

Emtel Limited ("Emtel")
10 July 2023

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating ¹	Rating Action
Bond Issue – Long Term	1,000	CARE MAU AA-; Stable [Double A Minus Outlook: Stable]	Reaffirmed
Bond Issue – Long Term	900 (reduced from 1,150)	CARE MAU AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Total	1,900 (reduced from 2,150)		

Ratings Rationale

The rating continues to derive strength from the experience of Currimjee group and India based Bharti Airtel group operating in the telecom industry, Emtel Limited's ("Emtel") strong brand presence with its position as the second largest player in the Mauritian telecommunication market, integrated telecommunications operations, improved performance from EMVision Ltd (a key subsidiary), established & reasonably large subscriber base, robust spectrum profile, strong distribution network allowing consistent growth in subscriber base and growth in usage of data and moderate financial position along with comfortable debt coverage & liquidity indicators.

The ratings are, however, constrained by increasing competition among existing service providers, capital intensive nature of the industry leading to significant capital expenditure, leveraged capital structure, high dividend pay-out leading to depletion in networth and the exposure to regulatory and technology/obsolescence risks.

Rating sensitivities**Positive factors that could, individually or collectively, lead to positive rating action/upgrade**

- Improvement in operational & financial performance of company
- Steady increase in subscriber based both in Emtel and MC Vision.
- Ability to increase market share for Emtel in terms of postpaid and prepaid subscribers.
- Improved performance and higher dividend from EM-Vision.

Negative factors that could, individually or collectively, lead to negative rating action/downgrade

- Higher quantum of Capex required for enhanced services than envisaged.
- Higher dividend payment or higher debt resulting in gearing higher than 2.5x
- Deterioration in profitability and total debt/EBITDA.

BACKGROUND

Emtel Limited ("Emtel") was incorporated in July 1987 by the Currimjee group (currently owning 75% stake in Emtel). In May 1989, Emtel became the first operator to commercially launch mobile telephony in the whole southern Hemisphere as an international joint venture of the two groups, the Currimjee Jeewanjee Group of Mauritius, and a Swedish company, Comvik which later went on to become Millicom International Cellular (MIC) S.A, a global

¹Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

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telecommunications group based in Luxembourg.

In 2014, the Currimjee group procured the entire stake of Millicom in Emtel. In 2015, Emtel partnered with Bharti Airtel Limited, India's leading provider with operations in 20 countries across Asia and Africa. Indian Continent Investment Limited, (ICIL) a promoter entity owned by the Bharti group of India acquired 25% stake in Emtel. Emtel signed a Technical Services Agreement with Bharti Airtel Limited to benefit from the technical and commercial knowhow and business support of Airtel in various areas.

The popularization of the mobile phone in Mauritius had a direct increase in demand for Emtel's services, it being the only mobile phone operator of the Island until 1996 (when Cellplus Mobile Communications Ltd belonging to Mauritius Telecom – a GoM owned company, entered the market). Emtel has been in the forefront in technology and innovation. Some of the recent developments are as follows:

- In 2020, Emtel acquired 90% stake in EM-Vision Ltd ("EM-Vision") from its promoter Currimjee Jeewanjee & Co. Ltd, the flagship company of the Currimjee Group at MUR 1,150 million.
- In March 2021, METISS submarine cable project connecting Mauritius, Reunion, and Madagascar to South Africa has been made operational. This cable is owned by a consortium of 6 operators in the Indian Ocean including Emtel.
- In May 2022, Emtel launched a new mobile payment application, BLINK, which works with the Instant Payment System of the Bank of Mauritius.
- In July 2022, Emtel has launched 5G which brings higher internet speed, lower latency and better customer experience.

Mauritius has 3 telecom service providers (MyT, Emtel and MTML) and Emtel is the second largest telecom service provider after MyT in the country. Emtel has 21 showrooms across the Republic of Mauritius (including 1 in Rodrigues) and provides mobile telecom services (voice, SMS, mobile data to prepaid & post-paid subscribers), home broadband, fixed line and enterprise business solutions. Emtel generates the majority of its revenue from its voice and data services. It also owns 3G/4G and 5G spectrum and tower network.

