MBA from the University of Colombo. She also has an MA in Dev. Economics as a recipient of the USA Fulbright Scholarship.



Rajitha Gunawardena - Director Manufacturing

With over 20 years of manufacturing experience within the apparel sector, Rajitha started his career as an Industrial Engineer and swiftly progressed to General Manager (Manufacturing). His knowledge and experience coupled with his unique leadership style has nurtured many successful experts across the apparel industry.



Sanath Amaratunga - CEO - Hela Kidswear

Sanath has over 25 years of apparel industry experience. He is the former Managing Director of Leading Lady Intimates (Licensee for Jones New York Intimates) and spearheaded the second seamless factory in Sri Lanka. He also served as the Chief Operating Officer at Timex-Wacoal Lingerie, where he set up a bra cup manufacturing facility and digital fabric printing plant.



Ruwanthi Fernando - Chief Information and Process Officer

Ruwanthi has over 25 years of experience in the IT industry. She is the former Chief Information Officer of Expolanka Freight and started her career at MAS. Ruwanthi possesses an MBA from the University of Western Sydney.



Vivek Ramchandani - CEO - Safeguard Workwear

Vivek has over 10 years of experience in the innovation space. He is the former Director of Production and Innovation at MAS Kreeda and was a General Manager at Twinery Innovations. He drove the completion of several major patent publications during his time at MAS.



Sajeeka De Silva - Director Design & Product Innovation

Sajeeka has over 15 years of experience in apparel. She started her career at MAS and worked as the Design Manager for Limited Brands. She has a Bachelors in Design (Hons) from the University of Moratuwa, a certificate in technical design for apparel (FIT-NYC) and is currently reading for an MBA in marketing from Cardiff Metropolitan University.



Nissanga Warnapura - Director Marketing

Nissanga is a graduate from the University of Nottingham with a degree in electronics. Nissanga pioneered the introduction of 3D printing and Quick Turnaround prototyping in Sri Lanka. With 13 years of experience in apparel, Nissanga was instrumental in creating and driving the 'Value Chain of the Future', which led to Hela being recognised as a household name in sustainable apparel manufacturing.



FINANCIAL FORECASTS AND VALUATION

An IPO with a valuation upside of 28.4%

Strong fundamentals demonstrated by a resilient financial performance and increased profitability despite the pandemic

RESILIENT FINANCIAL PERFORMANCE DESPITE COVID IMPACT

Both FY20 and FY21 performance were negatively impacted by the COVID-19 pandemic. Average revenue fell to USD 10mn in March-September 2020 from an average of USD 16mn in the preceding period

Nonetheless, Hela's robust and strategic customer relationships supported a rebound in demand across the second half of the financial year. This allowed the company to add USD 4.6mn to its bottom-line and conclude the year with increased profitability

Income Statement (USD 000')	FY20	FY21
Revenue	183,502	171,101
Gross Profit	30,171	30,515
Operating Profit	11,096	10,429
Profit Before Tax	4,573	4,853
Profit After Tax	4,284	4,638
GP Margin	16.4%	17.8%
Operating Profit Margin	6.0%	6.1%
PAT Margin	2.3%	2.7%

ON TRACK TO ACHIEVE USD 8.1MN PAT IN FY22E WITH A SECURED PIPELINE

Continuing its strong performance, Hela has secured its order pipeline up to December 2021, surpassing its original budget by c. 23%

This will enable the Company to record USD 270mn in top-line for FY22E

Secured pipeline (USD 000')	1Q FY22*	2Q FY22*	3Q FY22**	Total 9 months
Revenue	57,406	74,558	77,498	209,462

The Company incurred USD 1.7mn in one-off expenses, such as increased spending on employee safety, which affected both FY21 and 1Q FY22 profits

Despite these one-off expenses, Hela has achieved USD 7.3mn recurring net profits attributable to shareholders (TTM September 2021) and is on track to achieve USD 8.1mn in FY22E

Recurring TTM Earnings (USD 000')	2H FY21	1Q FY22	2Q FY22	TTM Sep FY22
Net Profits attributable to shareholders	4,633	324	2,301	7,259

USD 1.7mn

One-off COVID expenses
TTM Sep 2021

USD 7.3mn

TTM Sep 2021 Earnings

FY – Financial year ended 31 March
*Actual figures **Projected figures

IPO valuation at a 10.5x implied PER on FY22E earnings resulting in a valuation upside of c. 28.4% for an investor

