

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the periods ended March 31, June 30, and September 30, 2021

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS							COMMENTS
	9 months to		6 months to		3 months to		12 months to	
	Sep-21 Unaudited	Sep-20 Unaudited	Jun-21 Unaudited	Jun-20 Unaudited	Mar-21 Unaudited	Mar-20 Unaudited	Dec-20 Audited	
Revenue	1,110,839	1,223,432	701,016	1,130,197	405,842	1,126,392	1,583,508	<p>1. Principal activity</p> <p>The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).</p> <p>2. Consolidation and Accounting Standards</p> <p>The abridged financial statements for the nine months and quarter ended 30 September 2021 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 2020.</p> <p>3. General Comments - COVID 19</p> <p>The tourism industry continues to be affected by the ongoing COVID-19 pandemic. Mauritius kept its border closed until 15th July and started its first reopening phase for vaccinated tourists through a dedicated protocol from 15th July to 30th September. For the period January to September 2021, Mauritius had only 9,460 (2019: 973,642 – 2020: 305,612) tourist arrivals.</p> <p>The other main destinations in which we operate namely, the Maldives and the Seychelles, have seen an improvement in tourism activities with a ramping up during the third quarter 2021. Maldives had 870,862 tourists' arrivals (2019: 1,251,690 – 2020: 401,810) and Seychelles received 106,826 tourists (2019: 274,823 – 2020: 93,269).</p> <p>During the period, CHSL's Management pursued application of cost reduction initiatives and in parallel received support from wage assistance programs for the Mauritian properties. In addition, a new financing framework arrangement securing financial support and loan deferments with the banks, financial institutions and the Mauritius Investment Corporation was concluded.</p> <p>4. Results</p> <p>Revenue for the nine months 2021 is mainly attributable to CHSL operations in the Maldives compared to the similar period last year, whereby all its destination resorts were opened for the most of the first three months of 2020.</p> <p>Loss before interest, tax, depreciation and amortisation was MUR 104.3 million compared to an EBITDA of MUR 33.4 million for the same period last year.</p> <p>5. Outlook</p> <p>In Mauritius, the removal of all restrictions as of 1st October 2021 had a very positive impact on both occupancies and average room rates of CHSL's well-established properties, Constance Prince Maurice and Constance Belle Mare Plage Hotels. C Mauritius, the first of properties operating under the C Resorts brand, managed to achieve good performance given that this is a new property.</p> <p>The Maldives and Seychelles properties benefited from additional boost following the lift of travel restrictions from Italy and the UK. The growing business influx will bring positive results for Q4.</p> <p>Despite the high vaccination rates in CHSL's source markets, the prevalence of the Delta and the newly found Omicron variants of Covid-19 are still a cause of concern and uncertainty.</p> <p>By order of the Board</p> <p>La Gaieté Services Ltd Secretary</p> <p>16 December 2021</p> <p>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, La Gaieté Services Ltd, 5th 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 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.</p>
(Loss)/earnings before interest, taxation, depreciation and amortisation	(104,299)	33,350	(77,070)	160,339	(3,049)	432,040	210,468	
Allowance (raised)/reversed on expected credit losses	(3,874)	-	(2,512)	-	(1,227)	-	5,282	
Depreciation and amortisation	(449,360)	(514,496)	(301,123)	(342,961)	(152,689)	(170,330)	(577,045)	
Operating (loss)/profit	(557,533)	(481,146)	(380,705)	(182,622)	(156,965)	261,710	(361,295)	
Finance income	11,469	-	7,920	-	3,819	-	15,472	
Finance costs	(463,322)	(404,314)	(246,151)	(274,243)	(125,778)	(136,272)	(541,928)	
Share of results of associates	(66,336)	36,634	(91,451)	(14,368)	(85,783)	20,669	(1,772)	
(Loss)/profit before taxation and non recurring items	(1,075,722)	(848,826)	(710,387)	(471,233)	(364,707)	146,107	(889,523)	
Impairment of Goodwill	-	-	-	-	-	-	(504,377)	
(Loss)/profit before taxation	(1,075,722)	(848,826)	(710,387)	(471,233)	(364,707)	146,107	(1,393,900)	
Income tax credit/(expense)	(6,437)	12,506	(4,552)	(4,667)	(2,534)	(5,335)	(27,276)	
(Loss)/profit for the period	(1,082,159)	(836,320)	(714,939)	(475,900)	(367,241)	140,772	(1,421,176)	
Attributable to:								
Owners of the parent	(546,002)	(426,118)	(360,240)	(238,600)	(183,189)	71,740	(724,289)	
Non-controlling interests	(536,157)	(410,202)	(354,699)	(237,300)	(184,052)	69,032	(696,887)	
	(1,082,159)	(836,320)	(714,939)	(475,900)	(367,241)	140,772	(1,421,176)	
Basic and diluted (loss)/earnings per share (MUR)	(9.76)	(7.62)	(6.44)	(4.27)	(3.28)	1.28	(12.95)	

