











OUR OPERATING Environment










Much like the rest of the world, our country and Group's financial year 2020 was dominated by the direct and indirect impacts of COVID-19. As an organisation operating in five distinct industries, our businesses were exposed to a host of challenging market conditions, shaped by the consumer, economic, cultural and social trends resulting from the pandemic.

Despite the short term negative impacts of Covid 19, the long-term perspectives for our industries remain attractive, and the Group is well positioned to seize the opportunities and mitigate the risks associated with each of these trends.
















 Read more about how we responded to the pandemic on pages 46-48 and how we managed our risks on page 52.

Material trends impacting value	Main clusters impacted	Risks relating to our Businesses	Our strategic focus areas
Trends resulting directly from COVID-19			
<p>The pandemic prompted countries across the globe to completely or partially shut down their economies to contain the spread of the virus. Mauritius implemented some of the most stringent measures in the world between March 2020 and May 2020: schools were closed, with only essential services being allowed to operate, and borders were shut to international arrivals until 30 September 2020.</p> <p>This has had a devastating effect on the travel and tourism sector (one of the largest drivers of our economy, representing 19% of GDP in 2019) which was already experiencing sluggish growth before 2020. Ripple effects were felt on the construction, textile and SME sectors.</p> <p>As a result of the pandemic:</p> <ul style="list-style-type: none">• Mauritius entered a steep recession in 2020, with GDP contracting by approximately 15%, one of the worst contractions in decades.• Total tourist arrivals dropped by over 67% between March and September 2020.• Unemployment reached up to 12.2% mid-2020 before decreasing to 10.9% towards the end of the year.	 	1, 7, 10, 19, 20	 <ul style="list-style-type: none">• Ensure business continuity by focusing on employee and customer health, safety and engagement• Continue focusing on debt management, maintaining a strong balance sheet and developing a robust risk management framework• Work closely with players of the private sector and government authorities to help restore traveller confidence and reopen our borders to tourists under optimum conditions <p> Please refer to the "Responding to the COVID-19 impact" section on pages 46-48</p>
<p>The world experienced a supply chain shock due to temporary trade restrictions and factory shutdowns in China and elsewhere. This disruption has led to bottlenecks in logistics networks, product shortages (resulting in rapidly rising prices) and hurdles in meeting contractual obligations. Businesses that are overly reliant on supplies abroad are being driven to build greater flexibility and resilience in their supply chains to protect themselves against future disruptions.</p>	 	1, 10	 <ul style="list-style-type: none">• Diversify our supplier route by transitioning to Europe• Increase our stock levels• Better prepare our clients for expected delays
<p>The global economic slowdown has also amplified the downward pressure on interest rates, which have dropped to record lows. While this measure supports financial markets and eases the financial burden on borrowers, persistently low interest rates could decline the value of savings and drive up inflation over the long term. Additionally, low interest rates negatively impact long-term treasury bills, the valuation of life funds and pension liabilities.</p>	 	1, 10, 11	 <ul style="list-style-type: none">• Inject further equity into our Life Insurance business to improve its resilience

OUR OPERATING ENVIRONMENT

Material trends impacting value	Main clusters impacted	Risks relating to our Businesses	Our strategic focus areas
<p>Rising unemployment levels and an increased cost of living have radically changed consumption patterns and spending. Household spending is down across industries, with Final Consumption Expenditure declining by around 14% according to the World Bank. Beyond spending less, consumers have also altered where and how they choose to spend their hard-earned money. Spending in non-essential categories like restaurants, transportation, out-of-home entertainment has fallen, and may continue falling as households expect to see their income dropping further in the coming months.</p>		<p>1, 3, 7, 10, 21</p>	 <ul style="list-style-type: none"> Adapt our value proposition in both essential and non-essential products and services to meet new market realities Renew focus on customer experience excellence Develop a customer retention strategy by offering support to our clients and tenants <p> Please refer to the “Responding to the COVID-19 impact” section on pages 46-48</p>
<p>The Mauritian Rupee depreciated by 9.3% against the USD, 10.2% against the GBP and 12.2% against the Euro, reflecting both domestic and international financial conditions. As a country that relies heavily on imports (up to 75% of consumption) and foreign-exchange earnings to procure necessities, and whose exports have declined, a weak currency is particularly devastating for the Mauritian consumer. On the other hand, certain industries like travel, accommodation and real estate would in fact get a boost from a depreciating Rupee, since these services would become more affordable for international tourists (assuming borders reopen.)</p>		<p>1, 10, 11, 19</p>	 <ul style="list-style-type: none"> Judiciously manage our treasury position to minimise the impact of the depreciation of the Mauritian Rupee on our business
Trends unrelated to COVID-19			
<p>Mauritius was placed on the EU’s list of high-risk countries and the FATF’s watchlist due to strategic deficiencies in its Anti-Money Laundering and Counter-Terrorist Financing frameworks. This could have far-reaching consequences on the country’s financial services sector, foreign investment and its reputation as a credible International Financial Centre. It may also have a direct impact on the island’s overall economy as the financial services sector remains one of the largest value-adding contributors to the economy in terms of employment and inflows of foreign currencies.</p>		<p>1, 10, 11, 19</p>	 <ul style="list-style-type: none"> Continuously monitor the evolution of the potential risk emanating from Mauritius being placed on the FATF’s watchlist
Existing trends accelerated by COVID-19			
<p>The growing demand for unlimited data to access original and high-quality content shows no sign of slowing down. Growth in the adoption of smartphones and higher Internet speeds are driving the market, and media providers are under pressure to meet the demand for more original content.</p> <p>The pandemic has been a major catalyst in accelerating the adoption of OTTs. The cord-cutting phenomenon is gaining ground as streaming alternatives provide a more affordable option and a steady dose of fresh content. Mandatory lockdowns and social distancing measures have kept cinemas closed and live events limited, pushing homebound consumers to turn to digital content providers for their entertainment needs. As a result of more time being spent indoors, the consumption of content on all devices has soared (Netflix alone saw 16 million new signups for its service in the first three months of 2020), leading to the proliferation of unlimited data plans across Mauritius.</p> <p>This trend is enabled by Mauritius’ heavy investment in international cable connectivity, the country’s support to build a national Wi-Fi network, and the eventual rollout of 5G.</p>	 <p>(MC Vision/Emtel)</p>	<p>2, 3, 10, 12, 13, 15</p>	 <ul style="list-style-type: none"> Develop innovative product and service offerings, including packaging flexibility Continue developing new business models with increased synergies between our telecom and media businesses Strengthen relationships with international and local partners

