

TERRA MAURICIA LTD

Terra Mauricia Ltd is a public limited company incorporated and domiciled in Mauritius and listed on the Official List of The Stock Exchange of Mauritius Ltd since January 1, 2012. The address of its registered office is Beau Plan Business Park, Pamplemousses.

GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

GROUP ABRIDGED AUDITED STATEMENTS OF FINANCIAL POSITION

| | THE GROUP 2021 MUR'M | THE GROUP 2020 MUR'M |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Non-current assets | 17,414.8 | 17,252.5 |
| Current assets | 3,769.8 | 3,232.5 |
| Non-current asset classified as held for sale | 1,098.7 | 291.5 |
| Total assets | 22,283.3 | 20,776.5 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Owners' interest of the Company | 14,159.4 | 13,593.5 |
| Non-controlling interests | 840.1 | 975.4 |
| Total equity | 14,999.5 | 14,568.9 |
| Non-current liabilities | 3,981.8 | 3,796.1 |
| Current liabilities | 2,520.3 | 2,411.5 |
| Liabilities directly associated with non-current assets classified as held for sale | 781.7 | - |
| Total equity and liabilities | 22,283.3 | 20,776.5 |

GROUP ABRIDGED AUDITED STATEMENTS OF PROFIT OR LOSS

| | THE GROUP 2021 MUR'M | THE GROUP 2020 MUR'M |
|--|----------------------------|----------------------------|
| Turnover | 6,223.8 | 4,752.2 |
| Profit before finance costs, impairment and share of results of associates | 623.4 | 242.5 |
| Fair value gain/(loss) on non-current assets classified as held for sale | 77.0 | (314.0) |
| Impairment of non-financial assets | (536.3) | (22.3) |
| Net finance costs | (149.2) | (161.7) |
| Share of results of associates | 290.5 | 249.2 |
| Gain on remeasurement of associates | 24.9 | - |
| Profit on disposal of associate | 39.8 | - |
| Impairment of associates | (3.0) | (181.8) |
| Profit/(loss)/ before taxation | 367.1 | (188.1) |
| Taxation | (50.4) | (22.3) |
| Profit/(loss)/profit for the year | 316.7 | (210.4) |
| Profit/(loss) attributable to: | | |
| Owners of the Company | 462.3 | (268.9) |
| Non-controlling interests | (145.6) | 58.5 |
| | 316.7 | (210.4) |

DATA PER SHARE

| | | |
|---|-------------|-------------|
| BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE - MUR | 2.03 | (1.18) |
| NET ASSETS PER SHARE - MUR | 62.23 | 59.74 |
| NUMBER OF ORDINARY SHARES IN ISSUE | 227,545,624 | 227,545,624 |

GROUP ABRIDGED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | |
|--|---------|---------|
| Profit/(loss) for the year | 316.7 | (210.4) |
| Other comprehensive income for the year | 371.9 | (191.6) |
| Total comprehensive income for the year net of tax | 688.6 | (402.0) |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 799.7 | (434.5) |
| Non-controlling interests | (111.1) | 32.5 |
| | 688.6 | (402.0) |

