HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged audited financial statements for the year ended 31 December 2021

STATEMENT OF PROFIT OR LOSS					
	Dec 2021	Dec 2020			
THE GROUP - (MUR'000)	Audited	Audited			
Revenue	2,439,188	1,583,508			
Earnings before interest, taxation, depreciation and amortisation	532,273	210,468			
Allowance (charged)/reversed on expected credit losses:					
- on trade receivables	(9,644)	5,282			
Depreciation and amortisation	(614,521)	(577,045)			
Operating loss	(91,892)	(361,295)			
Finance income	10,156	15,472			
Finance costs	(597,271)	(541,928)			
Share of results of associates	(61,704)	(1,772)			
Loss before taxation and non-recurring items	(740,711)	(889,523)			
Impairment of Goodwill	-	(504,377)			
Loss before taxation	(740,711)	(1,393,900)			
Income tax credit/(expense)	25,187	(27,276)			
Loss for the year	(715,524)	(1,421,176)			
Attributable to:					
Owners of the parent	(363,286)	(724,289)			
Non-controlling interests	(352,238)	(696,887)			
	(715,524)	(1,421,176)			
Basic and diluted loss per share (MUR)	(6.50)	(12.95)			
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					

THE GROUP - (MUR'000)	Dec 2021 Audited	Dec 2020 Audited
Loss for the year	(715,524)	
Other comprehensive income for the year	75,038	260,516
Total comprehensive income for the year	(640,486)	(1,160,660)
Attributable to:		
Owners of the parent	(326,037)	(592,862)
Non-controlling interests	(314,449)	(567,798)
	(640,486)	(1,160,660)

STATEMENT OF FINANCIAL POSITION

OTATEMENT OF THANGIAL FOOTION		
THE GROUP - (MUR'000)	Dec 2021	Dec 2020
Assets	Audited	Audited
Non-Current Assets		
Property, plant and equipment	8,245,812	8,265,139
Right-of-use assets	4,312,286	4,258,884
Intangible assets	8,728	14,068
Investments in associates	2,029,957	2,077,053
Deferred tax assets	113,008	78,375
	14,709,791	14,693,519
Current Assets	1,368,837	915,946
Total Assets	16,078,628	15,609,465
Equity and Liabilities		
Owners' interest	2,102,001	2,452,740
Convertible bonds	646,980	-
Non-controlling interests	2,006,807	2,349,646
Total equity	4,755,788	4,802,386
Non-Current Liabilities		
Borrowings	4,902,870	3,968,283
Lease Liabilities	4,029,268	3,829,714
Deferred tax liabilities	23,791	42,350
Employee benefit obligations	390,826	316,435
	9,346,755	8,156,782
Current Liabilities	1,976,085	2,650,297
Total Liabilities	11,322,840	10,807,079
Total Equity and Liabilities	16,078,628	15,609,465
Net Asset Value per share (MUR) - excluding convertible bonds and non-controlling interests	37.59	43.86

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 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 2021 have been audited by Ernst and Young.

3. General Comments

1. Principal activity

In 2021, COVID-19 pandemic continued to cause significant uncertainty and turbulence in the tourism and travel industry. Mauritius fully reopened its borders on 1st October 2021, after one and half years of closure, to fully vaccinated travellers with a negative PCR test. Seychelles achieved its herd immunity in March 2021 when it reopened its borders and launched attractive incentives worldwide as a COVIDfree destination. This resulted in a 59% increase in tourists arrivals compared to 2020. The Maldives, which reopened during the last quarter of 2020, saw an increase of 130% in its 2021 arrivals. Madagascar was closed for the whole year to overseas travellers.

4. Results

As a result of these re-openings at varying times, revenue increased from MUR 1,584 million in 2020 to MUR 2,439 million in 2021. EBITDA generated improved to MUR 532 million compared to MUR 210 million previous year due to the combined effects of increase in revenue and cost containment measures undertaken in all CHSL's resorts. Finance costs were up to MUR 597 million (2020: MUR 542 million) as a result of higher debt level of the Group. Despite positive operational results in the two hotels in the Seychelles, the share of associates was negatively impacted by the increase in the special tax rate for the hospitality industry, resulting in a share of loss of MUR 62 million compared to MUR 2 million in 2020.

After booking a tax credit of MUR 25 million, loss for the year was MUR 716 million (2020: loss MUR 1.4 billion).

Provided there is no unforeseen circumstances, CHSL is expected to show an improved Group result in 2022 compared to 2021, as reported by its published first quarter abridged results

By order of the Board

ECS Secretaries Ltd Secretary

13 May 2022

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 Hotelest 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.

GEOGRAPHICAL INFORMATION

BRN: C06014126

STATEMENT OF CASH FLOW

				Revenue from external customers	
	Dec 2021	Dec 2020	THE GROUP - (MUR'000)	Dec 2021	Dec 2020
THE GROUP - (MUR'000)	Audited	Audited	Mauritius	1,046,613	845,086
Net cash generated from/(used in) operating activities	4,331	(49,906)	Maldives	1,392,575	738,422
Net cash (used in)/generated from investing activities	(18,140)	11,325	Total	2,439,188	1,583,508
Net cash generated from/(used in) financing activities	340,915	(148,748)		Total Assets	
Net increase/(decrease) in cash and cash equivalents	327,106	(187,329)		Dec 2021	Dec 2020
Foreign exchange difference	(5,334)	6,012	Mauritius	9,091,084	9,674,064
Cash and cash equivalents at beginning of the year	(565,469)	(384,152)	Maldives	6,987,544	5,935,401
Cash and cash equivalents at end of the year	(243,697)	(565,469)	Total	16,078,628	15,609,465

STATEMENT OF CHANGES IN EQUITY

THE GROUP - (MUR'000)	Attributable to owners of the parent						
		Revaluation and	Retained				
	Stated capital	other reserves	earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total equity
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
At January 1, 2020	1,102,001	1,682,572	261,028	3,045,601	-	2,940,176	5,985,777
Loss for the year	-	-	(724,289)	(724,289)	-	(696,887)	(1,421,176)
Other comprehensive income for the year	-	131,428	-	131,428	-	129,088	260,516
Dividends			-	-		(22,731)	(22,731)
At December 31, 2020	1,102,001	1,350,739	(463,261)	2,452,740		2,349,646	4,802,386