

LUX ISLAND RESORTS LTD AND ITS SUBSIDIARIES.

The group audited results for the Year ended 30th June 2021 are as follows:

GROUP ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June 2021	Year ended 30th June 2020
	Rs 000 (Audited)	Rs 000 (Audited)
Revenue	2,305,715	4,837,605
EBITDA before impairment	(16,231)	1,028,522
Impairment of financial and non-financial assets	(61,689)	(832,454)
EBITDA	(77,920)	196,068
Depreciation and amortisation	(596,038)	(568,519)
Operating loss	(673,958)	(372,451)
Net finance costs	(479,799)	(448,186)
Loss before taxation	(1,153,757)	(820,637)
Income tax credit/(expense)	95,386	(57,006)
Loss attributable to the group	(1,058,371)	(877,643)
Other comprehensive income		
Movement for the year	(98,765)	436,463
Total recognised income	(1,157,136)	(441,180)
Basic - Earnings per share	Rs. (7.72)	(6.40)
Diluted - Earnings per share	Rs. (7.32)	(6.40)
SEGMENTAL INFORMATION		
<i>Segment revenue:</i>		
Mauritius	772,080	2,352,652
Maldives	956,513	1,537,996
Reunion	577,122	946,957
Total revenue	2,305,715	4,837,605
<i>Segment results:</i>		
Mauritius	(775,602)	(136,105)
Maldives	119,418	(247,835)
Reunion	(17,774)	11,489
Results before finance costs	(673,958)	(372,451)

GROUP ABRIDGED STATEMENT OF FINANCIAL POSITION

	30th June 2021	30th June 2020
	Rs 000	Rs 000
ASSETS		
<i>Non current assets</i>		
Property, plant & equipment	11,606,594	10,083,786
Rights of use assets	3,422,217	3,429,232
Intangible assets	461,889	467,316
Investment property	82,212	82,212
Other receivable	45,919	-
Deferred tax assets	173,916	137,771
	15,792,747	14,200,317
Current assets	775,211	969,990
Assets held for sale	-	433,744
TOTAL ASSETS	16,567,958	15,604,051
EQUITY AND LIABILITIES		
Shareholders' interest	5,147,844	5,565,860
Non-current liabilities	5,422,215	2,856,877
Finance lease liabilities in respect of right of use assets	3,028,953	2,871,642
Current liabilities	2,968,946	4,105,760
Liabilities associated with assets held for sale	-	203,912
TOTAL EQUITY AND LIABILITIES	16,567,958	15,604,051
Net Assets per Share	Rs. 37.54	40.59

GROUP ABRIDGED STATEMENT OF CASH FLOWS

	30th June 2021	30th June 2020
	Rs 000	Rs 000
Net cash flows from operating activities	88,025	466,173
Net cash flows used in investing activities	(1,374,708)	(831,850)
Net cash flows from financing activities	1,424,980	297,781
Net increase/(decrease) in cash & cash equivalents	138,297	(67,896)
<i>Cash and bank balance</i>		
At beginning of year	(199,604)	(31,786)
Transfer to assets held for sale	-	(99,922)
At end of year	(61,307)	(199,604)

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	30th June 2021	30th June 2020
	Rs 000	Rs 000
At beginning of period	5,565,860	6,007,040
Issue of convertible bonds	744,083	-
Total recognised income	(1,157,136)	(441,180)
Interest on convertible bonds	(4,963)	-
At end of period	5,147,844	5,565,860

Environment

COVID-19's continued impact on the travel and tourism sector led to a GDP loss of USD 4.5bn and the disappearance of as many as 62 million jobs worldwide in 2020, according to the World Travel and Tourism Council.

Lux Island Resorts (LIR) has not been spared. Since March 2020, our Company has had to respond to unique operational challenges, including the repeated closing and opening of our hotels, implementing new hygiene and health & safety protocols, and rethinking our products and services and certain aspects of our strategy. We have had to be particularly agile in the face of a volatile operating environment and a highly uncertain outlook.

LIR continues to focus on keeping its teams and guests safe, strengthening its balance sheet, and positioning itself for a future market recovery. The pandemic has revealed the strength and resilience of our leadership teams both in our hotels and at head office. It has also highlighted the importance of doing the right thing for our guests, for the people who rely on us for their livelihoods, and for our shareholders and other stakeholders.

Business performance

COVID-19's impact on our Group's revenue, profit and cash reserves in FY 2021 was substantial. In Mauritius, ongoing restrictions on international travel meant that there were no foreign tourists during the year under review. The country also experienced a second lockdown from 10 March 2021 to 30 April 2021, resulting in the temporary closure of LIR's hotels and adversely impacting our income. As a result, our Mauritian hotels operated for only six months of the year and catered to an exclusively domestic market. One of our properties, namely Tamassa, was made available to the government as a quarantine and contact-tracing centre.

