

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the period ended March 31, 2023

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS			COMMENTS
	3 months to		12 months to	
	Mar-23 Unaudited	Mar-22 Unaudited	Dec-22 Audited	
Revenue	1,791,145	1,444,891	5,091,004	1. Principal activity 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	778,440	591,840	1,522,354	
Allowance charged on expected credit losses	(3,611)	(3,770)	(22,732)	2. Consolidation and Accounting Standards The abridged financial statements for the quarter ended 31 March 2023 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 31 December 2022.
Depreciation and amortisation	(162,783)	(158,572)	(638,064)	
Operating profit	612,046	429,498	861,558	3. General Comments 2023 started well in terms of tourists arrivals in all of CHSL's operating destinations. During the first three months of this year, Mauritius saw an increase in its tourists arrivals reaching 305,197, almost doubling its previous year's arrivals. Maldives and Seychelles had double digits growth in their arrivals compared with 2022.
Finance income	6,815	3,894	14,610	
Finance costs	(187,179)	(153,394)	(640,545)	4. Results The first quarter of 2023 was commendable. Combined Owned and Managed hotels' RevPAR and TrevPAR, recorded marked improvement over 2022, achieving MUR 17,700 (2022Q1: MUR 14,497) and MUR 28,162 (2022Q1: MUR 23,803) respectively from a robust occupancy level of 82.1% (2022Q1: 71.0%).
Share of results of associates	77,572	60,872	150,616	
Profit before taxation	509,254	340,870	386,239	As a result of the above, Group revenue reached MUR 1,791 million (March 2022: MUR 1,445 million) generating an EBITDA of MUR 778 million (March 2022: MUR 592 million). Despite a reduction in our level of debt, finance costs for the period were higher at MUR 187 million compared to MUR 153 million for the first quarter in 2022, due to the significant interest rate hikes recorded as from the second semester of 2022.
Income tax expense	(36,958)	(14,571)	(141,539)	
Profit for the period	472,296	326,299	244,700	Share of profit from associates amounting to MUR 78 million (March 2022: Profit MUR 61 million) was generated mainly from our operations in the Seychelles.
Attributable to:				
Owners of the parent	234,370	163,279	111,899	After accounting for taxation of MUR 37 million (March 2022: MUR 15 million), Group profit for the period was MUR 472 million (March 2022: MUR 326 million).
Non-controlling interests	237,926	163,020	132,801	
	472,296	326,299	244,700	5. Outlook Forward bookings show a positive trend, principally, for CHSL's hotels in Mauritius and Seychelles, but remain sensitive to adverse geopolitical events and general inflation affecting the economies of CHSL's main source markets. In addition, increasing operational costs and high interest rates cum indebtedness levels which have an impact on CHSL's performance are being closely monitored and addressed by Management. Notwithstanding the foregoing, we anticipate the continuing good performance of CHSL's operations for 2023.
Basic and diluted earnings per share (MUR)	4.19	2.92	2.00	

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	3 months to		12 months to
	Mar-23 Unaudited	Mar-22 Unaudited	Dec-22 Audited
Profit for the period	472,296	326,299	244,700
Other comprehensive income for the period	191,151	36,759	121,423
Total comprehensive income for the period	663,447	363,058	366,123
Attributable to:			
Owners of the parent	331,262	181,798	173,727
Non-controlling interests	332,185	181,260	192,396
	663,447	363,058	366,123

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION		
	Mar-23	Mar-22	Dec-22
	Unaudited	Unaudited	Audited
Assets			
Non-Current Assets			
Property, plant and equipment	8,396,228	8,222,988	8,314,067
Rights-of-use assets	4,241,731	4,314,124	4,146,020
Intangible assets	6,771	7,239	8,184
Investments in associates	2,330,550	2,110,224	2,099,623
Deferred tax assets	97,657	113,002	97,629
	15,072,937	14,767,577	14,665,523
Current Assets	2,055,413	1,580,511	1,745,942
Total Assets	17,128,350	16,348,088	16,411,465
Equity and Liabilities			
Owners' interest	2,590,366	2,280,935	2,263,315
Convertible bonds	961,715	646,980	961,715
Non-controlling interests	2,479,467	2,185,210	2,151,538
Total equity	6,031,548	5,113,125	5,376,568
Non-Current Liabilities			
Borrowings	4,985,838	5,489,377	4,922,619
Lease liabilities	4,152,796	4,079,471	4,014,561
Deferred tax liabilities	95,474	23,789	92,418
Employee benefit obligations	507,756	390,826	507,757
	9,741,864	9,983,463	9,537,355
Current Liabilities	1,354,938	1,251,500	1,497,542
Total Liabilities	11,096,802	11,234,963	11,034,897
Total Equity and Liabilities	17,128,350	16,348,088	16,411,465
Net Asset Value per share (MUR)	46.32	40.79	40.47

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW		
	3 months to		12 months to
	Mar-23 Unaudited	Mar-22 Unaudited	Dec-22 Audited
Net cash generated from operating activities	503,711	459,586	1,286,948
Net cash used in investing activities	(76,775)	(87,663)	(199,263)
Net cash (used in)/generated from financing activities	(156,093)	122,735	(507,027)
Increase in cash and cash equivalents	270,843	494,658	580,658
Foreign exchange difference	34,720	4,806	4,488
Cash and cash equivalents at beginning of the period	341,449	(243,697)	(243,697)
Cash and cash equivalents at end of the period	647,012	255,767	341,449

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, 2023	1,102,001	1,913,079	(751,765)	2,263,315	961,715	2,151,538	5,376,568
Total comprehensive income for the period	-	96,892	234,370	331,262	-	332,185	663,447
Interest on convertible bonds	-	-	(4,211)	(4,211)	-	(4,256)	(8,467)
Balance at March 31, 2023	1,102,001	2,009,971	(521,606)	2,590,366	961,715	2,479,467	6,031,548
Balance 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	-	18,519	163,279	181,798	-	181,260	363,058
Interest on convertible bonds	-	-	(2,864)	(2,864)	-	(2,857)	(5,721)
Balance at March 31, 2022	1,102,001	1,869,769	(690,835)	2,280,935	646,980	2,185,210	5,113,125
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

THE GROUP - (MUR'000)	GEOGRAPHICAL INFORMATION					
	3 months to Mar-23			3 months to Mar-22		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	1,013,064	778,081	1,791,145	738,701	706,190	1,444,891
Operating profit	404,380	207,666	612,046	244,204	185,294	429,498