

LUX ISLAND RESORTS LTD

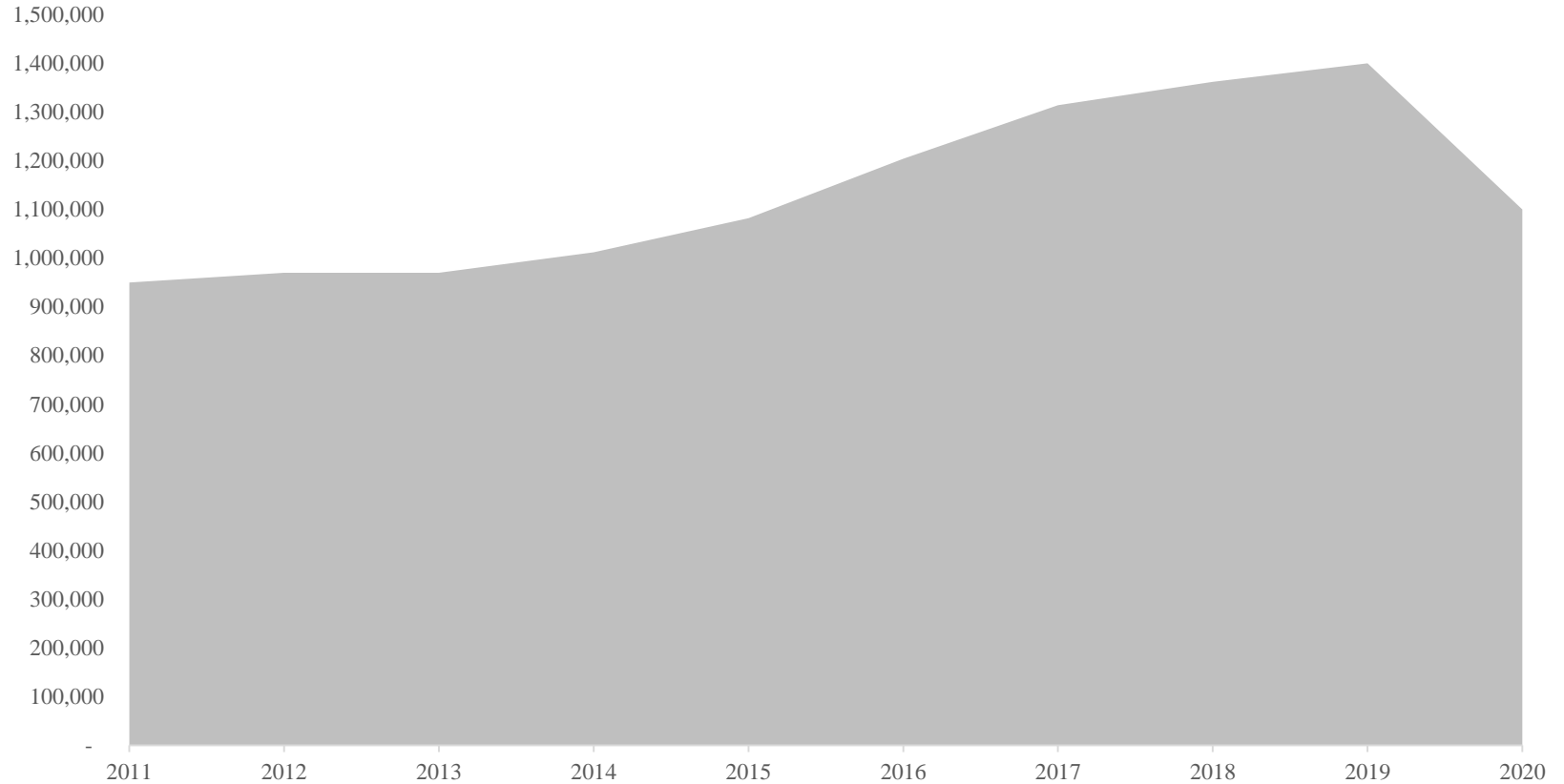
ANALYST MEETING

11 November 2020

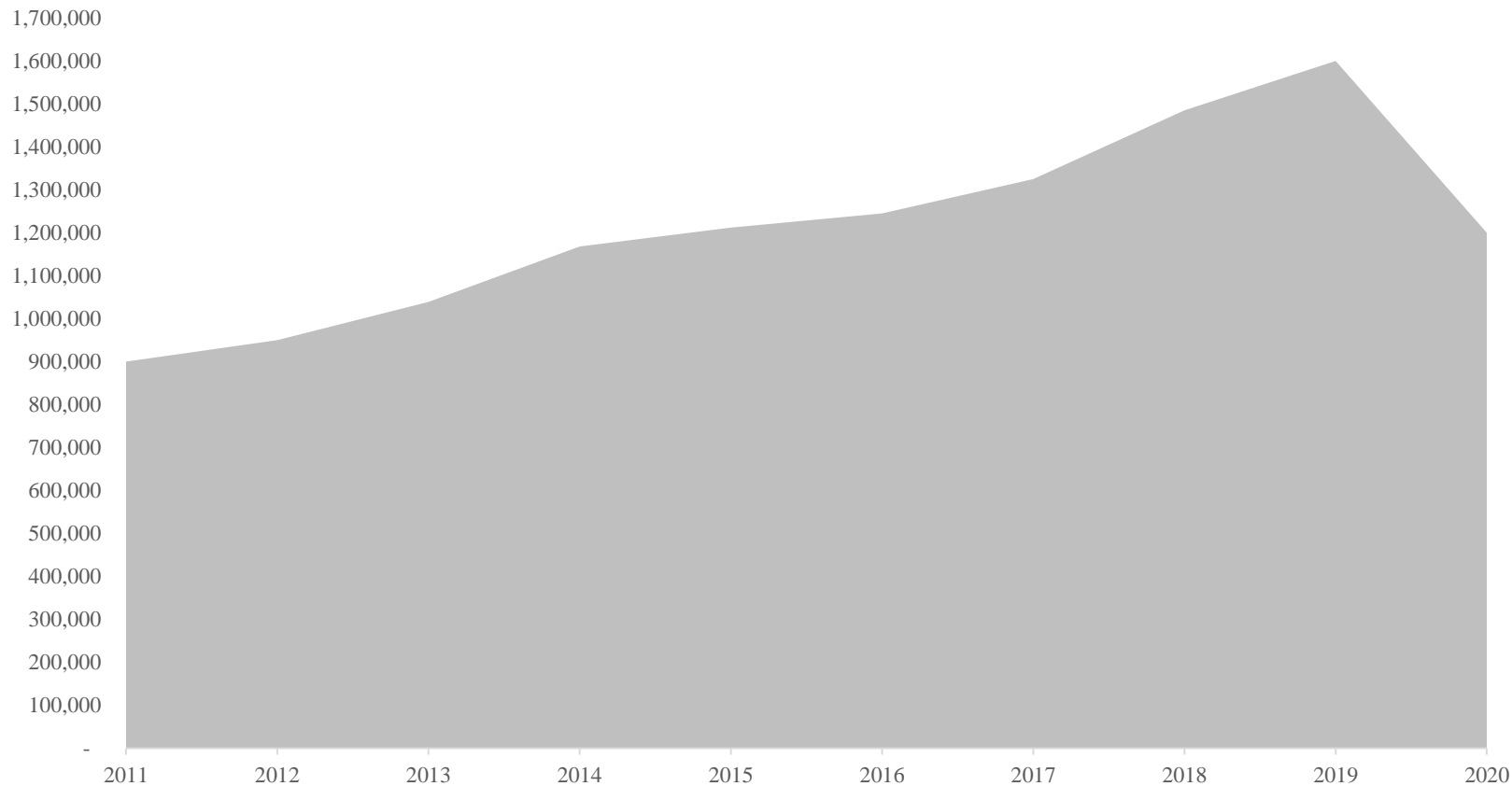
Significant events / Accounting treatments during FY 2020

- I. Our performance significantly impacted by COVID 19
 - a) Operating activities nosedived in the last quarter, resulting into a marked decline in the performance for the year
 - b) Major impairments and write offs as a result of the pandemic
- II. Adoption of IFRS 16 – Accounting for leases
- III. Redevelopment of LUX* Grand Baie hotel

