Annual Report 2022

For the future. From 1838

terra

Who we are

Terra is a conglomerate established in Mauritius and operating locally and regionally. Formerly known as Harel Frères, it started as a small sugar factory in 1838. Today, Terra is one of the major players in the sugar cane sector in Mauritius, managing 6,600 hectares of land in the northern part of the island, out of which some 6,000 are under agricultural use, the remaining area being the real estate portfolio. The Group has diversified its activities from an essentially sugar-based company to one with interests in energy production, alcohol production and commercial distribution, property development, and investments in construction and financial services.

Our vision, purpose and values

Our vision

When we look to the future, we see **a world in which development is sustainable,** where every individual has the opportunity to succeed without compromising the needs of the next generation, where natural resources are used responsibly and efficiently, and where the ongoing development of society and the environment is kept in balance.

Our purpose

Our purpose is to **cultivate resources for a better future.**

As a diversified investment holding Group, our objective is to strive for sustainability across all sectors. We aim to protect and enhance the resources of our natural and commercial environments, while ensuring the continuing development of the people who inhabit them.

Our values

RESPECT

Defines the way we relate to people in our Group and community.

TENACITY

Encourages us to strive towards excellence through every professional endeavour.

INTEGRITY

Guides our every action.

PASSION

Gives us strength and enthusiasm to always contribute with commitment.

INNOVATION

Inspires us to advance by taking the initiative.

Our Annual Integrated Report

We are pleased to present our Annual Integrated Report, which outlines our strategic framework for long-term value creation.

Scope and boundary

This report details the activities of Terra Mauricia Ltd ('Terra') and its subsidiaries ('the Group'). It aims to provide Terra's shareholders, and other interested stakeholders, with a concise review of the Group's performance and governance practices for the financial year from 1 January 2022 to 31 December 2022. The report further outlines Terra's strategic framework for long-term value creation.

Materiality

While Terra's executive management team was responsible for preparing this report, the Board reviewed it and believes it provides a balanced and appropriate presentation of those factors that have or could have a material effect on Terra's ability to create value over time. We identified these factors through a structured process involving Terra's executive management team and other senior managers. During this process, they reviewed the business model and operating context for Terra's four clusters: Cane, Brands, Power, and Property and Leisure.

Feedback

As one of Terra's stakeholders, we encourage you to read this report and give us your feedback on Terra's disclosure and performance. This will help us continuously improve our governance practices and Terra's performance.

Board approval

The Board applied its collective mind to preparing and presenting the information in this report, guided by the Integrated Reporting Framework (2021)[1]. The Board approved this report on 14 June 2023.

Alain Rey
Chairman

Nicolas Maigrot
Managing Director

On behalf of the Board of Directors, we invite you to join us at Terra's Annual Meeting at The Terrace, Head Office, Beau Plan Business Park, Pamplemousses, at **3.00 pm** on **26 September 2023**.

[1] *https://www.ifrs.org/issued-standards/ir-framework/*

Delivering Sustainable Value

We contribute significantly to national and global developmental objectives through our core business and Group functions. The United Nations Sustainable Development Goals (SDGs) provide the best articulation of sustainable value, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030.

Alongside Terra's values – respect, tenacity, integrity, passion and innovation – we are committed to playing our role in attaining these SDGs, working with Government, civil society, communities and other businesses. We have identified and prioritised the following SDGs where we believe we can have the most meaningful direct and indirect impact:

Clean Water and Sanitation
Ensure access to water and sanitation for all.

Affordable and Clean Energy
Ensure access to affordable, reliable, sustainable and modern energy for all.

Decent Work and Economic Growth
Promote inclusive and sustainable economic growth, employment and decent work for all.

Industry, Innovation and Infrastructure
Build resilient infrastructure, promote sustainable industrialisation and foster innovation.

Sustainable Cities and Communities
Make cities inclusive, safe, resilient and sustainable.

Climate Action
Take urgent action to combat climate change and its impacts.

We review our approach and contribution to these goals in our Sustainability Report 2022, available on our website.

SEMSI LISTING

Terra has been listed on the Stock Exchange of Mauritius' Sustainability Index (SEMSI) since 2015 and performed excellently in a review undertaken by the SEMSI Supervisory Committee in August 2019.

Table of Contents

Overview

Our Business at a Glance

Our organisational structure

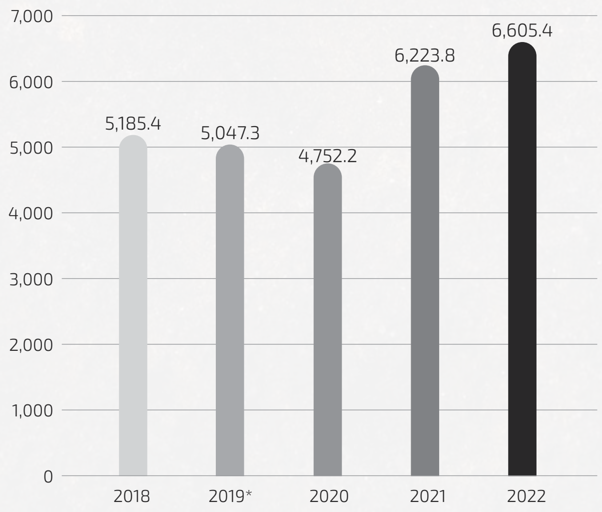
The Group consists of four autonomous clusters: Cane, Brands, Power, and Property and Leisure. Each cluster offers unique business know-how that sets it apart from its competitors and that provides a strong platform for value growth.

The clusters are autonomous in their decision-making, budgeting, reporting and day-to-day operations. Each cluster's leadership team is fully accountable for their respective performance. Leadership teams are also empowered to develop their businesses and realise international growth opportunities in line with proposals and plans approved by Terra's Board of Directors.

Centralised functions support the clusters to build a shared performance-based culture and drive operational excellence and efficiencies across the Group.

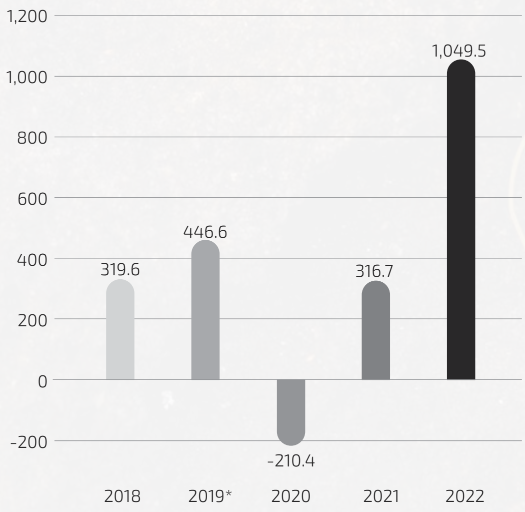
Terra Mauricia Ltd

Group Turnover (MUR'M)

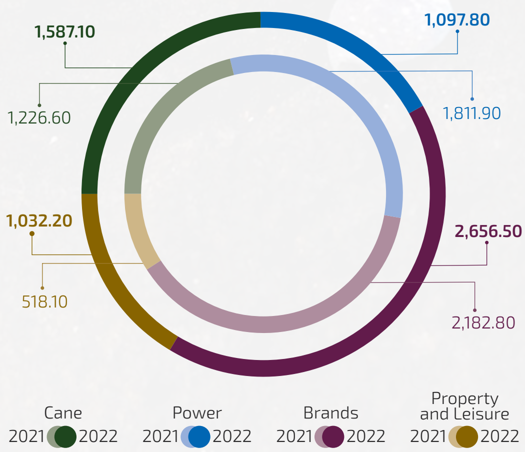


The 2019 figures have been restated

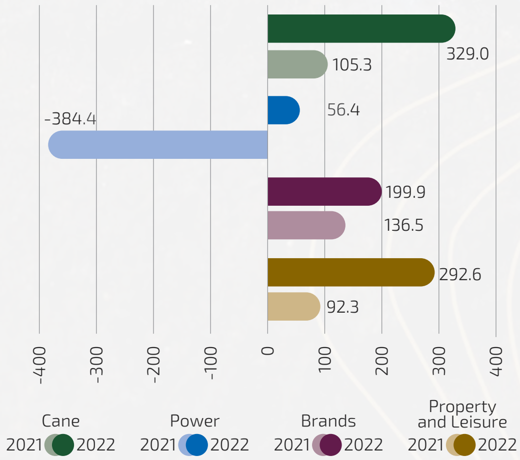
Group Profit/Loss after Tax (MUR'M)



Turnover - Contribution of each Cluster (MUR'M)



Profit/Loss after Tax - Contribution of each Cluster (MUR'M)



CANE

218
employees at Terragri
(2021: 224)

687,241 T ˅4%
of sugar cane milled
(2021: 718,969 T)

127
employees at Terra Milling
(2021: 128)

5,086 Ha ˄1%
of land under cane cultivation
(2021: 5,044 Ha)

9%
employee turnover rate
(2021: 9.2%)

75,958 T ˄6%
of sugar produced
(2021: 71,952 T)

POWER

47
employees at Terragen
(2021: 50)

90.6% ˅5%
availability on the Central Electricity Board (CEB) network
(2021: 95.6%)

3%
employee turnover rate
(2021: 0%)

9.4% ˅27%
renewable energy share
(2021: 12.8%)

211 GWh ˅52%
sold to CEB
(2021: 443 GWh)

BRANDS

513
employees at Grays Inc.
(2021: 461)

52%
sales from spirits
(2021: 42%)

37
employees at Grays Distilling
(2021: 41)

21%
employee turnover rate
(2021: 18%)

24
own brands
(2021: 24)

4.4 million L ˅2%
of alcohol produced
(2021: 4.5 million L)

PROPERTY AND LEISURE

106
employees at Novaterra
(2021: 95)

7%
employee turnover rate
(2021: 11%)

51
employees at *L'Aventure du Sucre*
(2021: 56)

22.38 Ha =
of land developed
(2021: 22.43 Ha)

M^2 under rent:

37,061 m² ˄7%
industrial and commercial
(2021: 34,644 m²)

21,322 m² ˅6%
residential
(2021: 22,629 m²)

9,018 m² ˅3%
office
(2021: 9,290 m²)

8,182 m² =
retail
(2021: 8,182 m²)

The Value We Created in 2022

Customers

Cane

^6%

76,171 T

Specialty sugars in 15 varieties

(2021: 71,760 T)

Brands

⌄2%

4,158

Direct B2B customers (Mauritius)

(2021: 4,250)

^15%

22,786

Regular B2C customers (Mauritius)

(2021: 19,877)

Power

⌄47%

8.2%

National energy mix

(2021: 15.5%)

⌄27%

9.4%

Share on national renewable energy production

(2021: 12.8%)

Property and Leisure

=

22.38 Ha

Land developed this year

(2021: 22.43 Ha)

^589%

73,830

Visitors to *L'Aventure du Sucre*

(2021: 10,711)

Employees

^21%

MUR 9.4 M
Invested on employee training and development
(2021: MUR 7.8 M)

^7%

MUR 1,133.2 M
Paid in salaries, wages and other benefits
(2021: MUR 1,060.6 M)

79
additional jobs provided
(2021: 33)

Government

˅3%

MUR 48.7 M
Paid in taxes in Mauritius
(2021: MUR 50.4 M)

^4%

MUR 569.9 M
Paid in customs and excise duty in Mauritius
(2021: MUR 550.3 M)

Suppliers

^5%

MUR 3,288.6 M
Procurement spend
(2021: MUR 3,124.5 M)

Communities

^112%

MUR 3.6 M
CSR sponsorship channelled through Terra Foundation
(2021: MUR 1.7 M)

^67%

50
Projects sponsored
(2021: 30)

Providers of financial capital

^17%

MUR 187.0 M
Paid to banks and other lenders
(2021: MUR 159.2 M)

˅8%

MUR 24.3 M
Paid in dividends to outside shareholders of subsidiaries
(2021: MUR 26.3 M)

^18%

MUR 227.5 M
Paid in dividends to Terra shareholders
(2021: MUR 193.4 M)

^94%

MUR 3.93
Earnings per share
(2021: MUR 2.03)

Our Business Model

As a Group, our business model hinges on our ability to secure a competitive advantage and create stakeholder value across our four clusters, each of which seeks to optimise value from the Group's core assets and activities across the different stages of the sugar value chain.