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Material trends impacting value	Main clusters impacted	Risks relating to our Businesses	Our strategic focus areas
<p>While demand for data has soared, so has the demand for Wi-Fi. However, with people being confined indoors, Internet traffic is skyrocketing as people work, learn and entertain themselves through bandwidth-intensive applications (Zoom and Google Hangouts) using their domestic Wi-Fi rather than the cellular network.</p> <p>This monumental shift of data traffic from mobile to Wi-Fi networks has dragged down mobile data subscriptions and users, the sale of smartphones, as well as traditional voice calls.</p> <p>Over the longer term, here lies an opportunity to support this unprecedented demand for high-speed connectivity with high-quality infrastructure and network expansion promised by 5G.</p>	<p>Over the short term:</p> <div>  Emtel</div> <p>Over the medium to longer term:</p> <div>  Emtel</div>	3, 12, 13, 15	<div></div> <ul style="list-style-type: none">Build on our strong telecommunication capabilities by continuing to upgrade our infrastructure and networkEnhance our customer relationships by improving different customer touchpoints
<p>Prior to the pandemic, a paradigm shift towards digitalisation was already underway. In 2020, in a contactless world, digitalisation stepped in to bridge the gaps left by lockdowns and social distancing measures. As interactions with employees and customers are taking place virtually, operating digitally is the only way forward: this means migrating operations and employees to a virtual work environment, digitising processes, seeking digital payment methods, replacing in-person meetings, keeping employees productive as they work remotely, developing omnichannel customer experiences. This has presented both a challenge and an opportunity for those who had a head start in their digitalisation journey.</p>	<div> </div>	2, 3, 9, 10, 12, 13, 15	<div></div> <ul style="list-style-type: none">Continue developing our digital capabilities (both employee- and customer-facing interactions) to improve communication with all stakeholdersSeamlessly shift to remote working thanks to our sustained investments in digitalisationImprove in our back-office processes through the effective implementation of various digitalisation projectsImplement alternative payment methods adapted to a contactless environment
<p>The pandemic has increased the emphasis on Environmental, Social and Governance (ESG) considerations. The socioeconomic effects have exposed the disproportionate risks on the most disadvantaged and vulnerable populations, beyond the obvious issues of safety and wellbeing: loss of income (with unemployment being concentrated in low-paid industries), lack of access to food and healthcare, deterioration of human rights across value chains...</p> <p>In parallel, climate change remains one of the biggest threats to humanity.</p> <p>This crisis has underscored the role of businesses in tackling social and environmental issues, and the importance of coordination amongst key players in supporting our communities.</p>	<div> </div>	1, 4, 7, 19, 20	<div></div> <ul style="list-style-type: none">Raise funds to protect employees and communities at large through the Currimjee COVID Fund and contributions to the National COVID FundOngoing investment of resources (time, volunteering and funds) in our focus areas through the Currimjee Foundation <p> Read more about our sustainability and CSR initiatives on pages 102-131</p>

Sources
World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices.
PwC, Mauritius
Rapid Continuous Multi-Purpose Household Survey carried out by the World Bank and Statistics Mauritius.
PwC Global Entertainment & Media Outlook 2020-2024