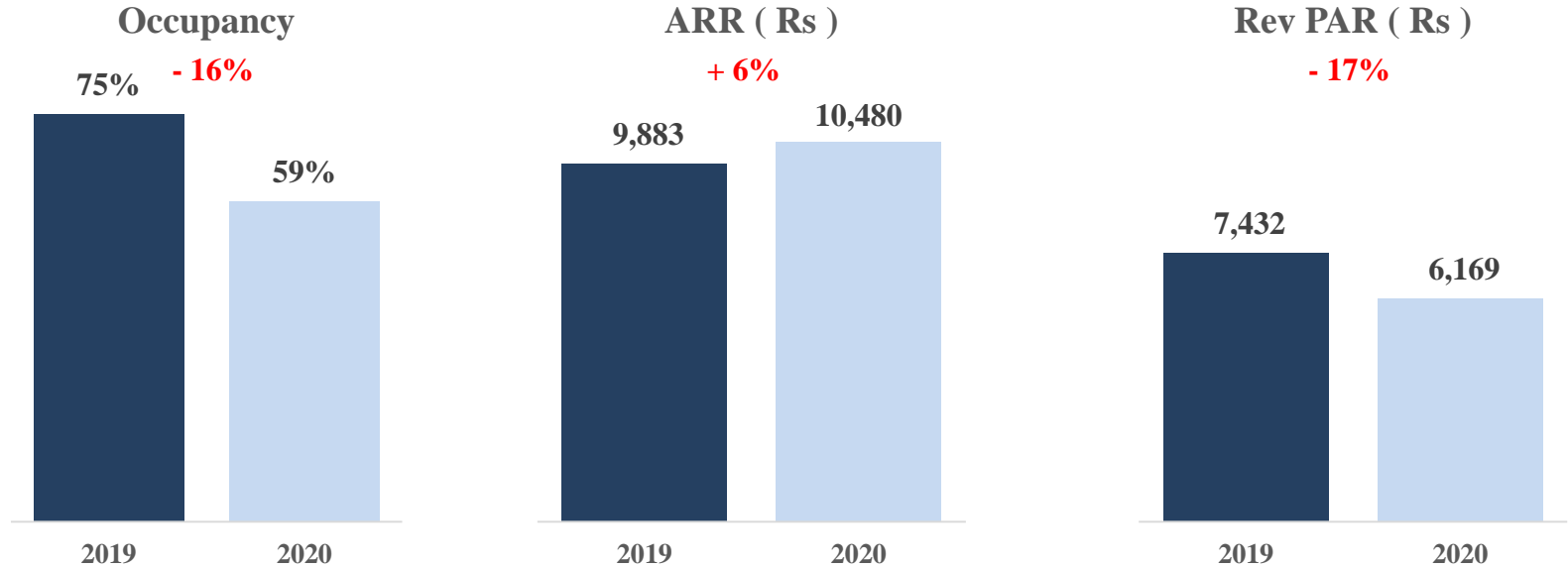
Tourist arrivals Mauritius 2011 - 2020



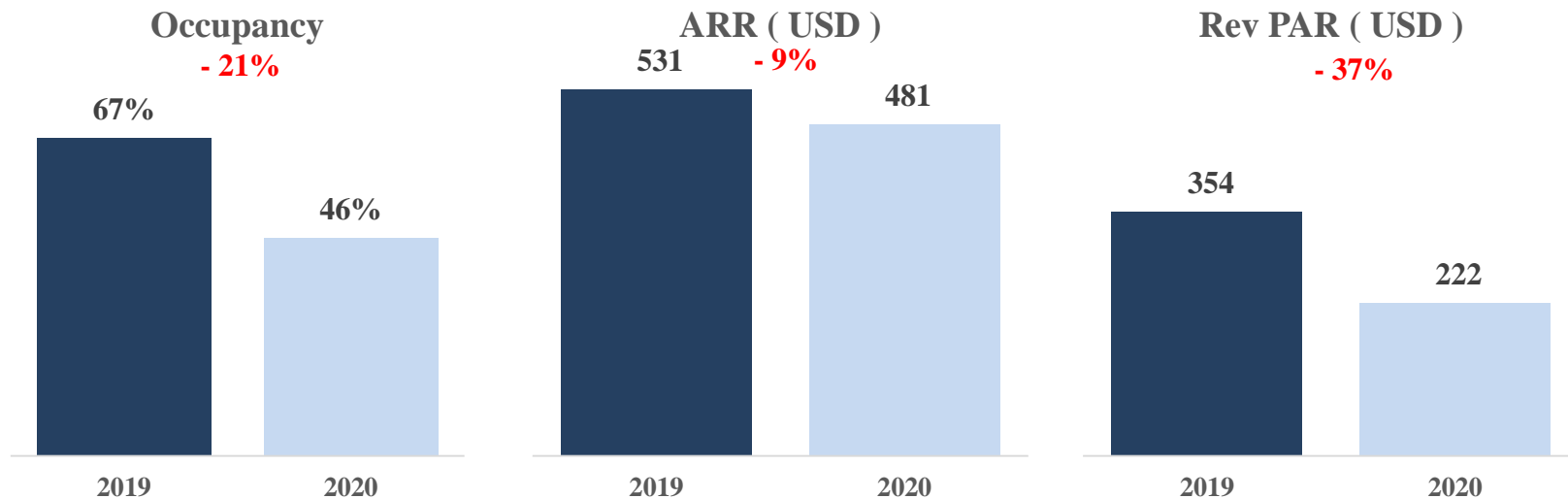
