Medine Limited

December 21, 2022

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating[1]	Rating Action
Secured Fixed Rate Notes	**1,000**	**CARE MAU A; Stable [Single A; Outlook Stable]**	**Assigned**
Total	**1,000**		

Rating Rationale

The rating assigned to the secured fixed rate notes of Medine Limited ("Medine") derives strength from experienced and resourceful promoters, established group with investment across diverse business verticals, steady cashflow and revenue visibility from confirmed sale of land and morcellement plots, stable operational and financial performance of the various business verticals with low gearing and adequate liquidity at group level and comfortable coverage ratios for Medine. The rating also takes into consideration the strong demand for land in Mauritius and steady increase in land price during the past 10 years.

The rating is, however, constrained by the market risk associated with sale of land and property development, regulatory risk in case of changes in law pertaining to sale of land and the volatility in interest rate, risk associated with regular receipt of funds from the existing bookings in a timely manner, saleability risk for sale of land bulks and morcellement plots for the new projects and the volatility in revenue of the various business verticals.

Rating Sensitivities:

Positive factors that could, individually or collectively, lead to positive rating action / upgrade:

- Ability to sell land at envisaged price within the envisaged timeline
- Ability to realise the cashflow of the sold projects
- Timely completion of the development projects within cost parameters
- Improvement in operational and financial performance of the verticals

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

- Significant investment in subsidiaries
- Additional debt taken by Medine Limited or its subsidiaries
- Significant decline in demand for land parcels
- Change in regulations pertaining to Real Estate Sector by the Government which can impact sale and pricing.

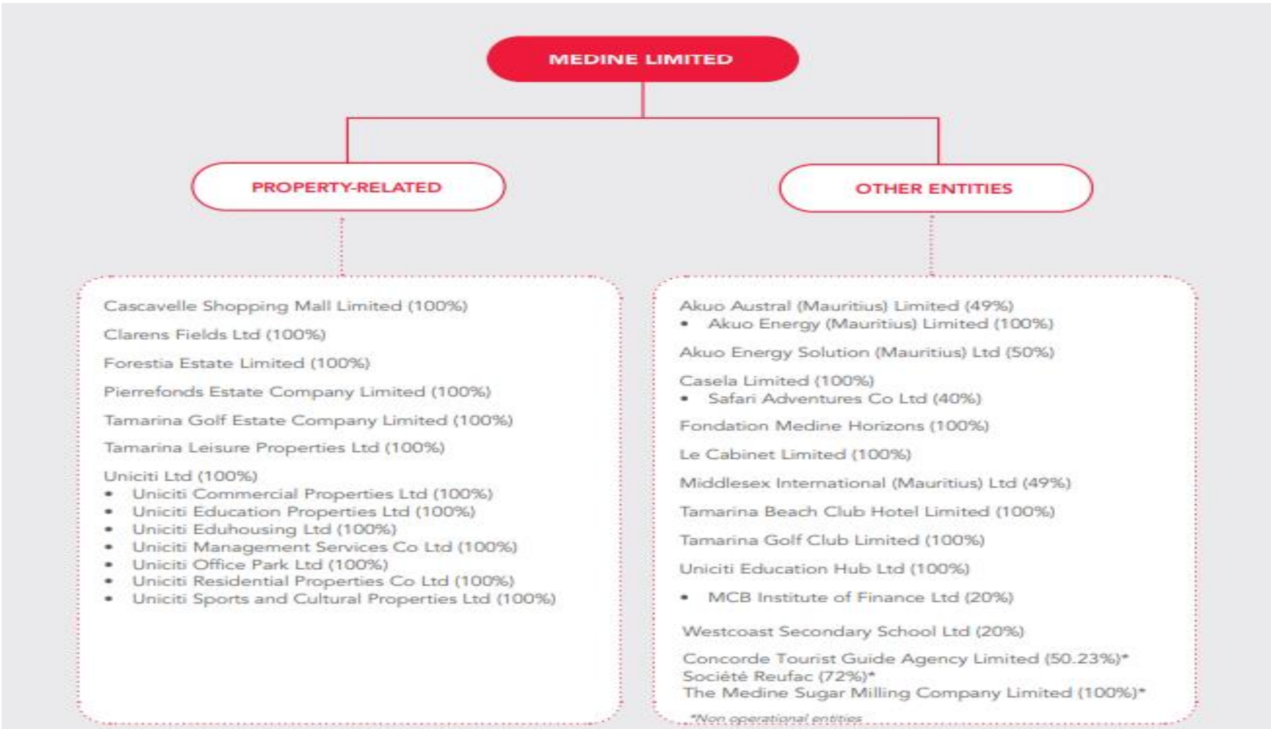
BACKGROUND

Incorporated as a public company in 1913, Medine Limited (**''Medine''** previously known as The Medine Sugar Estates Company Limited prior to year 2009) is an investment and holding company of Medine Group (Medine Limited and its subsidiaries). MCB Group Limited (CARE MAU AAA; Stable) owns 57.7% stake in Fincorp which in turn owns 46.4% stake in Promotion and Development Ltd (PAD). PAD has 35.1% stake in Medine. Since its inception in 1911, Medine has been a key player in the agricultural development of the island mainly the sugar and cane industry. As years passed by, the

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

group has diversified its activities into five different verticals such as Agriculture, Education, Sports & Hospitality, Casela Park and Property.

Medine Group ranks among the Top 100 Mauritian companies. It derives its revenue from the operational activities of its subsidiaries which are engaged in diversified sectors. Medine Group achieved a consolidated revenue of MUR 1,539 million for FY22 (MUR 1,201 million FY21). The group structure is as below:



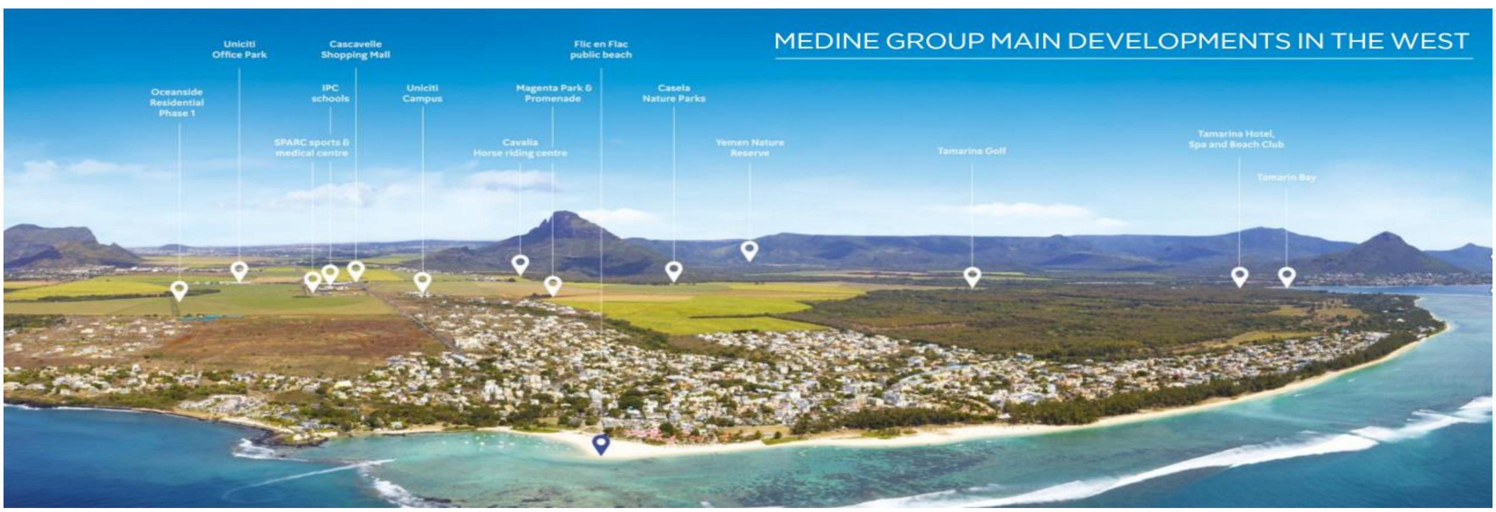
The major contributor to revenue for Medine is the real estate vertical which is involved in rental of properties and sale of land for commercial/residential/other purposes, situated along the West Coast of Mauritius, which offers a magnificent view of the ocean. Medine is planning to develop over the next 5 years some 1,265 arpents of land in the west coast area. In 2021, it sold 122.9 arpents of land and sale for 2022 was 576.5 arpents of land (sale for Q1FY23 was 82.3 arpents). Additionally, Medine has also developed 49 residential units (The Grove project) which have been sold for a total value of MUR 446 million. Medine have held the land for more than 100 years. Medine receives a deposit payment of 35% of the total land price from clients upon reservation and the remaining payment is made on delivery of the plot of land to the client.