TELECOMMUNICATIONS, MEDIA & IT

CLUSTER PERFORMANCE,
OUTLOOK AND STRATEGIES

MUR **3,087M**
Turnover

MUR **779M**
Operating profit

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<p>Broadband has established itself as the key enabler of all aspects of life: online education, remote working, e-commerce, videoconferencing, social networking, access to medical and food supplies, content streaming—all of which was made possible by resilient ICT infrastructure. Global Internet traffic skyrocketed by 40% at the peak of worldwide lockdowns.</p> <p>Despite being providers of essential services, the growth in traffic has not led to a corresponding revenue growth—mainly because of the penetration rate of the Internet to homes and businesses, and the fact that such services are charged at a fixed cost for unlimited usage. We experienced slower growth in mobile data and an 8% drop in mobile voice services as a result of more usage of home WiFi instead of mobile data.</p> <p>This was amplified by fierce competition and the additional tax burdens of the Solidarity Levy and CSG.</p> <p>The relief measures we extended to support our customers (more details on page 48) during this critical time inevitably impacted our bottom line.</p> <p>In parallel, Emtel was not immune to the marked decline in household consumption and the absence of tourist inflows. Moreover, foreign exchange losses, alone impacted our operating expenses by 15% to the tune of MUR 37M.</p> <ul style="list-style-type: none"> – We suffered revenue losses in device sales and the prepaid mobile segment due to a combination of a lower purchasing power and the closure of our retail stores during the lockdown period. – Our roaming revenues plunged by MUR 82M following the lack of international travel. – We experienced losses in our B2B revenues, with businesses either delaying or cancelling IT projects. We also extended a number of commercial gestures to provide relief to some struggling businesses. – As a result of the closure of the borders and its resulting decline in tourists arrival, our gross revenue was down by 5% and our customer base decreased by 1%. <p>Nonetheless, Emtel was able to sustain revenues and posted a profit of MUR 552M, mainly driven by the following:</p> <ul style="list-style-type: none"> – We managed to meet the demand of increased data traffic, with no impact on our quality of service. This gives us confidence in the robustness of our infrastructure. Building on this, we remain focused on keeping our networks resilient and we continued to invest in additional submarine cable capacity to sustain increased traffic during the year. – We introduced unlimited plans, leading to a 1.5% increase in our mobile customer market share. – Our Service Revenue for the Home segment was up by 6% compared to 2019. – More enterprises entrusted their connectivity and data centre services to us thanks to our proven track record of 99.99% uptime of our Tier 3 certified data centre and our submarine cable capacity strategy—all backed by an unmatched quality of service. – We introduced an innovative product, Airbox+, in collaboration with MC Vision. It offers the best of media (live and on-demand channels) and high-speed Internet in one single package. – We managed to contain through a strict cost containment strategy, which enabled us to save MUR 25M in operating expenses. – The pandemic accelerated self-service and the adoption of digital payments, with 70% of our customer base making payments and recharging their accounts online. As a direct result, our call centres recorded a 17% drop in customer calls. 	  	<ul style="list-style-type: none"> – We developed a host of new products designed for the trends that emerged as a result of COVID-19: SOS 35 enabled customers to recharge their accounts with an emergency top-up of Rs 35, to be repaid at a later stage. – We launched our e-commerce platform for the delivery of handsets. – Remote working propelled us to work in new ways: we enhanced internal collaboration and empowered key employees to accelerate the decision-making process. With some employees unable to carry out their activities (e.g in retail stores), we reshuffled our resources across departments, largely enhancing the sharing of knowledge and skills. – With employees remaining productive while working from home, we introduced flexible working arrangements as part of our permanent work practices, even post COVID-19. – We replaced cheque payments by online payments for our suppliers. We believe the shift to digital payments will be permanent, presenting huge opportunities for us to develop additional self-service features for customers and enhance security for our suppliers. 	<ul style="list-style-type: none"> – We became acutely aware of our dependence on our customers' spending power, despite their reliance on ICT. While the demand for data continues to soar, the ability to monetise this growth is one of our greatest challenges. In response, we are working on developing higher-value propositions (e.g Airbox+), and using digitalisation and social media to improve the customer experience. – While we can rebundle our mobile data packages in proportion to volume, this is not a sustainable strategy over the long term. The reopening of borders is therefore critical to our ability to continue operating profitably. – In parallel, we intend to carry on with our cost containment strategy and review our focus areas and our priorities with respect to investments.. – We aim to strengthen our collaboration with MC Vision and are in the process of identifying areas of growth with other businesses across the Group. Our convergence with MC Vision is a huge differentiating factor against competition and we intend to continue leveraging our combined strengths to capture the opportunities that lie at the intersection of the telecom and media industries. – The roll-out of 5G has slowed down due to the disruption in supply chains and availability of workforce, but remains a priority for Emtel and Mauritius. – We are optimistic about the future, mainly because we believe our strategy to be fit-for-purpose even in an evolving operating environment. Our ICT infrastructure—underpinned by our ever-increasing footprint of fibre around the island and our capacity build-up, including our participation in the newly-laid METISS Submarine Cable, fibre extension and the launch of 5G—diversified revenue streams and consistent focus on innovation will enable us to sustain and grow our revenues.



OPERATIONAL EFFICIENCY



FINANCIAL RISK MANAGEMENT



BUSINESS PORTFOLIO



SUSTAINABILITY FOCUS

MC VISION

Performance highlights in 2020

The pandemic took a profound toll on our business, particularly as our showrooms were closed during the three months of lockdown, and technical interventions or installations were prohibited due to social distancing measures. We were further impacted by the following trends:

- the absence of incoming tourists has negatively affected not only hotels, but also short-term vacation rentals.
- a sizeable portion of our costs being in foreign currencies, we were hit hard by the depreciation of the Mauritian Rupee against the Euro and USD, impacting our business to the tune of MUR 77M.
- the marked decline in household consumption, as a result of declining incomes, job losses and soaring food prices, has led to subscribers cutting down on non-essential expenses.