Tourist arrivals Maldives 2011 - 2020



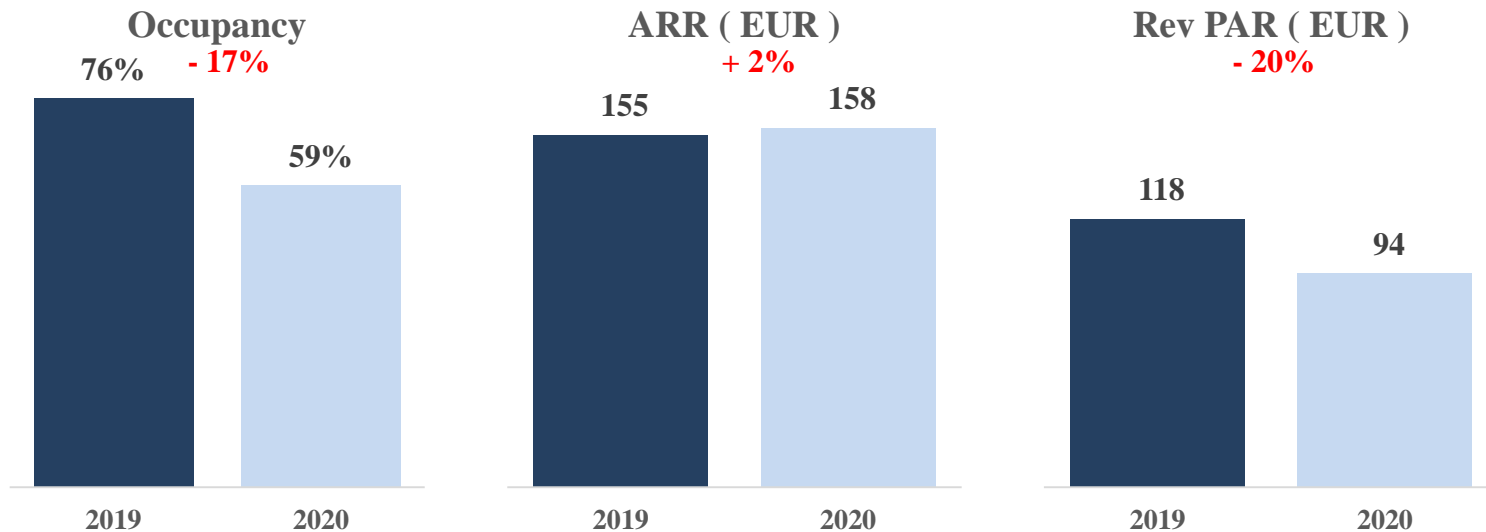
Impact of Covid - 19 on key metrics Mauritius