VALUATION AND INVESTMENT REQUIRED

The LKR 4bn in funds to be raised via the IPO (at 20.5% dilution) will directly support the company's key growth initiatives in Sri Lanka and strengthen the company's balance sheet to bolster further expansion in Africa

LKR 15.00

IPO Price/Share

Valuation Methodology	Value Per Share (LKR)	Valuation Upside
Discounted Cash Flows	19.25	28.4%

The IPO price of LKR 15.00 offers an upside of 28.4% to an IPO investor on the post-money share price of LKR 19.25 derived from the DCF valuation

AT A SIGNIFICANT DISCOUNT TO PEERS

The implied PER based on the expected FY22E earnings attributable to equity shareholders, of LKR 1,570mn (USD 7.6mn), is at 10.5x – a 22.6% upside potential compared to the market cap weighted average local peer PER of 12.9x

Based on the FY23E earnings, the implied PER is at 6.9x

10.5x
IMPLIED PER
(FY22E Earnings)

6.9x
IMPLIED PER
(FY23E Earnings)

P/E Comparison	HELA	Teejay	Hayleys Fabric	Weighted Average	Upside Potential
Implied P/E Multiple - FY22E	10.5x*	12.9x	12.9x	12.9x	22.6%
Implied P/E Multiple - FY23E	6.9x*	10.0x	9.0x	9.7x	40.9%

*Based on the diluted EPS
Market Capitalization as at 12th November 2021 and earnings on a trailing twelve months (TTM) basis
Forward implied PER for peers are based on broker consensus from Bloomberg

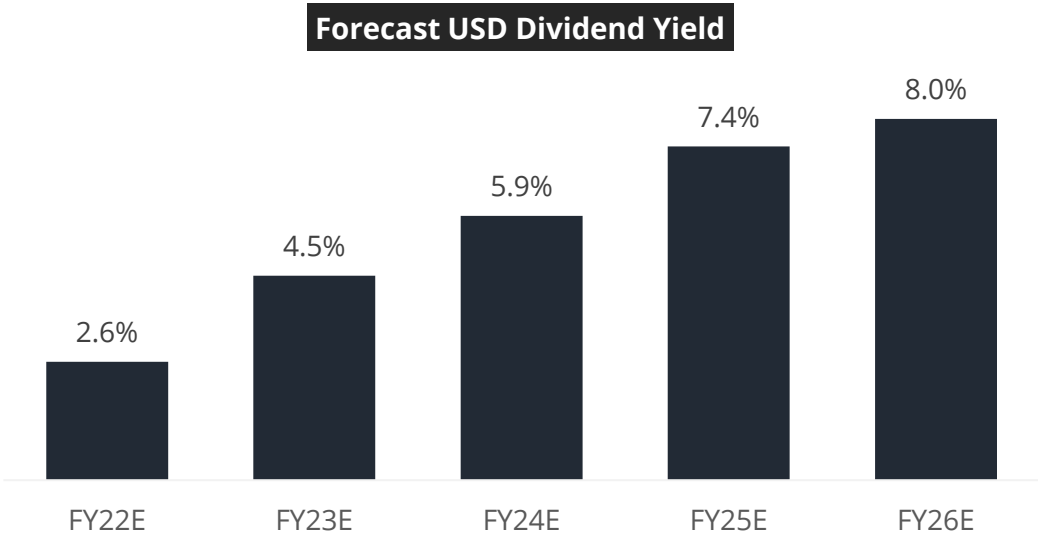
IRR of c. 25.0% for an IPO investor through an exit in FY23E – with investments yielding additional cashflows and 5.7% USD dividend yield on average

STRONG DIVIDEND FLOW

The Company intends to maintain a minimum dividend pay out ratio of 33%

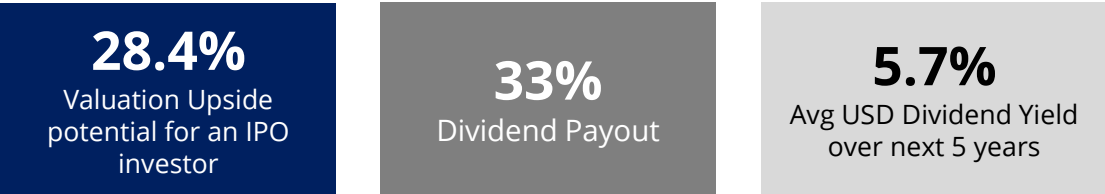
This will provide investors with a c. 5.7% USD dividend yield on average over the next 5 years, with a even more significant benefit for local investors when taking into account the expected depreciation of the Sri Lankan Rupee