While our bottom line reflects the adverse effects of the pandemic on our performance, it does not take into account the substantial progress we made in certain strategic areas:

- as announced last year, our CDN solution was deployed and has been instrumental in delivering better customer service and granting users seamless access to myCanal and PLAY's repertoire of 20,000 programmes available on demand.
- in February 2020, we launched Netflix via our 4K-Ultra Decoder, which has also fuelled sales of the PLAY decoder.
- we continued making strides in our role as a content aggregator and launched Disney+ in October 2020. The response so far has been positive, with a 59% adoption rate and a usage rate of 86%.
- towards the end of the year, in collaboration with Emtel, we launched Airbox+, a combination of unlimited Internet, fixed telephony, access to 50+ channels, myCanal and Play. This unique product designed to address changing customer needs and offer them "the best of all worlds" in one package, was successfully launched. 55% of our Internet sales now stem from this new product.
- we launched a "try and buy" model, whereby our existing clients are offered a free trial period to test certain new products before committing to buying them. We have found this strategy to successfully drive user awareness and adoption of our products (for instance, Disney+ was first introduced to customers through this model).
- in line with the Group's strategy of leveraging synergies, and in response to the global rise in the convergence between telecom and media, we accelerated our shared showrooms with Emtel, delivering a strong value proposition to clients, with the added benefit of cutting down on costs.
- our integration with Emtel has also enabled us to consolidate functions like IT and accounting into shared services, ensuring uniform procedures across both businesses, the cross-sharing of knowledge and the delivery of services as efficiently as possible, while also realising economies of scale.

Contribution to Group strategy



Opportunities arising from COVID-19

- COVID-19 has accelerated the digitisation of our customer interactions. While self-service was the norm at MC Vision before the pandemic, contactless payments became a prerequisite during the lockdown period, even among customers who were previously hesitant to make online transactions. We developed a secure online payment solution, pay.mc-vision.net, to adapt to new customer expectations. Other payment alternatives like Juice by MCB, EasyPay by SBM and Emtel Cash, also amplified communication around their solutions.
- Social media has long been an important means of engaging with our community of subscribers. During the year, we decided to take it a step further by managing our social media platforms in-house to gain deeper insights into our customers' needs.
- Internally, communication between employees took the form of various virtual platforms (Zoom, WhatsApp, Google Share), which largely boosted team bonding, trust and engagement.

Priorities for 2021

- With projections of a continued slowdown in the Mauritian economy during the year, the closure of our borders and a continued decline in our subscribers' spending power, we expect 2021 to be another challenging financial year for us.
- However, we are optimistic about the adoption of our newly launched products. We aim to continue strengthening our role as a content aggregator and delivering relevant content that will delight our customers.
- Following the success of our shared showrooms with Emtel, we plan to open 10 additional shared showrooms in 2021.

MUR **1,357M**
Turnover

MUR **126M**
Operating profit



OPERATIONAL EFFICIENCY



FINANCIAL RISK MANAGEMENT






BUSINESS PORTFOLIO



SUSTAINABILITY FOCUS




SCREENAGE

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<ul style="list-style-type: none">Our performance this year was deeply impacted by travel bans and the closure of Mauritius' borders following the spread of COVID-19. Hotels, which constitute 84% of our total recurrent revenue, were closed. Even so, we continued to provide essential support services to hotels during the lockdown period.The hotels in operation pivoted their strategy to welcome local guests at a reduced rate, mainly during the weekends, severely impacting their top line. This led to the postponement or cancellation of several ICT projects, resulting in a 97% drop in our recurrent revenue from Hotels.Our diversification into new customer segments and non-hospitality industries, which we began pursuing a few years ago, has proven successful and timely. We have evolved from a pure hospitality player to addressing the needs of other industries such as Healthcare, Urban Transportation, Smart Cities and Larger Corporates.Even under the circumstances, we maintained an 89% employee engagement score during the year.	  	<ul style="list-style-type: none">Contactless technology has proven to be a game-changer in the wake of the pandemic, particularly in the hospitality industry. With this in mind, during the lockdown period, we developed an automated fever-screening solution using thermal cameras, designed to take multiple subjects' temperature from a distance of 10 metres, hence safer than traditional hand-held thermometers.Building on the above, we progressed by offering integrated contactless technologies into our applications: mobile door-locking, digital menus and online ordering, which are now considered the new normal.	<ul style="list-style-type: none">We intend to continue pursuing our diversification strategy into the local market, regionally, and into non-hospitality sectors.To this end, we aim to continue investing in the development of our people in both technical and soft skills. We believe this will allow us to be better prepared to address opportunities emerging from the pandemic.In anticipation of an increasing number of high net worth tourists visiting our island once borders reopen, we are working on developing a number of products using contactless technology. This will remain a priority for us moving forward.We are in the process of adding AI-driven functions to our existing products (e.g Smart Perimeter Surveillance and Network AIOps) to deliver greater value to our customers.