GROUP ABRIDGED AUDITED STATEMENTS OF CHANGES IN EQUITY

| THE GROUP | Attributable to owners of the company | | | | | Total Equity |
|---|---------------------------------------|--------------------------------|-------------------|-----------------|---------------------------|-----------------|
| | Stated Capital | Revaluation and Other Reserves | Retained Earnings | Total | Non-Controlling Interests | |
| | MUR'M | MUR'M | MUR'M | MUR'M | MUR'M | MUR'M |
| At January 1, 2021 | 11,976.0 | 1,307.8 | 309.7 | 13,593.5 | 975.4 | 14,568.9 |
| Profit for the year | - | - | 462.3 | 462.3 | (145.6) | 316.7 |
| Other comprehensive income for the year | - | 337.4 | - | 337.4 | 34.5 | 371.9 |
| Release on disposal of land | - | (50.0) | 50.0 | - | - | - |
| Release on disposal of equity investments at fair value through OCI | - | 95.7 | (95.7) | - | - | - |
| Changes in ownership interest from associate to subsidiary | - | (12.9) | (28.6) | (41.5) | 1.3 | (40.2) |
| Other movements | - | 0.7 | 0.4 | 1.1 | 0.8 | 1.9 |
| Dividends | - | - | (193.4) | (193.4) | (26.3) | (219.7) |
| Balance at December 31, 2021 | 11,976.0 | 1,678.7 | 504.7 | 14,159.4 | 840.1 | 14,999.5 |
| At January 1, 2020 | 11,976.0 | 1,480.7 | 707.6 | 14,164.3 | 1,019.9 | 15,184.2 |
| Loss for the year | - | - | (268.9) | (268.9) | 58.5 | (210.4) |
| Other comprehensive income for the year | - | (165.6) | - | (165.6) | (26.0) | (191.6) |
| Release on disposal of land | - | (15.0) | 15.0 | - | - | - |
| Changes in ownership interest in subsidiaries that do not result in a loss of control | - | - | (1.4) | (1.4) | (0.2) | (1.6) |
| Other movements | - | 7.7 | (12.9) | (5.2) | - | (5.2) |
| Dividends | - | - | (129.7) | (129.7) | (76.8) | (206.5) |
| Balance at December 31, 2020 | 11,976.0 | 1,307.8 | 309.7 | 13,593.5 | 975.4 | 14,568.9 |

GROUP ABRIDGED AUDITED STATEMENTS OF CASH FLOWS

| | THE GROUP 2021 MUR'M | THE GROUP 2020 MUR'M |
|--|----------------------------|----------------------------|
| Net cash from operating activities | 507.7 | 836.6 |
| Net cash used in investing activities | (462.9) | (1,004.9) |
| Net cash (used in) from financing activities | (35.0) | 146.2 |
| Increase/(decrease) in cash and cash equivalents | 9.8 | (22.1) |

MOVEMENT IN CASH AND CASH EQUIVALENTS

| | | |
|---------------------------------|--------------|--------------|
| At January 1, | 432.9 | 451.6 |
| Increase/(decrease) | 9.8 | (22.1) |
| Net foreign exchange difference | 29.7 | 3.4 |
| At December 31, | 472.4 | 432.9 |

NOTES

1: The Group abridged audited financial statements for the year ended December 31, 2021 have been prepared in line with International Financial Reporting Standards, except for the adoption of the relevant amendments to published Standards, Standards and interpretations issued, now effective.

2: AUDITORS' REPORT

The Group abridged audited financial statements for the year ended December 31, 2021 have been extracted from the annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 2001 and the Financial Reporting Act. The independent auditors' report for the consolidated financial statements was issued with an 'except for' qualification.

Basis for Qualified Opinion Consolidated financial statements

The Group has an associate, Sucrivoire S.A, ('the Associate'), whose operations are in Côte d'Ivoire. The Associate is accounted for using the equity method. For the year ended December 31, 2021, the share of the net assets of the Associate was MUR 713.2 M (representing 19.5% of total investment in Associates and 3.2% of total assets), and the share of loss from this Associate was MUR 130.0 M. The auditors were unable to obtain sufficient appropriate audit evidence regarding the financial information of the Associate. This matter was similarly qualified for the year ended December 31, 2020. For this reason, the auditors' opinion for the current year financial statements is also modified as a result of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.

3: SEGMENT INFORMATION

Terra Mauricia Ltd segments are strategic business units that offer different products and services.

THE GROUP 2021

| | CANE MUR'M | POWER MUR'M | BRANDS MUR'M | PROPERTY AND LEISURE MUR'M | OTHERS MUR'M | GROUP TOTAL MUR'M |
|---|---------------|----------------|-----------------|----------------------------------|-----------------|-------------------------|
| External revenues | 1,226.6 | 1,811.9 | 2,182.8 | 518.1 | 484.4 | 6,223.8 |
| Segment profit/(loss) after finance costs | 236.6 | 186.2 | 107.7 | 82.7 | (139.0) | 474.2 |
| Fair value gain on non-current assets | - | - | - | - | 77.0 | 77.0 |
| Impairment of non-financial assets | - | (535.9) | - | (0.4) | - | (536.3) |
| Share of results of associates | (130.0) | (8.2) | 48.2 | 10.9 | 369.6 | 290.5 |
| Gain on remeasurement of associates | - | - | - | - | 24.9 | 24.9 |
| Profit on disposal of associate | - | - | - | - | 39.8 | 39.8 |
| Impairment of associates | - | - | - | - | (3.0) | (3.0) |
| Profit/(loss) before taxation | 106.6 | (357.9) | 155.9 | 93.2 | 369.3 | 367.1 |
| Taxation | (1.3) | (26.5) | (19.4) | (0.9) | (2.3) | (50.4) |
| Net profit/(loss) | 105.3 | (384.4) | 136.5 | 92.3 | 367.0 | 316.7 |