Group History: Medine Group was founded in 1911 by Mr. Raoul Raffray, Mr. Rene Raffray, Dr. Alphonse Raffray and Mr. Albert de Maroussem. The Medine Sugar Estates, spread out on an area of 12,240 km2 included the estates of Belle Vue, La Mecque and Eaux Bonnes. The milling factory on site received sugarcane from Richelieu area to Tamarin Area.

In 1969, the former General Manager of Medine, Mr. Fernand Leclezio, had a vision to link the lands of the east and west coast via the centre of the island. Two companies, FUEL (Flacq United Estates Limited) and The Medine Sugar Estates Co. Ltd were merged into West East Limited (WEAL). WEAL was owned by both FUEL (60% holding) and Medine (40% holding). In 2001, as the sugar sector started to dip, WEAL was dismantled, and the demerger allowed Medine to fully embrace its distinct identity as the major landowner of the west coast. They started looking for alternatives to sugarcane and review the operations and strategy of Medine. In 2005, they came up with a master plan to turn the west of the island into a 'Work, Live and Play' destination with some residential, industrial, commercial and recreational developments.

In 2005, the Group pioneered the IRS market with the Tamarina Golf Estate and Beach Club. In 2009, the company was restructured into three clusters namely Property, Agriculture and Leisure. They have started to set up a smart city in the Cascavelle / Flic en Flac region under the Property cluster which consists of a shopping complex, student housing and a hi-tech Business Park along with green spaces, pedestrian and cycling zones, an Art Centre, a Sports facility and a university campus. The latest contribution to Medine's vision to create a residential ecosystem in the West was through the Education cluster, consisting of operations in the pre-primary, primary, secondary and tertiary segments of the market. Medine, as an innovative entity in the cane industry, has also innovated with development of Tamarina's estate under the Integrated Resort Schemes (IRS) and has a leisure offering that includes Tamarina Boutique Hotel and an 18 holes Golf course of international standard.

Medine Group obtained a 'Smart City Certificate' in 2017 from the Economic Development Board (EDB) under the Mauritian Government's 'Smart City Scheme'. There was the official launch of Unitici, a smart city development on an area of 823 acres on the west coast of the island. Uniciti is an integrated and connected city that brings together the Work, Live and Play concept. Uniciti Education Hub was also set up. Uniciti is today the host to many state-of-the-art and prime facilities and offering such as SPARC sports and medical centre, Cascavelle Shopping Mall, Middlesex University campus, Student Life residences and Uniciti Office Park.



Management: Medine is a professionally managed company. As of June 2022, the board of Medine Limited comprised of 12 members: one Executive Director, two Independent Non-Executive Directors and nine Non-Executive Directors. The strategic affairs of the company are looked after by Mr. Dhiren Ponnusamy who is the CEO and the Executive Director. He looks after the Financial and Strategic planning of Medine, and he is assisted by a team of experienced and qualified professionals.

CREDIT RISK ASSESSMENT

Long track record of the company & experienced promoters

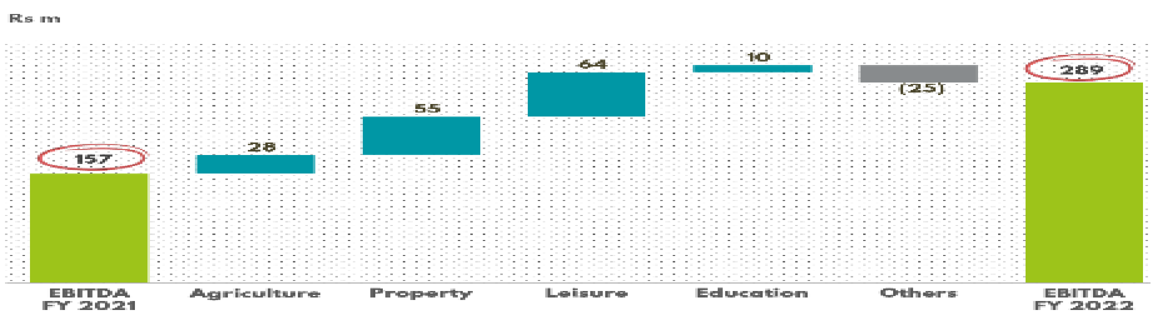
Incorporated in 1913, Medine Limited is an investment & holding company of Medine Group (Medine Limited and its subsidiaries). MCB Group owns 57.7% stake in Fincorp which in turn owns 46.4% stake in Promotion and Development Ltd (PAD). PAD has 35.1% stake in Medine. Mr. Pierre Doger de Speville holds 12.8% stake in Medine, and the remaining stake is held by individuals, insurance and assurance companies, investment and trust companies, pensions and provident funds and other corporate bodies. Since its inception in 1911, Medine has been a key player in the agricultural development of the island mainly the sugar and cane industry for more than 100 years. As years passed by, the group has diversified its activities into five different verticals such as Agriculture, Education, Leisure, Sports & Hospitality, and Real Estate / Property. Medine Group ranks among the Top 100 Mauritian companies (83rd as per The Business Magazine). Medine has a land bank of 10,000 hectares. It is listed on the official market of the Stock Exchange of Mauritius (SEM) and has a market capitalization of MUR 5.88 billion as at end of November 2022.

Professional and highly qualified management team

Medine Group has a highly qualified and experienced employee pool having large experience in their related field. Medine's improvement in operational efficiency over the years can be attributed to its sound management team. Each vertical is managed by a team of professionals.

Established group with presence across diverse business verticals

Medine Limited has interests across diverse business verticals such as agriculture, property & real estate, education, leisure and sports & hospitality. The main verticals made a positive contribution to EBITDA despite the pandemic conditions.