MUR **35M**
Turnover

MUR **9M**
Operating loss

CURRIMJEE INFORMATICS LTD (CINF)

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<p>Our performance was above expectations and exceeded our forecasts for the year, mainly driven by:</p> <ul style="list-style-type: none">Our strategy over the years of expanding our footprint across geographies and sectors has been vital in enabling us to maintain our operations and diversify our risks.We introduced 9 new digital solutions this year, mainly targeted towards corporations that are adopting digital transformation solutions to continue operating efficiently in this challenging context. The shift to remote working has underscored the urgency for reliable off-premise OpEx solutions (solutions that drive significant productivity through the use of operational excellence tools). This enabled us to offer our capabilities in Business Intelligence and Cloud solutions.In parallel, businesses have either deferred or cancelled their major capital expenditures in a drive to stabilise their cash flows. This has mainly impacted our sales of hardware products. However, this was mitigated by our positive performance in our OpEx solutions.We managed to retain all our clients during the year.Our regional expansion strategy began on an upward trend in the beginning of 2020. We managed to penetrate two new markets, Reunion Island and Seychelles, and further consolidated our customer base in the UK and Madagascar. However, we have postponed the setting up of our office in Madagascar. We will be continuing to operate virtually, but are holding off on increasing our physical presence there until we gain more visibility into how the pandemic will unfold. After a positive first quarter, however, the interest of overseas customers has fizzled out due to the ongoing closure of borders.	  	<ul style="list-style-type: none">The pandemic has prompted customers to embrace and accelerate their adoption of technology—a mindset that is likely to endure.With physical client prospecting no longer an option, we transitioned to webinars and online conferences, enabling us to extend our reach to a much wider audience, at a fraction of the cost. As a result, we have a greater presence on LinkedIn.We developed new products that directly address the challenges arising from COVID-19, like digital signatures, e-procurement solutions, online banking solutions and workflow automation, amongst others.As a business that is focused on providing digital solutions rather than selling IT products, we have established ourselves as a one-stop-shop for digital accounting services, with the ability to provide end-to-end support even remotely.	<p>Pursue our regional and international expansion, a strategy which has served us well over the years, and more so during the pandemic.</p>

MUR **71M**
Turnover

MUR **1M**
Operating profit



REAL ESTATE




CLUSTER PERFORMANCE,
OUTLOOK AND STRATEGIES



REAL ESTATE

MUR **90.4M**
Turnover

MUR **27.2M**
Operating profit

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<ul style="list-style-type: none"> Our retail segment was the most significantly impacted during the pandemic. Closure during the lockdown period meant that there were no trading activities for retailers. Thereafter, with rising unemployment and inflation, people are not only consuming less, but also avoiding crowded places like shopping centres, malls and food courts. In addition, unemployment is rising, driving a decrease in demand from consumers, while the supply of retail space keeps on increasing. The pandemic has also impacted the ability of tenants to pay their monthly rentals, especially as the shift to work-from-home has altered the way people consume. Certain smaller cash-strapped tenants at QUAY11 (mainly a food destination) have had no choice but to cease business. During the challenging post-lockdown period, we provided relief measures to support our loyal and long-standing tenants, mainly in the retail space. Others have requested for payment facilities during this tough time. As a result of all of the above, the cluster's overall profitability dropped by 50% in 2020. With work-from-home being adopted more widely, several businesses are recognising its benefits (gains in time and efficiency) and may rethink the necessity of an office space. In this context, one of our largest multinational tenants reversed his decision to lease an additional 15% office space. Despite this situation, we were able to secure a major tenant in Phoenix Central for 2000m2. It is also worth noting that 95% of our tenants in the office segment were able to meet their rental commitments even during lockdown and that our occupancy rate is currently at 100% at Phoenix Central. We undertook a rigorous review of our debtors, adopting a more aggressive approach in managing the risks of bad debt and breaches of lease agreements. <p>Nevertheless, we advanced on our long-term strategic goals and recorded some positive results:</p> <ul style="list-style-type: none"> The restructuring of the cluster is an ongoing exercise with PwC, which once completed, will enable us to extract more value from our portfolio of properties. The goal is to position the Real Estate cluster as a major strategic entity for the Group. To achieve this, we are also in the process of rebranding the cluster. During the year, we reviewed our facilities management and created a new company grouping our cleaning, gardening, landscaping, technical and watchmen services into a single, centralised facilities management centre. The centre will service the entire cluster, granting us more flexibility and enabling us to use our resources more efficiently. Phoenix Central is presenting a host of opportunities for us. With major infrastructural developments in the vicinity to accommodate the metro, this region will become a hub of activity and enable us to consolidate our position as a strategically-located office and retail destination. We are renewing our focus on providing competitive rates, ample parking space and improving our tenant management. In collaboration with Currimjee Industries Ltd, we are in the process of developing a logistics distribution centre. The land has already been identified and the acquisition process is near complete. The Real Estate cluster will own, build and lease the distribution centre. The industrial segment is a major opportunity for us, and will enable us to diversify our portfolio of tenants. We are also reviewing our current tenant mix with the aim of shifting to more resilient operators as far as possible. All of this has led us to renew our focus on our existing tenants and offer the best possible customer service. To this end, we have hired a new Marketing manager to increase the visibility of our tenants on social media channels. This has been particularly successful at Arcades Currimjee. 	  	<ul style="list-style-type: none"> COVID-19 was an opportunity for us to take a closer look at our tenants' profiles, their ability to meet their contractual obligations, and our tenancy management processes. We became aware of our exposures in certain areas and have reinforced our relationship and engagement with our current tenants, while strengthening our due diligence process for future ones. Like most businesses, we captured the opportunities presented by digitalisation. During the 2020 lockdown, we successfully implemented our property management software with the aim of improving our operations and customer-centricity. This has enabled us to change the way we work, maximised productivity levels and accelerated our team-building efforts. The pandemic has also pushed us to review our risk management framework and our business risks. We are addressing them in a way that will further diversify our operational segments (e.g. moving into logistics and industrial real estate) and tenant mix. 	<ul style="list-style-type: none"> With Mauritius currently in its second lockdown and another year of recession, we expect people to continue tightening their belts. We also anticipate relatively higher vacancies in our retail spaces as a result. The first order of priority will be to develop a strategy to fill up these vacancies. An adapted marketing strategy and a stronger mix of resilient tenants will be key in achieving this. For instance, we are looking at acquiring more businesses in the services sector, rather than pure retail, to spread our risks in light of the ongoing recession. Bearing in mind the physical constraints at QUAY11 (small size and absence of parking), we are developing a turnaround strategy to leverage its prime location in the heart of Port Louis. We are also using this slowdown in activity to undertake a major revamp of Arcades Currimjee and enhance its attractiveness, in a drive to retain current tenants and also fill vacancies. The goal is to uplift the property's aesthetics with rustic and modern features, while offering more comfort to occupiers and visitors. Once completed, the refurbished Arcades will offer visitors a unique shopping experience in a historic landmark. We intend to advance quickly in restructuring our asset portfolio, which will allow us to raise new finance to carry out our large projects. The Distribution Centre project, which comprises the acquisition of land at L'Avenir, will begin with the construction of a warehouse along with ancillary facilities to be leased to the Group's companies. The remaining land will be further developed into a mixed-use development (a combination of retail and offices) geared towards the logistics business. While the future remains uncertain, we are cautiously optimistic. With our focus on diversifying our portfolio base, coupled with the redevelopment of the Arcades, the strengthening of our office base at Phoenix Central and a new structure, we believe we will emerge stronger this coming year.