THE GROUP 2020

| | CANE MUR'M | POWER MUR'M | BRANDS MUR'M | PROPERTY AND LEISURE MUR'M | OTHERS MUR'M | GROUP TOTAL MUR'M |
|---|---------------|----------------|-----------------|----------------------------------|-----------------|-------------------------|
| External revenues | 1,086.6 | 1,131.2 | 2,109.6 | 241.1 | 183.7 | 4,752.2 |
| Segment (loss)/profit after finance costs | (3.1) | 69.1 | 81.5 | 12.7 | (101.7) | 58.5 |
| Fair value loss on non-current assets | - | - | - | - | (314.0) | (314.0) |
| Share of results of associates | 46.4 | (22.9) | 32.0 | 8.5 | 185.2 | 249.2 |
| Impairment of associates | - | - | - | - | (181.8) | (181.8) |
| Profit/(loss) before taxation | 43.3 | 46.2 | 113.5 | 21.2 | (412.3) | (188.1) |
| Taxation | (3.0) | (10.4) | (11.3) | (0.7) | 3.1 | (22.3) |
| Net profit/(loss) | 40.3 | 35.8 | 102.2 | 20.5 | (409.2) | (210.4) |

Total assets

| | | | | | | |
|-------------------|---------|---------|---------|---------|---------|----------|
| December 31, 2021 | 8,139.6 | 1,460.8 | 1,972.8 | 5,762.6 | 4,947.5 | 22,283.3 |
| December 31, 2020 | 8,273.2 | 1,769.9 | 1,698.9 | 5,291.9 | 3,742.6 | 20,776.5 |

Year ended December 31, 2021

| | CANE MUR'M | POWER MUR'M | BRANDS MUR'M | PROPERTY AND LEISURE MUR'M | OTHERS MUR'M | GROUP TOTAL MUR'M |
|-----------------------|---------------|----------------|-----------------|----------------------------------|-----------------|-------------------------|
| Sale of goods | 1,177.6 | - | 2,182.8 | - | 173.2 | 3,533.6 |
| Sale of electricity | - | 1,811.9 | - | - | - | 1,811.9 |
| Sale of properties | - | - | - | 353.9 | - | 353.9 |
| Contract revenue | - | - | - | - | 300.3 | 300.3 |
| Revenue from services | 49.0 | - | - | 164.2 | 10.9 | 224.1 |
| | 1,226.6 | 1,811.9 | 2,182.8 | 518.1 | 484.4 | 6,223.8 |

Year ended December 31, 2020

| | CANE MUR'M | POWER MUR'M | BRANDS MUR'M | PROPERTY AND LEISURE MUR'M | OTHERS MUR'M | GROUP TOTAL MUR'M |
|-----------------------|---------------|----------------|-----------------|----------------------------------|-----------------|-------------------------|
| Sale of goods | 1,041.6 | - | 2,109.6 | - | 183.7 | 3,334.9 |
| Sale of electricity | - | 1,131.2 | - | - | - | 1,131.2 |
| Sale of properties | - | - | - | 128.2 | - | 128.2 |
| Revenue from services | 45.0 | - | - | 112.9 | - | 157.9 |
| | 1,086.6 | 1,131.2 | 2,109.6 | 241.1 | 183.7 | 4,752.2 |

COMMENTS ON GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

GROUP RESULTS

Group turnover for 2021 increased by MUR 1,471.6 M, to MUR 6.2 Bn. Group profits for the year stood at MUR 316.7 M, a turnaround of MUR 527.1 M compared to a loss of MUR 210.4 M in 2020. All Group clusters posted improved results, barring the Power cluster which, despite good operational performance in 2021, had to book a substantial impairment of MUR 535.9 M caused by unprecedented increases in coal prices. Overall Group results were negatively impacted by total non-recurring items of MUR 394.3 M made up of total impairments of MUR 538.9 M, but mitigated by net favourable fair value movement of MUR 104.8 M and profit on disposal of an associate for MUR 39.8 M.