The dividend yield (post-IPO) is expected to be between 2.6% - 8.0% over the next 5 years

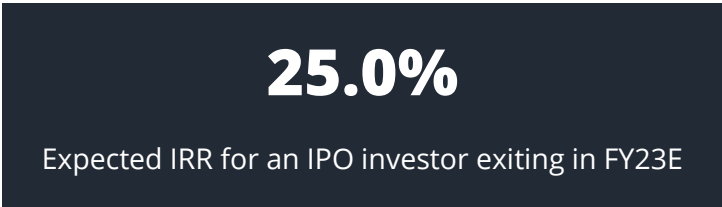


VALUATION UPSIDE AT A POINT OF EXIT

The valuation upside coupled with the dividend yield provide significant potential returns to an IPO investor



Based on an exit PER multiple of 10.0x and the forecasted dividend payout, an incoming investor can secure a potential c. 25.0% IRR if they hold the shares until FY23E



Historical and forecasted financials

As at 31 March (USD 000')	FY20	FY21	TTM Sep 2021	FY22E	FY23E
Revenue	183,502	171,101	239,952	269,997	283,373
Gross Profit	30,171	30,515	41,134	40,624	47,735
EBITDA	15,364	15,302	18,010	19,998	26,858
PBT	4,573	4,853	7,856	8,582	14,665
PAT	4,284	4,638*	7,656*	8,102	13,289
GP Margin	16.4%	17.8%	17.1%	15.0%	16.8%
EBITDA Margin	8.4%	8.9%	7.5%	7.4%	9.5%
PAT Margin	2.3%	2.7%	3.2%	3.0%	4.7%
Total Assets	126,899	133,941	167,351	179,311	178,341
Total Equity	15,042	19,944	22,182	42,781	51,640

Significant additional top and bottom line potential via the IPO proceeds

**FY21 PAT includes a \$0.4mn cost arising from the initial granting of shares under the company's Employee Share Option Plan*

The background of the slide is a photograph of a textile mill. It shows multiple rows of spinning spindles, which are bobbins of white thread mounted on a wooden frame. The spindles are arranged in a grid-like pattern, and the lighting is warm and slightly dim, creating a sense of a traditional manufacturing environment.

USE OF PROCEEDS

Investments in digitalization initiatives and verticality to gain agility and supply chain security

INITIATIVE	 BALANCE SHEET RESTRUCTURING	 INVESTMENT INTO VERTICALITY	 INVESTMENT IN SAP AND DIGITAL INITIATIVES	 AUTOMATION INITIATIVES
INVESTMENT	 LKR 2 BN	 LKR 1 BN	 LKR 0.6 BN	 LKR 0.4 BN
RATIONALE	 BALANCE SHEET STRENGTHENING TO FUND EXPANSION	 SUPPLY CHAIN SECURITY THROUGH VERTICAL INTEGRATION	 FACILITATING CREATION OF DIGITAL CORE	 TO FACILITATE AUTOMATION, PRODUCTIVITY AND UPGRADES

Additional LKR 0.7bn capital expenditures funded via debt financing will flow into Africa expansions

Balance sheet restructuring will enable Hela to raise foreign debt funding, while automation initiatives are expected to improve efficiency levels



BALANCE SHEET RESTRUCTURING LKR 2BN

The company intends to utilize LKR 2bn billion of the IPO proceeds to retire a portion of short-term debt.

The debt to be settled was initially borrowed during the period 2016-2018 for the purpose of funding expansion into Kenya and Ethiopia. These investments have now reached maturity.