Impact of Covid - 19 on key metrics Maldives



Impact of Covid - 19 on key metrics Reunion Island



Financial Highlights

Year ended 30 June 2020

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020**

	THE GROUP		Increase / (Decrease)	
	2020	2019		
	Rs'000	Rs'000	Rs'000	
Total Revenue	4,837,605	6,189,878	(1,352,273)	-22%
Cost of inventories	(1,095,390)	(1,164,691)	(69,301)	-6%
Employee benefit expenses	(1,372,756)	(1,545,746)	(172,990)	-11%
Other operating expenses	(1,340,937)	(2,111,431)	(770,494)	-36%
	(3,809,083)	(4,821,868)	(1,012,785)	-21%
Earnings before interest, tax, depreciation, amortisation, impairment and write offs	1,028,522	1,368,010	(339,488)	-25%
Impairment of goodwill	(667,177)	-	667,177	
Impairment of property, plant and equipment	(12,622)	-	12,622	
Impairment of financial assets	(152,655)	(2,107)	150,548	
	(832,454)	(2,107)	830,347	
Earnings before interest, tax, depreciation and amortisation	196,068	1,365,903	(1,169,835)	-86%
Depreciation & Amortisation				
- PPE & Intangibles	(412,711)	(470,022)	(57,311)	
- Right-of-use assets	(155,808)	-	155,808	
Depreciation and amortisation	(568,519)	(470,022)	98,497	
Operating (loss)/profit	(372,451)	895,881	(1,268,332)	na
Finance costs				
- Bank loans & Overdrafts	(214,237)	(269,442)	(55,205)	
- Finance Leases	(233,949)	(4,575)	229,374	
	(448,186)	(273,629)	(98,497)	na
(Loss)/profit before income tax	(820,637)	622,252	(1,442,889)	
Income tax	(57,006)	(91,889)	(34,883)	
(Loss)/profit for the year	(877,643)	530,363	(1,408,006)	na
Basic and diluted from continuing operations (Rs)	(6.40)	3.87	(10.27)	na

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 20

	THE GROUP		Increase / (Decrease)
	2020	2019	
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets			
Property, plant and equipment	10,165,998	9,172,673	993,325
Right-of-use assets	3,429,232	-	3,429,232
Intangible assets	467,316	1,825,231	(1,357,915)
Deferred tax assets	137,771	201,491	(63,720)
	<u>14,200,317</u>	<u>11,199,395</u>	<u>3,000,922</u>
Current assets			
Inventories	182,426	190,643	(8,217)
Trade and other receivables	535,529	751,660	(216,131)
Cash and cash equivalents	156,834	169,959	(13,125)
	<u>874,789</u>	<u>1,112,262</u>	<u>(237,473)</u>
Assets classified as held for sale	528,945	-	528,945
TOTAL ASSETS	<u>15,604,051</u>	<u>12,311,657</u>	<u>3,292,394</u>
EQUITY AND LIABILITIES			
Capital & Reserves	<u>5,565,860</u>	<u>6,007,040</u>	<u>(441,180)</u>
Non-current liabilities			
Interest-bearing loans and borrowings	2,158,461	3,200,523	(1,042,062)
Lease liabilities	2,730,306	-	2,730,306
Deferred tax liabilities	524,815	525,308	(493)
Post employment benefit obligations	173,601	116,635	56,966
	<u>5,587,183</u>	<u>3,842,466</u>	<u>1,744,717</u>
Current liabilities			
Interest-bearing loans and borrowings	3,002,731	1,238,812	1,763,919
Trade and other payables	1,242,802	1,171,013	71,789
Current tax liabilities	1,563	52,326	(50,763)
	<u>4,247,096</u>	<u>2,462,151</u>	<u>1,784,945</u>
Liabilities associated with assets held for sale	203,912	-	203,912
Total liabilities	<u>10,038,191</u>	<u>6,304,617</u>	<u>3,733,574</u>
TOTAL EQUITY AND LIABILITIES	<u>15,604,051</u>	<u>12,311,657</u>	<u>3,292,394</u>

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	THE GROUP		Increase / (Decrease)
	2020	2019	
	Rs'000	Rs'000	Rs'000
OPERATING ACTIVITIES			
Cash generated from operations	979,880	1,361,362	(381,482)
Income tax paid	(102,466)	(72,690)	(29,776)
Interest paid	(413,174)	(273,629)	(139,545)
Net cash flows from operating activities	464,240	1,015,043	(550,803)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(829,685)	(187,280)	(642,405)
Purchase of intangible assets	(5,137)	(279,378)	274,241
Deemed disposal of subsidiary	-	24,280	(24,280)
Proceeds from sale of property, plant and equipment	2,972	13,392	(10,420)
Net cash flows used in investing activities	(831,850)	(428,986)	(402,864)
FINANCING ACTIVITIES			
Long term loans received	1,226,730	1,212,699	14,031
Payments of long term borrowings	(850,103)	(1,440,064)	589,961
Principal elements of lease payments	(78,846)	(21,173)	(57,673)
Dividend paid	-	(356,502)	356,502
Net cash flows from/(used in) financing activities	297,781	(605,040)	902,821
Net (decrease)/increase in cash and cash equivalents	(69,829)	(18,983)	(50,846)
Cash and cash equivalents at 01 July	(31,786)	(13,356)	(18,430)
Transfer to assets held for sale	(99,922)	-	(99,922)
Net foreign exchange difference	1,933	553	1,380
Cash and cash equivalents at 30 June	(199,604)	(31,786)	(167,818)