Capital input

Natural capital:

Cane
- 5,086 ha sugar cane fields
- 687,241 tonnes of sugar cane milled

Brands
- 15,506 tonnes of molasses
- 3,102 tonnes of coal
- 522 m³ of alcohol

Power
- 221,953 tonnes of *bagasse*
- 96,572 tonnes of coal
- 7,587 tonnes of cane straw
- 11,849 tonnes *bagasse* ash

Property and Leisure
- 677 ha of land available for development and regeneration

Topterra
- 48,124 tonnes of *vinasse*

Terrarock
- 361,553 tonnes of boulders

Thermal Valorisation Co. Ltd
- 23,096 tonnes of coal ash (this includes coal bottom ash and coal fly ash)

Manufactured capital:

- Agricultural equipment
- 1 sugar milling factory
- 1 bottling plant
- 1 distillery
- 1 co-generation power plant
- 1 thermal valorisation plant

Financial capital:

- Debt and equity financing
- Reinvestment

Human capital:

- 1,178 employees
- Strong leadership team

Intellectual capital:

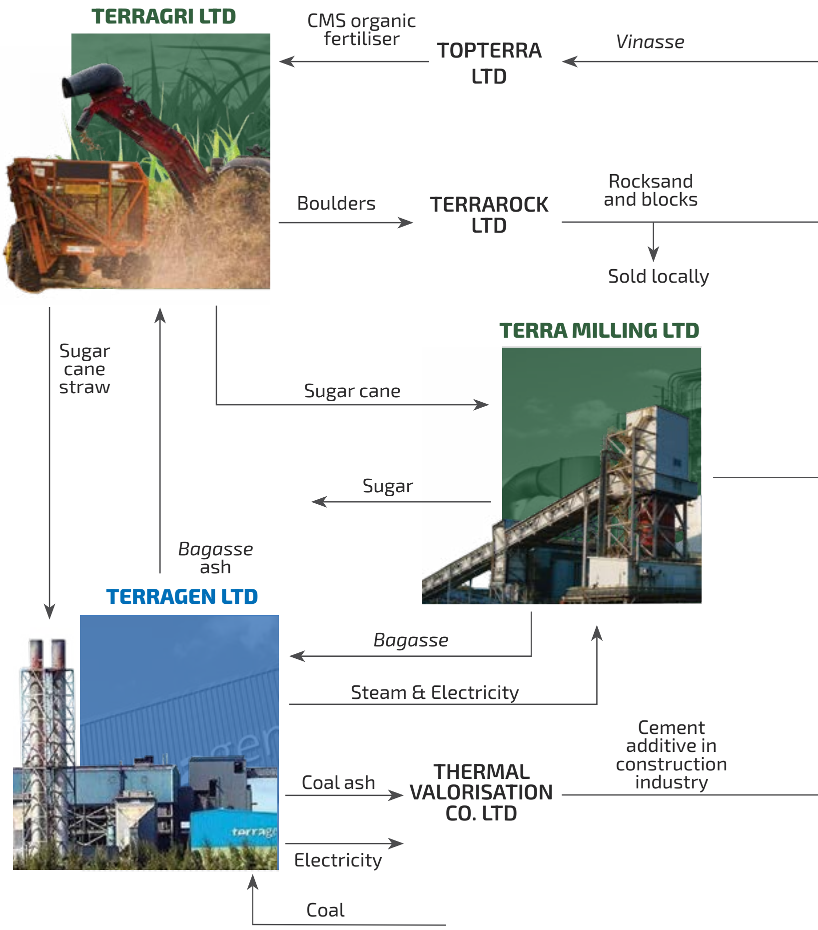
- Robust governance systems, knowledge and skills
- Sophisticated closed loop model, optimising value from core assets and activities across the cane value chain
- Robust safety and quality management systems
- Reliable and cost-effective electricity production
- Service providers delivering on agreed terms
- Building leading brands

Social and relationship capital:

- Positive customer and tenant relationships
- Positive employee relations
- Constructive engagement with Government
- Investor confidence
- Positive supplier and partner relations
- Community trust and partnerships

CANE

Transforming sugar cane into raw sugar and specialty sugar to sell through the Mauritius Sugar Syndicate, with certain by-products used as inputs into the Power and Brands clusters (Page 32)



POWER

Using *bagasse* and cane straw from the Cane cluster as inputs (together with imported coal) into the co-generation power plant to sell to the Central Electricity Board (CEB) and to provide electricity and steam to Terra Milling (Page 52)

Our material residual risks (Page 28)

1. Unexpected and exceptional consequences of the specific terms of the Power Purchase Agreement (PPA) resulting in difficult operating and financial conditions.
2. Group exposure to the consequences of a sharp economic downturn and decline in consumer spending.
3. The continued decrease in the cane supply and its by-products curtails the Group's milling, distilling and power generation activities.
4. An oversupply of properties on the market results in a loss of revenue.
5. A successful cyber-attack, resulting in business interruption, financial losses and reputational damage.

BRANDS

Transforming by-products of sugar production into value-added dark and white spirits through the distillery process and realising added value through our bottling, distribution and marketing activities. We have expanded these activities to include third-party brands in wine, whisky, personal care products and snacks (Page 42)

GRAYS DISTILLING LTD

Coal

Sold locally and exported

Alcohol

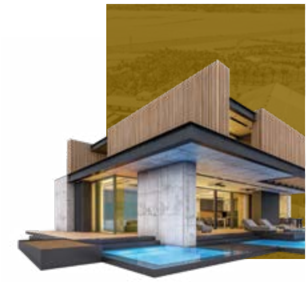
GRAYS INC. LTD

Spirits

Molasses

Rum

NOVATERRA



L'AVENTURE DU SUCRE

PROPERTY AND LEISURE

Investing in property-development projects in well-located sites to increase and unlock value from the Group's longstanding land holdings and managing *L'Aventure du Sucre*, a museum showcasing the history of sugar operations in Mauritius (Page 62)

Capital outcome

Natural capital:

- Total energy consumed: 1,179,862 GJ
- Total CO_2 emissions (scope 1): 420,706 tonnes
- Total water consumed: 7,554,186 m^3
- Total fertilisers consumed: 72,660 tonnes
- Total glass bottles recycled: 46 tonnes

Manufactured capital:

- MUR 383.6 million investment in property, plant and equipment

Financial capital:

- MUR 6,605.4 million turnover
- MUR 1,049.5 million profit after taxation
- MUR 227.5 million paid in dividends
- MUR 1,267.7 million reinvested in the Group

Human capital:

- 1,178 employees
- MUR 1,133.2 million paid in salaries, wages and other benefits
- MUR 9.4 million in employee training and development
- 79 additional jobs provided

Intellectual capital:

- Digital transformation expenditure
- Brand development expenditure
- Certifications in quality, food safety, environmental and OHS management
- 90,6 % plant availability on the CEB network

Social and relationship capital:

- MUR 48.7 million paid in taxes in Mauritius
- MUR 569.9 million paid in customs and excise duty in Mauritius
- MUR 3,288.6 million paid to suppliers
- MUR 187.0 million paid to banks and other lenders
- MUR 24.3 million paid in dividends to subsidiary shareholders
- 2% of profits directed to CSR work
- MUR 3.6 million spent by Terra Foundation
- 50 CSR projects sponsore

Products and outputs

- 76,171 tonnes of specialty sugars
- 211 GWh of electricity sold to CEB grid
- 910,710 GJ of steam to Terra Milling
- 4.4 million litres of alcohol and 24 own brands
- 22.38 ha of land developed
- m^2 available space for rent
  - Industrial and commercial: 37,061 m^2
  - Office: 9,018 m^2
  - Residential: 21,322 m^2
  - Retail: 8,182 m^2
- 73,830 visitors at *L'Aventure du Sucre*
- 17,209 tonnes of CMS organic fertiliser
- Cement additive for the construction industry
- Rocksand and blocks

Chairman's Message

While the past year was not without its challenges, such as high inflation and interest rate hikes, Terra's response to the tough geo-political environment, and its strong rebound from the effects of the Covid-19 pandemic, highlighted the Group's resilience. Terra delivered a record performance this year, achieving a profit after tax of MUR 1,049.5 million, up from MUR 316.7 million in 2021.

What is particularly noteworthy is the extraordinary effort made by the management team and the entire workforce to minimise the impact of the challenging and unpredictable operating environment.

A standout example during the past year is the strong turnaround at *L'Aventure du Sucre*, which had suffered from a downturn of tourism and the absence of organised events and was one of the areas of our operations most affected by Covid-19. Despite these challenges, the workforce, as in the other clusters, remained motivated, and it is heart-warming to see the operations teeming with activity and energy and posting excellent results.

The key to Terra's success has been its commitment to keep its workforce engaged and do what is needed to keep its clusters going. Despite Covid-19 significantly impacting operations, the Group strived to preserve employment at all levels within each cluster. In addition, wage increases were granted to support and encourage our employees despite the financial pressure placed on operations.

We are now seeing the positive benefits of this approach.

The Group achieved an overall score of 80% in its new employee engagement survey, which we launched in 2022. This result demonstrates that our employees remain committed to Terra, that they consider they receive adequate training and compensation, and feel valued and appreciated for their work. It was also rewarding to see the Cane cluster successfully sign the first collective agreement in Mauritius between companies and the sugar industry trade unions in 2022. This agreement was ground-breaking, reflecting the sound relationships that enabled the delivery of a fair and favourable outcome for all parties.

What the Group has achieved in the past year is underpinned by the successful implementation of a focused medium- and long-term strategy. The strategic actions taken over the past five or six years are now bearing fruit and delivering commendable financial, social and environmental results.

In the **Cane** cluster, we have seen significant gains in productivity through ongoing investment in operational excellence and lean manufacturing practices, leading to substantial cost reductions and savings over the last five years. These efforts, coupled with improved global sugar prices and the fact that Government is now remunerating *bagasse* at a better price, resulted in the Cane cluster posting record profits. This result is a positive turnaround; we are confident that operating conditions for sugar production are improving and that the industry is becoming more sustainable, supported by the Mauritius Government's commitment to take bold steps to revive the sector.

After the success of our 2021 campaign to substantially reduce criminal cane burning – with a much lower area of 140 hectares of cane fields burnt in 2022 compared to previous years – another milestone this year was the launch of the *Yes We Kann* campaign. This campaign sent out a positive message about Mauritius' Sugar Industry and created awareness of the progress made in recent years to modernise and diversify the sector. We successfully undertook the campaign in partnership with multiple stakeholders and will renew this initiative in 2023.

Our **Brands** cluster benefitted from the rebound of the tourism industry and performed very well this year in a competitive market. Pleasingly, Grays Inc. ramped up its efforts to optimise water-use efficiency and installed rainwater harvesting infrastructure, which supplied 30% of its water needs in 2022. Grays Inc. also installed photovoltaic solar panels that generated 50% of its energy requirements.

In our **Property and Leisure** cluster, we started to build our Beau Plan Smart City with a clear strategy and vision of what we wanted to achieve. Today, it is not only a profitable venture for the Group and stakeholders at large but also a thriving and integrated living space designed around the implementation of sustainable practices. Our new office building, The Strand, achieved EDGE (Excellence in Design for Greater Efficiencies) Certification in 2022, a first in Mauritius. EDGE is an international green building certification system focused on making buildings more resource efficient.

What has remained fundamental to Terra's success is ensuring a robust culture of stakeholder engagement and strong relationships, particularly with the Government. Our **Power** cluster operated in a challenging environment this year in the wake of the Force Majeure declared by Terragen under the PPA and our coal operations being suspended for eight months in 2022.

These circumstances were unfortunate, as Terra and the CEB have been exceptional partners for over 20 years. With the decrease in coal prices, we finally reached an agreement with the CEB to resume operations as from 29 April 2023 in accordance with the PPA. Ultimately, we remain driven by the interests of the Mauritian population and look forward to continuing a strong working relationship with the CEB in the years ahead.

Chairman's Message (Cont'd)

Maintaining oversight through effective corporate governance

This year, we welcomed the appointment of two new Board members following the departure of two long-standing board members. In 2021, Alain Vallet sadly passed away. Alain was an outstanding Board member and a fantastic gentleman who contributed immense wisdom during his tenure as a non-executive Director. Margaret Wong Ping Lun retired at our 2022 Annual Meeting after serving as a non-executive Director for ten years. She was a competent and hard-working Chair of the Audit and Risk Committee, and we thank her for her contribution and wise counsel throughout her tenure.

In their places, we welcomed two new directors, namely Thierry de Labauve d'Arifat and Kalindee Ramdhonee, who joined the Board with effect from 11 November 2022. Kalindee took up the position of Chair of the Audit and Risk Committee. We look forward to their contributions and the energy they will bring to the Board.

This year, Terra also participated in the country's first Corporate Governance Scorecard Assessment, undertaken by the National Committee on Corporate Governance. This assessment follows the launch of the National Code of Corporate Governance for Mauritius. It aims to measure progress in corporate governance practices among listed companies across focus areas such as board effectiveness, stakeholder engagement, sustainability and more. Of the 21 companies that participated, Terra was ranked fourth. Pleasingly, we achieved scores above 75% in the areas of Governance, Remuneration, External Accountability and Shareholders' Meetings, demonstrating strong governance and oversight.

Another governance highlight during 2022 was carrying out an update on our Board Effectiveness Evaluation exercise, which we first conducted in 2020. The evaluation reviewed the performance of the Board committees and of its individual Directors to identify improvement and professional development areas. I am pleased to report that the evaluation outcomes were generally positive. Overall, the results give us confidence that we have the right culture and people in place to tackle the tough Board deliberations required in the face of challenging and unpredictable times.

The Board remains focused on ensuring that Terra is managed responsibly and ethically, and we continually monitor the ethical standards we maintain as a Board and Group. This year, we launched a new ethics eModule on our e-Learning platform, which covers Terra's Code of Ethics and Conflict of Interest Policy. The eModule is mandatory for all permanent employees and all recruits as part of our employee induction process.

Outlook

At Terra, we recognise that talent is a critical driver of business performance. Fortunately, the Group is led by our competent Managing Director, Nicolas Maigrot, supported by a first-class management team who recognises the importance of attracting, developing, deploying and retaining talent and positioning Terra as an employer of choice. This is critical and will be a significant competitive advantage for Terra far into the future.

In the year ahead, we will use the outcomes of our employee engagement survey to identify areas of improvement supported by key actions and deliverables. We will conduct this survey every two years going forward. It will be an essential tool to assess our progress in creating an engaging and enabling workplace culture that supports talent retention and improved performance.

Partnerships and collaboration with all stakeholders will also remain important for the Group. As a Board, we will continue to emphasise stakeholder engagement and will ensure that we work alongside the management team to better serve the needs of Terra, our key stakeholders (including shareholders, investors and the Government) and the broader communities we operate in.

