

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30th June	
	2023 Rs 000 (Audited)	2022 Rs 000 (Audited)
Revenue		
- Fees from hotel management and other services	722,340	849,869
- Revenue from other operations	244,471	83,799
- Others operating income	63,770	71,117
Total Operating Income	1,030,581	1,004,785
EBITDA before expected credit losses and contingent losses	207,025	310,961
Expected credit loss provision	3,323	(33,847)
EBITDA	210,348	277,114
Depreciation and amortisation	(57,757)	(44,437)
Operating profit	152,591	232,677
Net finance costs	(34,477)	(55,114)
Profit before tax	118,114	177,563
Income tax charged	(14,764)	(75,184)
Profit for the year	103,350	102,379
Profit attributable to the group	103,350	102,379
Other comprehensive income		
Movement for the year	9,021	19,033
Total recognised profit	112,371	121,412
Earnings per shares	Rs. 0.45	0.44

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Year ended 30th June	
	2023 Rs 000 (Audited)	2022 Rs 000 (Audited)
At beginning of year	(14,993)	(136,405)
Other movement	9,021	19,033
Profit for the year	103,350	102,379
Dividends declared	(27,860)	-
At end of year	69,518	(14,993)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th June 2023 Rs 000 (Audited)	30th June 2022 Rs 000 (Audited)
ASSETS		
<i>Non current assets</i>		
Property, plant & equipment	43,561	52,145
Right of Use Assets	233,956	271,690
Intangible assets	201,880	203,624
Other financial assets	4	4
Deferred tax assets	35,052	21,100
	514,453	548,563
<i>Current assets</i>		
TOTAL ASSETS	821,398	829,519
EQUITY AND LIABILITIES		
Shareholders' interest	69,518	(14,993)
Non-current liabilities	477,785	523,566
Current liabilities	274,095	320,946
TOTAL EQUITY AND LIABILITIES	821,398	829,519
Net Assets per Share	Rs. 0.30	(0.06)

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	Year ended 30th June	
	2023 Rs 000 (Audited)	2022 Rs 000 (Audited)
Net cash flows from operating activities	131,523	155,193
Net cash flows (used in) /from investing activities	(6,134)	104,739
Net cash flows used in financing activities	(57,644)	(174,790)
Net increase in cash & cash equivalents	67,745	85,142
<i>Cash and bank balance</i>		
At beginning of year	60,264	(24,878)
At end of year	128,009	60,264

Commentary

Background

The tourism industry in Mauritius is experiencing continuous growth, with 1.2 million tourist arrivals recorded for the past financial year. This is not comparable with the same period of the previous year, due to the fact that the borders were only fully opened on 01 October 2021. On a comparable basis tourist arrivals for the 9-month period from October 22 to June 23 were 955,424 compared to 546,876 in the prior year, representing an increase of 74%. However, when compared to the full fiscal year 18/19 (pre-COVID), there was a 15% drop in arrivals. LUX* Belle Mare closed down on 02 July 2022, as a result of the extensive damage caused by the fire outbreak. The hotel remained closed for the entire financial year and successfully opened on 01 October 2023. During the year we achieved an occupancy of 83% for all properties under management, with a Revenue Per Available Room (RevPAR) of Rs 11,446. It is important to note that this data is not directly comparable to the previous year, given the opening of borders in October 2021.

Tourist arrivals in Maldives for the year ended 30 June 2023, were 1.7 million as compared to 1.6 million same period last year, representing an increase of 6%. Similar to the same period pre COVID (FY 2018/2019), tourist arrivals were 1.6 million. In contrast to Mauritius, the Maldives has managed to achieve a 6% growth in tourist arrivals when compared to pre COVID period, despite experiencing a significant decrease in arrivals from China, which was previously the highest source market. Our property under management achieved an occupancy rate for the year of 70%, with a RevPAR of USD 396, representing an increase of 10% on last year.

In Reunion Island, data on tourist arrivals is not available. The destination was buoyant with a strong number of flights from France and LUX* St Gilles

achieved an occupancy rate of 78% with a RevPAR of EUR 141, representing an increase of 15% on the previous year.

In China, travel restrictions were lifted on 08 January 2023 allowing both inbound and outbound travel. With this development our hotels achieved an occupancy rate of 35% with a RevPAR of USD 176.