OPERATIONAL EFFICIENCY



FINANCIAL RISK MANAGEMENT



BUSINESS PORTFOLIO



SUSTAINABILITY FOCUS







TOURISM & HOSPITALITY

CLUSTER PERFORMANCE,
OUTLOOK AND STRATEGIES



TOURISM & HOSPITALITY

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<ul style="list-style-type: none">The pandemic has had a debilitating impact on the travel and hospitality sectors. With aeroplanes grounded, hotels closed and travel restrictions in all countries, COVID-19 has set international tourism back to levels of 30 years ago. Global international arrivals dropped by over 74% in 2020; that number was as high as 77% in Mauritius. As a long-haul destination whose tourism sector is significant for the overall economy, ripple effects have been felt on other tourism-dependent industries like travel, trading, retail and excursions.Our hotel opened its doors on 1st September 2019 and had to close on 22nd March 2020 in view of the first nationwide lockdown and closed borders. Due to the ongoing uncertainties and lack of visibility for the destination, we cautiously reopened as from 1st September 2020, operating only on weekends and for local consumers through day passes and special events like a Wellness Weekend. Although these initiatives allowed our hotel to be more known among local visitors, all hotels in Mauritius targeted the same limited market. We then fully reopened as from 1st December 2020. To sum it up in one word, it has been a dark year for our industry and business.Following the first lockdown in 2020, our immediate priority was to protect our guests and employees, and safeguard the jobs of our workforce. We rapidly implemented Anantara Global's strict "Stay With Peace of Mind" sanitary protocol, with safety measures extending from the check-in process and transport, to guest rooms and common areas in the hotel.Equally urgent was the implementation of cost containment and cash flow management measures in line with discussions with the Hotel Operator: we promptly renegotiated terms of our existing commitments and long-term payment plans with our suppliers and banks. We were also forced to make the tough decision of temporarily suspending ties with certain suppliers associated with an operational hotel.Even though approximately 50% of our employees' salaries were covered by the government's Wage Assistance Scheme during the year, we carried the burden of other expenses associated with operating a hotel. For instance, we incurred the costs of keeping the resort well-maintained even during closure.As a result of all of the above, our revenues came to a grinding halt in 2020 as the country was closed to international travel, and thereafter with a compulsory quarantine of 15 days.We opened our clean food healthy deli in August 2020, 'Bon Manzer', serving fresh, organic and immune-boosting food and drinks. The response so far has been extremely positive, particularly as consumers are increasingly health-conscious in the wake of COVID-19.The resort was rapidly put at the disposal of frontline doctors from the nearby Rose Belle Hospital following their requests. As they were working on a shift system for a month during critical times, staying at our hotel enabled them to keep their families safe and commute to work easily.Despite only operating for six months in 2020, we won two international awards: <Continent Win in Luxury Ocean View Resort> at the 2020 World Luxury Hotel Awards and the <2020 Global winner for New Hotel Spa> at the World Luxury Spa Awards. This gives us confidence in our value proposition for the future, which is increasingly centred around holistic wellness. <p>Despite the challenges and severe losses in 2020, we made headway in certain areas that will position us for a stronger rebound:</p> <ul style="list-style-type: none">We completed the construction of the 8 Anantara luxury villas earmarked to be part of our hotel rental pool.Our plans for our Residential Real Estate development were disrupted, but remain on the agenda. <p>Silver Wings</p> <p>2020 started on a positive note for Silver Wings. Prior to the pandemic, we had forecasted high growth in our inbound segment, with plans to enter new overseas markets. The year started with the achievement of our monthly budgeted revenue targets.</p> <p>However, following the closure of international borders and absence of flights as from March 2020, the sales for our inbound and outbound segments were negatively impacted, presenting opportunities to explore new revenue streams:</p> <ul style="list-style-type: none">we developed our local sales segment through the sale of local hotels/villas and local activitieswe renewed our focus on Rodrigues, resulting in sales increasing by over 70%we began offering bookings of quarantine hotels in 2020 <p>Despite these efforts, we fell short of our initial revenue targets as borders remained partially closed until the end of 2020 and airlines were still not operating out of Mauritius. Additionally, following an audit by Mazars, an international audit and advisory firm, it was noted that the Silver Wings Travels' Accounts Receivables were overstated and Trade payables were understated. Our accounts were immediately readjusted, and cost containment strategies were put in place to mitigate the loss.