Management: Emtel is a professionally managed company. It is governed by a 7-member Board of Directors comprising of eminent industrialists and professionals. Mr. Bashirali A Currimjee is the Managing Director and Chairman. He has served as Honorary Consul General for the Republic of Turkey in Mauritius, President of Mauritius Chamber of Commerce, and Industry (MCCI) and Business Mauritius, Director of SBM and Director at the Bank of Mauritius. Mr. Krishnaduth Goomany was appointed as the CEO of Emtel in 2021. He has over 31 years of experience in the telecommunication industry and a great understanding of the local market having previously worked for Mauritius Telecom, Cellplus Mobile Communications Ltd and Comviva Technologies Ltd. He is assisted by a team of professionals looking after various functions of the company.

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CREDIT RISK ASSESSMENT**Strong parentage and experienced management of Currimjee & Bharti Group**

Currimjee group was founded by Currimjee Jeewanjee (grandfather of Mr. Bashirali Currimjee). Mr. Currimjee arrived in Mauritius in 1884 and started a little business in Port Louis, trading in commodities in 1890. For over 130 years, the group has expanded into Commerce, Telephony, IT, Pay TV, Manufacturing, Soap, Soft drinks, Water, Margarine, Insurance, Energy, Tourism and Real Estate, etc. Currimjee group operates in seven business clusters namely: Telecom, Media & IT (Emtel, Canal+, Screenage and Currimjee Informatics), Real Estate, Tourism & Hospitality (Anantara Hotel), Commerce & Financial Services (Batimex Limited, Island Life Assurance), Energy (Total Mauritius Limited), Food & Beverages (Quality Beverages Limited and Margarine Industries Limited) and Home & Personal care (Soap & Allied Industries). The Currimjee Group's turnover for FY22 was MUR 8,379 million with 8 clusters (MUR 7,168 million in FY21).

The other promoter Bharti group (Bharti) is one of India's leading integrated telecommunication service providers. The mobile services group provides mobile services in all 22 telecommunication circles across India, while the home services group provides broadband and wireline services. Bharti also provides mobile services in Sri Lanka, Bangladesh and 14 countries in Africa. By virtue of being a part of the Currimjee & Bharti group, Emtel has a qualified, professional and experienced management team with vast experience in the telecom sector. Moreover, Emtel enjoys strong financial flexibility being a prominent company of the Currimjee group.

Strong brand recognition

Emtel has a strong presence across the Republic of Mauritius. As on December 31, 2022, Emtel, (as per Emtel's calculation based on traffic on the network and national numbering plan for mobile) had 40.9% market share of mobile subscribers with an estimated total mobile subscriber in Mauritius at 1.87 million. However, as per the mobile telephony services data published by ICTA, Emtel had 33% market share of mobile subscribers with an estimated total mobile subscriber in Mauritius at 2.10 million for 2022. The brand 'Emtel' is ranked among Mauritius' buzziest brands across telecom and non-telecom brands.

Strong spectrum profile laying foundation for revenue visibility and business growth

Prior to the enactment of the Information and Communications Technologies Act in 2001 ("ICT Act"), the telecommunications industry was regulated under the Telecommunications Act 1988, which introduced the Telecommunications Authority. The ICT Act established the Information and Communication Technologies Authority ("ICTA") to regulate the telecom industry.

The ICTA provided PLMN, PSTN, ILD and ISP licenses to Mauritius Telecom and Emtel respectively for a period of 15 years, with a clause to apply for renewal. In addition to the said main licenses, the licensee should avail itself of additional spectrum licenses together with the payment of annual fees up until the expiry of the licenses. As on May 2023, Emtel has PLMN, PSTN, ILD, ISP licenses along with spectrum licenses in various frequency bands. Emtel pays more than MUR 213 million annually in relation to license fees, solidarity levy, CSR and USF.