Performance

The Group realised a turnover of Rs1,030 million for the year ended 30 June 2023. In order to compare this result with the prior year, we have excluded the one-off compensation for early termination of one management contract, namely LUX* North Male Atoll. On a comparable basis and coupled with the closure of LUX* Belle Mare, we enjoyed an increase of Rs 282 million in turnover representing a growth of 38%. The favorable performance can be attributed to several key factors. Firstly, it is primarily attributed to the excellent performance of our managed hotels across all the destinations in which we operate. Secondly, the full-year impact of border reopening in Mauritius with effect from October 2021 and lastly, the complete-year impact of the consolidation of SALT of Palmar since January 5, 2022, contributing an additional Rs 160 million to the increase in revenue.

EBITDA for the year was Rs 210 million, compared to Rs 277 million last year. Excluding the one-off compensation of financial year 2022, recurrent EBITDA increased by Rs 189 million from last year. Net finance costs for the year decreased by Rs 21 million mainly due to a decrease in interest bearing loans (down by 15% form FY 2022).

Profit attributable to the Group for the year was Rs 103 million which is not comparable to last year profit of Rs 102 million, inclusive of the one-off compensation of FY 2022.

Insurance

An agreement has now been reached with our insurer regarding the settlement of the insurance claim for loss of profit in the amount of USD 514,300 (Rs 23.2 million), following the fire outbreak at LUX* Belle Mare. At the time of signing the accounts, this final amount had not been agreed. We have accounted an amount of Rs 22 million in financial year ended 30 June 2023. The surplus of Rs 1.2 million will be accounted for in financial year ending 30 June 2024.

Capital Reduction and Dividend

The company completed a capital reduction of Rs 360 million during the year to reduce the accumulated losses and increase the distributable reserves, which in turn resulted in an improvement in both its solvency and balance sheet position.

A dividend of Rs 0.12 per share was declared and paid to shareholders on the 11th September 2023.

Outlook

The current global environment is continuing to show strong signs of a robust improvement in the travel & tourism industry post COVID.

In Mauritius, the number of visitors is showing a positive trend, and it is expected that by the end of 2023, it will reach between 90% and 95% of the levels reached before the pandemic. This growth is primarily due to the recovery of the European markets, Middle East and India.

According to data from Statistics Mauritius, it is projected that there will be approximately a total of 1.3 million visitors, marking the recovery rate of 94% when compared to the arrivals in 2019. The tourism sector is poised for further expansion, thanks to improved air connectivity, with additional flights being added on the UK Market and the reopening of the Geneva route. Furthermore, Charter flights to Mauritius from several main markets such as Italy &

Russia will also boost the incoming tourism figures. The level of bookings in hand for the semester ending December 2023 for our properties is above that of the corresponding period of the previous year.

In Maldives, benefitting from their open skies policy and with the second runway already operational, the destination is confident that they will reach the target of 1.8 million visitors for the year 2023. With the new terminal becoming operational in mid-2025, and more flights serving the destination, it is forecasted that the number of arrivals would reach 3 million tourists in 2025. The increase in the GST (Goods and Services Tax) from 12% to 16%, coupled with the strong USD versus the main currencies is a concern for the destination. Business on the books for our property, LUX* South Ari Atoll for the semester ending December 2023, is lower than the same period last year. It should be noted that there has been a significant increase in the new room supply, with several luxury brands entering the market.

In La Reunion, our bookings in hand for the semester ending 31 December 2023, are at par with the same period last year.

In July 2023, we entered into a hotel management agreement for an 82-room newly built hotel located in Zanzibar, which was already operational and has been rebranded as LUX* Marijani Zanzibar. The property's launch has been a success and we are witnessing a steady improvement in the results.

We are confident that notwithstanding the uncertainties of the global financial environment our results will continue an upward trend for the first semester.

By order of the Board,
IBL Management Ltd,
Company Secretary

19 September 2023

Notes to the Financial Highlights

- The Financial Highlights have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The Financial Highlights have been prepared on the same basis as the accounting policies set out in the audited statutory Financial Statements of the Group for the period ended June 30, 2022, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued and effective for accounting period starting on July 1, 2022.
- The Financial Highlights are published according to the Securities Act 2005.

- Copies of the Financial Highlights and the statement of direct and indirect interests of officers of the Company required under Rule 8 (2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge, upon request, from the Company Secretary, at the Company's registered office, The Lux Collective Ltd, Pierre Simonet Street, Floralé.
- The Board of Directors of The Lux Collective Ltd accepts full responsibility for the accuracy of the information contained in the Financial Highlights.