

# LAND & INVESTMENT

An aerial photograph of a town, likely in a tropical region, with a large, prominent mountain in the background. The town is densely packed with buildings, mostly residential, and is surrounded by lush greenery. The mountain has a sharp peak and is covered in dense vegetation. The sky is clear and blue.

*Despite the economic environment, the group has maintained its development pace and dividends have started to grow back.*

The Land & investment segment serves as a facilitator for the group's growth with three sub-segments:

- Owner of the group's land assets as well as most of its investment portfolio. This enables the group to grow by funding the development of ENL's other segments through land sales and structured debt, which explains the segment's significant finance costs.
- Nurture the innovative local ecosystem and empower entrepreneurship through Compass, a corporate venture fund and Turbine, a start-up incubator and accelerator.
- Enlarge the group's renewable energy offering through Ecoasis, provider of energy solutions and EnVolt, owner of photovoltaic farms.

## Operating Context

This segment generates revenue mainly from dividend income and sale of land. Despite the uncertain economic environment, the group has maintained its development pace and dividends have started to grow back.

The renewable energy industry is being supported by Government measures to accelerate the country's transition and to achieve the national target of producing 60% of the electricity needs from renewable sources by 2030, making it a good time to be positioned in this industry.

## Performance

Revenue amounted to Rs 74 million this year and the segment recorded a loss after tax of Rs 446 million, after incurring finance costs of Rs 271 million (2021: Rs 271 million). Last year's results included income of Rs 54 million from the crystallisation of land conversion rights.

During the year under review, Turbine focused its efforts on being self-sustainable with an array of partnerships through B2B programmes, sponsorships, and funding initiatives. Overall, Compass' portfolio companies developed well this year despite adverse economic conditions. As at 30 June 2022, the portfolio

was valued at Rs 297 million, a marked improvement compared to a valuation of Rs 234 million last year. The performance of the investments in one fund and four start-ups are the drivers of the portfolio's growth. Compass pursues the strategy to consolidate its shareholding in its best performing start-ups for the upcoming financing rounds.

In recent years, we have ventured into the production of electricity from solar energy. We have installed solar farms on the rooftops of several hotels, offices and commercial buildings through EnVolt. We are now looking at diversifying the economic use of our land through the production of renewable electricity from ground-mounted solar farms. We will devote selected land not earmarked for real estate development or agriculture to this alternative use. The recent purchase of a majority stake in Ecoasis, a local energy solutions provider to the local B2B market, brings to ENL the technological expertise it was lacking. We are ready to start investing in and operating farms at a reasonable scale, for which we have several projects already lined up, provided a viable framework is implemented by the authorities.

## Priorities for the next financial year

- Support the group's long-term growth
- Assist Compass' existing investment portfolio to grow into mature and sustainable businesses
- Sustain the contribution to the development of the Mauritian start-up and innovation ecosystem by furthering the investments and programmes through Turbine
- Capitalise on the group's renewable energy momentum

## Link to risks

 Top group risks (pages 64 to 67)



\* from continuing operations