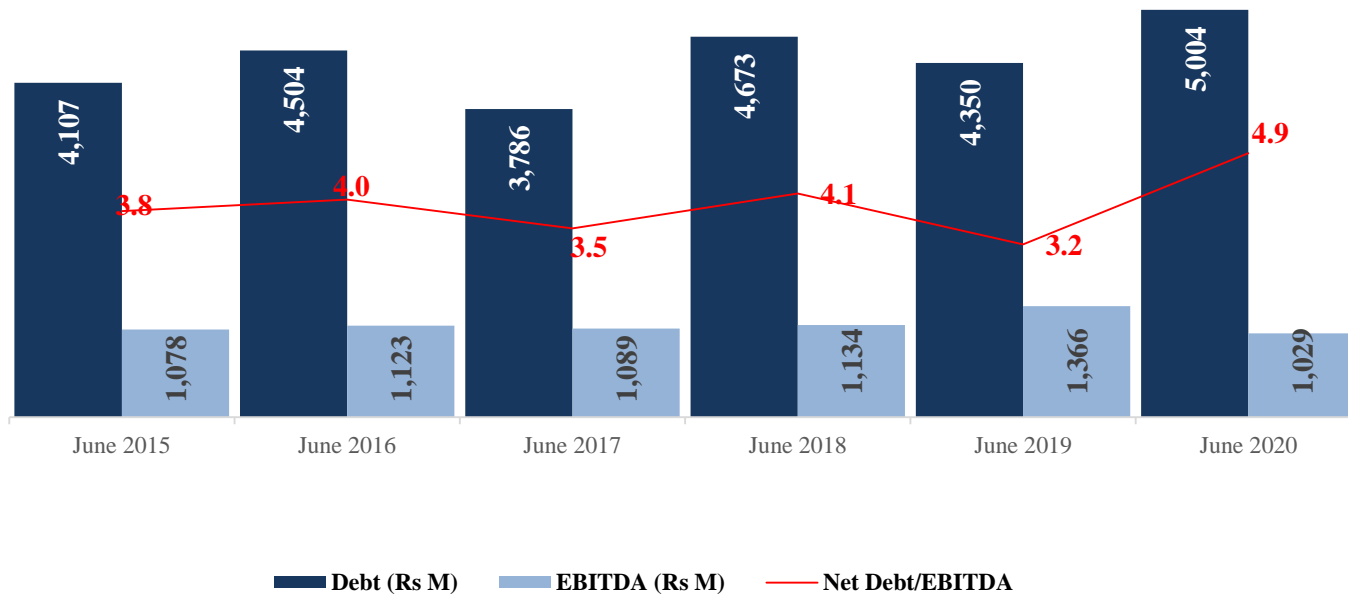
FINANCIAL HIGHLIGHTS - QUARTER ENDED 30 SEPTEMBER 2020

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
	Quarter to 30th September 2020 Rs 000 (Un-audited)	2019 Rs 000 (Un-audited)	Inc/(Dec) Rs 000
Total Revenue	<u>329,777</u>	<u>1,210,519</u>	<u>(880,742)</u>
EBITDA	(132,953)	158,619	(291,572)
Depreciation and amortisation	<u>(152,110)</u>	<u>(142,258)</u>	<u>(9,852)</u>
Operating (loss)/profit	(285,063)	16,361	(301,424)
Net finance costs	<u>(110,209)</u>	<u>(113,291)</u>	<u>3,082</u>
Loss before taxation	(395,272)	(96,930)	(298,342)
Income tax credit	<u>30,399</u>	<u>14,400</u>	<u>15,999</u>
Loss attributable to the group	(364,873)	(82,530)	(282,343)
<i>Other comprehensive income</i>			
Movement for the period	-	11,670	(11,670)
Total recognised income	<u>(364,873)</u>	<u>(70,860)</u>	<u>(294,013)</u>
<i>Basic and Diluted - Loss per share</i>	Rs. <u>(2.66)</u>	<u>(0.60)</u>	<u>(2.06)</u>
SEGMENTAL INFORMATION			
<i>Segment revenue:</i>			
Mauritius	181,975	740,867	(558,892)
Maldives	35,394	252,689	(217,295)
Reunion	<u>112,408</u>	<u>216,963</u>	<u>(104,555)</u>
Total revenue	<u>329,777</u>	<u>1,210,519</u>	<u>(880,742)</u>
<i>Segment results:</i>			
Mauritius	(172,669)	21,393	(194,062)
Maldives	(89,687)	(5,541)	(84,146)
Reunion	<u>(22,707)</u>	<u>509</u>	<u>(23,216)</u>
Operating (loss)/profit	<u>(285,063)</u>	<u>16,361</u>	<u>(301,424)</u>

