

ABRIDGED UNAUDITED GROUP FINANCIAL STATEMENTS

For the Quarter and nine months Ended 30 June 2020



UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| In MUR (000) | Unaudited quarter ended 30-06-2020 | Unaudited quarter ended 30-06-2019 | Unaudited 9 months ended 30-06-2020 | Unaudited 9 months ended 30-06-2019 | Audited year ended 30-09-2019 |
|--|--|--|--|--|-------------------------------------|
| Rental income and recoveries | 45,864 | 39,233 | 138,234 | 116,763 | 155,328 |
| Other operating income | 1,536 | 3,077 | 3,729 | 9,207 | 7,121 |
| Revenue | 47,400 | 42,310 | 141,963 | 125,970 | 162,449 |
| Direct operating expenses | (10,291) | (12,857) | (35,838) | (36,259) | (51,462) |
| Net operational income | 37,109 | 29,453 | 106,125 | 89,711 | 110,987 |
| Administrative expenses | (13,711) | (9,589) | (37,169) | (27,055) | (51,090) |
| Operating profit | 23,398 | 19,864 | 68,956 | 62,656 | 59,897 |
| Other gains and losses | - | - | - | - | 128,158 |
| Profit on disposal of investment properties | - | (700) | - | (700) | 104 |
| Profit before finance costs | 23,398 | 19,164 | 68,956 | 61,956 | 188,159 |
| Interest income | - | - | - | - | - |
| Finance costs | (4,107) | (499) | (10,211) | (1,322) | (1,877) |
| Share of results in associates | (2,122) | - | (3,333) | - | (34) |
| Profit before tax | 17,169 | 18,665 | 55,412 | 60,634 | 186,248 |
| Income tax expense | (4,053) | (5,616) | (11,425) | (13,973) | (29,872) |
| Profit for the period/year | 13,116 | 13,049 | 43,987 | 46,661 | 156,376 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period/year | 13,116 | 13,049 | 43,987 | 46,661 | 156,376 |
| Total comprehensive income attributable to: | | | | | |
| - Ordinary equity holders of the parent | 13,146 | 13,544 | 46,882 | 47,821 | 167,039 |
| - Non-controlling interests | (30) | (495) | (2,895) | (1,160) | (10,663) |
| | 13,116 | 13,049 | 43,987 | 46,661 | 156,376 |
| Number of ordinary shares in issue | | | | | |
| Class A | 680,523,310 | 680,523,310 | 680,523,310 | 680,523,310 | 680,523,310 |
| Weighted average number of ordinary shares in issue | 680,523,310 | 680,523,310 | 680,523,310 | 411,785,957 | 479,522,496 |
| Basic earnings per share (MUR) | 0.02 | 0.02 | 0.07 | 0.12 | 0.35 |
| Net asset value per share (MUR) | 3.75 | 4.40 | 3.75 | 4.40 | 3.70 |
| Interim dividend per share (MUR) | - | - | - | 0.02 | 0.02 |
| Final dividend per share (MUR) | - | - | - | - | 0.02 |

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For the Quarter and nine months Ended 30 June 2020



UNAUDITED STATEMENTS OF FINANCIAL POSITION

| In MUR (000) | Unaudited 9 months ended 30-06-2020 | Unaudited 9 months ended 30-06-2019 | Audited year ended 30-09-2019 |
|---------------------------------------|---|---|-------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | 2,903,335 | 2,366,876 | 2,545,512 |
| Investment property under development | 215,799 | 269,611 | 344,120 |
| Plant, property and equipment | 2,763 | 3,448 | 1,296 |
| Investment in associates | 146,633 | - | 19,956 |
| Intangible assets | 83 | 44,656 | 115 |
| Goodwill | - | 261,242 | - |
| Total non-current assets | 3,268,613 | 2,945,833 | 2,910,999 |
| Current assets | 133,760 | 145,222 | 211,424 |
| Total assets | 3,402,373 | 3,091,055 | 3,122,423 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | | |
| Stated capital | 1,721,306 | 1,721,081 | 1,721,081 |
| Share application monies | - | - | - |
| Capital reserves | 131,053 | 380,598 | 131,053 |
| Retained earnings | 700,050 | 555,869 | 664,997 |
| Non-controlling interests | 316,939 | 337,541 | 337,071 |
| Total equity | 2,869,348 | 2,995,089 | 2,854,202 |
| Non-current liabilities | | | |
| Borrowings | 87,565 | 35,601 | 35,694 |
| Other liabilities | 53,521 | 38,021 | 51,718 |
| Total non-current liabilities | 141,086 | 73,622 | 87,412 |
| Current liabilities | | | |
| Borrowings | 256,002 | - | 77,089 |
| Other liabilities | 135,937 | 22,344 | 103,720 |
| Total current liabilities | 391,939 | 22,344 | 180,809 |
| Total equity and liabilities | 3,402,373 | 3,091,055 | 3,122,423 |

