

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the period ended September 30, 2022

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS				
	9 months to		3 months to		12 months to
	Sep-22 Unaudited	Sep-21 Unaudited	Sep-22 Unaudited	Sep-21 Unaudited	Dec-21 Audited
Revenue	3,547,596	1,110,839	1,052,532	409,823	2,439,188
Earnings/(loss) before interest, taxation, depreciation and amortisation	917,511	(104,299)	179,040	(27,229)	532,273
Allowance charged on expected credit losses	-	(3,874)	-	(1,362)	(9,644)
Depreciation and amortisation	(473,377)	(449,360)	(158,272)	(148,237)	(614,521)
Operating profit/(loss)	444,134	(557,533)	20,768	(176,828)	(91,892)
Finance income	12,897	11,469	7,899	3,549	10,156
Finance costs	(478,807)	(463,322)	(183,362)	(217,171)	(597,271)
Share of results of associates	110,466	(66,336)	45,842	25,115	(61,704)
Profit/(loss) before taxation	88,690	(1,075,722)	(108,853)	(365,335)	(740,711)
Income tax (expense)/credit	(31,201)	(6,437)	(10,355)	(1,885)	25,187
Profit/(loss) for the period	57,489	(1,082,159)	(119,208)	(367,220)	(715,524)
Attributable to:					
Owners of the parent	23,128	(546,002)	(63,185)	(185,762)	(363,286)
Non-controlling interests	34,361	(536,157)	(56,023)	(181,458)	(352,238)
	57,489	(1,082,159)	(119,208)	(367,220)	(715,524)
Basic and diluted earnings/(loss) per share (MUR)	0.41	(9.76)	(1.13)	(3.32)	(6.50)

COMMENTS

1. Principal activity

The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).

2. Consolidation and Accounting Standards

The abridged financial statements for the nine months and quarter ended September 30, 2022 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2021.

3. General Comments

The destinations in which CHSL's Group operates, continue to see positive growth in tourist arrivals.

For the first nine months of 2022, Maldives and Seychelles tourist arrivals reached close to 97% and 88% of the respective pre-pandemic 2019 levels of each country whilst Mauritius, post reopening during late 2021, reclaimed 66% of 2019 figures.

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	9 months to		3 months to		12 months to
	Sep-22 Unaudited	Sep-21 Unaudited	Sep-22 Unaudited	Sep-21 Unaudited	Dec-21 Audited
Profit/(loss) for the period	57,489	(1,082,159)	(119,208)	(367,220)	(715,524)
Other comprehensive income for the period	(191,526)	100,757	(122,173)	(53,048)	75,038
Total comprehensive income for the period	(134,037)	(981,402)	(241,381)	(420,268)	(640,486)
Attributable to:					
Owners of the parent	(74,741)	(496,001)	(125,484)	(212,704)	(326,037)
Non-controlling interests	(59,296)	(485,401)	(115,897)	(207,564)	(314,449)
	(134,037)	(981,402)	(241,381)	(420,268)	(640,486)

TOURIST ARRIVALS

	9 months	
	2022	2019
Maldives	1,214,544	1,251,609
Seychelles	241,204	274,823
Mauritius	638,332	973,642

Resorts performances under Constance Hotels management have been satisfactory due to overall good occupancies and cost containment measures. CHSL's hotels, owned and managed combined, achieved occupancy of 72.8% (2019: 64.5%), improved RevPAR of MUR 11,712 (2019: MUR 9,503) and Trev PAR of MUR 20,335 (2019: MUR 15,812).

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION		
	Sep-22 Unaudited	Sep-21 Unaudited	Dec-21 Audited
	Assets		
Non-Current Assets			
Property, plant and equipment	8,148,987	8,262,411	8,245,812
Rights-of-use assets	4,237,201	4,326,696	4,312,286
Intangible assets	6,450	12,132	8,728
Investments in associates	1,934,107	2,044,046	2,029,957
Deferred tax assets	113,002	74,929	113,008
Current Assets	14,439,747	14,720,214	14,709,791
Total Assets	15,862,871	15,654,325	16,078,628
Equity and Liabilities			
Owners' interest	2,018,609	1,936,944	2,102,001
Convertible bonds	646,980	655,000	646,980
Non-controlling interests	1,911,627	1,862,567	2,006,807
Total equity	4,577,216	4,454,511	4,755,788
Non-Current Liabilities			
Borrowings	5,375,081	4,652,512	4,902,870
Lease liabilities	4,046,427	3,999,724	4,029,268
Deferred tax liabilities	23,788	39,291	23,791
Employee benefit obligations	390,826	316,435	390,826
Current Liabilities	9,836,122	9,007,962	9,346,755
Total Liabilities	11,449,533	11,199,814	11,322,840
Total Equity and Liabilities	15,862,871	15,654,325	16,078,628
Net Asset Value per share (MUR)	36.10	34.64	37.59

4. Results

Group revenue for the nine months was MUR 3,548 million (Sep-2021: MUR 1,111 million) generating an EBITDA of MUR 918 million against loss of MUR 104 million for the same period last year. Finance costs for the period were at MUR 479 million compared to MUR 463 million for September 2021.

