

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged audited financial statements for the year ended December 31, 2023

| STATEMENT OF PROFIT OR LOSS | | | COMMENTS |
|---|----------------|----------------|--|
| THE GROUP - (MUR'000) | Dec-23 | Dec-22 | 1. Principal activity |
| | Audited | Audited | |
| Revenue | 5,727,053 | 5,091,004 | The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL). |
| Earnings before interest, taxation, depreciation and amortisation | 1,569,015 | 1,522,354 | 2. Consolidation and Accounting Standards |
| Allowance charged on expected credit losses | 37,634 | (22,732) | 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 2023 have been audited by Ernst & Young. |
| Depreciation and amortisation | (641,169) | (638,064) | 3. General Comments |
| Operating profit | 965,480 | 861,558 | All CHSL's market destinations recorded increases in arrivals compared to 2022, although Mauritius and the Seychelles were still below their pre-covid levels. |
| Finance income | 13,312 | 14,610 | |
| Finance costs | | | |
| - on financial debt | (415,773) | (324,577) | |
| - on lease liabilities | (318,438) | (315,968) | |
| Share of results of associates | 187,832 | 150,616 | |
| | 432,413 | 386,239 | |
| Long term loan receivable from associates written off | (12,698) | - | |
| Profit before taxation | 419,715 | 386,239 | |
| Income tax expense | (101,311) | (141,539) | |
| Profit for the year | 318,404 | 244,700 | |
| Attributable to: | | | |
| Owners of the parent | 141,892 | 111,899 | |
| Non-controlling interests | 176,512 | 132,801 | |
| | 318,404 | 244,700 | |
| Basic and diluted earnings per share (MUR) | 2.54 | 2.00 | |

TOURIST ARRIVALS

| | 2023 | 2022 | 2023 v/s 2022 | 2019 |
|------------|-----------|-----------|---------------|-----------|
| MAURITIUS | 1,295,410 | 997,290 | 29.9% | 1,383,488 |
| MALDIVES | 1,878,539 | 1,675,294 | 12.1% | 1,702,887 |
| SEYCHELLES | 350,879 | 332,068 | 5.7% | 384,204 |

4. Resorts Performances

The performance of CHSL's owned and managed hotels in Mauritius, the Seychelles and Madagascar were excellent. On the other hand, its performance in the Maldives was affected by lower occupancies due to fierce competition among luxury hotels and by the opening of 9 new hotels in 2023, alone, representing 2,600 additional beds. Nevertheless, CHSL's overall key revenue indicators showed good growth with a combined occupancy rate of 78.2% (2022: 73.6%), RevPAR of MUR 14,451 (2022: MUR 12,944) and TrevPAR of MUR 23,781 in 2023 (2022: MUR 21,848).

5. Group Results

Group revenue, increased by 12.5% to reach MUR 5,727 million in 2023 (MUR 5,091 million in 2022). The strong resumption of activity and occupancies in CHSL's Mauritius properties combined with inflationary pressures on staff costs and imported goods had an impact on operating costs. Consequently, EBITDA increased by 3% and reached MUR 1,569 million (2022: MUR 1,522 million). Despite a drop in its borrowings from MUR 5.8 billion to MUR 4.8 billion since September 2022, finance costs increased from MUR 325 million to MUR 416 million due to interest rates hikes since July 2022. In addition, MUR 318 million were booked as finance costs on leases. The excellent performances of CHSL's associates in the Seychelles and Madagascar contributed to a share of profit from associates amounting to MUR 188 million, increasing by 24.5% compared to 2022 (MUR 151 million). Profit for the year increased by 30% and amounted to MUR 318 million (MUR 245 million in 2022) after registering taxation charges of MUR 101 million (MUR 142 million in 2022).

6. New partnership

As previously stated, in line with CHSL's strategy to increase its footprint in the Indian Ocean, CHSL has entered into a partnership with Trimetys Ltd to manage, effective from 1st January 2024, 3 hotels namely, Constance Sakoa Boutique Hotel in Mauritius and, in Rodrigues, Constance Tekoma and C Rodrigues Mourouk. This partnership also encompasses equity investments in both hotels in Rodrigues.

7. Outlook

Improving CHSL's top line in the Maldives with better RevPAR remains its top priority and CHSL's management is implementing a range of measures which should bring benefits. For CHSL's other destinations, it anticipates further rise in the number of visitors to its hotels as trends in forward booking remain promising. Further, with new additions in the group's owned and managed hotels there is growth prospect. Nevertheless, there are still a lot of international geopolitical and economic obstacles to overcome particularly in Europe and these could impact CHSL's performances.