</p>	   	<ul style="list-style-type: none">We used this time to rethink our processes across operations, with the objective of becoming more agile and efficient. Service standards and training were reinforced based on initial customer feedback and to prepare our workforce for heightened guest expectations. This was also key in creating a sense of belonging and team spirit at the hotel during difficult times.We were able to build greater awareness around the Anantara brand locally, thanks to the events organised and increased communication on social media. We capitalised on the situation and time available to gather more feedback from local guests and improve our existing offers accordingly, while also developing innovative packages: a Food truck to improve our beach service, digitised menus to limit touchpoints, more personalisation and enhanced landscaping.The circumstances around COVID-19 forced us in an agreement with our Hotel Operator to reshuffle our Executive team in the delivery of improved quality services. All our team members, with the exception of the Hotel General Manager, are Mauritian nationals. Our ambition remains to train and nurture local talent as much as we can.We built strong and long-term relationships with our partners, particularly our service providers and suppliers of goods and services.This crisis has also offered opportunities for synergies within the Group. We strengthened our collaboration with the Real Estate cluster this year, leading to the sharing of knowledge, people and skills.Work-from-Home measures were quickly implemented within the cluster to safeguard and protect our team members, and in line with the Group's policies.The silver lining to this crisis was the acceleration of our digitisation plans for the hotel in a post-COVID-19 era.	<ul style="list-style-type: none">Mauritius was declared COVID-free between June 2020 and January 2021, and a full-fledged reopening of borders was anticipated for early 2021. However, the island was hit by a second wave of infections in March 2021, putting a sudden stop to the country's plans.All our frontline team members started to be vaccinated as soon as vaccines became available in 2021. <p>Priorities for our Hotel</p> <ul style="list-style-type: none">The outlook for the hospitality industry remains uncertain. A number of Tourism experts and organisations do not expect international tourism to return to pre-COVID levels before the end of 2023/ beginning 2024, particularly as travellers are increasingly favouring short-haul travel and staycations. Mauritius' nationwide vaccination campaign began on a slow trend, but has been steadily gathering pace. This brings us closer to achieving herd immunity and safely reopening our borders.At the time of writing this report, the second phase of reopening is underway with strict sanitary measures in place, preparing us to welcome international guests again and improve the economic outlook for the Hospitality sector.We intend to completely re-launch Anantara iko Mauritius & Villas and focus on some key markets (UK, Germany, GCC countries, Eastern Europe, France and Russia). To this end, we have devised a marketing plan that is agile and adaptable for the future with the ability to be implemented in phases in accordance with the gradual reopening of our borders.On the other hand, we have consistently maintained our hotel asset during its closure due to borders being closed. The Anantara 'Stay with peace of mind' programme will be implemented to ensure that our guests feel safe in this new environment.Anantara iko Mauritius Resort & Villas was designed with sustainability and wellness in mind right from the initial concept and well before COVID-19. Now, these concepts are more relevant than ever in a post-Covid world. We remain focused on strengthening our initial value proposition in these areas to differentiate ourselves and by introducing new Wellness propositions to our award-winning Anantara Spa.We have also embarked on a complete review of our hotel product and guest services post-COVID-19 to be able to offer a seamless, comfortable and exceptional offering to our guests in our unique location. This will include the use of increased technology within the resort to enable a closer interaction with our guests.The 8 constructed luxury villas will be launched during the year, with the addition of new facilities and options for our guests.To achieve all of the above, close collaboration with key players, like our colleagues in the industry, Government Authorities, Business Mauritius, AHRIM, the MTPA and the EDB, will be critical, together with the rapid implementation of the desired plans. We are keeping a finger on the pulse of global and local trends to gain insights into how the market is evolving. Ultimately, as a remote island-nation with a limited market, Mauritius cannot rely purely on domestic tourism to soften the blow. The goal should be to build a more resilient sector and ensure that its recovery is greener, more energy-efficient and more inclusive. <p>Priorities for Hospitality Real Estate</p> <ul style="list-style-type: none">As part of the launch of our Hospitality Real estate plans, we are determined to achieve our goals for the sale of the 8 luxury villas as these provide a truly unique luxury coastal lifestyle, perfectly fitting for a post-COVID world.Our short-term plans may have evolved in view of the situation, but our long-term objectives remain the same. We are in the process of reviewing our masterplan for Phase 1 of the iko Mauritius Residential Real Estate project, taking into account that demand for real estate has declined by 30% since the advent of COVID-19 and travel restrictions. We aim to finalise the plan and concept by the end of 2021 before moving on to the next steps of the project. We have also selected an international landscaper to assist us in realising our vision for iko Mauritius.