As we look ahead, we hope for a much more stable operating environment. However, we are wary that we have not yet seen the end of rising interest rates and their substantial impact on the cost of living. These conditions will likely affect profitability and our cash flow although the Group is not highly geared. Despite the challenges, I am confident that we have the right management structure, talent pool, people, attitude, and competencies to attain our financial, social and non-financial objectives.

The Board will remain close to the management team and ensure that they have the necessary resources to achieve the Group's short- to medium-term objectives while staying agile and responsive to change.

Appreciation

The merit for Terra's exceptional performance in 2022 must go to our highly competent management team and dedicated employees. Every employee demonstrated the ability, determination and passion to overcome what sometimes seemed insurmountable obstacles. You continue to raise the bar and exceed all expectations. I wish to convey to Nicolas, his team and all our staff and employees, the Board's heartfelt gratitude for all the achievements of the Group during such a challenging year.

I also wish to express my deepest gratitude to all our Board members and thank them for their guidance, valuable input and tireless best efforts. Yet again, they have gone beyond the call of duty, and Terra is most fortunate to have their skill, experience, and dedication.

I also wish to extend my deep appreciation to Terra's business partners and stakeholders, especially those within the Government of Mauritius, for their proactive collaboration throughout the year. Thank you for your efforts and willingness to engage with the Group for the benefit of the Mauritian population.

A special word of thanks to our shareholders who have supported us over the past years; we are glad that it was possible to return to a more appropriate level of dividend payment in 2022 after our remarkable results.

Together much has been achieved, from record results for the year to pursuing our longer-term strategies in a difficult economic environment.

Sincerely yours,

Alain Rey
Chairman of the Board

14 June 2023

Managing Director's Message

Looking back on the year

This year, Terra posted a record-high profit after tax of MUR 1,049.5 million, up from MUR 316.7 million in 2021. We further recorded strong growth in earnings per share of MUR 3.93 (2021: MUR 2.03), enabling us to increase the dividend paid to Terra shareholders by 18% to MUR 227.5 million.

Terra's performance demonstrates our resilience and agility to overcome challenges and remain competitive in a challenging economic and consumer environment. It is also important to note that we could not have delivered this result if we did not have a clear strategic plan delivered via four strong and differentiated business clusters. In parallel, we continued to review our investment portfolio to streamline it further and concentrate on strategic investments.

While the operating environment remains challenging, we enjoyed some relief from the effects of the Covid-19 pandemic. The opening up of borders has given hope to the Mauritian economy, and we received one million tourists in 2022, a significant achievement. In addition to the foreign currency revenue from tourists, the economy also benefitted from increased and sustained consumption. These positive trends helped our Brands and Property and Leisure clusters, which performed very well, posting profits of MUR 199.9 million and MUR 292.6 million, respectively.

Unfortunately, we continued to experience heavy inflation, high interest rates, and the ongoing erosion of the Mauritian Rupee. The Ukraine war put further pressure on already elevated commodity prices.

As an export-oriented business, our Cane cluster benefited from the depreciation of the Mauritian Rupee and improved global sugar prices, which are being driven up as a consequence of the Ukraine conflict and its impact on input costs such as energy, fertilizer and logistics. As a result, the price of sugar ex-Syndicate increased from MUR 16,765 in 2021 to MUR 21,500 in 2022. Total revenue (including *bagasse* and molasses) increased from MUR 22,000 per tonne in 2021 to MUR 26,500 per tonne in 2022.

On the other hand, our Power cluster operated in a challenging environment during the year. Our current indexation formula was not adapted to the unforeseeable surge in coal prices resulting from the Covid-19 crisis and Ukraine war. Given the circumstances, Terragen had no other option but to declare Force Majeure under the PPA with CEB and suspend its operations on 29 April 2022. Following a decrease in coal prices, we reached an agreement with the CEB to resume operations as from 29 April 2023 in accordance with the PPA.

Focused strategy execution remains fundamental

Terra continues to optimise value from its core assets across the sugar value-chain and deliver value through its four clusters: Cane, Brands, Power, and Property and Leisure. All clusters have one common link: sugar cane and sugar cane fields, yet they remain relatively diversified. Diversifying our operations has strengthened our overall position and made us even more competitive. In particular, the diversification offered by our clusters remains critical to enhance resilience and earnings growth.

The Group strategy revolves around five key focus areas: concentrating on our core activities; strengthening these activities; divesting from non-core and non-strategic activities; identifying opportunities for our key activities to cohabit; and developing the capacity to invest in new strategic growth opportunities.

Cash flow and liquidity management remain critical to support strategy execution, and we continue to strengthen our capacity to generate cash from the business. This includes pursuing land conversion rights to unlock cash and enable us to invest in yielding assets, mainly through our Property and Leisure cluster.

As part of our long-term strategy, we developed a 25-year master plan to establish how our real estate investments will coexist with our sugar cane production in the coming years. With better sugar yields (underpinned by heavy investment in lean manufacturing practices and reduced production costs), we believe better yields will mitigate the smaller amount of land for cane cultivation. Therefore, while there is a strong attraction for real estate in the North of Mauritius, Terra remains committed to stabilising our sugar production whilst simultaneously retaining our sugar and energy activities as a key pillar of the Group in the future.

We remain confident in the robustness of our strategic plans and are proud of our team's sustained efforts to execute our resulting initiatives and enable us to continue moving forward.

Managing Director's Message (Cont'd)

Our 2022 performance

Cane: a record performance despite the ongoing drought

As mentioned earlier, improved global sugar prices helped our Cane cluster achieve profits of MUR 329 million (2021: MUR 105.3 million). We also posted excellent results at Terra Milling, supported by the sale of value-added specialty sugars. We achieved these results despite a low cane yield in 2022 and an ongoing drought, which impacted sugar production and replantation volumes. It should also be noted that approximately MUR 50 million in profits was due to the late 2021 crop harvested in January 2022.

For our overseas associate in Côte d'Ivoire, Sucrivoire, the strategy to increase production from 90,000 to 120,000 tons is progressing very slowly, mainly due to operational delays and financial constraints. The management structure is being reviewed and a new CEO has been appointed in February 2023. The coming years will be challenging, and a major restructuration of the company will need to take place.

Brands: a strong performance and turnaround

The performance of our Brands cluster continued to improve this year, primarily due to our borders being open for the full year and the strong contribution made by the tourism and hospitality sectors. The cluster also benefitted from the high inflationary environment. Turnover increased from MUR 2,182.8 million to MUR 2,656.5 million.

Grays Distilling posted good results despite being impacted by the smaller sugar cane crop in 2022 and the diminishing molasses supply. Profits increased from MUR 7.5 million to MUR 27.2 million. To mitigate the reduced molasses supply, we are investigating producing organic rum and rum made from cane juice *(rhum agricole)* to tap into specialised, higher-value rum products. Our strategy to invest in rum cellars to sell aged rum and move out of commodity rum is ongoing. We also continue to focus on fully automating our distilling and fermentation processes to drive efficiency.

The profitability of Grays Inc. increased from MUR 75 million to MUR 82.9 million in 2022. This is a strong performance and demonstrates a pleasing recovery to pre-pandemic levels. The performance of these two main contributors of the Brands cluster together with the contribution from other subsidiaries for MUR 44.3 million and associates for MUR 45.5 million led the Brands cluster to improve its profitability by 46% and to post a profit after tax of MUR 199.9 million.

Power: performance impacted by the unadapted coal indexation

As mentioned last year, our contract with CEB does not have a full pass-through formula for coal, which impacted our ability to run the plant at its optimal capacity. Given the circumstances and the exceptionally high coal prices, Terragen had no option but to declare Force Majeure under the PPA with CEB and suspend its operations. We resumed operations at the beginning of the crop season using only *bagasse* to generate electricity but suspended operations at the end of the crop season as coal prices remained significantly high. The MUR 77 million of operational losses of Terragen were mitigated by the share of associate's profits of MUR 23.4 million and a net reversal of deferred tax provision of MUR 110 million. The cluster therefore realised net profits of MUR 56.4 million, compared to losses of MUR 384.4 million in 2021.

We noted the lower coal prices at the start of 2023; as this was a mitigating factor of the Force Majeure, Terragen could restart production using coal. An agreement was reached in this respect with the CEB on 29 April 2023, and Terragen is now back on the grid.

In parallel, the Government has set an ambitious goal of producing 60% of its energy from renewable sources by 2030. In 2021, the CEB asked for an application for a Request for Information (RFI) to see how we can achieve this goal. We have duly replied and look forward to engage. The biomass framework has been approved by Government and will pave the way to reach the objective of producing more energy from renewables.

Aside from short-term challenges, we remain focused on developing a long-term strategy for Terragen that will move us towards more sustainable energy sources and a greener power plant.

Property and Leisure: we continue to develop and invest for the future

Our Property and Leisure cluster posted excellent results this year, increasing profits from MUR 92.3 million in 2021 to MUR 292.6 million in 2022. Higher land sales, service fees, and the good performance to date of the Mahogany Shopping Promenade boosted the cluster's performance. We also successfully delivered the first phase of Mango Village and saw good momentum on our new office building, the Strand, and our Beau Plan Business District.

L'Aventure du Sucre also posted excellent results on the back of the opening of borders and an influx of tourists. Profits surged to a high of MUR 17.7 million in 2022 compared to loss of MUR 10 million in 2021.

Our yielding assets continue to perform well, and we remain confident in the potential of our Beau Plan Smart City and other identified real estate zones. We are particularly pleased with the response of locals and internationals, with all projects launched to date being very well received by the market.

Investments

Excluding fair value adjustments, our investments performed satisfactorily in 2022. We are still in the process of selling part of our investment portfolio to focus on our core activities, and we hope to be able to announce further progress on this in 2023. Strategic exits provide a cash injection that we can reinvest into Terra and use to enhance our clusters further.

Outlook

While times remain challenging and unpredictable, we are confident that we have the right teams and strategies in place to maintain this momentum and deliver another strong performance in 2023.

In our Cane cluster, crop production in Mauritius continues to be impacted by drought conditions, and the cane growth period for our 2023 crop will likely be impacted. However, we reckon that global sugar prices should remain high. The know-how that Terra Milling has developed over the years will continue to benefit the cluster. We do however expect another difficult year in Sucrivoire and hope to turnaround as from 2024.

Improved global sugar prices have also helped the sugar industry and encouraged renewed investment in cane-growing activities. This will hopefully help to improve sugar yields and sugar volumes in Mauritius.

Our Property and Leisure cluster should enjoy another good year. Our Beau Plan Smart City will continue to develop and offer more activities. 2023 will see the opening of The Strand, our new 10,000 m^2 business park that will change the dynamic of our Smart City, as another 500 people will visit the park for work daily. We will continue to engage with Government and other stakeholders to unlock land near our Smart City and along the coast, which opens up opportunities for new offerings. We are confident that our move to create a vibrant Smart City in Beau Plan will continue to reap benefits.

Regarding Brands, we will take a cautious approach to local demand which will likely decline given the very high prevailing inflation. However, the cluster should continue to benefit from the strong uptick in the hospitality and tourism sectors. We believe our distilling and commercial operations will perform well in 2023.

With regard to the Power cluster, we are of the view that there are significant opportunities to engage on renewable energy solutions. Terragen will therefore continue to work with the CEB to see how to phase out coal in the future and produce green electricity for the benefit of all Mauritians.

In our outlook for the year, we remain mindful of challenges that might impact performance. These challenges include, for example, inflationary pressures that could affect consumption, rising interest rates that will significantly affect our cost of finance, and the potential oversupply of office space in the future. However, we remain optimistic about the year ahead, boosted by an exciting pipeline of projects and the solid underlying performance of our clusters.

Acknowledgements

I wish to express my appreciation and gratitude to my colleagues on the executive and management teams in each cluster and to all Terra's employees for their resilience and steadfast commitment.

I would also like to thank my colleagues on the Board for providing valuable advice and oversight and making important investment decisions for the future. The Board members have offered incredible support and shown us they have complete confidence in our business strategy and its implementation. I also extend my appreciation to all the authorities with which we regularly engage across our business clusters.

We are building a bright future for Terra and have developed cash-generating clusters that enable us to invest in yielding assets and seek new growth opportunities. I am more confident than ever that we have the right structure, people, know-how and business plans in place to capitalise on these opportunities and continue creating long-term value for our shareholders and other stakeholders.

Nicolas Maigrot
Managing Director

14 June 2023

Financial Review

Group turnover for 2022 increased by MUR 381.6 million to MUR 6.6 billion, while Group profits for the year stood at MUR 1,049.5 million, an increase of MUR 732.8 million from a profit of MUR 316.7 million in 2021. All Group clusters posted improved results, apart than the Power cluster, which recorded an operational loss of MUR 77 million due to unprecedented increases in coal prices. This loss was mitigated by the share of the cluster's associate profit and a net reversal deferred tax provision. Overall, Group results were otherwise negatively impacted by total non-recurring items of MUR 94.8 million, caused by net unfavourable fair value movement on investments.

The net asset per share at 31 December 2022 was MUR 70.61, boosted by the increased Group net profits and the revaluation of land and buildings in 2022, that gave rise to a revaluation surplus of MUR 1.6 billion. The Group's balance sheet remains strong, with owners' interest at MUR 16.1 billion, Group gearing remaining at 22.7%, and interest cover (based on profit before finance costs) being 4.2 times as at year-end 2022. This financial position enables us to remain on the lookout to secure new investment opportunities.

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 were audited by international auditors in Côte d'Ivoire. Our Group auditor, BDO & Co, did not receive in time sufficient comfort from the auditors of Sucrivoire S.A. and accordingly deemed it appropriate to qualify our 2022 audit report.

