



“ Having time to reflect on the past year, I feel pride above all else. Even under the circumstances, we were quick to reassess our business models and strategies, acknowledge where we fall short and undertake bold measures unconstrained by the past or by established practices. ”

A WORD FROM OUR Managing Director

Countries and businesses around the world were confronted with COVID-19 and its impacts in 2020. How was CJ affected by the pandemic and how did the Group respond to these challenges?

2020 was a uniquely difficult year for the world. COVID-19 is continuing to wreak havoc, not just in terms of a health crisis and the loss of lives, but also from an economic and social standpoint. The pandemic has also reshaped our society in lasting ways, shifting how we work, how we commute, what we spend on, even how we greet one another.

Before March 2020, the Group was on track to meeting its financial and strategic objectives. But this was quickly overtaken by events and the urgent need to refocus our efforts on stabilising the Group.

From the outset, our focus was squarely upon two things:

- staying true to our core values
- securing the wellbeing and safety of our employees and customers
- steering our businesses through the crisis.

We were forced to suspend most of our operations during lockdown, implementing comprehensive health standards across all our locations once they reopened in June. We also provided our employees with clear guidance on how to continue working remotely and continually kept them abreast of all developments. However, we gradually began providing our customers with basic essential services wherever possible through Emtel, MC Vision, CINF, Screenage and Real Estate. I am proud to report that we safeguarded 100% of jobs during this difficult time.

We entered 2020 with a strong balance sheet and liquidity position, thanks to a generally prudent approach to risk and cash flow management, the transfer of CJ's shares in MC Vision to Emtel by the beginning of March 2020, and a debt restructuring plan at the Holding level that aims to spread our exposures evenly across our businesses.

Once the crisis was upon us, we took further steps to strengthen CJ's financial resilience. We activated business continuity protocols and maintained a tight rein on costs and working capital. We also reviewed each company's cost structure and cash flows to provide them with more operational flexibility. We halted certain major capital expenditures and accelerated investment in digital technologies. All of these measures have played a big role in keeping our subsidiaries afloat and moving, with the exception

of our Hospitality cluster which is still facing major setbacks, but is being fully supported by the Group.

There were no active cases of COVID-19 in Mauritius as of June 2020. This is largely credited to quick action by the government, stringent sanitary measures, brave frontline workers and a display of collective sacrifice by all Mauritians. A number of relief measures were also rolled out to support economic and social recovery, and the national vaccination campaign initiated in 2021 holds promise for the reopening of borders in time for peak tourism season later this year.

Pages 46-48 map out a timeline of Mauritius' and CJ's response to the pandemic.

As a result of our measures, the Group ended the year with:

- Revenues of MUR 4,819M (compared to MUR 5,016M in 2019) despite three months of almost no activity
- An operating profit of MUR 789M (compared to MUR 926M in 2019)

Having time to reflect on the past year, I feel pride above all else. Even under the circumstances, we were quick to reassess our business models and strategies, acknowledge where we fall short and undertake bold measures unconstrained by the past or by established practices.

Our essential businesses rose to fulfil their vital roles in society, helping people to stay connected and entertained during our days of social isolation. This was made possible by Emtel covering 96.8% of the population with 4G network, and both Emtel and MC Vision supporting their subscribers by providing additional data and credit, granting them full access to channels and waiving late payment charges. Likewise, our Real Estate cluster provided rental relief to tenants unable to pay rent due to financial hardships. Every business within the Group demonstrated CJ's entrepreneurial spirit through the development of new products and digital capabilities that met the need of the hour.

I am honoured to lead an organisation whose employees place the needs of our customers and citizens above their own. Times like these test our mettle; this crisis has revealed our organisation's strengths and driven us to address our weaknesses.

A WORD FROM OUR MANAGING DIRECTOR

Despite an unfavourable operating environment, what were the biggest highlights of the Group's performance this year?

At CJ, we take into account both our financial and non-financial metrics in assessing our overall performance, which together give a complete picture of our progress.

Not surprisingly, the pandemic significantly impacted our financial results and our clusters were affected to varying degrees. Group revenues decreased by 4% to reach MUR 4.8bn, and net profit dropped to MUR 200M, compared to MUR 440M in 2019. These figures would have been considerably higher if not for the closure of our businesses during lockdown, and the severe hit on our Hospitality and TMIT clusters:

- Our hotel, which officially opened in September 2019, was forced to close its doors after only six months of operations. It reopened on occasional weekends and for a limited period during the rest of the year, but this was not enough to offset the losses.
- MC Vision suffered from a lower profitability mainly as a result of a weakened Mauritian Rupee and the subsequent spike in foreign exchange rates. This was coupled with a sharp decline in revenues from the cancelation of subscriptions in the vacation rental market (such as Airbnb and secondary residences) following the closure of borders, and consumer buying habits shifting away from non-essential services. MC Vision's operating profit operations dropped from MUR 261M in 2019 to MUR 126M in 2020.
- Other businesses either recorded losses or declines in profit due to factors like a huge drop in interest rates (Island Life Assurance), a record decline in consumer spending (Batimex, Emtel, Real Estate), the absence of tourists and closure of hotels (Screenage and Hospitality cluster) and people increasingly staying at home (Emtel, Batimex, Real Estate). Pages 74-101 provide details on each business' performance.