RATIONALE

- ✓ Strengthen the Sri Lankan balance sheet to support USD debt raises in Mauritius to fund expansion in Africa
- ✓ With the settlement of these loans, the debt-to-equity ratio is expected to improve from 4.0 to 1.7 by FY22E
- ✓ Annual finance cost of approx. LKR 80 million (subject to changes in LIBOR) incurred on these loans will be saved post IPO and will result in an improvement in profitability



AUTOMATION INITIATIVES LKR 0.4BN

Hela intends to utilize LKR 0.4 billion on capital expenditure for its Sri Lankan production facilities

This investment would be focused on automation of processes and productivity improvements within the Sri Lankan facilities



RATIONALE

- ✓ Building a more efficient and effective production process, while directly reducing Hela's raw material wastage
- ✓ Increased use of machinery will enable Hela to maintain quality more consistently
- ✓ Automation of non-value adding operations will allow Hela to improve its man to machine ratio



Hela is planning to invest LKR 1bn into verticality to obtain greater supply chain security and deepen its textile expertise

INVESTMENT INTO VERTICALITY

Hela intends to invest LKR 1bn of the IPO proceeds in a fabric mill project in Sri Lanka. This will be a joint investment as part of a consortium and the mill will be managed by an experienced fabric manufacturer which will ensure margin improvements and operational efficiencies. This investment will ensure greater raw material supply security for Hela's Sri Lankan operations, which will in turn enable more product innovation and higher levels of customer satisfaction.

Considering the raw material requirements of Hela's Sri Lankan operations, the management is seeking to invest in a fabric mill with a daily production capacity of 15 to 30 tonnes. The expected timeline for the completion of the investment is in the first half of 2022.

RATIONALE



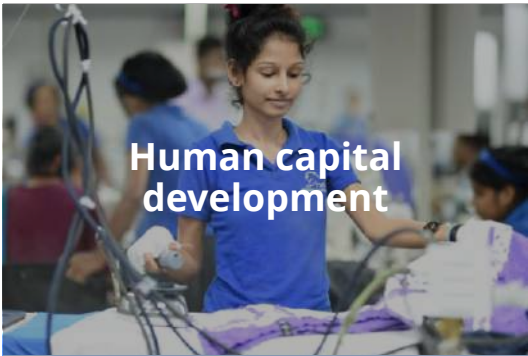
Supply Chain Security

Ensure raw material supply security for Hela's Sri Lankan operations which will in turn enable higher levels of customer satisfaction.



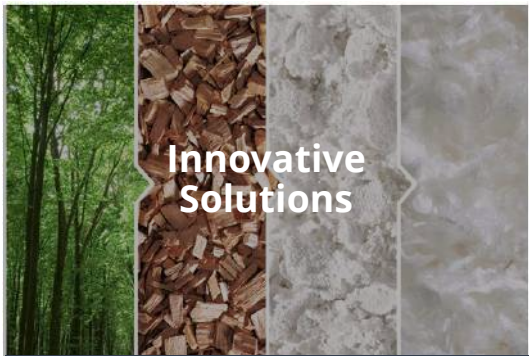
Expand on technical and sector expertise

Build sector and technical expertise to support future supply chain investments in Africa.



Human capital development

Human capital development is vital to Hela's growth and its productivity improvements. Diversifying into a new vertical pillar such as textiles will enable Hela to develop its employees with a broader spectrum of skills in the total apparel supply chain.



Innovative Solutions

Greater sector expertise will help to support the development of more innovative textile solutions, such as sustainable fabrics.

LKR 0.6bn investment in SAP ERP system to develop the company's digital core – a crucial requirement for future growth