Sucrivoire S.A's share of net assets as at 31 December 2022 was MUR 557.9 million, representing 2.2% of Terra Mauricia's total assets, which was worth MUR 25.1 billion.

Group profitability boosted by the good performance of our Cane, Brands and Property and Leisure clusters

Gross profit for the Group increased by 31.2% to MUR 1.9 billion, while Group normalised EBIT increased by MUR 267.1 million to MUR 890.5 million. This increase is mainly attributable to improved profit contributions from our Cane, Brands and Property and Leisure clusters.

Our local sugar operations recorded a profit of MUR 501.2 million, driven by strong sugar prices of MUR 21,500 per tonne for the 2022 crop, coupled with improved operational efficiencies and cost of production. Our associate in Côte d'Ivoire recorded a fall in sugar production and a delay in the start of its sugar campaign 2022-2023. Moreover, repairs and maintenance costs were much higher than forecasted. The combination of these factors gave rise to a loss of MUR 126.1 M (2021: loss of MUR 130.0 million). The Cane cluster nevertheless posted an overall profit of MUR 329 million, compared to MUR 105.3 million in 2021.

The Power cluster recorded operational losses of MUR 77 million, caused by an unprecedented increase in coal prices that led to the declaration of Force Majeure Event in 2022 and limited the plant to operate during the crop season and produce electricity from *bagasse* only. However, the cluster's operational losses were offset by the share of its associate's profits of MUR 23.4 million and a net reversal of deferred tax provision of MUR 110 million. This led to a net profit of MUR 56.4 million, compared to a loss of MUR 384.4 million in 2021 (following an impairment of plant and machinery of MUR 535.9 million).

The Brands cluster increased profitability from MUR 136.5 million to MUR 199.9 million. This increase is mainly attributable to improved sales volumes and increased earnings derived from exports and regional operations.

The Property and Leisure cluster recorded improved revenue from land and property sales, higher property rental levels and consultancy fees, as well as a sustainable growth in leisure activities, which resulted in an after-tax profit of MUR 292.6 million compared to MUR 92.3 million in 2021.

At Group level, finance costs for the year stood at MUR 187 million, up from MUR 159.2 million, mainly due to increases in borrowing levels and borrowing costs. The share of profits from associates increased by MUR 30.5 million to reach MUR 321 million.

Group profits for the year amounted to MUR 1,049.5 million, while profit attributable to equity holders of the Company amounted to MUR 893.2 million in 2022, compared to MUR 462.3 million in 2021. This increase was attributable to higher profits generated in 2022 in entities where the Group holds a bigger stake, compared to 2021. Consequently, an earning per share of MUR 3.93 was recorded, an increase of 93.6% compared to the corresponding figure of MUR 2.03 last year.

	2022	2021		
	MUR' M	MUR' M	Change %	
Revenue	**6,605.4**	6,223.8	6.1%	^
Profit/(loss) before finance costs (EBIT)	**783.0**	164.1	377.1%	^
Adjusted for:				
Fair value gain/(loss) on non-current asset held for sale	**94.8**	(77.0)	223.1%	^
Impairment loss of non-financial assets	**0.7**	536.3	(99.9)%	˅
Reversal of impairment loss on non-financial asset	**12.0**	-	100.0%	^
Normalised EBIT	**890.5**	623.4	42.8%	^
Profit after tax	**1,049.5**	316.7	231.4%	^
Earnings per share (EPS) *	**3.93**	2.03	93.6%	^
Net asset value per share (NAV) *	**70.61**	62.23	13.5%	^
Gearing **	**0.227 : 1**	0.228 : 1		^
Dividend per share *	**1.00**	0.85	17.6%	^

* Values are shown in MUR
** Debt/(Debt + Equity)

Financial Review (Cont'd)

Strong balance sheet maintained, and increased dividends paid

The Group invested an additional MUR 383.6 million in property, plant, and equipment to maintain and improve plant operational efficiencies. Our investments in associates and financial assets are fair valued, using the mark-to-market method for all quoted investments, and discounted cash flow (DCF) valuation principles, where appropriate.

Our investment portfolio decreased by MUR 99.6 million to MUR 4.2 billion, and our total assets reached MUR 25.1 billion.

Owners' interest increased by MUR 1,908.7 million to MUR 16.1 billion, mainly due to the revaluation surplus of MUR 1.6 billion on land and buildings in 2022 and increased profitability.

Group net debt amounted to MUR 4 billion, an increase of 9.4% over 2021. Net debt to equity is at 24% and remains low in terms of the overall Group's borrowing capacity.

Net asset value increased by MUR 8.38 per share to MUR 70.61 per share. Market capitalisation of the Group stood at MUR 6 billion at 31 December 2022. The Company paid an increased dividend of MUR 1.00 per share to its shareholders.

Salient cash flow movements

Cash from operating activities, including dividends received from associates and working capital movements, amounted to MUR 721.5 million while net cash used in investing activities stood at MUR 734.4 million. The investments were mainly in property, plant, and equipment (MUR 383.6 million), purchase of investment properties (MUR 416.6 million), and intangible assets acquired (MUR 19.2 million).

Terra also applied funds towards equity investments in Inside Equity Fund (MUR 17.3 million).

Cash inflows were mainly derived from proceeds realised on the sale of land (MUR 75.3 million) and fixed assets (MUR 5.5 million). Other cash inflows consisted of proceeds on sale of investment properties (MUR 9.8 million), interest received and minor other proceeds (MUR 11.7 million).

The net cash from financing activities amounted to MUR 243.8 million; this consisted mainly of funds raised from financial institutions (MUR 495.6 million net of repayments), which were used to finance investment projects and acquire investments. Overall dividends to Terra and the minority shareholders of its subsidiary companies amounted to MUR 251.8 million, compared to MUR 219.7 million last year.

After taking into consideration the above transactions, overall cash and cash equivalents increased by MUR 230.9 million and stood at MUR 683.9 million.

Outlook for 2023

According to the IMF, global growth is projected to slowdown from 3.4% in 2022 to an estimated 2.9% in 2023 and then rebound to 3.1% in 2024. In Mauritius, assuming the constant recovery in the tourism sector, GDP is forecasted to grow by 5.4% this year. The World Bank also estimates that Mauritius will have a growth rate of 5.5% in 2023 and 4.2% in 2024 against 5.8% in 2022.

The ongoing conflict between Russia and Ukraine will continue to cause volatility in world prices of various raw materials, and give rise to inflationary pressures. In those circumstances, it is difficult to assess with reasonable certainty its severity, how long it will last and how consumption patterns will evolve during this trying period.

Most of our clusters are expected to post similar results in 2023 as achieved in 2022. The main associates' results are also forecasted to improve in 2023.

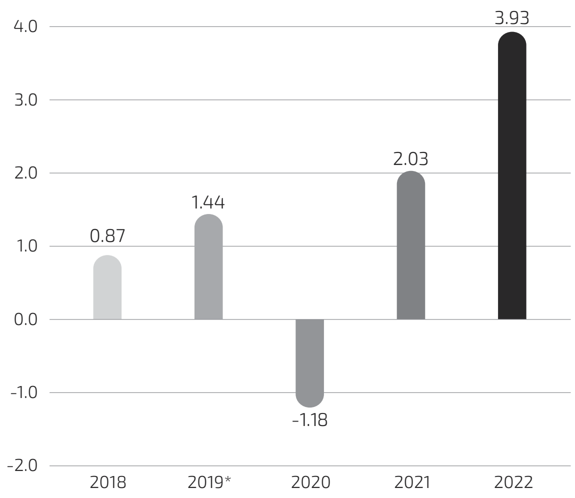
The Group balance sheet remains strong, with owner's interest at MUR 16.1 billion and Group gearing at 22.7%, with interest cover (based on profit before finance costs) being 4.2 times at end of December 2022. The Group remains on the lookout for new investment opportunities that could potentially arise.

I wish to thank the Board and my colleagues on the Executive and Finance team for their valuable contribution during these difficult and changing times.

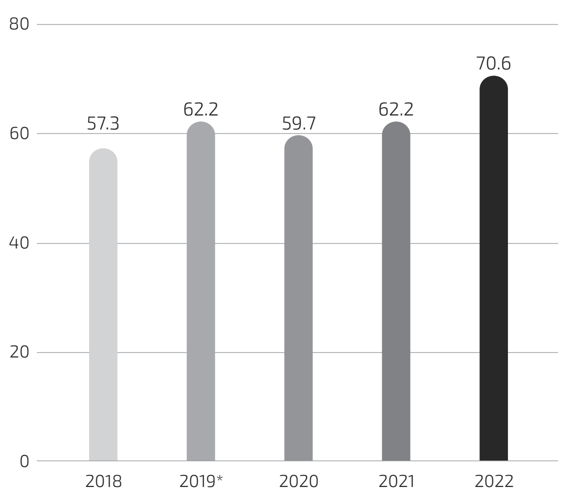
Henri Harel
Group Chief Finance Officer

14 June 2023

Earnings per Share (MUR)

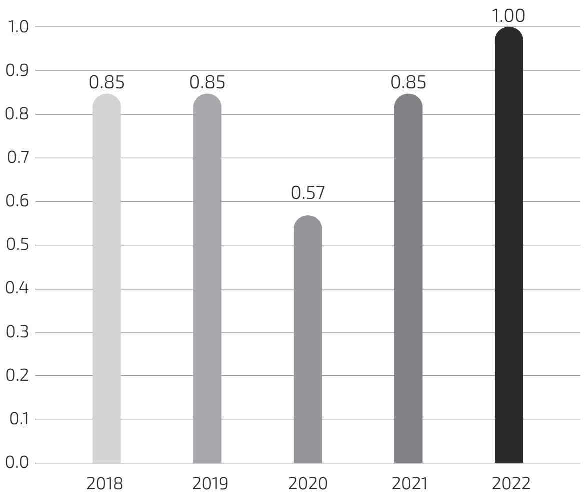


Net Assets per Share (MUR)

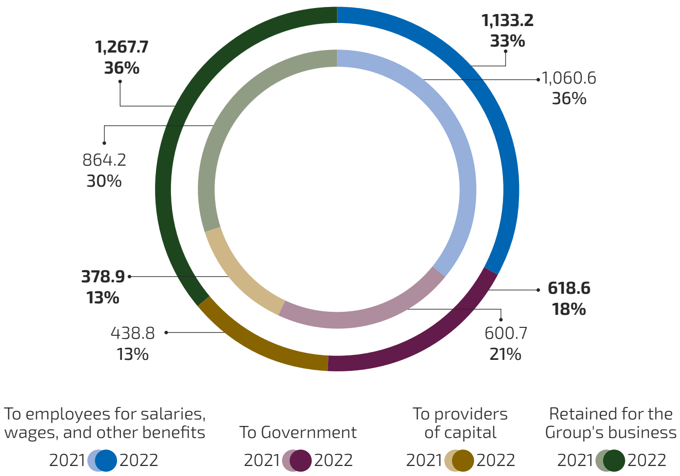


**The 2019 figures have been restated*

Dividend per Share (MUR)



Total Wealth Distribution (MUR'M)



Our Stakeholder Relationships

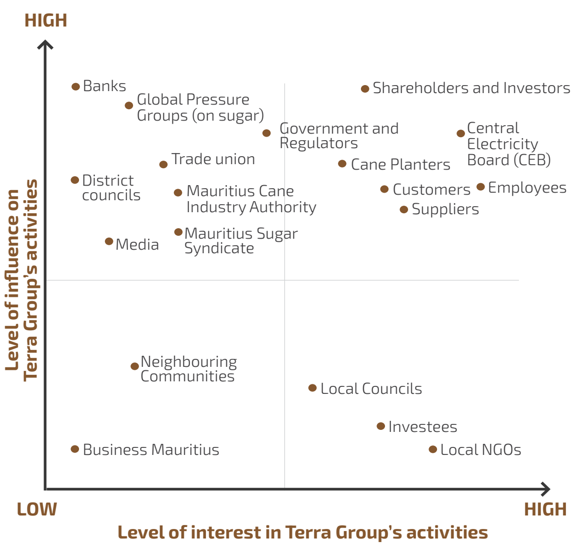
Our ability to deliver value depends on the contribution and activities of various stakeholders and the nature and quality of our relationships with these stakeholders at Group and cluster levels.

The diagram below briefly outlines the stakeholder groups we believe have the most substantive impact on Terra's ability to create value over the short, medium and long term. We consider their level of interest in Terra's activities and their influence on strategy development and execution.

On the following pages, we review the value each stakeholder group contributes to Terra, summarise our engagement approach, identify their priority interests and concerns relating to our activities, and assess the quality of our engagement with that stakeholder group.

We remain committed to understanding our stakeholders' interests and concerns and applying relevant inputs to our decision-making to ensure value creation. We provide additional context on these stakeholder relationships in the cluster reviews.

Terra's stakeholder map



Value contribution

Employees	Our employees' skills, experience, productivity and enthusiasm are the foundation of Terra's ability to deliver value.
Shareholders and Investors	Shareholders and investors provide the financial capital we need to sustain and grow the business. We provide an overview of the shareholding ownership structure on page 100.
Government and Regulators	Government and regulators provide us with necessary operating licences and the regulatory and policy framework critical to value creation. They inform what we can do, how we do it, and where we can operate.
Industry Organisations	Engaging with industry organisations is critical to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.
Suppliers / Service Providers	Maintaining positive supplier relationships based on mutual respect enables us to provide products and deliver on our customer value proposition efficiently and effectively.
Customers	Meeting the needs of our customers through cluster-specific customer value propositions is the basis for the value we create. We have diverse customers, from wholesale and retail operations to individual consumers across various income groups and countries.
Central Electricty Board (CEB)	The CEB is our principal client for the energy we generate at Terragen. We strive to maintain a long-term relationship by providing a reliable and cost-effective energy supply and supporting the Government in its commitment to greener energy.
Cane Planters	We rely on a regular supply of cane from independent small-scale cane producers to maintain the productivity of our mill and produce our premium specialty sugars. Due to price challenges, farmers are leaving the sector, and there is low interest among the younger generation.
Local Communities	Local communities provide our reputation and societal legitimacy and are often valuable partners in highlighting challenges and finding solutions, including project investments.

