

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS

THE GROUP - (MUR'000)	Dec 2022	Dec 2021
	Audited	Audited
Revenue	5,091,004	2,439,188
Earnings before interest, taxation, depreciation and amortisation	1,524,726	534,085
Allowance raised on expected credit losses:		
- on trade receivables	(22,732)	(9,644)
Depreciation and amortisation	(638,064)	(614,521)
Operating profit/(loss)	863,930	(90,080)
Finance income	14,610	10,156
Finance costs	(640,205)	(597,057)
Share of results of associates	150,616	(61,704)
Profit/(loss) before taxation and non-recurring items	388,951	(738,685)
Income tax (expense)/credit	(141,539)	25,187
Profit/(loss) for the year	247,412	(713,498)
Attributable to:		
Owners of the parent	224,728	(708,353)
Non-controlling interests	22,684	(5,145)
	247,412	(713,498)
Basic and diluted earnings/(loss) per share (MUR)	2.05	(6.46)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THE GROUP - (MUR'000)	Dec 2022	Dec 2021
	Audited	Audited
Profit/(loss) for the year	247,412	(713,498)
Other comprehensive income for the year	121,423	75,038
Total comprehensive income for the year	368,835	(638,460)
Attributable to:		
Owners of the parent	345,961	(635,314)
Non-controlling interests	22,874	(3,146)
	368,835	(638,460)

STATEMENT OF FINANCIAL POSITION

THE GROUP - (MUR'000)	Dec 2022	Dec 2021
	Audited	Audited
Assets		
Non-Current Assets		
Property, plant and equipment	8,314,067	8,245,812
Right-of-use assets	4,146,020	4,312,286
Intangible assets	8,184	8,728
Investments in associates	2,099,623	2,029,957
Deferred tax assets	97,629	113,008
	14,665,523	14,709,791
Current Assets	1,745,129	1,368,046
Total Assets	16,410,652	16,077,837
Equity and Liabilities		
Equity		
Owners' interest	4,457,487	4,135,867
Convertible bonds	961,715	646,980
Non-controlling interests	(32,630)	(19,767)
Total equity	5,386,572	4,763,080
Non-Current Liabilities		
Borrowings	4,922,619	4,902,870
Lease liabilities	4,014,561	4,029,268
Deferred tax liabilities	92,418	23,791
Employee benefit obligations	507,757	390,826
	9,537,355	9,346,755
Current Liabilities	1,486,725	1,968,002
Total Liabilities	11,024,080	11,314,757
Total Equity and Liabilities	16,410,652	16,077,837
Net Asset Value per share (MUR) - excluding convertible bonds and non-controlling interests	40.65	37.72

STATEMENT OF CASH FLOW

THE GROUP - (MUR'000)	Dec 2022	Dec 2021
	Audited	Audited
Net cash generated from operating activities	1,290,055	5,523
Net cash used in investing activities	(199,263)	(18,140)
Net cash (used in)/generated from financing activities	(509,930)	340,344
Net increase in cash and cash equivalents	580,862	327,727
Foreign exchange difference	4,488	(5,334)
Cash and cash equivalents at beginning of the year	(241,803)	(564,196)
Cash and cash equivalents at end of the year	343,547	(241,803)

STATEMENT OF CHANGES IN EQUITY

Audited	Attributable to owners of the parent						
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total equity
THE GROUP - (MUR'000)							
Balance at January 1, 2022	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080
Profit for the year	-	-	224,728	224,728	-	22,684	247,412
Other comprehensive income for the year	-	121,233	-	121,233	-	190	121,423
Issue of convertible bonds, net of transaction costs	-	-	-	-	314,735	-	314,735
Interest on convertible bonds	-	-	(24,341)	(24,341)	-	(495)	(24,836)
Dividends	-	-	-	-	-	(35,242)	(35,242)
Balance at December 31, 2022	2,153,395	3,799,499	(1,495,407)	4,457,487	961,715	(32,630)	5,386,572
Balance at January 1, 2021	2,153,395	3,605,227	(939,004)	4,819,618	-	(11,965)	4,807,653
Loss for the year	-	-	(708,353)	(708,353)	-	(5,145)	(713,498)
Other comprehensive income for the year	-	73,039	-	73,039	-	1,999	75,038
Issue of convertible bonds, net of transaction costs	-	-	-	-	646,980	-	646,980
Changes in percentage holding of subsidiary	-	-	(38,813)	(38,813)	-	38,813	-
Interest on convertible bonds	-	-	(9,624)	(9,624)	-	(183)	(9,807)
Dividends	-	-	-	-	-	(43,286)	(43,286)
Balance at December 31, 2021	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080

COMMENTS

1 Consolidation and Accounting Standards

The financial statements comply with the Companies Act 2001 and Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards effective for the year under review. The financial statements for the year ended 31 December 2022 have been audited by Ernst and Young.