Consistent increase in subscriber base due to strong distribution network

The subscriber base of Emtel has increased at an average annual growth rate of 5% from FY17-19 except in FY20 whereby subscriber base decreased slightly following the lockdown. However, subscriber base picked up again in FY21

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increasing to 670,102 subscribers (648,521 subscribers in FY20). The subscriber base increased further to 691,744 subscribers in FY22. The subscriber base consists mainly of prepaid customers (81% of the total subscribers). The company sells its products / sim cards / recharge facility through 21 showrooms. It also sells sim cards and recharge facility through a wide network of retail outlets across the island. The latter are serviced via channel partners or distributors. Total mobile & telephone subscribers in Mauritius are 2,558,900 for 2022 (462,100 fixed line telephone subscribers and 2,096,800 mobile subscribers as per ICTA Mauritius).

Intense competition impacting the key performance indicators.

On account of aggressive marketing strategy of the 3 telecom operators to offer services to a limited targeted base/market, the competition in the industry had intensified. Emtel's Average Revenue per User (ARPU) for mobile subscribers has declined from FY19 to FY21. In FY22, ARPU was slightly higher than in FY21 and same is expected to increase further in FY23. During the last 4 years, there has been an increase in data subscribers due to increase in usage of data services (higher usage of web-based communication services like WhatsApp, Facebook, Messenger, Viber, Face time etc.) vis-à-vis normal voice calls, SMS, and VAS which have been declining in line with international trend. Average Revenue per Megabyte (ARMB) has declined over the last 4 years as earlier mobile internet users were being charged on a pay-as-you-go basis, however over last few years, Emtel has launched unlimited packs with daily, weekly, and monthly data packages and are since then dominating the mobile data market. The prices of such packages vary in the range of MUR 12 for a daily unlimited package to a monthly 30-day at MUR 819 unlimited pack. In addition, Emtel also provides long validity packs with pricing as low as MUR 619 and MUR 819 with validity of 60 days and 90 days respectively. These packages are cheaper than pay-as-you-go and allows users to limit and monitor their mobile expenses.

This in turn has led to increase in higher number of users and hence increase in revenue from data services over the last 4 years. Emtel's management maintains that going forward, more revenue will be generated from data than voice business, because data will be the primary mode of communication (voice, video, and messaging) and entertainment. Income from operations and EBITDA of Emtel for last 4 years are as shown below:

Overall Business	Unit	FY20	FY21	FY22
Income from operations	MUR Million	3,091	3,129	3240
EBITDA		1,419	1,386	1453
EBITDA margin %	%	44.75	43.28	44.66

Significant investment in infrastructure

As of December 31, 2022, Emtel had 469 cell sites which are either on leasehold land/buildings, Emtel owned land and on shared basis with other operators. This enables it to cover 95% of the population of Mauritius and 96% of network area coverage.

Investment in Capital Expenditure (Capex) funded by debt and internal accruals

Capex is an integral part of the telecom business and Emtel has to continuously incur Capex to develop infrastructure to provide better services. The investment in capex is mainly to cater for the growing demand for data and enterprise solutions and to provide an island-wide coverage of LTE which is the enabler of high-speed data. The company invested

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in METISS submarine cable project which is led by a consortium of six operators to connect Mauritius, Reunion, Madagascar, and South Africa. This cable became operational in March 2021 and is bringing the much awaited and needed extra capacity as well as redundancy in international connectivity for the country. Emtel is part of the 6 operators investing in METISS submarine cable project. This apart the company has to invest in inland fibre project connecting the balance and new towers through optical fibres, procure equipment's (routers, last mile equipment), and invest in hardware & software upgrade & other IT projects. In FY22, the company's CAPEX totalled to MUR 1,479 million which was invested mainly in deployment of 5G technology equipment, modernization of old equipment and extension of the inland fibre. Capital Expenditure is estimated to be MUR 1,310 million for FY23.

Stake acquisition in EM-Vision Ltd

In June 2020, Emtel acquired a 90% stake in EM-Vision Ltd. at an aggregate cost of MUR 1,150 million. EM Vision Ltd is an investment holding company which holds 52.94% stake in MC Vision Ltd ("MC Vision"). EM-Vision Ltd does not hold any other investment and does not have any other business activity. It is a debt-free company, and its only source of revenue is in the form of dividends from MC Vision.