***No engagement** - We are not engaging in any manner.

****Reactive** - We have informal ad hoc engagement, usually in response to a specific issue or concern; engagement is often at an individual rather than organisational level.

*****Developing** - Generally good engagement with some thought applied to develop an effective engagement process, but it is not structured; and no clear performance objectives.

How we engage	Key stakeholder interests	
In addition to our internal newsletters and intranet, we have periodic management/ employee meetings, individual interactions and training. We run employee surveys to assess employee engagement and remuneration levels. We conducted an extensive employee engagement survey in 2022 to identify top engagement drivers for our workforce. In two clusters (Cane and Property and Leisure), we continue to embed culture engagement journeys, instilling specific values into their operations to co-create a working culture. In our Cane cluster, we negotiate with trade unions when collective agreements expire, generally every three years.	• Competitive remuneration, rewards and benefits • Opportunities for personal development and upskilling • Clear career paths and performance management • Safe and healthy working conditions • Employee wellbeing • Clear communication and engagement across the Group • Employee morale and corporate culture • Sustainability	Quality of our current engagement ****
We communicate through our website, annual integrated report and annual general meeting regarding our performance and strategy. We regularly issue announcements and communiqués through the Stock Exchange. Members of the executive team meet personally with individual investors. The Chairman and five other members of the Board are members of the main shareholder's Board.	• Delivery of dividends • Strategy to ensure continued growth and to responsibly manage the risks and opportunities in our markets • Responsible allocation of capital • Sound corporate governance • Climate change and greening investments • Maintain or enhance existing assets to be defensive in the current economic environment	Quality of our current engagement ***
We seek to maintain positive relationships with Government through direct personal engagement on specific issues. The Mauritius Cane Industry Authority (MCIA) representative (Control Board) is permanently on site in our sugar factory, and we have a specialised team in place at the Property and Leisure cluster. We participate in public forums and make submissions on draft regulations. We engage through industry bodies and collaborate on national development plans.	• Ensuring regulatory compliance • Protecting consumer interests • Contributing to the tax base • Promoting opportunities for job creation and economic development • Increasing sugar production • Corporate social responsibility • Climate change mitigation and investing in green energy • Mitigating floods • Independent sources of electricity and water (property development)	Quality of our current engagement ***
We are active participants in numerous industry associations, including but not limited to the Mauritius Sugar Syndicate (MSS), the Mauritius Chamber of Agriculture, and Business Mauritius. Managing Directors of Mauritius' sugar companies share the presidency of the MSS on a rotational basis, and we engage with the MSS weekly. We are active participants on committees and sub-committees under Business Mauritius.	• Provision of leadership • Collaboration • Contributing to the collective business voice • Structural reform • Effective dialogue between authorities and the private sector • Sustainability	Quality of our current engagement *****
We regularly engage with key suppliers and service providers across our clusters to ensure a mutually beneficial relationship, particularly concerning the provision of critical products, raw materials and services.	• Timely payment and fair terms • Realising joint growth opportunities • Fair negotiations concerning the increasing cost of materials	Quality of our current engagement ****
Our engagement varies across clusters and customer types. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements and broader customer surveys and research. In-house communication and other strategic teams ensure we remain connected to customers and respond quickly.	• Quality products and service • Appropriate price • Supply continuity • Relevant product information • Partner relationships (tenants) • Better rates per m2 (tenants) • Multiple internet providers and mobility (Smart City) • Tailored customer offering (mall) • Energy savings (tenants)	Quality of our current engagement ****
We maintain a strong and transparent relationship with the CEB through various communication channels, including telephone, meetings, and satisfaction surveys.	• Reliable and cost-effective energy supply • Open communication on plant performance • Increase the share of renewable energy in the country's energy mix	Quality of our current engagement ****
We communicate directly with planters through various channels, including regular meetings before and during harvest, one-to-one in fields, and a monthly liaison meeting with Farmers Service Centre. Our small planter advisors work with planters to be more efficient and help with their harvesting and transport. We also regularly engage with authorities to identify opportunities to motivate the next generation of planters appropriately.	• Open and effective communication • Assurance that the mill will crush the canes in a timely and efficient manner and deliver the sugar produced to the MSS • Access to finance and labour • Structural reform • Support concerning efficiency, harvesting and transport	Quality of our current engagement ****
We communicate and engage with neighbouring communities through Terra Foundation and our business units to promote regional and national community development and ensure good communication regarding environmental issues. We publish and distribute a newspaper to provide information about developments in Beau Plan. After the success of our 2021 campaign to stop criminal cane burning, another positive development this year was the launch of the Yes We Kann campaign. This campaign focused on sending out a positive message about the value of Mauritius' sugar industry and creating awareness of the progress made in recent years to modernise and diversify the sector.	• Transparency and accountability • Corporate Social Responsibility and NGO partnerships • Investment in community infrastructure • Access to job and supplier opportunities • Inclusive development • Good environmental practices • Cultural activities • Public safety • Sustainability	Quality of our current engagement ****

****__Embedded -__ Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up action.

*****__Strategic -__ High quality engagement mechanisms in place, embedded in operational and governance processes with links to strategic objectives; an in depth response mechanism is implemented.

The nature and quality of our stakeholder relationships vary significantly between our clusters.

Managing our Material Risks

Risk management

Terra has a structured and systematic process of identifying and managing all material risks across the Group. At the end of 2020, Ernst & Young (EY) was appointed to review the Risk Management Framework and the Group Risk Policy. During this exercise, the risks of each cluster and those relating to the Group were reassessed. The principal risks that have a material impact on Terra's ability to create value at Group level are outlined below. Cluster-level risks are shown in their respective operational review on pages 32 to 69.

Role of the Board and Audit and Risk Committee

The Board provides oversight over Terra's risk framework, policies and processes. While it delegates these matters to the Audit and Risk Committee and a Group Risk Management Committee, composed of the Managing Director, the Group Chief Finance Officer and the Administrative Executive, it remains ultimately responsible for the development and implementation of the risk management strategy and plan. The Board is satisfied that the Group's risk management processes are effective and details of the internal controls, audit and risk-management framework are shown on pages 103 to 109.

The main residual risks at group level as at 31 December 2022 are summarised in the list below. Residual risks relate to risks that remain after risk mitigating activities have taken place. They are presented in decreasing order of severity.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Unexpected and exceptional consequences of specific terms of the Power Purchase Agreement (PPA) resulting in difficult operating and financial conditions.	• Lack of visibility on the terms that will apply to the next PPA. • Reduction or stoppage of coal importation, resulting in the power plant not operating at full capacity. • Significant increase in coal prices on the international markets.	• Engaging closely with the authorities and the CEB. • A new energy business model has been presented to the Government and the CEB that incorporates a plan to carry out the energy transition of the plant to a 100% renewable coal-free model.	Increased
R2	The Group exposure to the consequences of a sharp economic downturn and decline in consumer spending.	• Erosion of purchasing power of local buyers. • Disruption in the supply of imported items. • Loss of tenants due to the impact of the recession. • Increased construction costs. • Ripple effect of potential world recession.	• Diversified business portfolio helps cushion the impact of a downturn. • Containing capital investment and operational expenses to what is essential.	Increased
R3	The continued decrease in the supply of cane and its by-products curtails the milling, distilling and power generation activities.	Drop in cane supply is accelerated by the following: • Sharp increase in price of fertilisers. • Decline in number of small and medium planters. • Drop in area available for cultivation as a result of real estate developments by planters. • Urbanisation resulting in challenges to cultivate next to residential areas.	• Advocate to receive the adequate price for *bagasse*/biomass to encourage planters to continue cultivating canes. • Supporting small planters: - Taking initiatives to motivate the next generation of farmers. - Advising small farmers on harvesting, weeding and transporting the cane.	Unchanged
R4	An oversupply of properties on the market results in loss of revenue.	• Increased number of projects are being implemented nationwide and the market has not grown proportionately.	• Property projects are attractively located (in close proximity to sought after locations in the North).	Unchanged
R5	A successful cyber-attack resulting in business interruption, financial losses and reputational damage.	• The incidence of cyber-attacks has increased considerably since the pandemic started. • Brand Protection.	• Cyber awareness and training programme for employees. • Be up to date with the latest cyber defence mechanism. • Web Security (reinforce security policy upon Work from Home). • Proof of Concept for brand impersonation protection through DMARC.	New

Operational Review

Cane

Terra has been growing sugar cane and producing sugar since 1838 when the Harel brothers acquired the Belle Vue sugar estate in the north of Mauritius. Today we have around 6,000 hectares of agricultural land, and we operate one of the island's most modern sugar-producing factories. We also jointly manage two sugar estates and factories in Côte d'Ivoire.

Our purpose is to be a global player in growing cane and manufacturing sugar, with a particular focus on specialty sugars.

Cane business model

Value drivers	Context and outlook
Revenue driver (price)	
Market demand and pricing	
• Commodity business shaped by supply and demand dynamics in the global sugar market and local pricing determined by the Mauritius Sugar Syndicate (MSS). • Securing a price premium through the distinct offerings of specialty sugars.	• While sugar prices increased by 28% in 2022, global pricing remains volatile. Government policy is needed to adjust supply and demand dynamics and ensure vital industry support. As a relatively small global producer, Mauritius faces several market obstacles. However, Government has shown positive signs of engagement with the industry and announced better remuneration for *bagasse* in 2021. • Mauritius has specialised in manufacturing a wide range of specialty sugars that appeal to discerning customers and agro-industrial ventures requiring healthier ingredients for finished food products. The MSS markets these products and is a reference for unrefined specialty sugars. With the MSS's renewed focus on targeting households and chefs for our specialty sugars, we have a more direct and active engagement with buyers. • We maximise the value of our sugar mix by producing the right mix and concentrating on higher-value products.
Cost driver (price)	
Material cost efficiencies	
• Supply and demand of raw materials and freight costs. • Efficiency gains in our growing and milling activities.	• The cost of fertiliser remains significant, driven by an imbalance in supply and demand dynamics due to trade restrictions, geo-political tension and supply chain disruptions. This cost increase has been offset to some degree by precision fertilisation but remains a challenge. • We have adopted a predominantly defensive strategy to drive operational efficiencies in our Belle Vue and Côte d'Ivoire operations. • We benefit from state-of-the-art technology and skills in mechanising cane growing and harvesting. Digital farming enables us to increase efficiencies in the face of a reduced workforce and labour shortages. • Our highest costs relate to labour, followed by repairs and maintenance, fuel and fertilisers. We undertake activity-based costing exercises in our fields, mills, and garage to enable further optimisation. • We continue to review possible growth opportunities internationally that harness our recognised technological and process skills.

Cane (Cont'd)

Cane business model (Cont'd)

The main residual risks for the Cane cluster as at 31 December 2022 are summarised below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Decrease in the supply of cane combined with high costs of production resulting in reductions in productivity.	Drop in cane supply is accelerated by the following: • Sharp increase in price of fertilisers. • Decline in number of small and medium planters. • Drop in area available for cultivation as a result of real estate developments by planters. • Urbanisation resulting in challenges to cultivate next to residential areas.	• Supporting small planters: - Taking initiatives to motivate the next generation of farmers. - Advising small farmers on harvesting, weeding, and transporting the cane. - Current price of sugar of MUR 25,000/tonnes for small planters to be sustained in the future. - Current scheme to support re-plantation of old fields to be accelerated in the future. • Optimising efficiency at Terragri: - Adopting new technologies for digital farming. - Adopting lean management principles. - Investing in automation of processes.	Unchanged
R2	Changing climatic conditions adversely impacting cane yield, resulting in losses.	• Increasing demand for water from other users in the water-scarce north of Mauritius. • Certain competing countries are inherently more conducive to sugar cultivation in terms of soil structure, climate, and water availability. • Drought persisting and lack of water for adequate irrigation.	• Optimising water consumption and improving use of effluents for irrigation. • Securing insurance cover (through the Sugar Insurance Fund Board). • Adopting more resistant and higher-yielding strains of cane. • Working with local authorities to increase the capacity of La Nicolière dam. • Working with local authorities on a project of using water from retention basins.	Increased
R3	Dependency on electricity and steam produced by Terragen to manufacture sugar at a reasonable cost	• Machinery breakdowns due to insufficient maintenance due to poor financial condition. • High cost of coal to supplement for *bagasse*, as and when needed. • Government strategy in respect of existing power plant.	• To increase outside stockage area for *bagasse*. • Organise night transfer of *bagasse* into internal storage, i.e. sufficient lights and shift system.	New
R4	Ageing labour force combined with a lack of interest from the new generation for manual work.	• Movement towards white-collar jobs. • Result in disruption in cultivation activities for large and small farmers, more particularly.	• Recruitment of technical skilled labours. • Succession planning exercise underway. • Graduate programmes launched. • Sponsorship programmes to be launched.	Unchanged
R5	Plant and equipment failure, resulting in disruption to operations.	• Breakdown of major equipment within the mill. • Breakdown at Terragen operations impacting the supply of electricity and steam. • Impact of freight to timely supply imported parts.	• Investing in modern plant and equipment and replacing old items as and when needed. • Increased capital expenditure for 2022 to 2024 for Terra Milling (risk should be reduced by the end of the capital expenditure plan in 2024). • Vehicle renewal plan well underway for Terragri and the risk of breakdowns somewhat reduced. • Performing regular preventive maintenance and inspections of plant and equipment by specialist consultants. • Maintaining a stock of critical spares on site.	Unchanged
R6	Fire in the mill and in the fields, resulting in disruption to operations.	• Criminal fires in sugar cane fields caused drop in yields and represent a danger to the health and safety of employees and neighbouring habitations. • Combined presence of combustibles (cane, *bagasse*, sugar) and electrical equipment at the factory.	• Important capital expenditure in 2023 in the milling factory regarding an upgrade of firefighting set-up. • Renewed anti-fire campaign *"Yes We Kann"* to prevent field fires. Only 140 hectares of cane fields burned in 2022.	Unchanged
R7	Volatile global sugar price, below the breakeven point for Mauritius	• Opening up of EU market to other players. • Surge in cost of freight and reduction in vessel availability in Mauritius.	• Shifting towards specialty sugars that command a superior margin. • Working with the Mauritius Sugar Syndicate to market the Mauritian brand, our specialty sugars and gain access to new markets. • Less volatility in overall sugar prices since 25% of the overall sugar prices is fixed (*bagasse*, molasses and bottlers contribution).	Reduced