Verticals (Mur Million)	FY21		FY22		Q1FY23	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Agriculture	491	68	606	95	386	110
Real Estate and Property	457	214	542	269	85	25
Casela (Leisure)	56	-58	144	-17	89	31
Sports and Hospitality	50	-30	135	-8	42	-4
Education	23	-9	39	1	9	1
Central and other costs*	5	-27	5	-52		
Total	**1,082**	**157**	**1,471**	**288**	**610**	**164**

**Central and other costs relate to shared services between the different verticals*

There has been an improvement in revenue and EBITDA for all the verticals except for education in FY22 as compared to FY21. The improved performance of the agriculture vertical is due to the increase in sugar prices and higher food crop tonnage for FY22. They have been able to maintain a sugar market share of 10%. For the property cluster, occupancy rate has increased for some of the properties and the real estate portfolio has increased by 5%. For Leisure cluster, we note that the number of visitors has increased compared to FY20 and FY21 which was impacted by the pandemic and the golf revenue has increased as well.

The brief audited financials of some of the key subsidiaries are provided hereunder:

Companies (FY22) & Stake	Cluster	Turnover	EBITDA	Interest	PAT	GCA	Bank Debt	Loan from promoters	Total Debt	Tangible Networth	Gearing ratio (Bank Debt)	Total debt / GCA
		MUR million										
Uniciti Education Properties Ltd (100%)	Real Estate & Property	101	94	26	111	58	256	282	538	793	0.3	9.3
Uniciti Office Park Ltd (100%)	Real Estate & Property	38	24	13	31	12	308	-	308	523	0.6	26.5
Casela Limited (100%)	Leisure	192	-38	27	-128	-63	457	622	1,079	557	0.8	-17.2
Cascavelle Shopping Mall Limited (100%)	Real Estate & Property	108	70	21	78	42	483	-	483	538	0.9	11.5
Tamarina Leisure Properties Ltd (100%)	Real Estate & Property	14	14	5	1	8	-	122	122	97	-	14.7
Clarens Fields Ltd (100%)	Real Estate & Property	37	23	5	-11	22	-	72	72	211	-	3.2
Pierrefonds Estate Company Limited (100%)	Real Estate & Property	18	9	4	20	5	-	85	85	154	-	-

Majority of cashflow for Medine Limited comes from sale of land (land bulk sale, morcellement plots and smart city plots).

Steady cashflow from sale of land and morcellement plot

The main source of revenue for Medine Limited is through property development and sale of land (morcellement plots, residential units, and bulk land sales) in various areas on the western part of the island. For the past few years, Medine Limited and Uniciti Ltd have delivered some 6,000 morcellement plots and 119 residential units.

Current Morcellement projects – Medine Ltd

Serenis project: consists of 621 residential and commercial plots of 63 to 315 toises. It is situated close to the public beaches and commercial conveniences of Albion and close enough to Uniciti. All the plots have been fully sold out of which deed of sales have been signed for 611 plots and the remaining 10 plots have been reserved already (8 reserved for Medine). Medine has already received all deposits from client (35%) and the remaining amount will be received in January 2023.

Magenta Parkside: includes four residential areas with a total of 470 plots ranging from 500 to 3,980 sqm in a prime location adjacent to the green space of Magenta Park. All the plots have been fully sold out of which deed of sales have been signed for 430 plots and the remaining 40 plots have been reserved already (34 reserved for Medine).

Pierrefonds: consists of 528 gated & 925 non-gated plots of land and 105 plots of commercial / residential land over an area of 218 arpents. The morcellement will be linked on Palma Road at three different locations. The project will be launched by mid-December for which some 1,000 plots have already been reserved (38 reserved by Medine). Deposits will be paid early as from this year, and the project will be completed by 2026.

Morcellement projects – Uniciti Limited

Oceanside consists of 272 serviced plots being developed on an area of more than 66 arpents within the smart city. The project consists of three phases namely The Village, The City Garden and The River. The price of the plots starts from MUR 4 million and is available to both local people and foreigners.

Phase 1 – City Garden entails 67 plots. As of date, 60 plots have been sold and 6 plots have been reserved. Only one plot is unsold.

Phase 2 – The Village entails 59 plots which have recently been launched. Out of 59 plots, 19 plots have been sold and 39 plots have been reserved.

Residential projects – Uniciti Limited

The Grove is the Smart City's first fully built residential project with 49 units (35 apartments, 8 townhouses and 6 villas). As on date, 41 units have been sold and 4 units reserved. The units are available to both local people and foreigners.

Saleability Risk

There is no construction risk associated with sale of land bulk as the land is sold as it, without any infrastructure development. For the morcellement and smart city project, there is no construction risk as well as sale entails only sale of land with the basic infrastructure such as road development, electricity, and water supply. Majority of these projects have been fully sold out within two – three months from launch. Medine receives 35% as deposit when customer reserves a plot of land, and the fund is used to develop infrastructure. The remaining proceeds are received upon delivery of the land to the client. Medine has been developing some 1,265 arpents of land in the west coast area. In 2021, it sold 122.9 arpents of land and sale for 2022 was 576.5 arpents of land (sale for Q1FY23 was 82.3 arpents). Additionally, Medine has also developed 49 residential units (The Grove project) which has been sold for a total value of MUR 446 million.

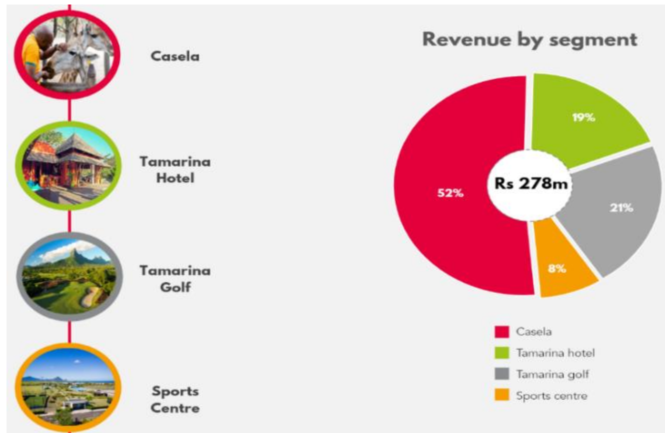
Strong demand for sale of land within Black River

All the properties of Medine Limited are located on the Western Part of the island where there is strong demand for land. The western part of the island is popular among Expats and French & South African people who prefer the coastal regions. The west coast is best known for its beautiful landscapes, mesmerizing sunsets, good beaches offering endless activities for sea lovers, good road infrastructure and reputable educational institutions.

Stable operational and financial performance of the various business verticals

Leisure and Hospitality verticals

The Leisure and Hospitality vertical derives its revenue from the operations of Casela Nature Park, Tamarina Hotel, Tamarina Golf and SPARC sports centre. Majority of the revenue is generated by Casela (52%) followed by Tamarina Golf (21%). In FY22, the Sports and Leisure vertical generated MUR 278 million of revenue.



Casela Limited is a 100% subsidiary of Medine Limited. Casela Limited consists of Casela Nature Parks which is located on the west of Mauritius over an area of 350 hectares of land. The park is divided in five parks namely Thrill Mountain, African Safari, Predator Kingdom, Pangia Kids Park and World of events which offers a varied range of activities such as safari quad, segway, zip lines, canyon swing, interactions with animals and thrilling fun rides. The park hosts a wide variety of species including 500 mammals, 1,100 birds, around 150 reptiles and not to forget, centenarian trees. There is also a restaurant, Wamwam on site which was launched in October 2020 and a souvenir shop. The park is one of the leading attractions in Mauritius for both locals and tourists.