MC Vision Ltd

Incorporated in 1997, MC Vision is the leader in digital pay TV market in Mauritius, with over 96,000 households subscribing to its services. The shareholders of MC Vision are EM-Vision (52.94%), Canal+ International (23.82%), Canal+ Reunion (13.24%) and Mauritius Broadcasting Corporation (10%).

Canal+ International is a French-based pay-tv service which has over 14.7 million subscribers (international operations outside of France e.g., in the Indian Ocean, Africa, the Caribbean, the South Pacific, Poland and Vietnam). Canal+ Reunion is a subsidiary of Canal+ International which operates in Reunion Island. The Mauritius Broadcasting Corporation is Government-owned and is the national public broadcaster of Mauritius, broadcasting on TV & Radio.

Post-acquisition in June 2020, Emtel owns 47.65% of MC Vision and is consequently entitled to additional annual dividend income streaming from MC Vision. In FY19, MC Vision has purchased telecast rights from Indian content providers (Sony, Star, Colors, Zee TV etc.), to telecast these channels in Mauritius. Higher fixed cost has impacted the company's profitability in FY19, FY20 and FY21 by the pandemic and lockdown. The effects of the pandemic including depreciation of the local currency and change in consumption habits, persisted in FY22 resulting in lower revenue of MUR 1,282 million (MUR 1,304 million in FY21) and negative PAT of MUR 2 million (MUR 27 million positive PAT in FY21). Additionally, in FY22, the company lost its competitive advantage in football contents. No dividend was paid in FY22.

Financial Performance – Emtel Limited

The financial year 2022 has been a positive year for Emtel after two years impacted by the pandemic. Revenue is back on track after two challenging years and have increased by 4% compared to FY21. The main contributors for the increased revenue were revenue from mobile business, home broadband business and enterprise business. On the other hand, Emtel also witnessed a drop in voice revenue and revenue from sale of products.

In FY22, total income increased marginally from MUR 3,203 million to MUR 3,254 million. EBITDA and PAT were also higher at MUR 1,453 million and MUR 478 million. During FY22, GCA was comfortable at MUR 1,173 million vis-a-vis

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debt repayment obligation of MUR 825 million. Total debt/EBITDA and Total debt/GCA were higher at 1.85x times and 2.51x times in FY22 (excluding the impact of finance lease). As on December 31, 2022, overall gearing stood at 2.23x and same is expected to improve to 1.32x in FY23 due to part repayment of the bond. Interest coverage was 8.7x in FY22. The average fund based working capital utilization was at 13.3% during the last 12 months ended March 2023. Emtel paid a dividend of MUR 532 million in FY22. In FY22, the company's CAPEX totalled to MUR 1,479 million which was invested mainly in deployment of 5G technology equipment, modernization of old equipment and extension of the inland fibre.

Higher dividend pay-out ratio leading to leveraged capital structure

Emtel generally follows a policy of high dividend payment to its shareholders subject to availability of cash post meeting debt repayment obligation and investment in capex. This policy of regular and high dividend payment has confined the growth of the networth of the company, despite consistent high profits.

The overall gearing ratio has increased over the last two account closing dates (1.70 as on December 31, 2020, and 2.43x as on December 31, 2021) due to debt availed for capital expenditure and stake acquisition of EM-Vision. In FY22, overall gearing improved slightly to 2.23x. Same is expected to improve further as debts are repaid. During the projected period, the management has very strongly stated that the dividend payout ratio will be subject to availability of cash post debt repayment.