INVESTMENT IN DIGITAL CORE

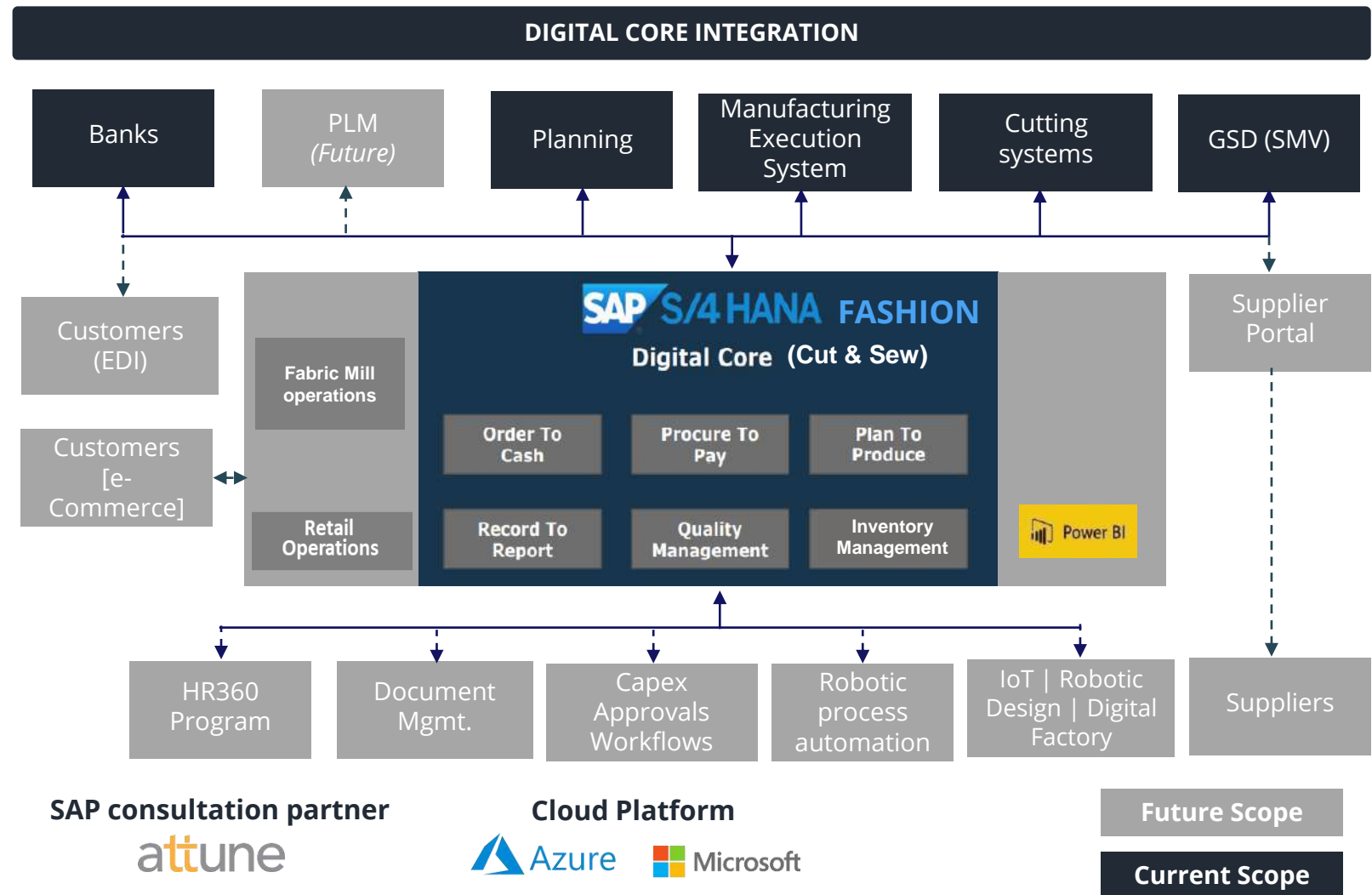
LKR 0.6bn investment to implement SAP S/4HANA with the SAP Fashion industry vertical (ERP). This will also support the integration of the manufacturing execution system, planning tools and customer portals.

RATIONALE

Hela uses 34 systems that currently run with minimum integration and do not efficiently meet the requirements of a rapidly-growing business.