UNAUDITED STATEMENTS OF CASH FLOWS

| In MUR (000) | Unaudited 9 months ended 30-06-2020 | Unaudited 9 months ended 30-06-2019 | Audited year ended 30-09-2019 |
|--|---|---|-------------------------------------|
| Net cash generated from operating activities | 122,109 | 44,777 | 1,575 |
| Net cash (used in)/from investing activities | (368,080) | (303,913) | (348,368) |
| Net cash (used in)/from financing activities | 38,761 | 222,214 | 221,968 |
| Net (decrease)/increase in cash and cash equivalents | (207,210) | (36,922) | (124,825) |
| Cash and cash equivalents - opening | (39,205) | 85,620 | 85,620 |
| Cash flow from acquisition of subsidiary companies | - | 14,323 | - |
| Cash and cash equivalents - closing | (246,415) | 63,021 | (39,205) |

ABRIDGED UNAUDITED GROUP FINANCIAL STATEMENTS

For the Quarter and nine months Ended 30 June 2020



UNAUDITED STATEMENTS OF CHANGES IN EQUITY

| <i>In MUR (000) Group</i> | <i>Stated Capital</i> | <i>Share application monies</i> | <i>Retained Earnings</i> | <i>Capital & Other reserves</i> | <i>Non- Controlling Interests</i> | <i>Total</i> |
|---|---------------------------|---|------------------------------|---|---|------------------|
| Balance at 01 October, 2018 | 450,000 | 575,000 | 511,568 | - | - | 1,536,568 |
| Issue of shares | 1,271,081 | (575,000) | - | - | - | 696,081 |
| On internal restructuring | - | - | - | 131,053 | 319,747 | 450,800 |
| On purchase of subsidiaries | - | - | - | - | 27,987 | 27,987 |
| Dividend paid | - | - | (13,610) | - | - | (13,610) |
| Total comprehensive income for the year | - | - | 167,039 | - | (10,663) | 156,376 |
| At 30 Sep, 2019 | 1,721,081 | - | 664,997 | 131,053 | 337,071 | 2,854,202 |
| Balance at 01 October, 2019 | 1,721,081 | - | 664,997 | 131,053 | 337,071 | 2,854,202 |
| Issue of shares | 225 | - | - | - | - | 225 |
| Changes in percentage holding of subsidiaries | - | - | 1,781 | - | (17,237) | (15,456) |
| Dividend paid | - | - | (13,610) | - | - | (13,610) |
| Total comprehensive income for the period | - | - | 46,882 | - | (2,895) | 43,987 |
| At 30 June, 2020 | 1,721,306 | - | 700,050 | 131,053 | 316,939 | 2,869,348 |

COMMENTS ON THE NINE MONTHS ENDED 30 JUNE 2020

Operational review

Revenue for the nine months showed a 13% increase to reach MUR142m (June 2019: MUR 126m) and profit before finance costs increased by 11% to MUR 69m (June 2019 : MUR62m). This increase is mainly due to the opening of 246 Edith Cavell Court despite the impact of Covid-19 on its retail and hospitality portfolio.

Management has been working with tenants which have been most impacted by Covid-19 and is in the process of finalising plans which have been tailored to their specific needs.

The office area of 246 Edith Cavell Court is now included in the total Gross Lettable Area of the Group of which 45% has already been let. The overall occupancy of the Group sits at 95% (March 2020: 98.3%) primarily due to the office area of 246 Edith Cavell Court which continues to receive strong interests.

Financial Review

The secured notes programme has been approved by shareholders during the special meeting of shareholders held on 10th July 2020. The notes programme is expected to be in place by the end the year if terms are in line with market conditions.

Outlook

As a result of the lockdown, the timelines for the completion of our ongoing construction projects have been extended.

The completion of the hotel at Belle Mare is now expected to be at the end of December 2020. Given the uncertainties around the re-opening of our borders, the hotel is planned to open next year.

The planning around the renovation of the Mourouk hotel is progressing and construction will start once all relevant permits have been obtained.

Infrastructure works on one of the morcellement projects at Case Noyale have been completed. The other morcellement project is progressing well following restart of works after the lockdown and is expected to complete in the next financial year.

Management continues to monitor the impact of Covid-19 on its operations and its development plans, thus allowing the Board to reassess the Group's growth strategy and make decisions in order to adapt them to any change in market conditions in the best interest of the Group and its stakeholders.

*By order of the Board
07th August 2020*

ABRIDGED UNAUDITED GROUP FINANCIAL STATEMENTS

For the Quarter and nine months Ended 30 June 2020



KEY FIGURES FOR THE NINE MONTHS ENDED

| | |
|------------------------------------|------------------------------|
| NET OPERATIONAL INCOME | TOTAL ASSETS |
| MUR 106.1 m (+18%) | MUR 3.4 bn (+10%) |
| OCCUPANCY | NET ASSET VALUE PER SHARE |
| 95.0% (June 2019: 98.7%) | MUR 3.8 (-15%) |

The board of directors of Lavastone Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged financial statements are unaudited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 September 2019 except for the adoption of new International Financial Reporting Standards issued which are now effective. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Lavastone Ltd. The abridged unaudited financial statements are issued pursuant to DEM Rule 17. The statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issues) Rules 2007 is available, free of charge at the registered office: corner Edith Cavell Street & Mere Barthelemy Street, Port Louis, 11324

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