



05 May 2020

Subject: Message of CEO to shareholders

Dear Shareholder,

The coronavirus has brought the world to a standstill. In addition to creating human casualties on a dramatic scale, it has ushered in an unprecedented economic recession and plunged entire communities back into poverty. Mauritius has not been spared, neither by the COVID-19 pandemic nor by its social and economic impact; the more so since it is an open economy whose prosperity is dependent upon the free circulation of goods, capital and people. As we now start our seventh week of national lockdown in a bid to contain the sanitary crisis, allow me to brief you on how your company has been faring so far.

Although we have had to suffer the heavy toll of 10 deaths due to the COVID-19, we believe that the Mauritian authorities have been remarkably successful in controlling the spread of the disease. We have had no positive cases out of close to 4 000 targeted tests conducted over the past week. We look forward to the reignition of the national economy on 1 June, and we anticipate that by then, Mauritius will be a COVID-free country, something that will augur well for our international reputation.

Solidarity

From the very beginning of the health crisis, ENL has shown its commitment to do its share to strengthen the resilience of the country, as well as its capacity to bounce back. We contributed a total of Rs 5.5m to the national COVID-19 Solidarity Fund. We also created the #myENL COVID-19 Solidarity Fund and the Vivacis Solidarity Fund with a view to provide direct support to vulnerable communities in our neighbourhoods. These two group funds have received commitments to the tune of Rs 20 million, with an overwhelming participation from the group's employees. I take this opportunity to thank my colleagues for their generous contributions. I am heartened by this show of genuine solidarity which remains a hallmark of our group's culture.

Our teams have also been active to ensure continuity in supply chains and of essential services. Velogic which drives our logistics cluster, has been central in the national effort to ensure continued supply of food and health essentials during the lockdown. Rogers Aviation contributed to the shipment of medical equipment from China. Platinax is



producing visors to support national supplies of personal protection equipment. Several of our hotels have also been pledged to the State for conversion into quarantine facilities.

Impacts on ENL

Since the onset of the pandemic, I am chairing a COVID-19 committee that meets regularly to assess the impacts of the crisis on ENL and devises action plans for execution. It is supplemented by several hands-on committees at the level of the group's subsidiaries. Ensuring the safety of our employees and customers has been our priority. Our teams have remained active, working hard at ensuring continuity of business both from home and on site. I highly commend them for their professionalism and their sense of solidarity with their respective companies.

ENL is undoubtedly impacted by the economic crisis brought about by the COVID-19 pandemic. The extent of the impact will depend on the length and depth of the health crisis as well as on the specificities of each field of activity and on the financial health of each of our companies. Some companies will be more affected than others and will require the collective efforts of all their stakeholders to survive these difficult times. Shareholders, employees, business partners and the government will need to put in joint efforts in the face of a situation whose duration and outcome will depend on many exogenous factors.

The hospitality segment of our operations ranks high among those which require urgent attention. The industry is in a state of emergency: national borders are closed; planes are grounded, and hotels have been forced into inactivity. I have no doubt that tourists will eventually return to Mauritius. We have an exceptional product offer and as a COVID-free destination, we should be able to renew with former levels of tourist arrivals, especially given the speed at which science is making progress.

Until that happens, however, we will have to ensure that the sector survives these critical times. As far as we are concerned, we are leaving no stone unturned to boost the resilience of our hotel operations. I would here like to salute the initiatives taken by the management of our hotels and the solidarity of all staff members with their respective companies. These initiatives add up to the plan of the government and the banks to provide support to the industry so that it may continue to play its major role in the socio-economic fabric of Mauritius.

The sugar industry is already afflicted with numerous structural and contextual setbacks. The current crisis will only burden it further and so despite the relative stability of European sugar prices. It is more than ever imperative that the urgent measures already identified to give new life to this sector be implemented, especially the review of the bagasse remuneration structure.



The commercial and consumer credit segments of our activities are also affected by the lockdown and ensuing changes in customer behaviours. We are working on ways and means to reduce costs and to restructure our operations in order get through the current difficult times. Likewise, Velogic is strongly affected by contractions in trade volumes due to the lockdown in Mauritius and in the world.

Financial strength

In the current context, I am happy to say ENL also has inherent strengths to see it through the crisis, our sound financial structure being not the least among them. We have been prescient in restructuring our debts, in line with our financing requirements. We currently have no significant short-term financial commitments which could have been a burden on cash, admittedly a very scarce resource in times of crisis.

Structured partnerships have always been a strong pillar for the development of our Group. This is especially true for our real estate segment. We have thus recently finalised strong equity partnerships providing us with the substantial financial resources we need to pursue our growth momentum and to strengthen our market leadership in this segment.

As a result, we are proceeding with our real estate developments as planned, adapting our product offering to the market. These include the expansion of the Bagatelle shopping centre and the execution of infrastructure works in Moka Smart City. Our office fund, Officea, is also adequately endowed to develop its portfolio, modulating its investments according to demand. At operational level, we are implementing the #SafeShopping Initiative which includes stringent measures to reassure and encourage shoppers to visit our malls upon re-opening.

Our cautious development strategy for our real estate activities is paying off: we currently have no commitments that could put us in a perilous situation. We are convinced that real estate development can be an engine of national economic recovery, pulling in its wake the construction industry which has been seriously weakened by the crisis. For the sector to live up to this potential though, the government will need to take all necessary measures to enable the rapid implementation of development projects.

Agile planning

Our teams are all currently working on their three-year business plans, Cap 23, factoring in the impacts of the current health, social and economic crises on the economic environment. We are evaluating and outlining different recovery scenarios for the sectors we operate in, bearing in mind that many uncertainties remain. We are focusing on our growth plans for the medium to long term, even while we take the immediate steps to manage the crisis.



We are using our agility and determination to structure and execute our plans. The challenges are tough, but we believe that the future is one of possibilities and opportunities, as it usually is with any crisis. We will be pairing our know-how and experience with new technology to innovate and bring new products and services to the market. We have launched the ENL Future-Fit Ideation Program that calls for ENL team members to draw on their imaginations to contribute creative ideas aimed at seeing the group through the crisis.

Ladies and gentlemen,

I can reassure you of my personal commitment to drive ENL through these challenging times. I know I can also rely on your continuous support and understanding so that together, we can emerge well-positioned to take full advantage of the better days ahead.

Yours faithfully,

A handwritten signature in grey ink, appearing to read 'Hector Espitalier-Noël'. The signature is written in a cursive style with a long horizontal stroke extending to the left.

Hector Espitalier-Noël

Group CEO