2 General Comments

2022 showed increasing tourists arrivals in all our hotels' destinations compared to 2021, and demand was stronger in our main source markets.

Hence, for the year 2022, Maldives and Seychelles achieved 98% and 86% respectively, of their pre-pandemic levels of arrivals.

Mauritius, whilst maintaining some health protocols at the beginning of 2022, still achieved a commendable recovery of 72% of 2019 tourists arrivals and nearly 79% of the 2019 tourists nights for the year. The increasing arrivals in Mauritius in the last quarter 2022 from our European main source markets led to a recovery rate of 88% compared to the last quarter 2019.

TOURISTS ARRIVALS

Year	Mauritius	Seychelles	Maldives
2022	997,290	332,068	1,675,294
2019	1,383,488	384,204	1,702,887

3 Resorts Performances

All owned and managed hotels achieved excellent performances during the last quarter 2022 with a combined occupancy of 76.2% (2019: 71.1%), improved RevPAR of MUR 15,980 (2019: MUR 12,639) and TrevPAR of MUR 21,869 (2019: MUR 19,951).

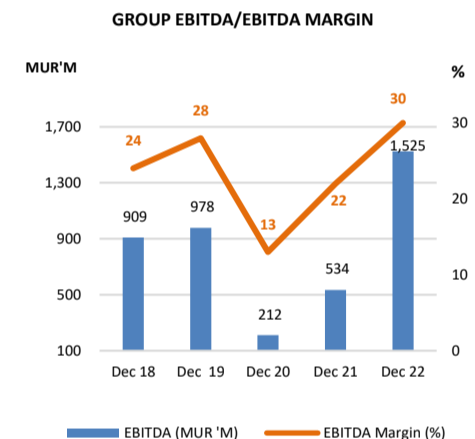
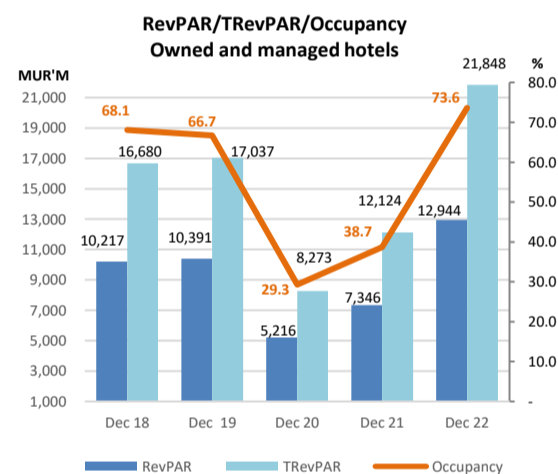
For the year 2022, the overall combined occupancy of 73.6% (2019: 66.7%), RevPAR of MUR 12,935 (2019: MUR 10,391) and TrevPAR of MUR 21,848 (2019: MUR 17,037) were reached.

4 Results

Group revenue for the year doubled to MUR 5,091 million, from MUR 2,439 million in 2021. This excellent performance in revenue combined with efficient cost management contributed to EBITDA of MUR 1,525 million (2021: MUR 534 million). Finance costs, inclusive of interest of lease liabilities, increased from MUR 597 million to MUR 640 million mainly due to the increase in interest rates.

The good performance of the associates contributed to a share of profit of MUR 151 million in 2022 compared to a loss of MUR 62 million in 2021.

After booking tax expense of MUR 142 million (2021: tax credit of MUR 25 million), profit for the year was MUR 247 million (2021: loss of MUR 713 million).



5 Outlook 2023

As we move into 2023, the near to medium term outlook is very encouraging for our main destinations and our hotels. Nonetheless, we remain cautious as geopolitical and economic conditions continue to be unstable, among which inflationary pressures are bringing more challenges to the sector.

By order of the Board

ECS Secretaries Ltd
Secretary

30 March 2023

GEOGRAPHICAL INFORMATION

THE GROUP - (MUR'000)	Revenue from external customers		Total Assets	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Mauritius	2,958,406	1,046,613	9,633,730	9,090,293
Maldives	2,132,598	1,392,575	6,776,922	6,987,544
Total	5,091,004	2,439,188	16,410,652	16,077,837

The statement of direct and indirect interests of officers pursuant to rule 8(2)(m) of the Securities (Disclosure obligations of Reporting Issuers) Rules 2007 is available free of charge upon request from the Company Secretary, ECS Secretaries Ltd, 3rd Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 18 and Securities Act 2005. The Board of Constance Hotels Services Limited accepts full responsibility for the accuracy of these financial statements. Copies of this abridged audited financial statements are available to the public free of charge at 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

BRN: C06004335