The park is open 7 days a week from 9am to 5pm including public holidays. On Saturdays, Pangia Park is open until 9pm. Park lovers have the choice to opt for Casela Club membership which grants them unlimited access to the park for the whole year, discounts on food and beverages, discounts on activities, free safari truck tour and free access to events organized by Casela. The financials of Casela Limited is as below:

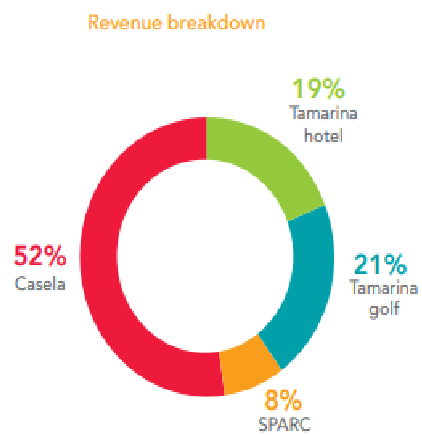
Casela Limited - June	**FY19**	**FY20**	**FY21**	**FY22**	**Q1FY23**
Mur Million	**Audited**			**Prov.**	**Actual**
Number of visitors	**N/A**	**249,148**	**115,308**	**187,545**	**135,076 (Jul-Nov)**
Total income	376	257	127	192	89
EBITDA	62	-63	-88	-38	31
Depreciation	65	64	63	65	
Interest	46	49	51	27	
PBT	-49	-178	-204	-128	
Tax	-9	10	-	-	
PAT	-40	-188	-204	-128	17
GCA	25	-122	-141	-63	
Dividend Paid	-	-	-	-	
Total Debt	558	504	627	457	
Loan - holding company	317	471	497	622	
Tangible Networth	451	780	578	557	
Cash & Cash Equivalent	2.99	2.10	0.24	1.85	
EBITDA margin	14%	NM	NM	NM	
Gearing	1.2	0.6	1.1	0.8	

#NM= Not meaningful

SPARC and Catering was the segment which was making losses. In FY20, two new parks, Thrill Mountain and Pangia Kids Village were introduced.

In March 2020, as the pandemic struck, the parc was closed and there was a loss of income for three full months. The park re-opened in the second half. However, with all the covid-19 measures and closure of borders, the park recorded poor attendance. The number of visitors dropped significantly in FY21 to 115,000 compared to 250,000 visitors in FY20 due to the lack of tourists and reduced operations. Losses were partly mitigated by the Government's wage assistance scheme and a cost reduction strategy of around MUR 56 million. Negative PAT of MUR 188 million and MUR 204 million were recorded in FY20 and FY21 respectively. **In Q1FY23, Casela Limited achieved a revenue of MUR 89 million, EBITDA of MUR 31 million and PAT of MUR 17 million. No support will be required by the company from the parent.**

Tamarina: Medine has also investments in Tamarina in the entities; **Tamarina Golf Estate Company Limited**, **Tamarina Leisure Properties Ltd**, **Tamarina Beach Club Hotel Limited,** and **Tamarina Golf Club Limited** which are all 100% wholly owned subsidiaries of Medine Limited.



Majority of the income for the Leisure and Hospitality vertical was derived from Casela (52%) followed by Tamarina Golf (21%) and Tamarina hotel (19%) in FY22.

Tamarina Golf Club Limited (TGC – Golf) was launched in 2006. The golf offers only high-end quality infrastructure and services and is equipped with a covered practice area, changing rooms, a bar, and a restaurant. The pandemic severely disrupted the operations of the club where the latter realized a total income of Mur 30 million in FY21 (Mur 51 million in FY20). The company posted a negative PAT of Mur 19 million in FY21.

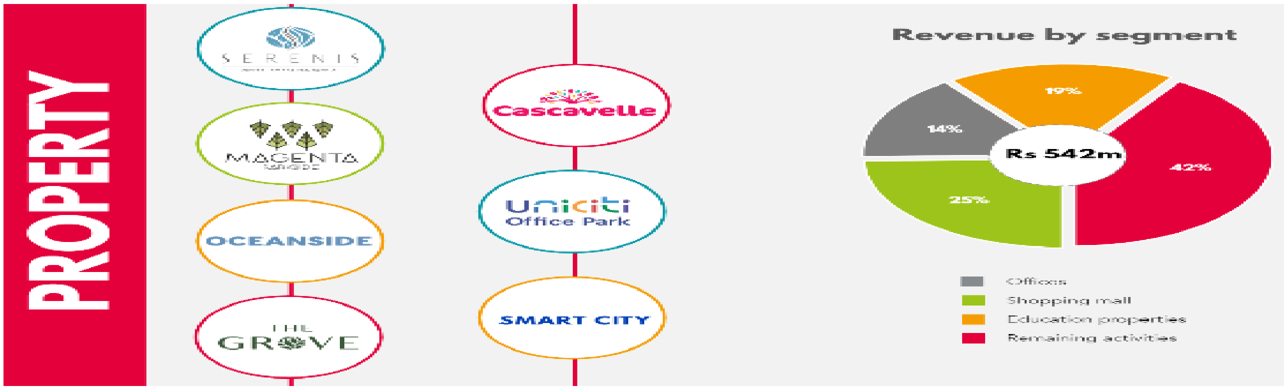
SPARC is a sport, health and leisure complex located on the west coast of Mauritius. It is home to a stylish clubhouse, a swimming pool with 10 lanes, a fitness centre, football and rugby pitches, tennis & basketball courts, petanque pitches and jogging track. There is also a restaurant onsite.

Tamarina Beach Club Hotel Limited (TBCH - The Hotel) was incorporated in 2009 and is located right on the beach of Tamarin Bay on the West coast of Mauritius. TBCH is the only boutique hotel on the West coast offering a selection of 50 garden facing and sea-facing rooms, 3 restaurants, bars and a wellness centre. The Hotel also offers one entrance per stay per guest to Casela, free of charge. The lockdown and closure of international borders to travellers in Mauritius has impacted on the financial performance of TBCH with losses of Mur 25 million and Mur 39 million set out in FY20 and FY21 respectively.

Tamarina Leisure Properties Ltd: In FY22, Tamarina Leisure Properties Ltd posted a total income of MUR 13.88 million (MUR 13.18 million in FY21). EBITDA was MUR 13.76 million and PAT for the year was MUR 0.88 million. The only debt in the company was a loan from the holding company. Interest coverage in FY22 is 2.5x and overall gearing is nil.

Real Estate and Property vertical

The Real Estate cluster consists of a portfolio of office property (Uniciti Office Park), the reputed mall in Cascavelle (Cascavelle Mall), Uniciti Smart City including University campus and various plots of land in the West at a total valuation of MUR 4,400 billion as at June 30, 2022.

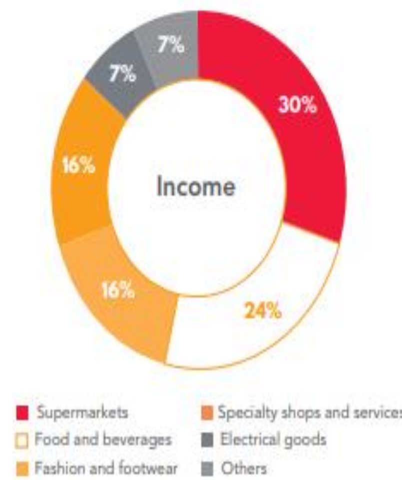


Majority of the revenue was derived from sale of land and morcellement plots followed by rental income received from Cascavelle Mall with the cluster posting a revenue of MUR 542 million in FY22 (MUR 457 million in FY21) and EBITDA of MUR 269 million (MUR 214 million in FY21).