The fact that CJ maintained its profitability even in these exceptional circumstances demonstrates the strength of our balance sheet and long-term strategy. The Group was in a position to support all its subsidiaries with their liquidity and loan requirements.

On the non-financial front, we used this time to make CJ a more agile and resilient organisation. We broke down silos in ways we did not think was possible; we expanded our digital capabilities and reach, connecting with more consumers than ever before; we increased our financial and operational flexibility; and we continued to invest in and empower our people. This enabled us to advance on our strategic objectives:

- In spite of a drop in turnover, Emtel's mobile data and share of the enterprise market grew, segments that are both critical for growth. Great progress was also made in the area of Fintech, with the development of a mobile payment application;
- MC Vision saw a 30% surge in its on-demand platform, resulting in a lower churn rate in that segment;

- Greater collaboration between Emtel and MC Vision gave rise to more shared showrooms and innovative products and solutions;
- Phoenix Central recorded 100% occupancy. We are also confident in our strategy for the Real Estate cluster, which involves the restructuring of our properties under a common shareholding vehicle. This has moved forward effectively;
- We made progress in the feasibility for the building our distribution centre, which once completed, will help us tap into the industrial segment and increase synergies between the Industry arm of our Holding company and the Real Estate cluster;
- We have completed the construction of Anantara iko's eight luxury villas and are actively working on the legal agreement; the villas will be put on the market as soon as borders are open;
- The pandemic has emphasised the need for high-speed, high-bandwidth that 5G promises to deliver. Though we faced delays in its rollout, we continued to deploy our 5G networks and expect to launch at the beginning of 2022.

The achievement of these milestones will not only help us mitigate the impacts of an impending recession, but also set the stage for continued growth in 2021.

In this context, does the current strategy still serve CJ's ambitions or has it evolved?

Our long-term strategy has served us well over the years, particularly because it is ever-evolving against a backdrop of a rapidly changing world. We monitor our operating environment on an ongoing basis and assess whether our strategic plan reflects new market dynamics and trends.

This approach has been very useful in responding to the pandemic. After reevaluating our strategy, we came to the conclusion that it is as relevant as ever in today's context. We maintained our strategic pillars, but rebalanced our priorities in the following order: 1. financial risk management, 2. the diversification of our portfolio, 3. organisational efficiency and 4. a focus on sustainability.

Now, there is a pressing need to accelerate the transformation of our business in three key areas:

Accelerate customer centricity and digitalisation

Customers are now accustomed to digital channels and choose to spend their hard-earned cash on 'value for money' products. Businesses that did not keep up were left behind. This shows that customers, and not businesses, dictate trends. We must continue placing the customer at the centre of everything we do, and use digital technologies to create efficient and meaningful customer experiences. Our leadership team is driving these initiatives which will then cascade in every aspect of our organisation.

Remain agile in navigating change

The pandemic has made it clear that even the most unlikely risks could materialise. Responding quickly demands a flexible structure and robust processes. We have enhanced our risk management framework to prepare for all potential scenarios so our teams have the confidence and capabilities to act quickly. We are executing all our plans in more progressive phases, in a way that eases financial pressure and brings minimal operational disruption in the event of a crisis. This allows us to be more focused on the business and our strategies. This approach applies to the renovation of Currimjee Arcades and the building of our distribution centre.

Leverage our collective strengths as a Group

This year, we increased collaboration between the Group's businesses and are already seeing the fruits of our labour. Harnessing the complementary strengths of our Group's companies will enable us to not just build scale and realise cost savings, but also cater to new customer segments and increase our market share. Emtel and MC Vision's shared showrooms have led to the development of more innovative products and a more extensive network for their distribution. Our Hospitality and Real Estate clusters have also centralised their facility management services, improving the efficiency and quality of services. Similarly, the distribution centre will be built by the Real Estate cluster to service our Group Companies.

Underpinning all this is our unwavering commitment to our team members. Ultimately, our strategy is only as good as our people. During the year, we doubled down on our efforts to upskill our employees through professional development opportunities and a talent development programme aimed especially at the youth. Through the Currimjee Leadership Academy, we have developed a nine-month leadership programme designed to equip our future leaders with the competencies and agile mindset they need to thrive in their roles. Additionally, in restructuring our risk management department and outsourcing our internal auditing function, we are aiming to become leaner, more efficient and tap into a broader range of skills.