Share of profit from associates amounted to MUR 110 million (Sep-2021: loss of MUR 66 million) generated mainly from our operations in Seychelles.

After accounting for income tax expenses of MUR 31 million (Sep-2021: MUR 6 million), the Group profit for the period was MUR 57 million (Sep-2021: loss of MUR 1,082 million).

5. Outlook

Current global instability and recent interest hikes could affect the outlook and performance for the travel and tourism industry.

Despite the above, CHSL remains confident for continued growth in the sector and forecast better performances for its hotels in the last quarter of the year. CHSL's hotels in Mauritius, Seychelles, and Maldives are all seeing encouraging forward booking trends. Madagascar is also projecting a positive recovery now that its border is fully opened.

Based on the above and subject to no unforeseen circumstances impacting the travel industry, an improved performance is expected for 2022.

By order of the Board

ECS Secretaries Ltd
Secretary

14 November 2022

The statement of direct and indirect interests of insiders 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 17 and Securities Act 2005. The Board of Hotelest Limited accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW		
	9 months to		12 months to
	Sep-22 Unaudited	Sep-21 Unaudited	Dec-21 Audited
Net cash generated from/(used in) operating activities	693,545	(351,560)	4,331
Net cash used in investing activities	(121,466)	(36,654)	(18,140)
Net cash (used in)/generated from financing activities	(266,910)	271,155	340,915
Increase/(decrease) in cash and cash equivalents	305,169	(117,059)	327,106
Foreign exchange difference	26,550	(5,245)	(5,334)
Cash and cash equivalents at beginning of the period	(243,697)	(565,469)	(565,469)
Cash and cash equivalents at end of the period	88,022	(687,773)	(243,697)

THE GROUP - (MUR'000)	STATEMENT OF CHANGES IN EQUITY						
	Attributable to owners of the parent						
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total equity
At January 1, 2022	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807	4,755,788
Total comprehensive income for the period	-	(97,869)	23,128	(74,741)	-	(59,296)	(134,037)
Interest on convertible bonds	-	-	(8,651)	(8,651)	-	(8,634)	(17,285)
Dividends	-	-	-	-	-	(27,250)	(27,250)
Balance at September 30, 2022	1,102,001	1,753,381	(836,773)	2,018,609	646,980	1,911,627	4,577,216
Balance at January 1, 2021	1,102,001	1,814,000	(463,261)	2,452,740	-	2,349,646	4,802,386
Total comprehensive income for the period	-	50,001	(546,002)	(496,001)	-	(485,401)	(981,402)
Addition	-	-	-	-	655,000	-	655,000
Consolidation adjustment	-	-	(19,795)	(19,795)	-	19,795	-
Dividends	-	-	-	-	-	(21,473)	(21,473)
Balance at September 30, 2021	1,102,001	1,864,001	(1,029,058)	1,936,944	655,000	1,862,567	4,454,511
At January 1, 2021	1,102,001	1,814,000	(463,261)	2,452,740	-	2,349,646	4,802,386
Loss for the year	-	-	(363,286)	(363,286)	-	(352,238)	(715,524)
Other comprehensive income for the year	-	37,250	-	37,250	-	37,789	75,039
Issue of convertible bonds, net of transaction costs	-	-	-	-	646,980	-	646,980
Changes in percentage holding of subsidiary	-	-	(19,795)	(19,795)	-	19,795	-
Interest on convertible bonds	-	-	(4,908)	(4,908)	-	(4,899)	(9,807)
Dividends	-	-	-	-	-	(43,286)	(43,286)
At December 31, 2021	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807	4,755,788

THE GROUP - (MUR'000)	GEOGRAPHICAL INFORMATION					
	9 months to Sep-22			9 months to Sep-21		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	1,917,355	1,630,241	3,547,596	294,696	816,143	1,110,839
Operating profit/(loss)	300,575	143,559	444,134	(385,511)	(172,022)	(557,533)