Cane business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Terra Milling employees** 127 permanent 241 temporary **Terragri employees** 218 permanent 69 temporary	• Dedicated Health and Safety Officers at Terra Milling and Terragri. • ISO 45001 certification at Terra Milling (an international occupational health and safety standard). • Active investment in health and safety, including training, equipment, and visible management interventions. • Ongoing efforts to instil a health and safety culture among employees and contractors. • Covid-19 safety measures and procedures remain in place. • Mentoring for individual employees, underpinned by enhanced performance management. • Continued to embed our culture and engagement journey for employees, creating a culture of caring and learning.	**Total recordable incident rate (TRIR)** 14.6 (↓21%) **Lost time incident rate (LTIR)** 13.2 (↓25%) **Severity rate[2]** 13.2 (↓69%)
Manufactured	Agricultural and milling equipment	• Annual maintenance and critical spares are kept in stock. • Regular inspections by consultants and equipment monitoring during operations through a computerised system (SCADA). • Fire safety and protection procedures are in place. • User access rights on operator terminals and regular server backups. Access to USB ports disabled to enhance cyber-security.	
Natural	**Land under cane cultivation (including area being prepared for plantation)** 5,086 Ha (↑1%) **Water consumed** 6,002,260 m³ **Liquid mineral fertilisers** 55,156 T (↑366%) **Steam from Terragen** 910,710 Gj (↑17%) **Sugar cane milled** 687,241 T (↓4%) **Organic fertilisers** 17,209 T (↑19*%) **Solid fertilisers** 295 T (↑13%) **Diesel** 1,040 m³ (↑3%)	• Small planter advisors remain in place to motivate small-scale farmers to implement efficiency measures and assist with harvesting and transport. • Measures are in place to optimise water consumption and improve effluent utilisation for irrigation.	**Own cane harvested** 278,451 T (↓15%) **Specialty sugar produced** 76,171 T (↑6%) **Organic cane area planted** 58 Ha (0%) **Oil used** 13.1 m³ (↑38%) **Vehicle tyres used** 19 T (↑73%)

[1] *Data as at 31 December 2022.*

[2] *Calculation methodology was updated in 2021*

Cane (Cont'd)

Cane business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Quality relationships with key stakeholders, including MCIA, MSS, Terragen, planters, employees and trade union representatives, and service providers.	• Following the collective bargaining process initiated in 2021, we successfully signed a collective agreement between companies and the sugar industry trade unions in 2022. • For Terra Milling, 85% of workers remain unionised, and for Terragri, 75% of workers are unionised. • We actively engage with MSS, Business Mauritius, and Government stakeholders on the sugar industry's future. • We are assisting MSS in strengthening the branding and marketing of Mauritius' premium specialty sugars and exploring new market opportunities. • Customer visits to our facilities strengthen our relationships with them, and we are closer to our customers today than five years ago. Our major sugar buyer remains Silver Spoon.	**Employee turnover rate** **9.0% (2021: 9.2%)** **Days lost to strike action** **Nil (2021: Nil)** **Payment in taxes** **MUR 1.5 million** Strengthened relationships with employees, Government departments and customers.
Intellectual	• International certifications, including BRC, GMP, Halal and C-TPAT. • Application of HACCP Codex Alimentarius. • A registered SEDEX B member and subject to annual third-party audits on local and international labour laws; health, safety and environmental regulations; and business ethics.	• Renewal of certificates and customer second-party audits to ensure product and system safety and social and environmental compliance. • Improving efficiencies across our growing and milling operations. • New technologies and software (CanePro) enable digital/precision farming, and we introduced yield monitoring on harvesters to build yield maps, enabling better decision-making.	Continuous improvement in farming and manufacturing techniques. **Production cost (agriculture)** **MUR 19,000/T (⌃33%)** **Production cost (milling)** **MUR 8,100/T (⌃3%)** **Cane processing** **270 T/hr (⌄3%)**
Financial	**Cane cluster total equity (Jan 2022)** **MUR 6,797.8 million** **Total borrowings** **MUR 621.9 million** **Capital expenditure** **MUR 208.7 million**	• Actively manage financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** **MUR 1,587.1 million (⌃29%)** **Profit** **MUR 329 million (⌃212%)** **Cane cluster total equity (Dec 2022)** **MUR 8,811 million**

[1] *Data as at 31 December 2022.*

The operating context

Material issues impacting value creation	Our response
Sustaining supply from small-scale cane producers - Around 40% of our cane is produced by Terragri, with the balance produced by large (42%) and small (18%) growers. As such, we rely on a regular cane supply from independent small-scale cane producers. With the price of sugar remaining volatile and considering the difficulties securing labour, farmers are leaving the sector.	To ensure a regular flow of cane to our mill, we focus on reviving the interest of existing and prospective independent cane planters. Our team works with and advises small farmers on harvesting, weeding, and transporting the cane. We continue to work with authorities to identify opportunities to motivate the next generation of planters appropriately. We will need to mechanise in the long term, and digital farming is an essential part of this transition.
Water availability - 57% of our fields depend directly on local rainfall and are susceptible to changing weather and climate uncertainties. In 2022 we faced a third year of below-average rainfall (particularly in the second half of the year), which impacted cane yields Mauritius-wide. In terms of irrigation for the remaining 43% of our fields, we face increasing competition from other users as the economy grows in the water-scarce north of Mauritius	We continue implementing measures to optimise our water consumption and ensure better utilisation of effluents for irrigation.
Continuing volatility in global sugar prices - In 2022, global sugar prices continued to improve. In Mauritius, the price of sugar ex-MSS increased from MUR 16,765 per tonne in 2021 to MUR 21,500 per tonne in 2022. Revenue per ton of sugar increased from MUR 22,000 per tonne in 2021 to MUR 26,500 per tonne in 2022. This increase is mainly attributable to improved sugar prices.	Following the World Bank's recommendations for the sugar sector, the Government implemented better remuneration for *bagasse*. This was a major plus for our operations and the industry, reducing the impact of volatile global sugar prices on Terra. We maintain a strong focus on enhancing efficiencies across our growing and milling operations and continue to make progress in reducing production costs.
Challenging sugar trade dynamics - Sugar is a worldwide commodity and is directly linked to the cost of freight, demand and supply dynamics, and climate change. The global sugar market was profoundly affected by the European Union's abolition of sugar quotas in October 2017, which contributed to a global supply surplus and lower sugar prices. In many sugar-producing countries, such as Europe and India, producers are given subsidies. These strong protectionist measures also impact the global sugar market. Brazil, historically the largest sugar producer, mainly produces for its internal use and for ethanol production for energy, with the surplus sold onto the global market. This results in different pricing competitors to Mauritius.	With high competition for specialty sugars in European markets, we are focusing more on emerging markets such as China and India. We are working actively with the MSS to assist them in strengthening the branding and marketing of Mauritian sugar and to identify new market opportunities, particularly in our distinctive specialty sugars. We believe that the longer-term fundamentals for sugar remain strong, particularly given growing consumer demand in emerging markets and demand for healthier, unrefined sugars that command a price premium.
Structural challenges in the Mauritian sugar sector - The Mauritian sugar sector has unique features, including a highly regulated labour environment and a centralised organisation, the MSS, responsible for marketing and selling all locally-produced sugar. As the MSS controls revenue centrally, we focus on new products and reducing production costs. Given that it is challenging to mechanise on mountain flanks or small fields, our industry remains labour-intensive. The World Bank report led to improved remuneration for *bagasse*, which is a step in the right direction.	In the face of challenging global trade and pricing dynamics and considering sugar's substantial contribution to the Mauritian economy, the industry submitted a proposal for structural reform in 2020. Suggested measures to enhance local competitiveness included reviewing the current regulatory context for labour, providing better remuneration for *bagasse* (the sector's renewable energy source), and ensuring that millers receive fair returns from the Sugar Insurance Fund Board (SIFB). In 2021, the Government announced the remuneration of *bagasse* at MUR 3,300 per tonne of sugar. The Government sustained this rate in 2022.

Cane (Cont'd)

Our 2022 performance

The Cane cluster was challenged by a low cane yield in 2022. While we were expecting to produce 80,000 tonnes of specialty sugar to meet demand, we were only able to produce 76,171 tonnes. The low cane yield was due to several factors that included the 2021 crop finishing late, resulting in a shorter 2022 cane cycle; delayed fertilisation and ongoing drought that impacted sugar cane growth.

The poor climatic conditions and low rainfall further impacted replantation volumes. We were only able to plant 352 hectares of cane versus our planned 463 hectares as our fields were without irrigation (due to Government restrictions) or rainwater for several months. The cost of fertilisers, herbicides, and spare parts remains significant. Fortunately, freight and shipping costs normalised, and the cost of raw materials improved; however, long lead times remain a challenge.

Despite these difficulties, the Cane cluster achieved a record performance in 2022, posting profits of MUR 329 million compared to MUR 105.3 million in 2021. This result was driven by tighter cost control and ongoing efforts to drive efficiency, coupled with improved global sugar prices and fair remuneration of *bagasse*. The cluster's strong performance was further supported by improved harvesting efficiency and a much better extraction rate, aided by our investments in digitalisation, automation, and lean management over the years.

Following the collective bargaining process initiated in 2021, the Cane cluster successfully signed Mauritius' first collective agreement between companies and the sugar industry trade unions in 2022. This was a significant highlight for the year, and we believe the negotiations resulted in a fair and positive outcome for all parties. Read more about this on page 74.

For the 2022 crop, Terra Milling processed 687,241 tonnes of cane (2021: 718,969 tonnes). This resulted in 41,120 tonnes of sugar accruing to the Group (2021: 41,540), with 16,902 tonnes attributable to milling operations (2021: 15,815) and 24,218 tonnes to growing operations (2021: 25,725). Terra Milling produced 75,958 tonnes *tel quel* of raw sugar (2021: 71,952) and 76,171 tonnes of specialty sugars (2021: 71,760). The average sucrose content stood at 12.62% (2021: 11.61%). On the growing operations side, the extraction rate stood at 11.17% (2021: 10.01%) with an average yield of 7.04 tonnes of sugar per hectare (2021: 7.14 tonnes).

As mentioned in last year's report, we sadly lost our Terra Milling factory manager, Ajay Parsan, in 2021. We are pleased to announce the recruitment of Didier Ramsamy as our new factory manager, who joined us in August 2022. He has vast experience in the sugar manufacturing industry having spent many years in sugar factories in Africa.

Mauritius: driving efficiency and innovation

We invested MUR 70 million in 2022 in machinery renewal and automation projects as part of our investment plan. This investment yielded further positive changes in the mill's performance and improved efficiency.

In 2022, the mill operated an average of 18.7 hours per day and crushed an average of 5,053 tonnes of cane per day (2021: 17.8 hours and 4,958 tonnes). The extraction rate of the mill was 96.64 (2021: 96.03), while the milling rate was 270 tonnes per hour (2021: 279). Due to the lower volume of cane in the sugar mills, our cost of production was MUR 8,100 per tonne (2021: MUR 7,900 per tonne), a 3% increase. On the growing side, we targeted MUR 15,000 per tonne of sugar for a production of 36,000 tonnes and achieved MUR 19,000 per tonne for a production of 31,000 tonnes.

Previously, we relied on coal and *bagasse* to run our manufacturing operations during the crop season. However, due to challenges at Terragen and Force Majeure declared under the PPA with CEB (page 58), we were solely reliant on *bagasse* for the provision of electricity and steam to Terra Milling. This was a new challenge for the cluster, but we managed it successfully.

Vegetable production made a profit of MUR 13.7 million for the first time in many years, following structural improvements and a change in personnel.

This year we were certified with the BeVeg Vegan standard. BeVeg is ISO accredited and globally recognised for its vegan standard and vegan certification process. Achieving certification with this standard will enable us to access new markets and offer products that meet the needs of the growing vegan consumer base.

Yes We Kann: putting a spotlight on a modern and dynamic industry

After the success of our 2021 campaign to reduce criminal cane burning, another positive development this year was the launch of the *Yes We Kann* campaign. This campaign focused on sending out a positive message about the value of Mauritius' sugar industry and creating awareness of the progress made in recent years to modernise and diversify the sector. We spent MUR 1 million on the campaign, which used a combination of TV, radio, billboards, and social media. The campaign was undertaken in partnership with multiple stakeholders, and we will repeat it in 2023.