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
	9 months to		6 months to		3 months to		12 months to
	Sep-21 Unaudited	Sep-20 Unaudited	Jun-21 Unaudited	Jun-20 Unaudited	Mar-21 Unaudited	Mar-20 Unaudited	Dec-20 Audited
(Loss)/profit for the period	(1,082,159)	(836,320)	(714,939)	(475,900)	(367,241)	140,772	(1,421,176)
Other comprehensive income for the period	100,757	390,710	153,805	337,249	(10,704)	235,674	260,516
Total comprehensive income for the period	(981,402)	(445,610)	(561,134)	(138,651)	(377,945)	376,446	(1,160,660)
Attributable to:							
Owners of the parent	(496,001)	(228,845)	(283,297)	(68,380)	(189,169)	190,548	(592,862)
Non-controlling interests	(485,401)	(216,765)	(277,837)	(70,271)	(188,776)	185,898	(567,798)
	(981,402)	(445,610)	(561,134)	(138,651)	(377,945)	376,446	(1,160,660)

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION						
	9 months to		6 months to		3 months to		12 months to
	Sep-21 Unaudited	Sep-20 Unaudited	Jun-21 Unaudited	Jun-20 Unaudited	Mar-21 Unaudited	Mar-20 Unaudited	Dec-20 Audited
Assets							
Non-Current Assets							
Property, plant and equipment				8,262,411	8,331,183	8,249,582	8,265,139
Rights-of-use assets				4,326,696	4,404,369	4,285,970	4,258,884
Intangible assets				12,132	11,590	12,840	14,068
Investments in associates				2,044,046	2,065,370	1,953,619	2,077,053
Deferred tax assets				74,929	74,925	75,096	78,375
				14,720,214	14,887,437	14,577,107	14,693,519
Current Assets				934,111	886,112	909,996	915,946
Total Assets				15,654,325	15,773,549	15,487,103	15,609,465
Equity and Liabilities							
Owners' interest				1,936,944	2,169,443	2,263,571	2,452,740
Convertible Bonds				655,000	-	-	-
Non-controlling interests				1,862,567	2,062,601	2,160,870	2,349,646
Total equity				4,454,511	4,232,044	4,424,441	4,802,386
Non-Current Liabilities							
Borrowings				4,652,512	4,582,026	4,634,216	3,968,283
Lease liabilities				3,999,724	3,988,323	3,931,983	3,829,714
Deferred tax liabilities				39,291	39,293	39,199	42,350
Retirement benefit obligations				316,435	316,435	316,435	316,435
				9,007,962	8,926,077	8,921,833	8,156,782
Current Liabilities				2,191,852	2,615,428	2,140,829	2,650,297
Total Liabilities				11,199,814	11,541,505	11,062,662	10,807,079
Total Equity and Liabilities				15,654,325	15,773,549	15,487,103	15,609,465
Net Asset Value per share (MUR)				34.64	38.79	40.48	43.86

