

THE LUX COLLECTIVE

The Lux Collective: the next step in the group's global expansion strategy

LUX* hospitality group, fronted by Paul Jones, enters a new era. The board of directors has approved the restructuring of its activities, with the separation of its management company, The Lux Collective Ltd (TLC), from its real estate and hotel operations company, Lux Island Resorts (LIR). Shareholders will receive one share of TLC for every share held in LIR; their underlying interests in the Group will therefore remain unchanged.

The Lux Collective, formerly known as LUX Hospitality Ltd, will comprise of a portfolio of brands, namely LUX* Resorts and Hotels, Tamassa, SALT, SOCIO, a new urban hotel brand, and Café LUX*, and will also manage the hotels belonging to LIR and other owners. The board of directors is confident that the new structure will position the organization for future growth and benefit both the company and its shareholders. Indeed, TLC is a separate company which will operate independently from LIR, with its own management team having different goals and performance indicators.

In light of new opportunities for the group's brands on the international level, mainly in Asia, the board has also approved the relocation of the head office of The Lux Collective in Singapore as from the 1st of January 2019. Indeed, in regard to the current pipeline, TLC will be managing more hotels outside the Indian Ocean region. The new headquarters will be executive in nature with an international development-oriented team, while the broader support will continue to be provided by Mauritius. Paul Jones will head The Lux Collective, whilst The Lux Island Resorts will be under the leadership of Désiré Elliah, who has been the Chief Financial Officer of the company since 2003. Désiré will be responsible for managing the activities of LIR by investing in properties, looking for new investment opportunities and stabilising the financial position of the company.

"We are entering a new growth phase and by 2023, we expect to increase our management contracts. As of now, we have 23 signed management contracts, with 12 hotels already in operation, and we aim to reach 38 in the coming five years. The 11 resorts currently under development will be completed within four years. This requires a restructuring of our operations. Although Mauritius continues to be an essential element for the group, Asia has a high development potential and our aim is to strategically position ourselves on this market. With Paul Jones managing our hotels and brands management, and Désiré Elliah as CEO of Lux Island Resorts, we are very confident that both companies will grow at an accelerated pace," says Arnaud Lagesse, Chairman of the group's board of directors.

The Lux Collective will be responsible for all the brands, whose management will be overseen by Paul Jones, whose contract has been extended to 2021. This strategy shows the commitment of the hospitality group to further diversify its offer and come up with brands that provide unique experiences to meet the specific needs of various audiences.

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Paul Jones, current CEO of The Lux Collective, is very proud of the continued trust placed in his abilities. “I would like to thank the board of directors for providing us with many opportunities which enable us to be creative in our approach. We are at the threshold of a major milestone in the hospitality industry in Mauritius and we are confident that our management contracts will help us achieve a significant global expansion. In so doing, we are reducing risks through the unbundling of the entities. Thanks to this new momentum, we shall shape a Mauritian brand into a world-renowned entity.”

Désiré Elliah, who will be appointed Chief Executive Officer of LIR as from the 1st of January 2019, shares the same views. “All indicators comfort us in our decision to restructure our operations. We are embracing an exciting turning point which is going to open new doors to investors, shareholders, team members and owners who wish to entrust us with managing their resorts. I also want to thank the board of directors for the trust they have bestowed upon me.”

Arnaud Lagesse, who served as Chairman for 15 years, will be replaced by Jean Claude Béga and will take over Chairmanship of the board of TLC. Jean Claude Béga will be the new Chairman of Lux Island Resorts as from the 1st January 2019. He has been a Board director and member of the Audit and Risk Committee of LIR since June 2004.

The group also announced its financial results for the July-September 2018 quarter. Turnover reached Rs 1.2 bn, representing an increase of 16% compared to the same period the previous year. The EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) increased from Rs 23 mn to Rs 82 mn for the period under review, whereas operating losses amount to Rs 50mn, compared to Rs 107 mn in 2017, representing a decline of almost 51%. The group is looking forward to an upswing of the EBITDA for the next quarter compared to the previous year.

Another important announcement is the signature of a long-term hotel management agreement of a 5-star hotel consisting of 82 rooms and 171 villas that will operate under the LUX* brand. The hotel is located at La Baraquette, in France, next to the village of Marseillan, overlooking the Mediterranean Sea. Lux Island Resorts is also involved in the project and has invested 5 million Euros, representing 20% of the real estate company's shares.

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Editors Notes:

The Lux Collective

The Lux Collective is a global hotel operator of own brands and managed properties: LUX, SALT, Tamassa & Café LUX*. Other properties managed by The Lux Collective are Merville Beach, Grand Baie, Mauritius, Hotel Le Recif, Reunion Island, as well as Ile des Deux Cocos, Mauritius, a private paradise island. Successful hospitality*

experiences don't happen by accident - they are created through hard work, passion and the collaboration of a lot of people with diverse skills. The Lux Collective work

together with some of the most passionate and creative thinkers and doers. Together with their team members, stakeholders, vendors and partners they create and deliver some of the leading hospitality experiences in the world. The Lux Collective always puts people first and stays true to its values of being passionate, responsible and innovative in all that they do.

The Lux Collective is an affiliate member of IBL, a major economic player in the Indian Ocean, leader of the "TOP 100" Mauritian companies. IBL is active in key sectors of the Mauritian economy, representing a portfolio of approximately 300 subsidiaries and associated companies.

SALT Resorts

SALT is a humanistic approach to hospitality created by The Lux Collective in September 2018, connecting modern explorers with meaningful travel experiences. Spearheaded by hospitality visionary and CEO of The Lux Collective Paul Jones, SALT introduces a new breed of hospitality for the culturally curious. Devoted to the wonder of all things local and sustainable, SALT resorts take guests to people - not just places. It reveals to guests the beating heart of destinations and their communities and get them out there exploring it - the SALT way. The Lux Collective is committed to sprinkling salt all over the world: - Coming soon - SALT of Palmar, Mauritius (01 November 2018) and Salt of Wolong, Sichuan, China (2020) - An exciting boutique resort on the edge of the wild panda reserve.

Paul Jones (Chief Executive Officer)

Although he has spent five decades in hospitality, Paul Jones continues to infuse every day with passion & drive to achieve so much more in providing authentic experiences for world travellers. Prior to life at The Lux Collective he was President of One&Only, where he was instrumental in successfully launching and growing the brand globally. Paul joined The Lux Collective in 2010, where he quickly established his mark as charismatic leader with a unique and passionate approach to hospitality management. He is all about the people, the culture, and the service. Paul directly oversees the company's strategic direction, spearheading the collective's global development plans. He is personally involved in every aspect of the business, ensuring that the concept development of each new brand and property is as disruptive and relevant as it can be. He is recognised as a leading figure in the establishment and development of the hotel and tourism industry in Mauritius having worked on the island for over 30 years, and was conferred the Dignity of Companion of the Order of Saint Michael and Saint George by her Majesty Queen Elizabeth II. Paul has also been awarded one of the highest honours by the President of the Comoros, the Chevalier de L'Etoile d'Anjouan, for his significant contribution to the growth and development of the hotel and tourism sector in the Comoros.