Highly competitive industry

The Mauritian telecommunication industry is a frontrunner in the region, having been the first African country to launch mobile telecom networks in 1989, to provide 3G service in 2004 and one of the first countries to launch IPTV services in 2006. State of the art services such as LTE and fibre broadband services are also available countrywide. The needs of the mobile market are catered for by 3 network operators namely, Mauritius Telecom, Emtel, and MTML. As per the mobile telephony services data published in Information and Communication Technologies Authority ('ICTA') and Statistics of Mauritius website, the total mobile cellular subscription of Mauritius was 2.10 million as at December 2022. Despite the increase in subscriber volume over the years, the mobile market is undergoing a shift from voice to data services. The movements can be explained by an increasing use of web-based communication services such as WhatsApp, Instagram, Facebook, Messenger, Viber etc. In addition, while earlier years witnessed mobile internet users being charged on a pay-as-you-go basis with an average cost of MUR 3/MB, daily, weekly, and monthly data unlimited packages have been introduced since and are dominating the mobile data market. The prices of such packages vary in the range of MUR 12 for a daily unlimited package to MUR 819 for 90-Day unlimited package, which is cheaper than pay-as-you-go and allows users to limit and monitor their mobile expenses. Short Message Service is on a decreasing trend for the past 4 years to reach under 400 million SMS sent for 2021 as compared to 1 billion in 2017. Between 2019 and 2021, the number of SMS sent declined by 57% from 728.5 million to 314.3 million. A service whose demand remains on the rise is internet connectivity, with Mauritius Telecom and Emtel dominating market share despite the number of internet service providers hitting double-digits. Telecommunications industry of Mauritius is regulated by the Information and Communication Technologies Authority (ICTA). Given the limited size of the Mauritian market, issuance of licenses to new entrants whose services would bring aggregate supply over and above to what is required is highly unlikely.

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Hence, telecoms market in Mauritius remains one with high barriers to entry, with decreased likelihood of profitability erosion among existing participants.

Subscription Television Industry in Mauritius

Mauritius has only one public television broadcasting service, the Mauritius Broadcasting Corporation (MBC), which runs a broadcasting service in Mauritius since 1965. Every household which is liable to pay an electricity bill is automatically subject to pay monthly fees of MUR 150 to MBC for its services unless the person declares that it does not possess a television set. MBC currently broadcasts 18 channels including BBC News and French channel TV5 Monde and users must purchase a set-top box (normally costing less than MUR 1,000) to receive such channels. The alternative to MBC channels is Subscription-TV. The Subscription-TV market in Mauritius has 4 players, namely MC Vision Ltd (popularly known as Canal Plus), Mauritius Telecom Ltd (MyT), Mediacom Ltd (Parabole Maurice) and Vitiro Ltd (DStv Mauritius). They are all licensed by the Independent Broadcasting Authority.

MC Vision Ltd: - MC Vision provides satellite TV and airs more than 100 channels, including premium content and has exclusive rights over premium channels such as Canal+. It has over 96,000 households subscribing to its services in Mauritius.

To subscribe to MC Vision, you need to purchase at least one pack starting from MUR 500 per month. Additional packages start from MUR 250. Customers opting for all channels available are charged a maximum of MUR 2,450 per month. MC Vision also provides its subscribers with access to Netflix as from MUR 370 per month and offers Disney+ in exclusivity. All subscribers can also view their live and on-demand contents (+50,000) through a 4K decoder and the MyCanal application, which is accessible on all ISPs, allowing content consumption anytime, anywhere and on any device. With all these offers MC Vision positions itself as a content aggregator.

MyT: -Unlike MC Vision's satellite TV, MyT provides Internet Protocol TV (IPTV) which requires an internet connection for the content to be delivered to the user. MyT provides a free basic channel bundle (66 channels including 18 MBC channels) with every broadband subscription. Subscribers have the option to pay and add channel bundles. The minimum TV and Internet combination starts at MUR 1,200 with "à la carte" channels as add-ons as from Rs50.

Parabole Maurice: -provides satellite TV with over 80 channels in Mauritius. It forms part of a regional group in the Indian Ocean, the Parabole Group, which provides satellite television to Mauritius, Réunion, Madagascar, Mayotte, and Comoros. The group has more than 10,000 customers in Mauritius. In Mauritius, subscribers can choose from 4 channel bundles ranging from MUR 500 per month (Candy pack- 50 channels) to MUR 1,645 per month (Smarty pack- 87 channels).