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW						
	9 months to		6 months to		3 months to		12 months to
	Sep-21 Unaudited	Sep-20 Unaudited	Jun-21 Unaudited	Jun-20 Unaudited	Mar-21 Unaudited	Mar-20 Unaudited	Dec-20 Audited
Net cash (used in)/generated from operating activities	(351,560)	58,102	(174,537)	124,609	2,418	218,060	(49,906)
Net cash (used in)/generated from investing activities	(36,654)	(128,493)	(27,262)	(28,189)	(6,907)	(20,909)	11,325
Net cash from/(used in) financing activities	271,155	(47,718)	(421,738)	(268,329)	(172,365)	(318,402)	(148,748)
Decrease in cash and cash equivalents	(117,059)	(118,109)	(623,537)	(171,909)	(176,854)	(121,251)	(187,329)
Foreign exchange difference	(5,245)	-	(4,557)	-	(2,275)	-	6,012
Cash and cash equivalents at beginning of the period	(565,469)	(384,152)	(565,469)	(384,152)	(565,469)	(384,152)	(384,152)
Cash and cash equivalents at end of the period	(687,773)	(502,261)	(1,193,563)	(556,061)	(744,598)	(505,403)	(565,469)

THE GROUP - (MUR'000)	STATEMENT OF CHANGES IN EQUITY						
	Attributable to owners of the parent						
	Stated capital	Other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	Total
Balance at January 1, 2021	1,102,001	1,814,000	(463,261)	2,452,740	-	2,349,646	4,802,386
Issued during the year	-	-	-	-	655,000	-	655,000
Total comprehensive income for the period	-	50,001	(546,002)	(496,001)	-	(485,401)	(981,402)
Consolidation adjustment	-	-	(19,795)	(19,795)	-	19,795	-
Dividend	-	-	-	-	-	(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
Balance at January 1, 2020	1,102,001	1,682,572	261,028	3,045,601	-	2,940,176	5,985,777
Total comprehensive income for the period	-	197,273	(426,118)	(228,845)	-	(216,765)	(445,610)
Balance at September 30, 2020	1,102,001	1,879,845	(165,090)	2,816,756	-	2,723,411	5,540,167
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	-	76,943	(360,240)	(283,297)	-	(277,837)	(561,134)
Dividend	-	-	-	-	-	(9,208)	(9,208)
Balance at June 30, 2021	1,102,001	1,890,943	(823,501)	2,169,443	-	2,062,601	4,232,044
Balance at January 1, 2020	1,102,001	1,682,572	261,028	3,045,601	-	2,940,176	5,985,777
Total comprehensive income for the period	-	170,220	(238,600)	(68,380)	-	(70,271)	(138,651)
Balance at June 30, 2020	1,102,001	1,852,792	22,428	2,977,221	-	2,869,905	5,847,126
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	-	(5,980)	(183,189)	(189,169)	-	(188,776)	(377,945)
Balance at March 31, 2021	1,102,001	1,808,020	(646,450)	2,263,571	-	2,160,870	4,424,441
Balance at January 1, 2020	1,102,001	1,682,572	261,028	3,045,601	-	2,940,176	5,985,777
Total comprehensive income for the period	-	118,808	71,740	190,548	-	185,898	376,446
Balance at March 31, 2020	1,102,001	1,801,380	332,768	3,236,149	-	3,126,074	6,362,223
Balance at January 1, 2020	1,102,001	1,682,572	261,028	3,045,601	-	2,940,176	5,985,777
Total comprehensive income for the period	-	131,428	(724,289)	(592,861)	-	(567,799)	(1,160,660)
Dividends	-	-	-	-	-	(22,731)	(22,731)
Balance at December 31, 2020	1,102,001	1,814,000	(463,261)	2,452,740	-	2,349,646	4,802,386

THE GROUP - (MUR'000)	GEOGRAPHICAL INFORMATION								
	9 months to Sep-21			6 months to Jun-21			3 months to Mar-21		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	294,696	816,143	1,110,839	114,039	586,977	701,016	68,918	336,924	405,842
Operating loss	(385,511)	(172,022)	(557,533)	(294,320)	(86,385)	(380,705)	(144,403)	(12,562)	(156,965)
THE GROUP - (MUR'000)	9 months to Sep-20			6 months to Jun-20			3 months to Mar-20		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total	Mauritius	Maldives	Total
	Revenue	660,813	562,619	1,223,432	581,825	548,372	1,130,197	578,020	548,372
Operating (loss)/profit	(244,916)	(236,230)	(481,146)	(111,821)	(70,801)	(182,622)	171,183	90,527	261,710