Cascavelle Shopping Mall Limited

Incorporated and domiciled in Mauritius, Cascavelle Shopping Mall Limited (CSM) is 100% owned by Medine Limited. CSM operates a shopping mall established on a Gross Leasable Area (GLA) of 11,887m^2 at nearly full occupancy (excluding the small waterpark which has been inoperational since years). Valuation of the mall as at 2021 was MUR 982 million. Majority of the income is derived from the anchor tenant, the supermarket –followed by food & beverages which consists of 24% of the total revenue.

Recovery in economic activities following removal of certain Covid related restrictions were reflected in the increase in footfall from 1,617,528 (January to November) 2021 to 2,064,714 the same period in 2022. Occupancy for the past three years has been at least 90%. The financials of Cascavelle Shopping Mall Limited is as below:



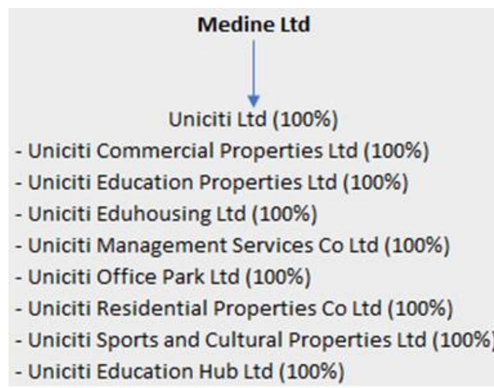
Cascavelle Shopping Mall Limited	**FY19**	**FY20**	**FY21**	**FY22**
	Mur Million			
Occupancy as at 30 June	**N/A**	**99%**	**89%**	**90%**
Total income	89	104	97	108
EBITDA	61	67	57	70
Depreciation & Amortisation	3	4	5	5
Interest	45	38	22	21
Fair value gain/(loss) on investment property	115	-177	45	41
PAT	118	-159	72	78
GCA	5.1	23	31.2	41.8
Dividend Paid	-	-	-	-
Total Debt (External)	683	554	541	483
Loan from holding company	-	-	-	-
Tangible Networth	407	389	460	538
Cash & Cash Equivalent	5	0	0	6
EBITDA margin	68%	64%	59%	65%
PAT margin	132%	NM	74%	72%
Gearing	1.7	1.4	1.2	0.9

Cascavelle Shopping Mall Limited	FY19	FY20	FY21	FY22
	Mur Million			
Occupancy as at 30 June	**N/A**	**99%**	**89%**	**90%**
Total Debt/GCA	134	24	17	12
Interest Coverage	1.4	1.8	2.6	3.3
Current ratio	0.1	0.3	0.4	0.3

#NM= Not meaningful

Looking at the performance of CSM for the past three years, we note that the company was profitable in all the years except for FY20 which was impacted by the covid-19 pandemic and the restrictions together with a fair value loss of MUR 177 million which was recorded in the same year. Nevertheless, EBITDA remained positive throughout the years. Total debt of CSM as at June 2022 was MUR 483 million with an overall gearing of 0.9 times. Majority of these debts are repayable after five years. The mall has picked up in terms of revenue, profitability, occupancy, and footfall post the pandemic and it is generating enough cashflow to repay its debt annually. No support will be required by CSM from the parent company.

Uniciti Office Park Ltd (100% subsidiary of Uniciti Ltd)



Planned over 350 hectare of land, Medine Limited launched Uniciti Ltd (100% stake) in 2017 with the aim of combining the components of a quality city life. Uniciti Ltd is fueled by its numerous existing facilities including a business park. Medine Limited has invested across diverse business verticals under Uniciti Ltd as depicted and Uniciti Ltd acts as a promoter for the Smart City, generating revenues through the development of land parcelling projects, sale of serviced land to Smart City developers and investment in further infrastructure within the city. Uniciti Office Park and Clarens Fields Business Park, situated in the west region of Mauritius overlooking the ocean is home to 24 low-rise buildings and a big cafeteria. The business parks are well connected with a reliable road network by bus or by car. It is located around 20 mins from Phoenix & Ebene and 30 mins from Port Louis. Being part of the Uniciti Smart City, the business parks are close to residential areas, renowned educational institutions, Cascavelle Mall, green areas, sports centre, medical and health care facilities and the golf course at Tamarina Hotel and Golf Club. These buildings are leased to both local and international companies. The total GLA of the business park is around 21,000 sqm (13,104 sqm for **Uniciti Office Park Ltd** and 5,656 sqm for **Clarens Fields Business Park**).

Uniciti Office Park Ltd: As at June 2022, the occupancy rate was 58%. Same has increased to 65% in October 2022 with three new tenants who have already signed lease agreement with Uniciti Office Park Ltd. The company was profitable in FY21 and FY22. Higher FV Gains of MUR 101 million boosted the PAT margin in FY21. The company reported positive GCA for both years. Total debt was MUR 308 million in FY22, and overall gearing was 0.6 times. Majority of the debts (more than 50%) will be repaid after five years. No support will be required from the parent company.

Clarens Field Ltd: The revenue for Clarens Field Ltd remained more or less at the same level in FY21 and FY22. PAT was lower due to higher fair value loss recorded in FY22. However, GCA was positive at MUR 22 million. Clarens Field did not have any external debts in FY22. There is only MUR 72 million in loan from group companies. The management stated that no support will be required from Medine Limited.

Education Vertical

Uniciti Education Hub Ltd (UEH), a wholly owned subsidiary of Uniciti Ltd and indirectly a 100% subsidiary of Medine Limited, is Medine's education arm. The Education vertical comprises of nursery, pre-primary, primary and secondary schools alongside renowned higher and executive education institutions. The institutions of UEH are Middlesex University, Vatel Hotel and Tourism Business School, Université Paris Panthéon-Assas, ENSA Nantes (Mauritius) and MCB Institute of Finance Mauritius. UEH has attracted a student population of 3,327 compared to 2,547 in 2020. The main revenue sources for the Education vertical are through academic offer, training and skills development, student life residence, rental services and support thrusts. The student population consists of 65% of local students and 35% of international students.

Uniciti Education Properties Ltd provides state of the art infrastructures for education facilities ranging from pre-primary to tertiary education which are classified as investment properties. The company generates revenue from rental of properties to school operators.

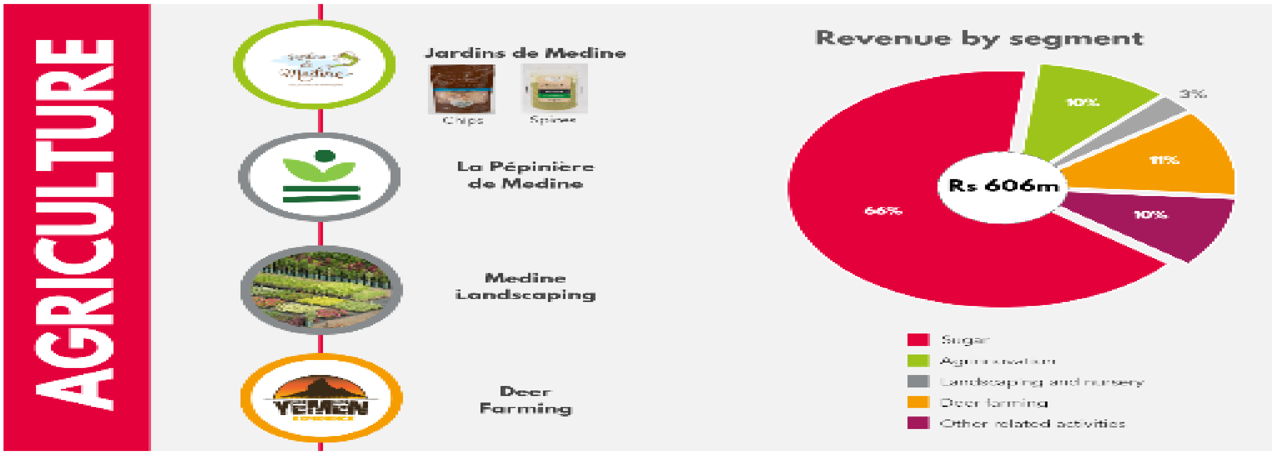
The financial summary of Uniciti Education Properties Ltd is as below:

Uniciti Education Properties Ltd	**FY20**	**FY21**	**FY22**
Mur Million	**Audited**		**Prov.**
Turnover	70	79	101
EBITDA	64	74	94
Interest	29	24	26
Fair value gain/loss on investment property	118	16	53
Tax	7	9	11
PAT	145	58	111
GCA	28	42	58
Dividend Paid	-	-	
Total Debt (External)	518	503	256
Loan from holding company	107	92	282
Tangible Networth	625	682	793
Cash & Cash Equivalent	8	-	3
EBITDA margin	91%	94%	93%
PAT margin	208%	73%	109%
Gearing	0.8	0.7	0.3
Total Debt/GCA	18.4	12.0	4.4
Interest Coverage	2.2	3.1	3.7

In FY22, the revenue of Uniciti Education Properties Ltd was higher at MUR 101 million compared to MUR 79 million for FY21. PAT was also higher at MUR 111 million (MUR 58 million in FY21).

Agriculture Vertical

The agricultural vertical's activities include sugar, agrinnovation, landscaping & nursery, deer farming (Yemen) and other related activities.



Revenue from the agriculture vertical was up by 24% in FY22 (increase from MUR 491 million to MUR 606 million) greatly contributed by the increase in price of sugar per tonne to MUR 16,765 (from MUR 14,750) and higher food crop tonnage by 22%. EBITDA witnessed a 40% increase as compared to FY21 (increase from MUR 68 million to MUR 95 million). Unfavourable climatic conditions in FY22 led to lower yields and overall tonnage. Medine had a sugar market share of 10% as of June 2022. In Q1FY23, the agriculture vertical posted a revenue of MUR 386 million and EBITDA of MUR 110 million. The revenue increase was partly due to higher sugar prices of MUR 21,000 per tonne for 2022 crop. A higher sugar extraction rate and cane harvest also contributed to a better performance.

Industry Risk

Real Estate (Mauritius Real Estate sector)

Over the last few decades Mauritius has witnessed a booming real estate sector, to such an extent that today, the real estate sector attracts major Foreign Direct Investment for the country. This can be explained by an increasingly growing number of construction projects across the island in addition to government introducing schemes such as the Integrated Resort Scheme, the Real Estate Scheme, the Property Development Scheme, and the Smart City scheme. Such schemes have transformed the dynamics of the real estate market locally over the years. Today, apart from houses, other options such as apartments, studios, apartment hotel residences, IRS and RES villas are available. However, although a growing number of Mauritians are hunting primarily for apartments, individual houses remain the most sought-after property type; while on one hand singles and international students seek cheap accommodation in the regions of Réduit, Saint Pierre and Quatre Bornes, on the other hand, expatriates demand fully furnished houses or apartments to rent over the duration of their assignments (Monthly rental of these accommodation varies between Mur 15,000 -70,000).

The demand for office spaces is seeing significant shifts over the years, with a decentralization of offices (from Port Louis & Ebene) towards Moka, Highlands and Cascavelle areas where parking facilities are more accessible and there is less traffic congestion. As a result of companies' increasing willingness to rent fully equipped offices with internet access and parking facilities, the price of office spaces in these regions is on an uptrend. Many real estate projects have been launched this year whereby the projects have been fully sold out upon launching. There is huge demand for land especially in less populated areas.

Retail properties: There are over 15 well-known malls in Mauritius. The years 2020 and half-year 2021 were affected by the pandemic and lockdown. After the lockdown, malls in general reported a lower physical footfall since all the outlets with exception to grocery stores and pharmacies, were closed. Supermarkets being anchor tenants in all the shopping malls, faced mass purchases during the pandemic with people stocking up on groceries fearing that there might be shortage on the market. Apart from that, travel restrictions also contributed to a fall in retail activities and many big international brands have closed a number of their outlets across the world. Fortunately, the Government of Mauritius came up with several measures to keep the economy stable. Gradually, with the re-opening of borders and easing of restrictions, things have started to normalize. Shopping malls and food courts are full again. Nevertheless, despite the pandemic, we note that the overall occupancy rate remained stagnant in most of the malls and operational & financial performance was satisfactory. Reports show that the consumption has taken a dip in volume but has gained in terms of value.

Office properties: As for offices, the situation and demand are stable. The demand for office spaces is one which is seeing significant shifts over the years, with a decentralization of office spaces (from Port Louis & Ebene) towards other places whereby parking facilities are available and commute smoother. The majority of office properties holders have showed resilience to the pandemic and has been able to maintain occupancy level. Overall, the majority of companies have resumed normal office since the partial reopening. As discussed with few commercial property holders, it is unlikely that companies will give up their tenancy for a short-term scenario (lockdown) as the Mauritian work culture is still traditionally influenced by having a physical office rather than working remotely.

Retail Sector in Mauritius

Mauritius has a dynamic retail and distribution sector backed by the attractive tax regime, reliable banking and financial services, efficient internet connection, freedom of entry and exit to the market and high degree of competition. Products such as food, motor vehicles, apparel, and electronics are distributed through the various channels of importers, wholesalers, retailers, and supermarkets. In store retail is predominant in these markets, however, the e-commerce is also witnessing a growing audience every year. Mauritius has a wide range of retail outlets, ranging from high-end shopping centers to family-run corner stores.

In the large-scale distribution sector, Pick and Buy Limited (Winners), is ranked first with a turnover of MUR 8.4 billion as at 2020 followed by Udis Ltee (Super U) with revenue of MUR 5.4 billion and Seven Seven Co Ltd (Dream Price) with turnover of MUR 5.2 billion. The commerce sector, more specifically, the retail of consumer electronics, mobile phones and home equipment, is led by The Brandhouse Ltd (Galaxy) with a turnover of MUR 2.4 billion. In consequence, Mammouth (Mauritius) Group (Courts Mammouth) holds the second place with MUR 2 billion turnover followed by Le Warehouse Limited (361) which is ranked third with a turnover of Rs 1.6 billion and J. Kalachand & Co. Ltd ranked fourth with revenue of MUR 1.1 billion. In the same line, the top companies in the retail of apparel and accessories are Break Free Ltd, Woolworths (Mauritius) Limited, Island Haze, Body & Soul, Jetha Tulsidas & Sons (Mauritius) Ltd and Orchestra. **Retail sector has regained strength post covid. It is worth noting that despite an increase in the average cost of living resulting in lower purchasing power, a depreciating currency and with import costs set to record high, the consumer spending pattern rose to USD 8.07 billion in 2021 (an increase of 0.79% from 2020).** The GDP per capita for the island in 2021 was at USD 8,812. The wholesale and retail trade contributed 11.5% to 2020's GDP (GDP in 2020 was at USD 10.9 billion). Private Consumption as of June 2022 amounted to USD 3.9 million

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and CPI stood at 9.6%. The Inflation rate was at 9.6% in June 2022 before reaching new height of 11.9% in September 2022. The Gross Saving rate was ascertained at 17.6 % in June 2022. Rise in inflation will definitely have an impact on the market however we can note that the tourism industry has picked up with arrivals of tourists in the country, higher sugar remunerations were paid and there has been salary revision to match inflation for few sectors. This will minimalize the impact on consumer spending.