DStv: - provides direct broadcast satellite TV with a wide array of channels. Most of its subscribers are hotels and non-francophone expats living in Mauritius. DStv offers 5 packages (Access, Family, Compact, Compact Plus and Premium) with monthly subscription fees varying from MUR 460 (Access- 75+ channels) to MUR 3,120 (Premium-150+ channels). Almost every household in Mauritius has one or more television sets, granting them access to MBC channels. However, due to the limited content there has been an observed trend whereby more and more people opt for subscription-TV as their disposable income rises. As long as no new taxes are introduced, disposable income is expected to continue its growth and make subscription-TV affordable to more households. While decrease in number of customers for

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subscription-TV remain highly unlikely because of the habit-forming traits of the product, the rise of video on demand services (Netflix, Prime Video, Zee5, Hulu etc.) has the potential to significantly hamper growth of the subscription - TV market.

Financial Performance

Standalone Financial performance of Emtel Ltd

MUR Million

For the year ended as on	Dec-20	Dec-21	Dec-22
12M	Audited		
Revenue	3,091	3,129	3,240
Dividend and other income	81	75	14
Total Income	3,172	3,203	3,254
EBIDTA	1,419	1,386	1,453
Depreciation	632	720	715
Interest	132	157	167
PBT	651	509	593
PAT	552	380	478
Gross Cash Accruals (GCA)	1,184	1,101	1,173
Dividend paid/proposed	364	516	532
Financial Position			
Equity share capital	152	152	152
Tangible network	1,242	1,119	1,318
Total debt	2,108	2,714	2,944
Total Debt (including Finance Lease)	2,768	3,487	3,963
- Finance Lease	660	773	1,020
Cash & Bank balances including restricted cash	184	30	612
Key Ratios			
EBIDTA / Total income	44.75	43.28	44.66
EBIT/Total Income	24.81	20.79	22.69
PAT / Total income	17.41	11.88	14.68
ROCE- operating (%)	20.44	14.81	14.43
RONW (%)	47.82	32.24	39.23
Interest coverage (EBITDA/Interest)	10.79	8.86	8.70
Excluding impact of finance lease			
Overall gearing ratio	1.70	2.43	2.23
Total Debt/Gross Cash accruals	1.78	2.47	2.51
Total Debt/EBIDTA	1.49	1.96	1.85
Including impact of finance lease			
Overall gearing ratio	2.23	3.12	3.01
Total Debt/Gross Cash accruals (Incl. finance lease impact)	2.34	3.17	3.38
Total Debt/EBIDTA (Incl. finance lease impact)	1.95	2.52	2.73
Current ratio	0.46	0.73	0.59

Adjustments

1. Tangible network is calculated by netting off revaluation reserve.
2. Gross Cash Accruals (GCA) is calculated as PAT + Depreciation + other non-cash expenditure.
3. EBITDA includes exceptional item and admin solidarity levy tax on gross revenue.
4. Overall Gearing ratio is calculated as total debt (long term and short-term debt) / Tangible Network.

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Details of Existing Instrument

Existing Long-term Bond

Instrument		Amount (MUR Million)	Repayment (MUR Million)
Long term Bond (Issued in June 2019)	1,000	MCB – 600 SBM - 400	5 th year – MCB – 300/SBM - 200 (June 2024) 7 th year – MCB – 300/SBM - 200 (June 2026)
Long term Bond – Tranche I (Issued in April 2020)	900 (reduced from 1,150)	MCB – 350 ABC – 100	MCB - April 2025: 250 ABC - April 2025: 50
Long term Bond – Tranche II (Issued in January 2021)		MCB – 450	MCB - April 2028: 300 MCB - April 2030: 250 ABC - April 2030: 50

Disclaimer

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Annexure I

Long /Medium-term Instruments

Symbols	Rating Definition
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category. A suffix of '(SO)' may be added to the rating indicating that the instrument / facility is a "Structured Obligation". A prefix of 'Provisional' may be added to a 'SO' rating indicating that the rating is subject to completion of certain conditions.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

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CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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CARE Ratings (Africa) Private Limited

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