MUR **78M**
Turnover




MUR **67M**
Operating loss



COMMERCE & FINANCIAL SERVICES

CLUSTER PERFORMANCE,
OUTLOOK AND STRATEGIES

ISLAND LIFE ASSURANCE

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<p>The year was marked by the unprecedented impact of COVID-19 on the economic and social environment across the globe, combined with successive drops of interest rates registered locally during the year.</p> <p>Life insurance being highly sensitive to interest rates, especially in terms of valuation of liabilities, the successive drops in interest rates caused an increase in the value of our liabilities, and also put a strain on our solvency, all of which prevented us from meeting our investment forecasts.</p> <p>Our overall premium income dropped by nearly 20% to reach MUR 164.7M, compared to MUR 203.2M in 2019. These drops were caused by a combination of factors: a review of our strategy relating to the products to be marketed, the prevailing adverse economic conditions and our inability to carry out our activities due to the lockdown and ensuing uncertainty around the pandemic.</p> <p>However, we reaped the benefits of having readjusted our strategy a few years ago:</p> <ul style="list-style-type: none">- We posted an overall asset return of 4.24%, and a 36% increase in investment and other income, as a result of an increase in fair value gains on foreign investment and the revaluation of investment properties.- In a drive to provide more accessible protection to consumers, we transitioned from single-premium to regular-premium products. We began this shift well before COVID-19 and are today better aligned with today's market realities and new customer demands.- We upgraded our products to include enhanced protection against the new risk posed by COVID-19. However, sales only picked up towards the end of 2020, as policyholders were unwilling to pay even a slightly higher premium due to the decline in their spending power and a lack of visibility.- During the year, we focused on restructuring our business to optimise efficiency and on reinforcing our management team. The Board was also strengthened with the addition of members with deep industry knowledge.- We successfully launched a suite of new products between December 2019 and March 2020.- As a result of a stronger management team, better product positioning, a review of our sales distribution channels and increased consumer confidence after the announcement of the vaccine, our sales of regular premium policies started to improve by the end of the year, a trend that is expected to further improve during 2021, particularly once all our product approvals are obtained.	  	<ul style="list-style-type: none">- We ramped up our digitisation efforts to be able to operate efficiently during the lockdown period. Arrangements were made to enable our staff to maintain core operations remotely.- We also used this time to sensitise consumers on the importance of protecting one's family with life insurance, particularly in the context of a pandemic. We increased our engagement on online platforms to attract new customers.	<ul style="list-style-type: none">- We anticipate demand for life products to increase in 2021 and beyond, as people's eyes have opened to the value of life insurance.- We are aiming to launch our online services by the end of the year to cater for the adoption of digital mediums by a larger segment of the market. We are developing the ability to sell policies online, as well as an efficient online customer service.- The upgrade of our IT system is being done in collaboration with CINF, which is also enabling us to leverage strengths within the Group and identify ways to create shared value.- We aim to further bring brand awareness and product offers within the Group. Though we have maintained strong relationships with our clients, we became aware of the importance of building a credible and trustworthy brand, with a solid reputation.




4.24%

Asset return

36%

Increase in investment and other income

BATIMEX LTD

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
<ul style="list-style-type: none"> The pandemic brought all our activities (retail, wholesale and projects) to a standstill during the lockdown period which lasted until mid-May 2020. This was compounded by a decline in purchasing power, affecting our retail segment, and the disruption of global supply chains, which impacted our ability to fulfil our orders and procure our products from China and Europe. We embarked on a rigorous cost reduction exercise and managed to reduce our administrative costs by 15% on a year-on-year basis. Moreover, the leadership team was restructured and Rishaad Currimjee became CEO of Commercial and Development Projects in January 2021. On the upside, the government has singled out construction as one of the main engines of growth. Construction projects which were already in the pipeline went ahead, boosting our Projects segment. Despite the unfavourable macroeconomic context, a new METRIC showroom was opened in Phoenix, a range of new taps was introduced under our own brand, Aquavit, and the range of products under the Villeroy and Boch brands was expanded. 	  	<p>The lockdown period allowed us to renew our focus on operational efficiency:</p> <ul style="list-style-type: none"> we reviewed our processes and managed to streamline our costs we renewed our focus on our people, ensuring they remain engaged, motivated and united around a common purpose, which led to a 27% increase in sales in our wholesale department. We also worked on improving product knowledge and training. we improved our customer journey and increased our engagement and proximity with customers through social media we continued upskilling our sales resources through online training courses 	<ul style="list-style-type: none"> In response to the acceleration in technology adoption in all customer segments, one of our greatest priorities is the enhancement of the physical and digital customer experience, which we aim to improve by strengthening our digital capabilities and social media strategy, renovating some of our showrooms and leveraging our teams' engagement to drive customer centricity. We aim create more customer proximity by opening a Metric showroom in Rose Hill and expanding our wholesale client base. We are also working on strengthening our second layer of management in a drive to reduce our operational risks and provide for business continuity alternatives We are pursuing strong partnerships in organised retail, international wholesale and digital sale experiences to achieve our growth objectives

MUR **226M**
Turnover

MUR **78K**
Operating profit