Education Sector

The education sector in Mauritius, contributing to 4.8% of the economy's GDP, became one of the key focuses of the Mauritian government since independence in 1968. The aim is to position the country as a leading and quality education hub for the region. The education system in Mauritius is categorised into 4 groups; from pre-primary and primary to secondary and tertiary, and it is governed by an apex body, The Ministry of Education, Tertiary Education, Science, Research and Technology. The country provides both public and private education systems, from kindergarten to university that meet international standards. The public institutions are mostly managed by the Mauritian government and are equipped with free education while private institutions are fee-paying. Based on the data from Mauritius Statistics, there were 789 pre-primary schools, 319 primary schools, 178 secondary schools in 2021 and 44 tertiary institutions in 2020. The government of Mauritius has during the past years allocated considerable investments with total expenditure for the financial year 2021/2022 estimated at MUR 190,131 million.

In 2019, the government of Mauritius has introduced free tertiary education policy to 9 public Tertiary Education Institutions, with the aim to widen access to education for the population. Mauritius is also recognised as an attractive centre for international students - There have been a surge of foreign students since 2007, from a mere 528 to 3,300 in December 2020. The students come from around 70 different countries, mainly India, Nigeria, South Africa, Madagascar, France, Uganda, Kenya and Tanzania, amongst others.

The tertiary education in Mauritius, is led by the University of Mauritius which is one of the forerunners in this field since 1965. Thereafter, many other institutions namely the University of Technology Mauritius and Université des Mascareignes came to light. The private tertiary education has simultaneously seen a growth with a number of well-respected institutions establishing branches in the country. The most renowned ones are Middlesex University Mauritius and Curtin Mauritius.

Agriculture sector

Sugar - Mauritius is famous for its White refined sugar (WRS) and Specialty Sugar (SS), which is in huge demand in Europe and US market. In the southern deficit regions of Europe, where most of the Mauritian white refined sugar is sold, prices remained stable and closed at EUR 456 in June 2021. Mauritius Sugar Syndicate (MSS) exports 97% of the sugar produced in Mauritius and imports sugar for consumption in local market (annual local market consumption is estimated at some 35,000 MT, split between some 32,000 MT white refined sugar and the balance as direct consumption raw sugar). For crop 2021-2022, the price of sugar was MUR 16,765 per ton, mainly on the back of a depreciating Mauritian Rupee compared to the main hard currencies and increase in world sugar price. Performance of the Mauritian Sugar Industry for past five years is as per table below:

Year	Hectares of land	Cane Crushed (tons)	Sugar Produced (tons)	Total Disposable sugar (tons)#	Domestic Sales of sugar (tons)	International Sales of sugar (tons)	Total sales (international + local)	Price per ton of sugar (MUR/tons)
2017/18	49,974	3,713,331	355,213	421,529	18,003	345,209	363,212	10,716.64
2018/19	47,678	3,154,516	323,406	411,583	16,080	365,722	381,802	8,685.60
2019/20	45,054	3,405,250	331,105	394,335	11,326	353,227	364,553	11,383.65
2020/21	43,711	2,619,014	270,875	403,233	15,246	356,616	371,862	14,062.00
2021/22	41,897	2,668,465	255,818	336,818	31,937	321,255	353,191	16,765.00

#Total disposable sugar comprises of the present year crop outturn added to carry over stocks from the previous year and the imported raw sugar feedstock during the year.

Hospitality and Leisure sector

The hotel industry in Mauritius has been among the main pillars of the economy over the last two decades having contributed on average, to 7% of the country's GDP, with 1.3 million tourist arrivals registered in 2019. The total tourism earnings were MUR 63,107 million. Following the outbreak of the Covid-19 pandemic and the closure of borders for over 18 months, the level of activity in the sector was brought to a halt and for 2020 and 2021, Mauritius registered only 308,980 and 179,780 arrivals only. As at June 2022, there was a total of 106 hotels in Mauritius with 13,649 available rooms and 31,745 bed places. A massive and successful vaccination campaign during first half year 2021 sparked confidence among the Mauritian authorities and the Government decided to fully re-open borders to international travellers as from 01 October 2021. From January 2021 to October 2022, the level of activity in the sector was as shown below:

Month	2021		2022	
	Arrivals	Gross Earnings (MUR million)	Arrivals	Gross Earnings (MUR million)
Jan	1,232	243	40,028	4,343
Feb	1,229	176	52,724	3,556
Mar	311	103	66,066	4,640
Apr	58	90	84,268	4,296
May	115	124	70,462	4,309
June	280	171	63,008	4,128
Jul	1,242	370	93,084	5,128
Aug	2,499	757	86,605	5,892
Sep	2,494	757	81,087	N/A
Oct	54,434	3,044	117,323	N/A
Nov	65,922	4,962	106,900	N/A
Dec	49,964	4,636		
Total	**179,780**	**15,253**	**861,555**	**36,292**

Sensing a renewed confidence among the operators of the sector at the beginning of the year, the Ministry of Tourism in Mauritius has set its forecast at 1.4 million of tourist arrivals for 2022, which looks achievable.

For the first half year 2022, the overall occupancy for tourism sector in Mauritius stood at 51%. The main market for Mauritius continues to be Europe with France, UK and Germany topping the list with 24%, 15% and 11% of total arrivals respectively. South Africa also contributes to 11% of the share while other regional markets such as Reunion Island, the Middle East, Indonesia, and Australia also being key sources for the industry. It should also be noted that the number of major flights being effected by the national aviation company, Air Mauritius, was reduced to a large extent compared to 2019. Similarly, access to international aviation companies to Mauritius was limited compared to pre-Covid levels.

Being situated in the middle of the Indian Ocean, Mauritius faces fierce competition from other islands such as Maldives, Sri Lanka, and Seychelles. While the Maldives is far ahead, Mauritius still maintains its attractiveness as shown below:

	Mauritius	Maldives	Sri Lanka	Seychelles
Jan to June 2021	3,255	510,564	16,908	50,444
Jan to June 2022	376,556	813,263	411,377	156,287

The outlook of the tourism industry in Mauritius will continue to depend on the country's attractiveness to foreigners and the number of flights. The opening of air access to more foreign companies will facilitate the access to other key markets such as countries in the Eastern Europe or the Gulf. Government support to the industry will also remain a critical factor. To support the tourism industry, Mauritius has also invested in a number of leisure parks which is poised to offer significant growth and attract future investments in Mauritius. With the growing importance of ecology, the island has recently positioned itself as a green tourism destination with the commitment of developing sustainable leisure activities. Therefore, over the past years, Mauritius has observed the introduction of several leisure parks comprising the following, Casela Nature Parks, La Vanille Nature Park, La Vallée des Couleurs Nature Park, La Vallée de Ferney, Ebony Forest Reserve Chamarel, Parc Loisir Gros Cailloux and Domaine de la grave to name a few. With the surge of tourist arrivals in Mauritius post the COVID-19 period, innovation is crucial for the rejuvenation of existing tourist attractions. A market for tourist attractions such as amusement parks, adventure parks, 3D and interactive animation parks, aquarium and marine parks can be further developed on the island.