Net Asset per share as at 31 December 2021 was MUR 62.23 (2020: MUR 59.74). Owners' interest increased by 4.0% to reach MUR 14.2 Bn.

Audit opinion

The "except for" qualification in the audit opinion relates to our investment in Sucrivoire S.A, an associate company in Côte d'Ivoire, in which Terra's shareholding is 25.5%.

Sucrivoire S.A's financial statements for the period under review are audited by qualified auditors in Côte d'Ivoire. Our Group auditor, BDO & Co, did not consider having received sufficient comfort from the auditors of Sucrivoire S.A. and accordingly deemed it appropriate to qualify our 2021 audit report.

Sucrivoire S.A's share of net assets as at 31 December 2021 was MUR 713.2 M which represents only 3.2% of Terra Mauricia's total assets which are worth MUR 22.3 Bn.

CANE

The continuous improvement in operational efficiency and cost of production, coupled with an increase in sugar price of MUR 2,703 per tonne for the 2021 crop, resulted in our sugar operations recording a profit of MUR 235.3 M.

Our associate in Côte d'Ivoire realised a subdued crop and recorded an unfavourable variance on standing crop in 2021, which resulted in a loss of MUR 130.0 M (2020: profit of MUR 46.4 M).

Thus, the overall result for the Cane cluster was a profit of MUR 105.3 M (2020: MUR 40.3 M).

POWER

The loss of MUR 384.4 M for the year (2020: Profit of MUR 35.8 M) is mainly attributable to the impairment of the plant and related equipment, for an amount of MUR 535.9 M, as a result of the unprecedented increases in coal prices and the uncertainties of the current economic environment, which led to a reassessment of the carrying value of the plant at reporting date

BRANDS

The increase in profitability from MUR 102.2 M to MUR 136.5 M is mainly attributable to Grays Inc.'s resumption of sales to the hospitality sector, which was closed for most of the previous trading period following the outburst of the Covid-19 pandemic.

PROPERTY AND LEISURE

This cluster recorded improved revenues from property rentals, consultancy fees, and land sales, which is part of its strategy to invest in yielding assets and major infrastructure. The leisure division performed better following the reopening of our borders at the beginning of Q4 last year and the successful opening of the Mahogany Shopping Promenade brought its share of contribution. The cluster managed to record an after-tax profit of MUR 92.3 M compared to MUR 20.5 M in 2020.

OTHERS

This segment recorded profits of MUR 367.0 M, compared to losses of MUR 409.2 M in 2020, attributable to a better performance of associates, including net fair value gains and profits realised on the disposal of an associate.

OUTLOOK

According to the IMF, global growth is projected to slowdown from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023.

In Mauritius, assuming some recovery in the tourism sector, GDP is forecasted to grow by 6.1% this year.

Following the outbreak of war in Ukraine, coal prices reached record high levels. In the circumstances, Terragen had no other option but to declare a Force Majeure Event under the Power Purchase Agreement with the Central Electricity Board and the parties are currently engaged in a mediation process to seek a workable solution.

The other clusters, including the main associates, are expected to post improved results for the financial year 2022.

The Group balance sheet remains strong, with owner's interest at MUR 14.2 Bn and group gearing remaining low at 22.8%.

By order of the Board of Directors
Terra Services Ltd
Secretary
July 29, 2022

These Group abridged audited financial statements are issued pursuant to Listing Rule 12.14 and Securities Act 2005. The Board of Directors of Terra Mauricia Ltd accepts full responsibility for the accuracy of the information contained in these Group abridged audited financial statements. The statement of direct and indirect interests of officers of the company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request addressed to the Company Secretary, Terra Services Ltd, Beau Plan Business Park, Pamplemousses. Copies of the Group abridged audited financial statements are available, free of charge, upon request addressed to the Company Secretary, Terra Services Ltd, Beau Plan Business Park, Pamplemousses.