To us, Engagement at its core is a combination of two things: do our team members have the desire to go the extra mile? And do they have the necessary support and tools to get there? Responses have been astounding, with our Group Engagement Score rising from 68% in 2019 to 75% in 2020. The challenges of COVID-19 brought employees across the board closer together. We saw an increased level of collaboration, sharing and support never seen before, despite everyone working remotely. This vindicates our efforts in creating an organisation where employees feel a sense of belonging, a sense of purpose and a safe place to share their thoughts.

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A WORD FROM OUR MANAGING DIRECTOR

What is the result of Emtel becoming a majority shareholder at MC Vision? Has the transaction helped achieve synergies in the TMIT cluster as you were hoping?

Emtel and MC Vision are a natural match. Their restructuring was initiated in early 2020 to capture the market opportunities that lie at the convergence of the telecommunications and broadcasting industries. Luckily, we completed the transaction before the pandemic struck Mauritius. The lockdown not only fuelled demand for compelling multi-screen, multi-device content (offered by MC Vision), but it also underscored the importance of reliable connectivity and strong infrastructure (offered by Emtel). At the same time, this alliance was key in reducing debt at the Holding level and building scale in the TMIT cluster, in line with our strategic pillars.

There is no doubt that we are reaping the benefits of combining both companies' complementary strengths. Airbox+ is a perfect example of this: it bundles unlimited WiFi, fixed calls and entertainment into one innovative product that meets the needs of the Home segment. This new business model has enabled us to accelerate our products' time to market and capture new customer segments as a result. We are encouraged by the results, having already realised, in under one year, 50% of the MUR 60M in synergies we projected to realise over three years.

In spite of this progress, we cannot measure the success of this new structure purely from a financial standpoint. The reality of the ground is that combining two organisations represents a major operational and cultural shift for all employees involved. We are therefore focusing on effective change management and on bringing the teams together. Only by unifying both teams around common processes, systems and habits can we ensure the sharing and transfer of knowledge, and ultimately harness the full potential of synergy.

Have issues like sustainability, inclusion and diversity been lost in the fight for survival? Can the Group still meet its environmental and social goals?

I am glad to say that it is quite the opposite. Sustainability is not just at the top of our agenda, but it has taken new meaning since the crisis. While "sustainability" often translates into environmental initiatives for many, CJ has always given equal, if not more, consideration to social issues—the S pillar of ESG. The pandemic has brought issues like wellbeing, wealth-sharing and human rights to the fore. We urge Mauritius and other countries to use this unique opportunity to place these matters at the centre of recovery strategies. It is also why we chose "People" as the theme of this Integrated Report.

In 2020, we continued to support the community by contributing to the government's National COVID-19 Solidarity Fund. We also set up our own Group-wide COVID-19 Relief Fund, which provided medical and food assistance to our hardest-hit communities. Of the MUR 7.6M raised, 50% was contributed by our employees and the remaining 50% by CJ matching employee donations one-to-one. Through the Currimjee Foundation, the vehicle that manages the Group's CSR projects, we

allocated another MUR 4M to carry out activities in the fields of education, health, environment, sports and socio-economic developments. Our CSR progress is laid out on pages 114-121.

Having said that, we have not set aside our environmental goals. Urgent and meaningful action is still required to address the impacts of climate change. During the year, we drove down our consumption of energy, water and paper, and ramped up our recycling efforts, particularly when it comes to e-waste. We are looking to take our e-waste management initiatives even further by exploring circular economy solutions that have the potential to create new trades and forms of employment. Our environmental performance is further detailed on pages 102-111.

The opening of Anantara iko Mauritius Resort & Villas in September 2019 was rather untimely. Do you see signs of hope for the hotel and for the overall industry?

There is no doubt that Tourism and Hospitality has borne the full brunt of this pandemic, and Anantara iko is one of many victims. The closure of borders has also affected livelihoods in other related industries like aviation, retail, entertainment, as well as coastal communities. The government has been providing financial assistance through the Wage Assistance Scheme—a lifeline that is welcome, but that cannot indefinitely sustain the high costs of a tourism industry that is not opening. However, the industry has always exhibited great resilience and I believe there is light at the end of the tunnel.