FINANCIAL HIGHLIGHTS - QUARTER ENDED 30 SEPTEMBER 2020

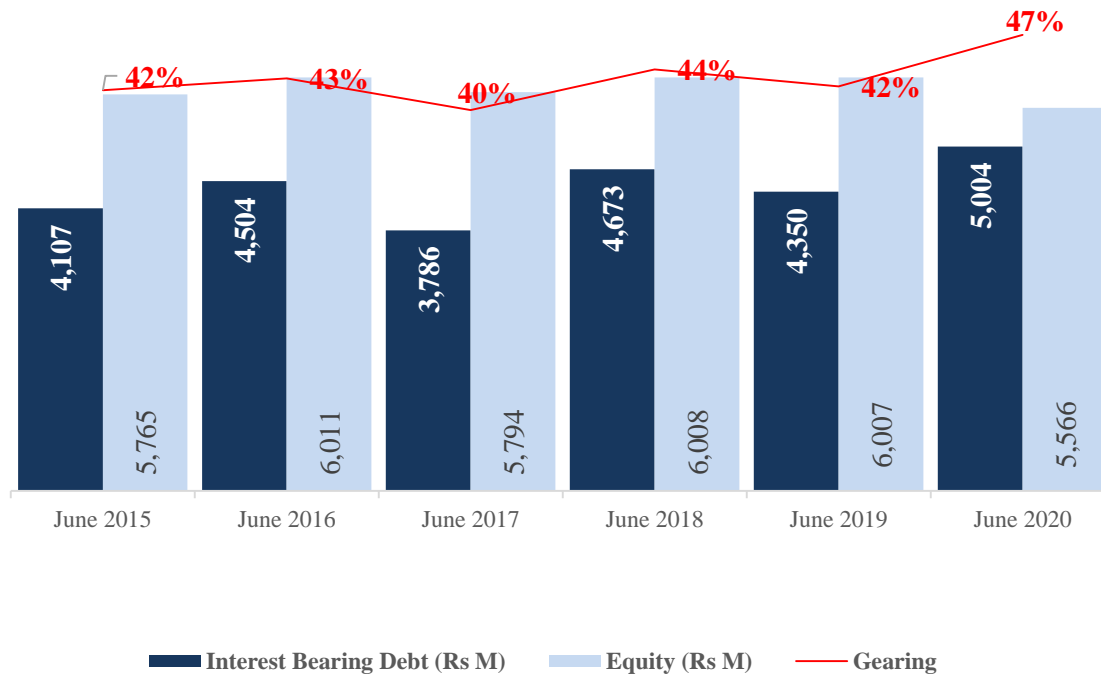
GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION			
	30th September 2020 Rs 000	30th June 2020 Rs 000	Inc/(Dec) Rs 000
ASSETS			
<i>Non current assets</i>			
Property, plant & equipment	10,194,999	10,083,786	111,213
Rights of use assets	3,388,551	3,429,232	(40,681)
Intangible assets	466,923	467,316	(393)
Investment property	82,212	82,212	-
Deferred tax assets	139,091	137,771	1,320
	<u>14,271,776</u>	<u>14,200,317</u>	<u>71,459</u>
Current assets	1,189,604	1,403,734	(214,130)
TOTAL ASSETS	<u>15,461,380</u>	<u>15,604,051</u>	<u>(142,671)</u>
EQUITY AND LIABILITIES			
Shareholders' interest	5,200,987	5,565,860	(364,873)
Non-current liabilities	7,280,828	5,587,183	1,693,645
Current liabilities	2,979,565	4,451,008	(1,471,443)
TOTAL EQUITY AND LIABILITIES	<u>15,461,380</u>	<u>15,604,051</u>	<u>(142,671)</u>
Net Assets per Share	Rs. <u>37.93</u>	<u>40.59</u>	<u>(2.66)</u>
GROUP ABRIDGED STATEMENT OF CASH FLOWS			
	30th September 2020 Rs 000	30th June 2020 Rs 000	
Net cash flows from operating activities	53,397	464,240	
Net cash flows from/(used in) investing activities	41,380	(929,839)	
Net cash flows from financing activities	88,308	297,781	
Net increase/(decrease) in cash & cash equivalents	<u>183,085</u>	<u>(167,818)</u>	
<i>Cash and bank balance</i>			
At beginning of period	<u>(199,604)</u>	<u>(31,786)</u>	
At end of period	<u>(16,519)</u>	<u>(199,604)</u>	

