

ABRIDGED UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

Air Mauritius Group and Company results for the Quarter ended 31 December 2019

For the quarter ended 31 December 2019, both the Group and the Company recorded profit of Eur 7.7 million. For the corresponding quarter of last year, the Group and the Company had recorded losses of Eur 9.8 million and Eur 7.7 million respectively. The results of the quarter have been positively impacted by unrealised exchange gains.

Total passengers carried during the quarter increased by 2.7% to 480,581 as compared to 468,106 passengers carried during the quarter ended 31 December 2018. The number of seats offered increased by 0.2% and the Passenger Load Factor increased from 78.4% to 81.3%. The passenger yield witnessed a marginal drop of 0.3%.

Operating revenue of the Company increased by 2.9% from Eur 135.1 million to Eur 139.1 million. The operating expenses went down by 6.5% to reach Eur 129.4 million mainly on account of a reduction in the fuel cost. The Finance costs increased from Eur 0.4m to Eur 4.9m mainly on account of finance costs on lease with respect to Rights of Use Asset.

IFRS 16 requires a lessee to record a Right of Use Asset and a financial liability in relation to operating leases. The adoption of IFRS 16 has resulted in an increase in assets and financial liabilities to the tune of about Eur 440M. Since most of the aircraft operating leases are denominated in USD and our functional currency is EURO, this creates significant unrealised

exchange gains/losses on translation at each reporting period based on the prevailing EUR/USD closing rate.

The EUR/USD exchange rate which moved from 1.094 on 01 October to 1.121 on 31 December 2019 has resulted in an unrealised exchange gain of EUR 9.8M on translation of the financial liabilities relating to operating aircraft leases.

Air Mauritius Group and Company results for the nine months ended 31 December 2019

The number of passengers carried went down marginally by 0.1% to 1,325,100 as compared to 1,326,514 during the nine months ended 31 December 2018. Seat capacity slightly decreased by 0.1% from 1,740,069 to 1,738,346. The Passenger Load Factor improved from 79.7% to 81.1% and the passenger yield witnessed a slight drop of 0.3%.

Operating revenue of the Company slightly increased by 0.2% from Eur 395.4 million to Eur 396.1 million. The operating expenses decreased by 5.2% to reach Eur 382.9 million mainly on account of lower fuel prices and decrease in the level of operations. The Finance costs increased from Eur 0.8m to Eur 13.2m which included an amount of Eur 11.3m on lease with respect to Rights of Use Asset.

For the nine months ended 31 December 2019 the Group and the Company posted losses of Eur 14.6 million and Eur 14.9 million respectively. For the corresponding period last year, the Group and the Company had recorded losses of Eur 27.5 million and Eur 25.4 million respectively.

Shareholders' Funds

Further to the Special Meeting of Shareholders held in June 2019, 27 million ordinary shares at a price of Rs 15.00 per share were issued to the Airport of Mauritius Limited. As a result, the Company now owns 20% of the share capital of Mauritius Duty

Free Paradise Co. Ltd previously owned by Airport of Mauritius Limited.

Total Shareholders' Funds for the Company increased from Eur 58.6 million as at 31 March 2019 to Eur 63.1 million as at 31 December 2019. The resulting net assets per share as at 31 December 2019 was Eur 0.49 (Rs 19.82) as compared to Eur 0.57 (Rs 22.39) as at 31 March 2019.

Outlook

The airline industry and the global economy are facing challenges mainly due to the outbreak of Covid-19. The Company has consequently suspended all its flights to China and Hong Kong.

In view of the challenging environment, the Company is currently reviewing its strategy and taking various measures and initiatives to ensure its long term sustainability.