Iconic View Ltd

29 April 2025

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facilities – Non-Fund based facilities	**1,777**	**CARE MAU A+ (SO)*; Stable**	Reaffirmed

Structured Obligation (SO) is for the ring fencing of the cash flow by way of escrow mechanism completely under the purview of bank as per the VEFA regulation. Any surplus cash can be paid to the sponsor only with the prior approval of the bank in charge of the escrow account.

Rating Rationale

The rating assigned to the Bank Facilities (GFA) of Iconic View Ltd, continues to derive strength from the legal structure under Vente en État Futur d'Achèvement ("VEFA") regulation which ring fences the cash flow by escrow mechanism and any surplus cashflow cannot be utilised for any other real estate development and can be available to developer only with the approval of the bank and bank guaranteeing the completion of the project. The rating also takes into the zero-saleability risk of the project as all units for the Legend Hill project have been fully sold, overall satisfactory progress of the project, strong demand for luxury residentials in Mauritius, experienced promoter with over 20 years track record in development of high-end residential real estate in France and Mauritius - mostly for overseas buyers (European & South African), prime location of the developed properties and newly constructed property, sale and build model followed for all projects, and satisfactory reputation of MJ Developpement Group for quality of construction & completion of most of the projects well within envisaged timelines.

The rating, is however, constrained by the project implementation risk associated with development and construction of the project in case of any default by the contractor, timely receipt of payment from the customers, environmental risks and the regulatory risk in case there are changes pertaining to laws associated with property development and sale.

Rating sensitivities

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

- Timely completion of projects within cost parameters

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

- Delay in final completion and handing over of the project
- Climate related and environmental risks

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

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BACKGROUND

Incorporated on January 26th, 2018, Iconic View Ltd is a 100% subsidiary of Alliance Developer Ltd. The latter is held by Alliance Participations SAS (owning 75% stake) and SAMIC Investment Ltd (owning 25% stake). Alliance Participations SAS is a French Company held by SAS MJ Developpement (50%) and Desjoyaux Finance (50%). Iconic View Ltd (Iconic View) is a private limited company and acts as the property developer for the Legend Hill project in Mauritius. SAS MJ Developpement **‘‘MJ Developpement Group’’ (MJ Group)** is a French real estate development company which was established in 2007 by Mr. Michael Ruel and Mr. Jean Etchepareborde. MJ Developpement Group operate several real estate projects in France and Mauritius. The group operates in two areas of expertise namely development & construction and operations & hotel management.

Management: Iconic View Ltd is managed by a 4-member Board of Directors. The company's strategic direction is led by co-founder and Managing Director, Mr. Jean Etchepareborde, who holds an MBA from Instituto Tecnolgico De Estudios Superiores, Mexico, and brings over 16 years of real estate experience. He is supported by co-founder and President Mr. Michael Ruel, with over 20 years in real estate development and hotel management, and specialized training in Sales and Negotiation from Montpellier Business School. A team of qualified professionals handles the day-to-day operations.

Financial Guarantee backing from banks under VEFA regulation

Under GoM Regulation, all residential developments under PDS Schemes for international clients must comply with VEFA Regulation (Vente en État Futur d’Achèvement) under Mauritius Civil Law and secure a Financial Completion Guarantee (GFA) from a reputable bank. A GFA is a guarantee provided by a bank or insurance company to ensure that an off-plan property will be completed and delivered even if the developer defaults. Banks issue GFAs only when the project reaches breakeven and after assessing the developer’s track record and international appeal. The bank sets up a designated account for the development’s sale proceeds, monitors expenses, and releases payments according to the approved expense schedule and contractor bills. If work is unsatisfactory or deviates from the committed plan, the bank may withhold payments, take control of the project, complete it, and then hand it over to the buyer.

Performance of Iconic View

In FY23, the company recorded revenue of MUR 826 million (up from MUR 687 million in FY22) and achieved a positive EBITDA of MUR 69 million (compared to a negative MUR 55 million in FY22), resulting in a PAT increase to MUR 59 million from MUR 5 million.

Disclaimer

CARE Ratings (Africa) Private Limited ("CRAF")'s ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRAF's ratings do not convey suitability or price for the investor. CRAF's ratings do not constitute an audit on the rated entity. CRAF has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CRAF does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRAF have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CRAF may also have other commercial transactions with the entity.

In case of partnership/proprietary concerns, the rating /outlook assigned by CRAF is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CRAF is not responsible for any errors and states that it has no financial liability whatsoever to the users of CRAF's rating.

CRAF's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure I

Rating Symbols
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".

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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About CARE Ratings (Africa) Private Limited:

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.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF’s Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.