Evolution of DEBT, EBITDA & DEBT/EBITDA RATIO



Debt excludes finance leases

Evolution of EQUITY, DEBT & GEARING



Debt excludes finance leases

Responding to Covid-19

- We moved quickly and decisively to mitigate the impact of Covid-19 on our business. We reduced significantly our operating expenses and took a number of measures to strengthen the Group's financial position.
- We disposed of a non-core asset namely Hotel Le Recif in Reunion Island.
- We rescheduled our debts by extending their average maturities. Our Bankers have agreed a moratorium of one year on all capital repayments, which would otherwise have come due between 1st July 2020 and 30th June 2021.
- A Rs 160m Covid-19 sponsored loan contracted at an interest rate of 1.5% per annum. The first repayment of the Covid-19 sponsored loan is scheduled for July 2021;
- We secured a term loan of USD 8m to meet the working capital requirements of our Maldives operations;
- We signed a Eur 2m French government-sponsored term loan to finance the working capital requirements of our Reunion operation. The loan is repayable over five years and bears interest at 0.25% pa.
- On 18th September 2020, The Company and MIC signed a binding term sheet, pursuant to which MIC has committed to subscribe to redeemable and convertible secured bonds for an amount of Rs 1bn.

Main terms of the agreement with MIC

Key Financial Terms	
Nature of transaction	Redeemable Convertible Secured Bonds (the 'Bonds') to be issued by Issuer
Subscriber	Mauritius Investment Corporation Ltd
Issuer	LUX ISLAND RESORTS LIMITED (LIR)
Committed Amount	Subscriber commits to subscribe for Bonds having an aggregate nominal value of MUR 1 billion
Nominal Amount	MUR10 million per Bond
Issue Price	100% of the Nominal Amount
Security Agreement	Floating charge on assets of the Issuer for an amount of MUR1.0 billion ranking after prior charges of all banks.
Permitted use of subscription proceeds (the 'Permitted Use')	(a) operating expenses for it and its operating subsidiaries; (b) working capital for it and its operating subsidiaries; (c) interest charges arising on interest-bearing debts outstanding in the books of the Issuer or its operating subsidiaries and payable to a commercial bank
Maturity Date	9 years from first disbursement

Main terms of the agreement with MIC

Key financial terms – Cont'd	
Conversion at Maturity	On the Maturity Date, all outstanding Bonds will be converted into Ordinary Shares. The number of Ordinary Shares to be delivered to Subscriber will be determined in accordance with the following formula: $[(A+B)/C]$ where 'A' is the Nominal Amount of all Bonds held by Subscriber, 'B' is equal to the amount of outstanding and unpaid interest in relation to Bonds held by Subscriber, and 'C' is the Conversion Price.
Ordinary Shares	Ordinary Shares to be issued to Subscriber will rank in all respects <u>pari passu with all Ordinary Shares of Issuer.</u>
Conversion Price	The Conversion Price will be the average volume-weighted average price of the Ordinary Shares as published by the Stock Exchange of Mauritius during the period 01 January 2020 to 30 June 2020. The conversion price currently stands at Rs 33.52.
Option to redeem Bonds before the Maturity Date	Redemption of the Bonds shall be at the option of the Issuer only. Issuer may redeem some or all the Bonds, any time before the ninth (9th) anniversary of the date of issue of the first tranche of Bonds, at the Option Price.
Option Price	If redemption occurs on or before the fourth (4th) anniversary of the date of issue of the first tranche of Bonds, the Option Price per Bond shall be equal to the Nominal Amount. If redemption occurs after the fourth (4th) anniversary of the date of issue of the first tranche of Bonds but on or before the ninth (9th) anniversary of the date of issue of the first tranche of Bonds, the Option Price per Bond shall be one hundred and zero decimal five (100.5) percent of the Nominal Amount.
Governance	Subscriber has the right to nominate one director to the board of directors of the Issuer for appointment by the Issuer.

LIR PROJECTS

Q & A

LUX ISLAND RESORTS LTD