By order of the Board

ECS Secretaries Ltd
Secretaries

28 March 2024

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.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | |
|---|----------------|----------------|
| THE GROUP - (MUR'000) | Dec-23 | Dec-22 |
| | Audited | Audited |
| Profit for the year | 318,404 | 244,700 |
| Other comprehensive income for the year | 187,809 | 121,423 |
| Total comprehensive income for the year | 506,213 | 366,123 |
| Attributable to: | | |
| Owners of the parent | 236,682 | 173,727 |
| Non-controlling interests | 269,531 | 192,396 |
| | 506,213 | 366,123 |

STATEMENT OF FINANCIAL POSITION

| | | |
|-------------------------------------|----------------|----------------|
| THE GROUP - (MUR'000) | Dec-23 | Dec-22 |
| | Audited | Audited |
| Assets | | |
| Non-Current Assets | | |
| Property, plant and equipment | 8,339,310 | 8,314,067 |
| Rights-of-use assets | 4,517,053 | 4,146,020 |
| Intangible assets | 84,779 | 8,184 |
| Investments in associates | 2,142,768 | 2,099,623 |
| Deferred tax assets | 90,050 | 97,629 |
| | 15,173,960 | 14,665,523 |
| Current Assets | 1,899,636 | 1,745,942 |
| Total Assets | 17,073,596 | 16,411,465 |
| Equity and Liabilities | | |
| Owners' interest | 2,482,884 | 2,263,315 |
| Convertible bonds | 961,715 | 961,715 |
| Non-controlling interests | 2,374,805 | 2,151,538 |
| Total equity | 5,819,404 | 5,376,568 |
| Non-Current Liabilities | | |
| Borrowings | 4,426,100 | 4,922,619 |
| Lease liabilities | 4,349,840 | 4,014,561 |
| Deferred tax liabilities | 142,981 | 92,418 |
| Employee benefit obligations | 499,822 | 507,757 |
| | 9,418,743 | 9,537,355 |
| Current Liabilities | 1,835,449 | 1,497,542 |
| Total Liabilities | 11,254,192 | 11,034,897 |
| Total Equity and Liabilities | 17,073,596 | 16,411,465 |
| Net Asset Value per share (MUR) | 44.40 | 40.47 |

STATEMENT OF CASH FLOW

| | | |
|--|----------------|----------------|
| THE GROUP - (MUR'000) | Dec-23 | Dec-22 |
| | Audited | Audited |
| Net cash generated from operating activities | 1,272,019 | 1,316,947 |
| Net cash used in investing activities | (31,411) | (229,262) |
| Net cash used in financing activities | (1,203,818) | (507,027) |
| Increase in cash and cash equivalents | 36,790 | 580,658 |
| Foreign exchange difference | 1,607 | 4,488 |
| Cash and cash equivalents at beginning of the year | 341,449 | (243,697) |
| Cash and cash equivalents at end of the year | 379,846 | 341,449 |

GEOGRAPHICAL INFORMATION

| THE GROUP - (MUR'000) | Revenue from external | |
|-----------------------|-----------------------|------------|
| | Dec 2023 | Dec 2022 |
| Mauritius | 3,725,470 | 2,958,406 |
| Maldives | 2,001,583 | 2,132,598 |
| Total | 5,727,053 | 5,091,004 |
| | Total Assets | |
| | Dec 2023 | Dec 2022 |
| Mauritius | 10,597,343 | 9,634,543 |
| Maldives | 6,476,253 | 6,776,922 |
| Total | 17,073,596 | 16,411,465 |

STATEMENT OF CHANGES IN EQUITY

| THE GROUP - (MUR'000) | Attributable to owners of the parent | | | | | | Total equity |
|--|--------------------------------------|--------------------------------|-------------------|------------------|-------------------|---------------------------|--------------|
| | Stated capital | Revaluation and other reserves | Retained earnings | Owners' interest | Convertible bonds | Non-controlling interests | |
| At January 1, 2023 | 1,102,001 | 1,913,079 | (751,765) | 2,263,315 | 961,715 | 2,151,538 | 5,376,568 |
| Profit for the year | - | - | 141,892 | 141,892 | - | 176,512 | 318,404 |
| Other comprehensive income for the year | - | 94,790 | - | 94,790 | - | 93,019 | 187,809 |
| Acquisition of a subsidiary | - | - | - | - | - | 8,000 | 8,000 |
| Interest on convertible bonds | - | - | (17,113) | (17,113) | - | (17,308) | (34,421) |
| Dividends | - | - | - | - | - | (36,956) | (36,956) |
| At December 31, 2023 | 1,102,001 | 2,007,869 | (626,986) | 2,482,884 | 961,715 | 2,374,805 | 5,819,404 |
| At January 1, 2022 | 1,102,001 | 1,851,250 | (851,250) | 2,102,001 | 646,980 | 2,006,807 | 4,755,788 |
| Profit for the year | - | - | 111,899 | 111,899 | - | 132,801 | 244,700 |
| Other comprehensive income for the year | - | 61,829 | - | 61,829 | - | 59,594 | 121,423 |
| Issue of convertible bonds, net of transaction costs | - | - | - | - | 314,735 | - | 314,735 |
| Interest on convertible bonds | - | - | (12,414) | (12,414) | - | (12,422) | (24,836) |
| Dividends | - | - | - | - | - | (35,242) | (35,242) |
| At December 31, 2022 | 1,102,001 | 1,913,079 | (751,765) | 2,263,315 | 961,715 | 2,151,538 | 5,376,568 |

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