Against this backdrop, our hotels in Mauritius posted revenue of Rs 772m. EBITDA for the year was negative at Rs 330m despite the Wage Assistance Scheme received from the government.

LUX* South Ari Atoll reopened at the end of August 2020 and saw a strong recovery. However, it was forced to close once again in March 2021 due to an increasing number of positive cases in the country and reopened at the beginning of April. The hotel's occupancy was 48% during the periods of operations. Its turnover amounted to USD 24m and generated USD 6m in cash flow.

LUX* Saint Gilles's, occupancy was driven mainly by the local market in the absence of arrivals from France. Similar to the Maldives operation, LUX* Saint Gilles has been self-financing for the year and has generated positive cash flow. The strategy to diversify our operations in the Maldives and Reunion Island has helped to reduce the Group losses.

The Group loss for the year amounted to Rs 1.06bn, compared to Rs 878m a year ago.

At the special meeting held on 30 December 2020, our shareholders approved the issue of 100 redeemable Convertible Secured Bonds of Rs 10m each for an aggregate amount of Rs 1bn to the Mauritius Investment Corporation Ltd (MIC). As of 30 June 2021, LIR has issued 75 Redeemable Convertible Secured Bonds to the MIC for Rs 750m. In accordance with IAS 32, the bonds net of transaction costs are classified as equity in our statement of financial position.

Preparing for recovery

Throughout this crisis, LIR has made every effort to preserve jobs, shareholder value and the quality of its existing assets whilst keeping the teams and guests safe. Despite the challenging economic environment and with the support of our financing partners together with the sale of villas and residences under the Invest Hotel Scheme, we successfully pursued the development of LUX* Grand Baie. The hotel is now scheduled to open in November 2021. The Board is confident that this new hotel, with an investment of around Rs 3bn, will contribute significantly to the Group's profitability in the coming years.

We refurbished LUX* Le Morne, one of our best-performing assets prior to the COVID-19 pandemic in record time and limited resources, thanks to the contribution of our employees. We also completed snagging and repair work at LUX* Belle Mare, LUX* Grand Gaube and in the Maldives.

The amount invested during the year on LUX* Grand Baie (Rs 1.4bn) and LUX* Le Morne (Rs 135 m) accounted for the increase in Property Plant & Equipment, up from Rs 10.1bn last year to Rs 11.6bn as at 30 June 2021.

Our ability to finance LUX* Grand Baie despite the downturn demonstrates market confidence in the project. As at 30 June 2021, we have signed deeds of sales for 12 units and the buyers also agreed on a lease contract with LIR, whereby the company leases the unit back from the buyer.

The profit on disposal will be recognised on completion and delivery of the units. Deposits collected as at 30 June 2021 upon signature and amounting to Rs 205m are shown as accounts payable in the financial statements.

Impairments due to COVID-19

The Group reassess the impact of COVID-19 on the future earning capacity from each business unit based on cash flow projections reflecting market conditions. The reassessment resulted in additional provision for the year of Rs 81m.

Outlook

While vaccination rollouts around the world could help drive a recovery in travel, room occupancy rates are likely to suffer from travel restrictions and a trend towards local and regional, rather than long-haul, travel. The Group welcomes the reopening of Mauritius' borders, but its success will depend on our ability to rebuild customer confidence.

Business on the books of our Mauritius properties for the quarter ending 31st December 2021 is quite encouraging. Our two overseas hotels namely LUX* South Ari Atol and LUX* Saint Gilles are ahead on the corresponding quarter last year.

It is however difficult to predict the results for the coming year given the current uncertainty.

By order of the Board

IBL Management Ltd
Company Secretary

16 September 2021

Note to the above:

- The above Financial Highlights have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The Financial Highlights are issued pursuant to Listing Rule 12.14 and published according to the Securities Act 2005.
- The Financial Highlights have been prepared on the same basis of the accounting policies set out in the statutory Financial Statements of the Group for the year ended June 30, 2021.
- Copies of the Financial Highlights and the statement of direct and indirect interests of officers of the Company required under Rule 8 (2) (m) of the Securities (Disclosure Obligations of Reporting Rules 2007) are available free of charge, upon request, from the Company Secretary, at the Company's registered office, Lux Island Resorts Ltd, Pierre Simonet Street, Floréal.
- The Board of Directors of Lux Island Resorts Ltd accepts full responsibility for the accuracy of the information contained in the Financial Highlights.