

21 April 2020

Dear shareholder,

Re: COVID-19 Crisis

The world is undoubtedly going through the biggest health and economic crisis of our time, creating multiple tensions across most businesses, including ours. Before discussing the impact this is having on our Group, I would first like to inform you that, so far, we have had no reported COVID-19 case amongst our 33,000 employees worldwide due to various precautionary measures taken at governments' level and by Group companies, all well adhered to by our employees.

Impact on operations

Confinement measures, necessary to ensure everyone's safety, weigh heavily on many of our businesses. Our Hospitality cluster took the decision to close all its hotels overnight with the gradual closing of borders worldwide. Our Textile cluster is also heavily impacted with a retail market almost at a standstill today.

Fortunately, the diversity of our portfolio is a real asset in the current circumstances. Our Finance cluster continues to provide essential services and has not been severely impacted for the time being. Our Healthcare activities, although currently witnessing lower occupancy levels, are playing a key role in the crisis and will be expected to adopt a new dynamic in the coming years. Finally, Alteo's sugar activity remains relatively unaffected, thanks to continued operations in Kenya and Tanzania, in particular.

Cost and cash management

At the first signs of the crisis, we have implemented several immediate measures to reduce our cost base such as:

- Cost-cutting of all overheads' lines and renegotiation of contracts with most third-party suppliers for the forthcoming months;
- Total freeze of all new projects and capital expenditure;
- No overtime employee hours;
- Up to 50% reduction in management teams' remuneration on a voluntary basis.

We are also benefiting from the Mauritian Government's Wage Assistance Scheme, which will allow us to compensate part of the business lost in March and April 2020, whilst maintaining all employees' salaries. It is clear that Governments' stimulus packages, worldwide and in Mauritius in particular, will be key to support and rebuild the economy in the next 12 to 24 months. We are in constant dialogue with our financial partners and in particular banks which, based on our solid reputation in the market, are granting us new lines of credit at discounted rates or moratoriums, where necessary, on the repayment of part of our debts in accordance with the Support Programme implemented by the Bank of Mauritius.

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The finance teams across all our operations are regularly carrying out stress tests on their cash flows and are closely monitoring their working capital requirements. Trade debtors, or should I say the level of bad debts, is a major source of concern during such a crisis and is also being closely followed through regular contacts with our clients.

Strong mobilisation of the Group

I would like to salute the exceptional mobilisation of all the teams, which has resulted in ensuring the continued good health of our employees and the sustainability of our businesses. Crisis committees were set-up from the very beginning and the protocols and precautionary measures have been consistently applied. Our businesses, across all industries, have demonstrated extraordinary agility in reorganising and continuing to serve our customers, despite incredible challenges. We are pleased to report that we have been able to repatriate our hotel customers, despatch textile orders, reorganise hospitals' access channels and facilitate banking operations thanks to digital solutions.

Beyond the necessary operational reorganisations and team management to facilitate remote work, the Group has responded positively to contribute to the fight against COVID-19. CIEL Textile has immediately launched into the production of medical masks and protective gowns whilst the C-Care teams have invested to accelerate COVID-19 testing efforts and welcomed COVID-19 patients into our facilities – indeed, C-Lab is the first private lab in Mauritius authorised by the government to carry out COVID-19 tests. Multiple donations, initiatives and acts of solidarity have taken place and continue to take place across the Group to support the most vulnerable. I am extremely proud to see the men and women of our Group giving 200% of themselves to adapt to the situation and find workable solutions.

Moreover, I would like to pay a special tribute to those at the level of the private sector institutions, notably Business Mauritius and the other industry specific organisations, where our executives are very active front-lining the economic fight at a national level.

At all levels of CIEL, I am impressed by the strong engagement taken by our leadership teams in ensuring that we surmount the current challenges. Entrepreneurship has always been part of our DNA since its origin and that spirit is more alive today than ever.

Outlook

The coming months will, needless to say, be very challenging and perhaps even the hardest we have ever seen so far. The threat of economic recession, the lack of visibility on when activities in some sectors will resume, together with the uncertain timing of the reopening of the borders, mean that we need to be flexible and agile in our decision-making process and adapt to the continuously evolving environment.

All teams are fully aware of the current challenges on hand and are actively working to prepare for the recovery but also to reinvent our business models, seek new markets and develop new products and services. This period that we are currently living in, invites us to

fundamentally rethink the way we act and work. I remain convinced that we will, as we have always done in the past, adapt and rebound even stronger than we were.

In the meantime, we will continue to keep a tight focus on our employees' health and ensure, wherever possible, that they can operate effectively. We will monitor our cash flows and working capital with great vigour and, make sure that we weather the storm in an optimal way. Thank you for your trust and support as we navigate together these unprecedented times.



P. Arnaud Dalais
CIEL Chairman