In the short term, hotels must focus on how efficiently and safely to open once borders open. Anantara iko has used this downtime to rethink the customer journey and train employees in health and hygiene protocols, which are likely to remain in place for the foreseeable future. Above all, new benchmarks have been set for the industry:

- People are still hesitant to hop on planes, especially towards long-haul destinations like Mauritius. They are looking for a safe haven, where cleanliness, hygiene and safety are front and centre. Vaccinations will be key in providing a sense of safety to guests, and Anantara's staff have all been vaccinated to this end.
- Contactless technologies, like digital check-in, mobile room keys, touchless payments and scannable menus are now must-haves.
- Awareness on sustainability, ecotourism and wellness is on the rise. We believe that our hotel, which was designed with these components in mind, has all the prerequisites to meet new guest habits and expectations. (More information on page 95)

Over the medium term, it will take more than vaccines to cure the hospitality industry. The pandemic has changed the face of travel and Mauritius cannot simply fall back on past formulas to maintain its competitive edge.

This is an unprecedented opportunity for us to reset an industry that was already struggling before COVID-19. It isn't only about building back, but also building better.

The road to recovery will require moving towards a model that prioritises sustainability, wellness and inclusiveness; one that not only meets new visitor expectations, but also addresses the needs of our environment and communities. This is the right time to develop a strategy that harnesses the island's unique environmental and cultural characteristics; to develop nature-based activities (hikes, excursions, artisanal fishing); to regenerate and better manage our oceans and natural resources; to invest in green and circular economy solutions and train our workforce accordingly.

Achieving this will require a high level of coordination between all stakeholders along the value chain. A cohort of players—hoteliers, various ministries and institutions, the airport, Business Mauritius, the Mauritius Tourism Promotion Authority, amongst others—have been working together on a holistic plan for the reopening of our borders. Aligning all these players around a clear and consolidated message will not just rekindle demand for Mauritius, but also build back a more resilient and sustainable industry.

Anticipating the future has never been as difficult as it is today. What does the year 2021 hold for CJ?

As I write this message, Mauritius is facing a second wave of infections and another lockdown. I am incredibly concerned about the psychological distress of a second lockdown on our employees, which brings with it another layer of uncertainty, rising inflation and declining purchasing powers. For us to emerge from this a stronger team, we need to support our people's wellbeing by continuing to communicate effectively and giving them access to the right resources to manage their stress. This will always be our top priority.

In terms of getting CJ through 2021, I am optimistic about the opportunities that lie ahead, particularly if we continue to nurture the green shoots of our recovery in the latter half of 2020:

- In the short term, we need to strengthen our individual businesses in their core competencies whilst developing new products, services and new business models. With consumer spending down, the informal economy is deeply impacted. Emtel and MC Vision are continuing to innovate and develop digital products; our Real Estate cluster will be considerably strengthened, thanks to Phoenix Central's prime location and the construction of the distribution centre scheduled for completion in 2022; our Hospitality cluster will build on its sustainability and wellness components to differentiate itself in a very competitive industry. Now is also the time for Batimex to shift its strategy towards more established and safe players and strengthening and expanding its distribution channels;
- We intend to continue cementing the foundations for future growth by continuing to invest in new businesses, accelerating the rollout of 5G, new commercial opportunities and leveraging the METISS cabling investment.

- Digitalisation will remain at the forefront of our initiatives. They will be key in attracting new customers and also boosting employee engagement as we delegate their routine tasks to technology.

That is not to say that the year will not come with its share of challenges:

- From a strategic perspective, the national macroeconomic environment and consumer behaviour will steer our strategy. We are continuing to plan for the unexpected and embed agility into our structure, risk management framework and culture.
- The situation for the hospitality industry will remain worrying until the reopening of borders. Now, compounded by a second wave of infections in March 2021, the industry is gasping for air. Relying solely on the limited local market is not sustainable.
- From a People perspective, keeping spirits high is our biggest priority. Fake news and misinformation are rampant, and stress is at an all-time high. We will continue investing heavily in our people's wellness, health, engagement and training.

Do you have a final message for your employees, clients, partners and industry colleagues?

In November 2020, we lost a valuable member of our team. Dr. Iqbal Bhugun, the General Manager of Quality and Sustainability, dedicated over a decade of his life to the Group. He was held in high regard by all of us at CJ: he not only initiated the Global Reporting Initiatives within the Group, but he also played a key role in advancing our Sustainability and Environmental impact. For this, and for all his contributions, we are all grateful. On behalf of the Group, I would like to express my sincerest sympathies to Iqbal's family.

I believe that two major lessons were learnt this year:

- As tempting as it may seem to take our foot off the gas, that would be a mistake. We need to stay on our toes and examine what has worked and what hasn't on a global and national scale. Agility needs to be ingrained in our DNA.
- Hard times reveal your true friends. We have newfound respect and value for all our internal and external relationships, from our bankers, ministries and suppliers, to our Board members, management team and customers. Our employees, above all, stood by us and continued creating value for our clients. To all of you, thank you for your support and faith in Currimjee Jeewanjee.

My final message would be that COVID-19 is a marathon, and not a sprint. We are no longer navigating a crisis—we are facing a new reality, and we are ready.

**Your Managing Director,
Anil Currimjee**