Financials

Financial summary table for Medine Limited (Standalone) ***Mur Million***

For the year ended as on	Jun-20	Jun-21	Jun-22
Medine Ltd	**Audited**		
Revenue	615	817	993
Total Income	766	971	1,116
EBITDA	-56	202	226
Profit on sale of land	169	228	1,083
Depreciation	58	67	75
Interest	244	235	222
PBT	-495	234	1,104
PAT	-495	234	1,104
Gross Cash Accruals (GCA)	-306	485	1,003
Dividend paid/proposed	110	-	-
Equity share capital	1,050	1,050	1,050
Tangible networth	15,061	15,990	20,334
Total debt	**5,033**	**5,629**	**4,702**
- Long term debt	3,979	4,537	4,392
- Short term debt	1,054	1,092	310
Key Ratios			
EBITDA / Total operating income (%)	NM	24.77	22.79
PAT / Total income (%)	NM	24.08	98.93
ROCE- operating (%)	NM	NM	0.55
RONW (%)	NM	1.51	6.08
Debt equity ratio	0.26	0.28	0.22
Overall gearing ratio	0.33	0.35	0.23
Cash Interest Coverage	NM	1.83	11.52
Total debt / (EBITDA + profit on sale of land)	44.20	13.07	3.59
Current ratio	0.9	1.7	2.3
Quick ratio	0.9	1.7	2.3

For the year ended as on	Jun-20	Jun-21	Jun-22
Medine Ltd		**Audited**	
Avg. Collection Period (days)	130	89	96
Avg. Inventory (days)	5	5	8
Avg. Creditors (days)	250	232	135

#NM= Not meaningful

Standalone Performance: Medine Limited as a company derives its revenue from the operations of its 100% subsidiaries involved in diversified verticals (Agriculture vertical and Real Estate Vertical – for properties under Medine Limited). Medine (company) receives revenue from sugar activities, forestry, sale of deer, from food crops & nursery, sale of stones, landscaping, rental income, and sale of land. They also receive dividend from their investment in quoted and unquoted shares. The largest contributor to cashflow and profitability for Medine company is proceeds from sale of land (bulk land sale and morcellement / residential projects).

Medine (company) has witnessed stable growth in revenue for the past four years except for FY20 which was impacted by the pandemic which led to losses of MUR 495 million. There were also some impairment losses of MUR 437 million which was recorded in FY20. In FY21, the performance improved with a higher total income of MUR 971 million, positive EBITDA of MUR 202 million and PAT of MUR 234 million compared to losses of MUR 495 million the previous year. The improved performance in FY21 is attributed mainly due to the restructuring exercise carried out in line with the cost contention strategies of Medine and its business initiatives, together with the increase in the profit on sale of land.

In FY22, total income increased from MUR 971 million to MUR 1,116 million. EBITDA was kept at a similar level compared to FY21. Medine Limited posted a profit on sale of land of MUR 1,083 million for the year which led to increased profits of MUR 1,104 million (MUR 234 million PAT in FY21). GCA for FY22 was MUR 1,003 million (MUR 485 million in FY21). Medine Limited had a cash balance of MUR 429 million as of June 30, 2022. The overall gearing was 0.23x compared to 0.35x in FY21 following a reduction in total debt from MUR 5.6 billion to MUR 4.7 billion. Dividend of Rs1.15 per ordinary share was declared with respect to the FY22 and was paid in October 2022. Medine Limited has provided corporate guarantee of MUR 255 million to its group companies.

Performance in FY22: In FY22, Medine Limited as a group achieved a 28% growth in total income, 83% growth in EBITDA and 593% increase in PAT (including profit from discontinued operations). The increase in PAT is majorly attributed to profit from the sale of land of MUR 1,083 million for FY22 and improved operational performance. There were also some impairment losses recorded during the year amounting to MUR 107 million. Nil dividend was paid during the year.

Under the leadership of Mr. Dhiren Ponnusamy who joined Medine Group in January 2018 as Chief Operating Officer, there has been an overall restructuring at Medine. Medine completed a strategy refresh, combined with significant business, and cost restructuring. There was a shift in focus from paying dividend to prioritizing debt repayment with the change in management. Debt has been reduced from MUR 7.8 billion in FY20 across Medine group to MUR 5.6 billion in FY22. Overall gearing has improved from 0.41x to 0.29x. Medine Group had a cash balance of MUR 468 million at end of June 2022.

Performance for Q1FY23: Total income for Q1FY23 stood at MUR 620 million compared to MUR 422 million for the same period last year. EBITDA was MUR 147 million and PAT is MUR 266 million including profit on sale of land of MUR 235 million.

The projected figures look achievable based on the current land sale trend and the strong demand for land in the Western part of the island. The strong recovery in the tourism industry also gives comfort to a stable cashflow for the Leisure and

Hospitality vertical. Additionally, more and more students have been enrolling for courses in the university under Medine Group such as Middlesex university and the new health related courses which are highly sought by locals and foreigners.

Financials – Summary table (Consolidated)

For the year ended as on	**Jun-20**	**Jun-21**	**Jun-22**
Medine Group	**12M, Audited**		
Total Income	1,294	1,201	1,539
EBITDA	-26	157	289
Profit on sale of land	169	228	1,083
Depreciation	185	179	180
Interest	319	326	295
PBT	-504	211	1,025
PAT	-525	198	1,009
Gross Cash Accruals (GCA)	-187	69	985
Dividend paid/proposed	110	-	-
Equity share capital	1,021	1,098	1,206
Tangible networth	14,882	19,186	21,037
Total debt	7,108	7,863	6,018
- Long term debt	5,874	6,451	5,557
- Short term debt	1,233	1,412	461
Cash & Bank balances	91	209	468
Key Ratios			
EBITDA / Total operating income (%)	NM	14.50	19.65
PAT / Total income (%)	NM	16.47	65.58
ROCE- operating (%)	NM	NM	40%
RONW (%)	NM	93%	402%
Debt equity ratio	0.39	0.34	0.26
Overall gearing ratio	0.48	0.41	0.29
Total Debt/ GCA	NM	114.26	6.14
Current ratio	0.60	1.00	1.53

#NM= Not meaningful

Adjustments

1. Tangible net worth is calculated by netting off revaluation reserve and intangible assets from total equity.
2. Gross Cash Accruals (GCA) is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long term and short-term debt including lease liabilities)/Tangible Networth.
4. Total operating Income includes revenue from others (Management fees/Interest Income, rental income, etc.)

Details of Instrument

Long-term Bond Issue

Name of Bank	Amount	Interest Rate	Debt Repayment Terms
SBM (MUR 300 million) **MCB Bank (MUR 700 million)**	1,000	4.20% Paid semi-annually in arrears in June and December each year starting on December 27, 2022	Bullet repayment in FY27 (June 27, 2027)

As at June 30, 2022, total consolidated debt of Medine Limited was MUR 6,018 million including the 2022 bond issue of MUR 1,000 million. The management stated that they will repay all the debts as they fall due. In FY24, the first bond of MUR 970 million along with bank loans and facilities of MUR 120 million will be repaid. In FY26, the two other bonds of MUR 805 million and MUR 830 million will both be repaid. The repayment for the bond issue of MUR 1,000 million is in FY27.

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