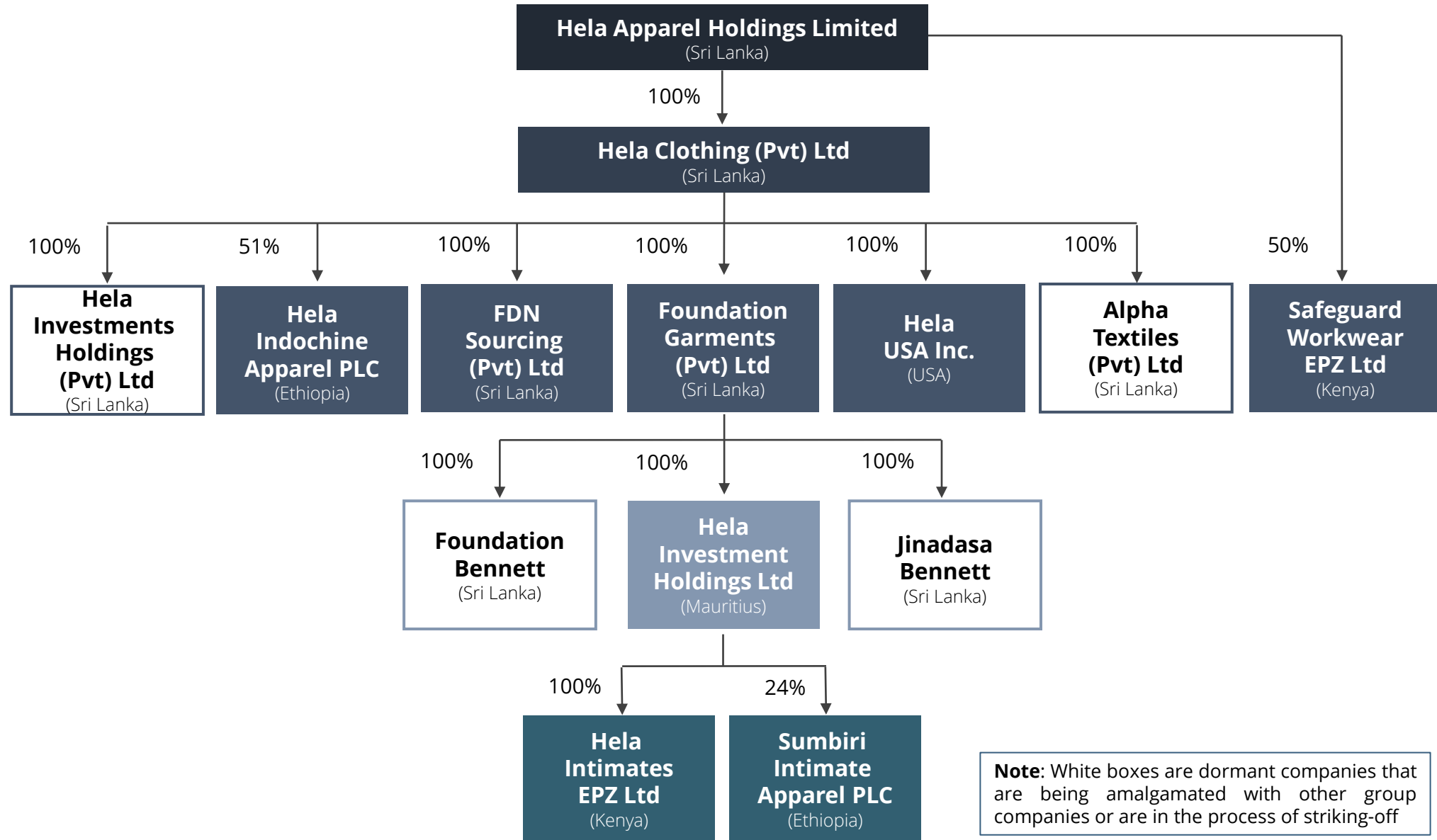
This investment will reduce this number of systems to 20 creating an integrated digital core supporting all aspects of the business.

It will also future-proof the business by ensuring readiness and extendibility of the systems for future requirements, as well as disaster recovery for system critical operations.