Our 2022 performance (Cont'd)

Creating a culture of trust and protecting employees

We continue to see significant benefits from our culture and engagement journey. This was demonstrated by the increase in the cluster's employee engagement score, which improved from 33% in 2017 to 85% in 2022. We continue to identify opportunities to align the cluster's vision, mission and purpose with our goal of building a learning, caring and results-driven culture.

A major highlight for Terra Milling was aligning its operations with ISO 45001, an international occupational health and safety standard issued to protect employees and visitors from work-related accidents and diseases. Terra Milling completed its ISO 45001 certification audit in December 2022.

Unfortunately, we experienced an increase in health and safety incidents at Terragri. In 2023, we will focus on learning from these incidents and taking steps to prevent and mitigate associated risks.

Côte d'Ivoire: A challenging year

It was another challenging year for the two sugar estates and factories that we manage in Côte d'Ivoire with our Ivoirian partner SIFCA. Revenue increased by 5% driven by an increase in sale of imported sugar (+66%), which compensated for the drop in the sale of own production sugar (-10%). Performance was primarily impacted by operational delays and financial constraints. We remain technical advisors in Côte d'Ivoire and are working closely with the business to achieve better yields. We are also reviewing the business's management structure and believe operations will benefit from the newly-appointed management team.

Sucrivoire sold 128,289 tonnes of sugar (comprising 88,356 tonnes of own production and 39,933 tonnes imported), compared to 122,481 tonnes in 2021. Production from our factories in Borotou and Zuenoula, which collectively supply half of the sugar consumed in the country, decreased from 90,401 tonnes in 2021 to 73,948 tonnes in 2022.

We continue to focus on increasing production capacity and upscaling our factories to satisfy strong local demand, with the aim of increasing production to 120,000 tonnes by 2024. The coming years will be challenging, and a major restructuring of the company will need to take place. However, we remain confident in the country's growth potential.

Our strategic outlook

We remain committed to our vision of producing 350,000 tonnes of cane by 2027. To achieve this, we are focused on better irrigation and increased replantation and have prioritised strategies in our fields and mills to increase and sustain sugar production.

In our fields we are focused on:

- Scaling up our replantation programme, underpinned by using CanePro to enable digital/precision farming and improved yield monitoring
- Maximising the value of our sugar mix and concentrating on higher value products
- Increasing precision fertilisation and investing in machinery to increase our daily application capacity
- Improving irrigation and engaging with relevant authorities regarding ground water abstraction
- Optimising and streamlining our harvesting plan and maximising our logistics to deliver on this plan.

Cane (Cont'd)

Our strategic outlook (Cont'd)

In our mills we are focused on:

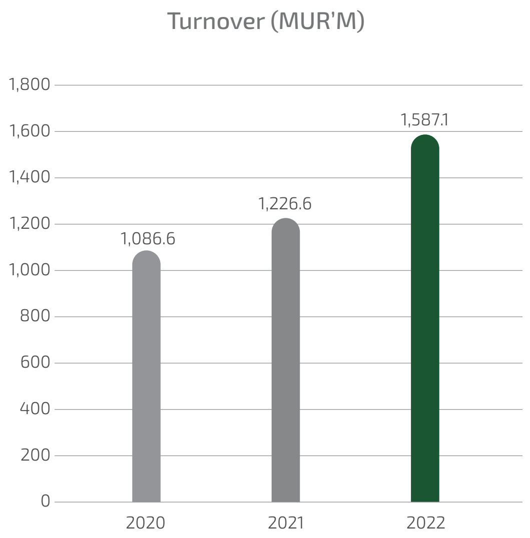
- Engaging with cane suppliers and small cane growers to safeguard cane supply stability
- Tightening cost control
- Replacing and refurbishing old equipment to reduce breakdowns
- Focusing on skills and talent retention, including undertaking succession planning for critical positions.

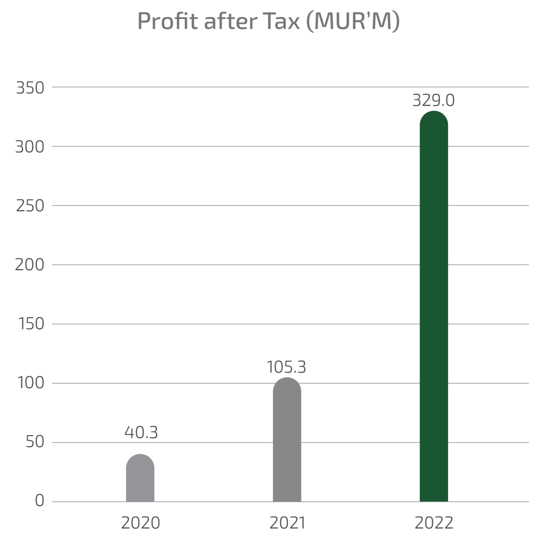
As announced in the National Budget Speech in June 2022, the Development Bank of Mauritius (DBM) established a Cane Replantation Revolving Fund. This fund will provide loans at preferential rates to small and large sugar cane planters wishing to renew their crops or return abandoned land to cane cultivation. We have applied for a loan under this fund and will continue to engage with the DBM in the year ahead.

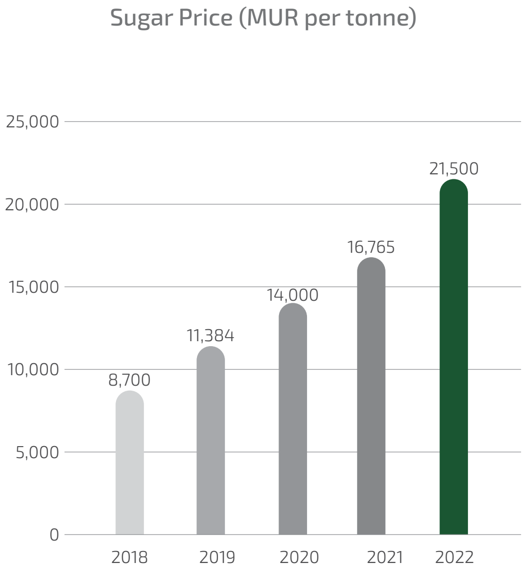
The World Bank report on the future of the industry was approved by Government in 2022, and we were pleased with the announcement of better *bagasse* prices and the construction of a modern storage facility to improve competitiveness. We await further action by Government to implement the World Bank's recommendations for public policies and programmes to end the decline in sugar production in Mauritius and secure the development of the local sugar cane sector.

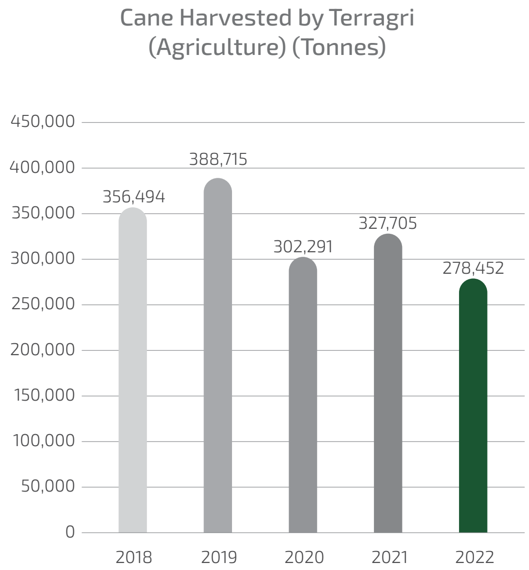
In both our growing and milling operations, we remain focused on our culture and engagement journey; instilling a strong culture of health and safety; and improving our environmental performance with a particular focus on energy, water and waste management. In Côte d'Ivoire we will continue with our expansion plans and taking the necessary steps to improve competitiveness and efficiency.

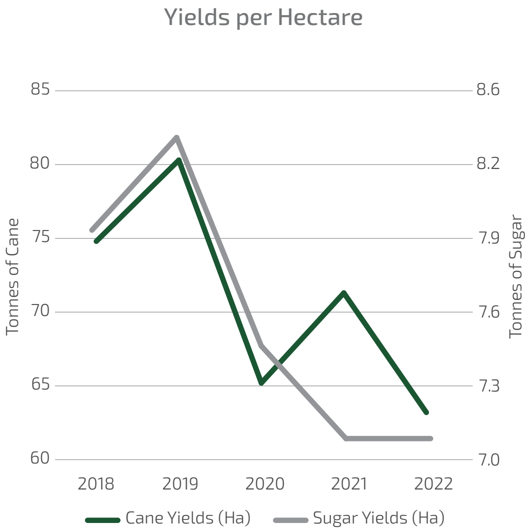
The year ahead will remain challenging, with water and fertilisation key areas of concern. We are confident, however, that we are well positioned to build on the momentum achieved in 2022 and deliver another strong financial and operational performance, guided by a clear strategic plan. We believe sugar prices will remain elevated in 2023, which will further support profitability. We will continue to engage with the Government through the MSS and Business Mauritius to strengthen the resilience of the local sugar sector.

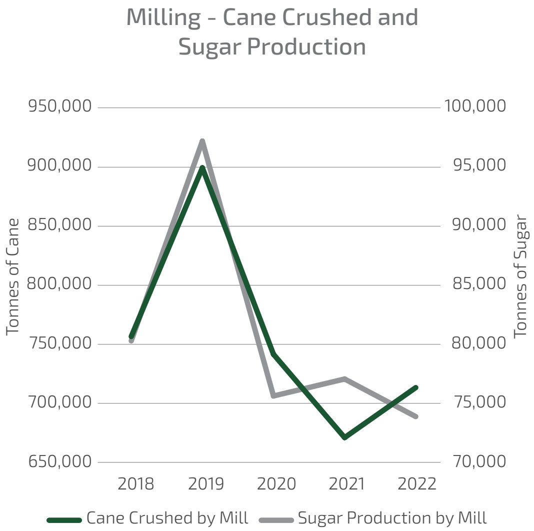





Sugar Price (MUR per tonne)
25,000
20,000
15,000
10,000
5,000
0
8,700
11,384
14,000
16,765
21,500
2018
2019
2020
2021
2022


Cane Harvested by Terragri (Agriculture) (Tonnes)
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
356,494
388,715
302,291
327,705
278,452
2018
2019
2020
2021
2022


Yields per Hectare
Tonnes of Cane
85
80
75
70
65
60
Tonnes of Sugar
8.6
8.2
7.9
7.6
7.3
7.0
2018
2019
2020
2021
2022
Cane Yields (Ha)
Sugar Yields (Ha)


Milling - Cane Crushed and Sugar Production
Tonnes of Cane
950,000
900,000
850,000
800,000
750,000
700,000
650,000
Tonnes of Sugar
100,000
95,000
90,000
85,000
80,000
75,000
70,000
2018
2019
2020
2021
2022
Cane Crushed by Mill
Sugar Production by Mill

Brands

Terra Brands Ltd, the holding Company of the Grays cluster, is one of the pioneers in the Mauritian distillation sector, the leading Mauritian producer of premium alcoholic drinks derived from sugar cane, and a top importer and distributer of quality spirits and wines. Established in 1931, we have diversified our activities to include the distribution and sale of personal and homecare products, pharmaceuticals, snacks and non-alcoholic beverages.

Our purpose is to bring pleasure to life.

Brands business model

Value drivers	Context and outlook

Revenue driver (price)

Creating Brand Equity

- Managing our own brands
- Adding value to third-party brands
- Distribution services

- Our value proposition focuses on our strong brands and our ability to drive efficiencies through a structured route-to-market with an emphasis on local products.
- Our core competencies lie in brand building, spirit production, distribution and premium retail.
- In addition to our well-recognised brand offering in dark spirits (aged, spiced and flavoured rums and Scotch whisky) and white spirits (cane spirit, white rum, vodka, gin and others), we offer global third-party brands in wine, whisky, beer, personal and homecare, pharmaceuticals and food.
- We market our brands through all retailers and hotels and premium wines and spirits through our *20/Vin* outlets across Mauritius. We are also expanding our franchised luxury cosmetics stores.

Cost driver (price)

Material Cost Efficiency

- Integrated and sustainable production
- Supply chain

- We bring synergy to the Group's sugar operations by transforming by-products of the sugar production process into value-added spirits; the sugar crop is declining, amplified by climatic conditions, which proportionately reduces molasses supply and impacts distillery profitability.
- We invest in energy-saving equipment to optimise production.
- Distillation effluents are evaporated and turned into renewable bio fertiliser used in Terra's and third-party cane fields.
- As a vertically integrated cluster, we manage all stages of production onsite, from refining to ageing and bottling and packaging, ensuring guaranteed quality for the finished product; we export our expertise through premium rums and bulk spirits to deliver additional value from this vertical integration.
- Activity-based costing enables us to derive more profits from our key brands rather than losing focus by being too diversified.
- We emphasise nurturing strong relationships with our employees, unlocking talent and maintaining our position as a recognised employer of choice in the north of Mauritius.
- Given the labour-intensive nature of our production and distribution activities, we are digitalising our operations and services to move us towards a leaner company.
- Expanding our portfolio with third-party brands and managing an import supply chain provides Grays with scope, expertise and volume.
- Availability of shipping lines, port efficiency (in-bound and out-bound), duties and weak valuation of the MUR remain cost drivers. Supply chain disruptions impact costs in three ways: import of raw materials, import of finished goods, and export of finished products.