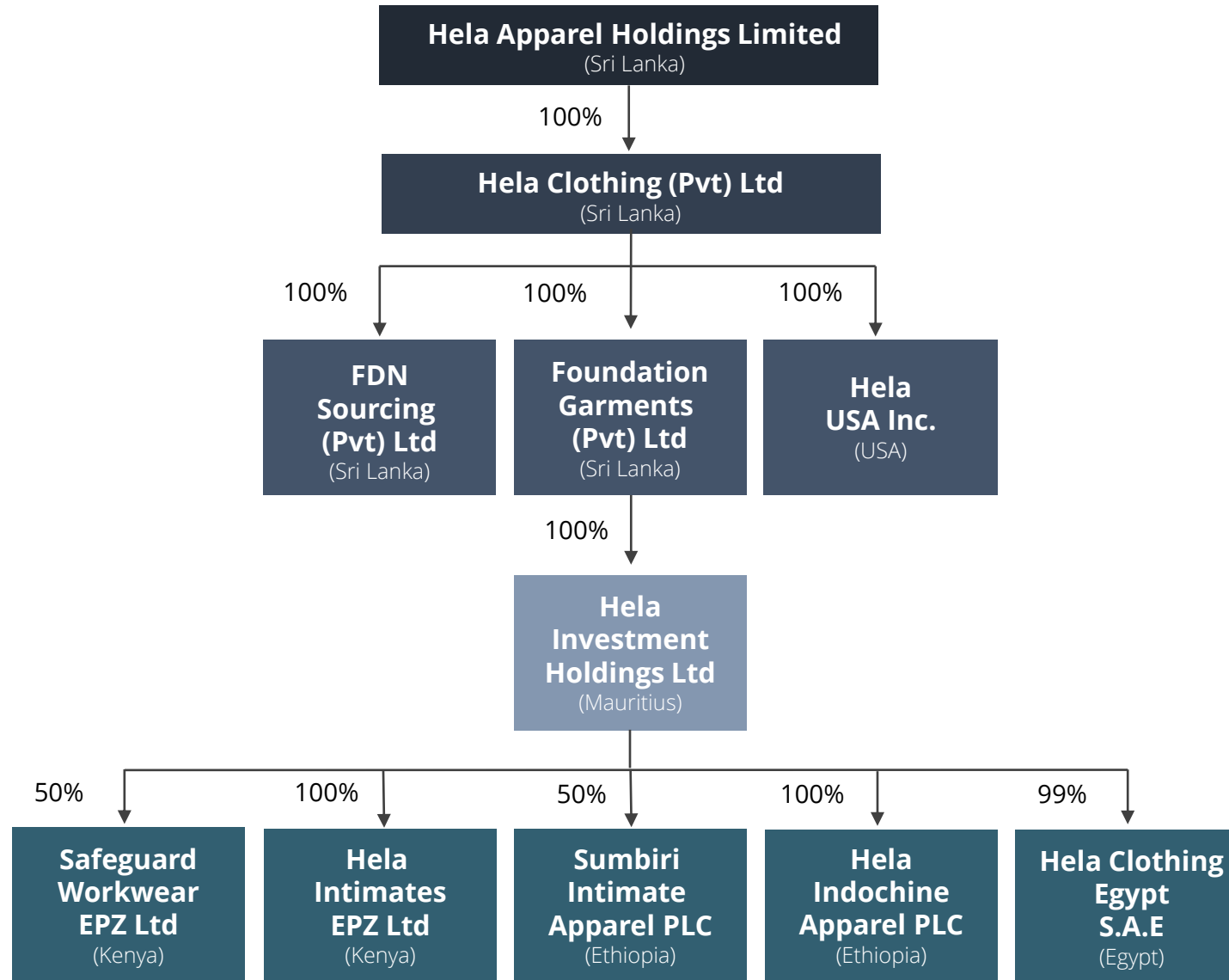


ANNEXURES

Hela group structure as of 1st September 2021



Hela future group structure: Streamlining the group structure by eliminating dormant companies while bringing all African entities under one holding company



Note: The group restructure is to be completed by the end of FY22E

DISCLAIMER

This presentation has been prepared by Capital Alliance Partners Limited ("CAL") and CT CLSA Capital (Pvt) Ltd ("CT") and unless otherwise expressly authorized by CAL and CT, shall not be used by any third party. This report is for the use of the intended recipient only. Access, disclosure, copying, distribution or reliance on any of it by anyone else is prohibited and may be a criminal offence. The presentation does not constitute or form of any offer for sale or invitation, or solicitation of an offer, to subscribe for or purchase any securities and neither this presentation nor anything contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation has been prepared and issued on the basis of publicly available information, internally developed data and other sources, believed to be reliable. CAL and CT however does not warrant its completeness or accuracy. Opinions and estimates given constitute a judgment as of the date of the material and are subject to change without notice. This presentation may contain forward-looking statements regarding, amongst other things, the Company's outlook, business and strategy which are current as of the date they are made. These forward-looking statements are based largely on the current assumptions, expectations and projections of the directors and management of the Company about the business, and the industry in which the Company operates in. These statements are not guarantees of the Company's future performance and are subject to a number of risks and uncertainties, some of which are beyond the Company's control and are difficult to predict. Future developments and actual results could differ materially from those expressed in the forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will prove to be accurate. Certain data in this presentation has been obtained from various external data sources and CAL and CT have not verified such data with independent sources.

The recipients of this presentation must make their own independent decision regarding any securities, investments or financial instruments mentioned herein. CAL and CT, its directors, officers, consultants, employees, associates or business partners, will not be responsible, for any claims damages, compensation, suits, damages, loss, costs, charges, expenses, outgoing or payments including attorney's fees which recipients of this presentation suffers or incurs directly or indirectly arising out actions taken as a result of this presentation.