Brands (Cont'd)

Brands business model (Cont'd)

The main residual risks for the Brands cluster as at 31 December 2022 are summarised below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Economic impact due to the pandemic, resulting in loss of revenue from tourism and related activities.	• Acute erosion of purchasing power of local consumers. • Lack of visibility over timing and speed of recovery from pandemic. • Disruption in the supply of imported items. • Loss of sales from the recovering tourism sector.	• Improved online offering including the launch of an App. • Widening and specialised offering to the recovering tourism industry. • Alternative sourcing to restore supply chain.	Unchanged
R2	The scarcity of molasses disrupts the distillery operations leading to loss of profit and failure to meet client needs.	• The supply of molasses will follow the downward trend in the overall supply of cane.	• The Mauritius Cane Industry Authority ensures sharing of molasses produced among the distilling companies on the island.	Unchanged
R3	The representation of brands is lost due to mergers and/or acquisitions.	• None.	• Of the 20 best performing brands, eight are developed in-house. • Grays is constantly looking for new product opportunities.	Unchanged

Brands business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Employees** 594 **Outside Mauritius (included in above)** 44	• We continued to roll out refresher training and conduct more frequent visible onsite inspections to address and prevent minor injuries. • We re-established our monthly Health and Safety committee. • Fire safety was maintained as we reinforced onsite fire safety and ensured that all fire certificates were up to date. • Covid-19 safety measures and procedures remain in place. • Executive and leadership development coaching programmes are ongoing. • We are implementing a learning culture.	**Total recordable inicident rate (TRIR)** 34 (⌃6%) **Lost time incident rate (LTIR)** 34 (⌄80%) **Severity rate[2]** 36.4 (⌃12%)
Manufactured	**Distillery** 1 **Bottling plant** 1 **Existing retail stores (*20/VIN*)** 10 **Warehouse space** 8,500 m^3 **Dedicated ageing cellars** 2,150 m^3	• Our fermentation plant has automated multiple processes. • Modernised our bottling plant and made it more versatile by investing in a new labeller and installing an automated 'bag in a box' line.	
Natural	**Molasses** 15,506 T (⌄13%) **Alcohol (100%)** 522 m^3 (⌃24%) **Water** 57,288 m^3 (⌃6%)	• Continued with efforts to optimise water-use efficiency and installed rainwater harvesting infrastructure, which supplied 30% of Grays Inc.'s water needs. • Installed photovoltaic solar panels that generated 50% of Grays Inc.'s energy requirements. • Continued focus on reducing our carbon footprint significantly. • Extended the range of bottles for recycling.	**Alcohol produced** 4.4 million litres **Glass bottles recovered and reused** 1.5 million units (⌃15%) **Plastic waste recycled** 7 T (⌃27%)

[1] *Data as at 31 December 2022.*

[2] *Calculation methodology was updated in 2021*

Brands (Cont'd)

Brands business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Our business model depends on quality relationships, particularly with employees, MRA, Government, brand owners, suppliers and customers.	• Dedicated teams working from home and regular engagement with the workforce.	**Employee turnover rate** 21% (2021: 18.6%) Recognised as employer of choice. **Payment in taxes (Mauritius)** MUR 740 million (excluding VAT) **CSR contribution** MUR 0.6 million
Intellectual	**Own brands** 24 Integrated management system underway (ISO 9001, ISO 14001 and ISO 45001)	• Further digitalised our services. • Further consolidated our brand offerings while actively seeking new opportunities to sustain revenue growth, with a particular emphasis on locally produced products.	Progress in securing QSE certification; Fairtrade and Kosher capability
Financial	**Terra Brands total equity (Jan 2022)** MUR 811.8 million **Total borrowings** MUR 888.7 million **Capital expenditure (subsidiaries)** MUR 118.7 million	• Actively managed financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** MUR 2,656.5 million (^22%) **Profit** MUR 199.9 million (^46%) **Terra Brands total equity (Dec 2022)** MUR 807.5 million

[1] *Data as at 31 December 2022.*

The operating context

Material issue impacting value creation	Our response
Covid-19 – The pandemic significantly impacted performance in 2021 due to the loss of sales from tourism, supply chain disruptions, increased duty costs and challenges around the availability of raw materials. Fortunately, borders reopened in the last three months of 2021, and the cluster's commercial activities benefitted significantly from an improved contribution from the hospitality sector in 2022.	We remain focused on developing strategies to strengthen our supply chain. We continue to emphasise locally manufactured products and encourage consumers to buy 'made in Mauritius'. We remain confident in the hospitality sector's growth potential and see significant opportunities in premium wines and spirits.
Changing regulations and excise taxes – Off an already high base, excise duty on alcoholic drinks increased by a further 10% in 2022. This increase put additional pressure on the purchasing power of local consumers, which is already constrained by high inflation and rising interest rates. Stricter regulations on the consumption and advertising of alcohol can also impact demand of premium brands.	These risks impact the Mauritian market for alcoholic beverages. To mitigate these risks, we have diversified our product offerings to include luxury and more affordable alcoholic beverages. We have also expanded into non-alcoholic wines, ciders and beers, foods, and personal care products.
Increasing health consciousness and regulations – The growing awareness of health-related issues among consumers and regulators presents risks and opportunities for our business. The latest Public Health Act Regulations, promulgated on 6 July 2021, are overwhelmingly restrictive. While the regulations will not impact overall market volumes, they will downgrade consumption to cheaper products where we do not compete. We are awaiting feedback from authorities, delayed due to Covid-19, for clarification on corporate and B2B communication	We continually monitor changing consumer tastes and behaviour and strive to refine our product portfolio accordingly. Through our diversification strategy, we have identified new revenue growth opportunities, specifically in the healthy foods, non-alcoholic drinks, and personal care products sectors. We have increased our non-alcoholic offering, including non-alcoholic cider and extended our range of alcohol-free wines. We are emphasising organic and biodynamic wines. We have invested in advertisements on social media that encourage people not to drink and drive and to raise awareness of domestic violence.
Global mergers and acquisitions – Mergers and acquisitions among global brand owners can potentially impact the availability of our existing offerings. We are confident that the acquisition of Distell by Heineken N.V. will bring us opportunities in the short term. On the other hand, PepsiCo consolidating their business with PepsiCo distributors led to us losing Lays, Doritos and Quaker as of September 2021. We felt the full effect of this in 2022, with 10% of sales impacted.	We have complemented our offering with our own brands, which comprise eight of our 20 best-performing brands, building long-term equity. Our strategy remains to emphasise 'made in Mauritius' and local products.

Brands (Cont'd)

Our 2022 performance

The operating environment remained tough due to the destabilising impact of the Ukraine war; ongoing supply chain disruptions and global shortages of certain critical input materials like glass; the socio-economic effects of high inflation and rising interest rates; and the slowdown of global and regional economies. Despite this, the performance of our Brands cluster continued to improve this year, primarily due to our borders being open for the full year and the strong contribution made by the tourism and hospitality sectors. The cluster's revenue for the year ended at MUR 2,656.5 million, up 22% on MUR 2,182.8 million in 2021. Profit after tax was MUR 199.9 million, up from MUR 136.5 million in 2021.

Production: the distillery's performance was impacted by reduced molasses

Our distillery's performance was again impacted by the shorter sugar cane crop cycle in 2022 and the diminishing molasses supply, with the later primarily due to reduced cultivation and poor climatic conditions. Our distillery produced 4.4 million litres of rum and spirit, down 2% year-on-year. Our main concern remains a much-needed improvement in sugar cane volumes. This challenge is being mitigated to a degree by the improved global sugar price and a slight revival in the interest of existing and prospective independent cane planters. We also continue to focus on fully automating our distilling and fermentation processes to drive efficiency at all levels of our operations, and we reaped the benefits of our new fermentation plant that became operational in the second half of 2021. We achieved yields of 249 litres of alcohol per tonne of molasses, up 5% on our 2021 yields.

As we had spare capacity because of the reduced molasses supply, we initiated a project in 2022 to produce organic rum and rum made from cane juice *(rhum agricole)*. This will enable us to increase our supply available to the market and gain a presence in specialised, higher-value rum products. We also complemented the shortfall in production through trading of alcohol to supply our long-standing customers.

As reported last year, we acquired the minority stake in Grays Distilling in 2022 to become the sole owner, which created synergy in our premium brand business, simplified processes and maximised benefits.

We continue to work on securing QSE certification for our distillery and have taken measures to improve employee wellbeing. We saw a slight increase in minor injuries from lacerations due to broken bottles and moderate injuries from lifting heavy items with improper lifting techniques. We are addressing this through refresher training and more frequent and visible on-site inspections.

Brands: sales improved due to open borders and a strong contribution from the hospitality and tourism sectors

All our brands performed well year-on-year, and we saw a strong performance relative to 2019 (our last pre-pandemic base year). This demonstrates a pleasing recovery from the impact that Covid-19 had on our commercial operations.

We extended and rejuvenated our Seven Seas series of cane-based spirits with the launch of a coconut-flavoured liqueur, Seven Seas Mokoko. This product is locally produced and brings a taste of Mauritius to the world with a label design that speaks to the island's heritage, culture, and natural beauty. Seven Seas Mokoko is also contemporary and opens up Seven Seas to new consumer segments while premiumising the brand.

Our whisky brands performed well across all segments, including all premium and mainstream brands. Underpinned by the opening of borders and the strong performance of four- and five-star hotels, wine sales increased. Pleasingly, our wine category is showing sustained growth and is gaining market share beyond pre-pandemic levels. Our beverage category performed satisfactorily.

The performance of our food and snack categories was impacted by erratic supply arising from logistics issues, which hindered growth. Following PepsiCo's decision not to renew our Distribution Agreement, we introduced substitute products in 2022 to replace Lays, Doritos and Quaker. While these products performed satisfactorily, we felt the full effect of PepsiCo's decision in 2022, with 10% of sales impacted. Our coffee brands performed well, capturing market share and continuing to solidify their market position.

Our personal and home care segment delivered a pleasing performance, with healthy growth in most of our luxury and mainstream brands except for those impacted by supply chain issues.

We continue to see significant growth potential in the tourism and hospitality sectors, as well as good opportunities to increase revenue through the sale of premium wines and spirits, which we market through our *20/Vin* outlets across Mauritius. We are focused on significantly enhancing the customer experience of these outlets and are also investigating opportunities to reduce the associated operating costs.

In 2022 we signed with Beauty Success – a franchise store for luxury perfumes and cosmetics. We opened two new stores in 2022 as part of our expansion into franchised luxury cosmetics stores and are pleased with the momentum we are gaining.

Our 2022 performance (Cont'd)

We also signed a deal to open four new stores in Tribeca Central – a landmark, mixed-use development positioned adjacent to Ebene Cybercity that opened in December 2022. We believe that Tribeca Central will serve as a premier business, commercial and residential hub in Mauritius. We opened three of these stores in 2022, while the last one opened in March 2023.

During the year, we invested significant time and resources into growing the export of our rum brands into focused markets, particularly New Grove and Lazy Dodo. To support this, we reviewed our business model and initiated a project to appoint dedicated brand ambassadors who will work in our targeted markets to promote our brands and manage key accounts. We further modernised our bottling plant during the year and made it more versatile by investing in a new labeller and installing a 'bag in a box' line. We will use this new automated line to box high-quality wines imported from South Africa that can be sold regionally.

Distell Group is a minority shareholder (26%) of Grays Inc. Ltd, and we are monitoring the transaction between Heineken N.V., Distell Group and Namibia Breweries Limited. The South African Competition Tribunal gave final regulatory approval for the transaction in March 2023, and the transaction was implemented as from April 2023. We continue to engage with Heineken N.V. and all relevant stakeholders to assess the impact of the transaction and are confident it will bring new commercial opportunities and benefit our commercial operations.

The latest Public Health Act Regulations, promulgated on 6 July 2021, are overwhelmingly restrictive. We are seeking clarifications from authorities regarding corporate and B2B communication, which are seemingly banned. While the new regulations will not affect overall market volumes, they will hamper competition and lead to the consumption of cheaper products (a category we do not compete in).

Investing in our employees and instilling a learning culture remains a key area of focus. We are also developing talent attraction and retention strategies to offset labour shortages in Mauritius. We continued our efforts to optimise water-use efficiency and installed rainwater harvesting infrastructure, which supplied 30% of our water needs in 2022. We also installed photovoltaic solar panels that generated 50% of our energy requirements. We continue to implement a more structured approach to waste management.

International operations: improved performance and a profitable year in Seychelles

Our subsidiary company in Seychelles, which focuses on wines and spirits, performed well in 2022. Profit after tax stood at SCR 8.9 million (MUR 27 million) compared to SCR 5.7 million in 2021 (MUR 17.6 million). During the year, our subsidiary company acquired a small bottling operation to support volume growth and ensure the company can satisfy consumer demand. Tourist arrivals in Seychelles reached pre-Covid-19 levels, which benefitted the economy and supported strong trade.

Our strategic outlook

One of our biggest priorities for 2023 is restoring our supply chain and strengthening our route-to-market capabilities. We began this process in 2022 but will need to increase our efforts and investments in this regard to consolidate and improve supply chain efficiencies. Activity-based costing remains important to ensure we can derive more profits across our business units and from our key brands.

Digitalisation remains key, and we will continue to find opportunities to digitalise our commercial and distilling operations, underpinned by the full digitalisation of our warehouse.

Our strategy on 'made in Mauritius' and the importance of buying locally manufactured products remains in place.

We will continue to invest in our employees through training and development opportunities. We remain focused on fostering a safe and positive working environment. Developing appropriate talent attraction and retention strategies will be critical in the year ahead.

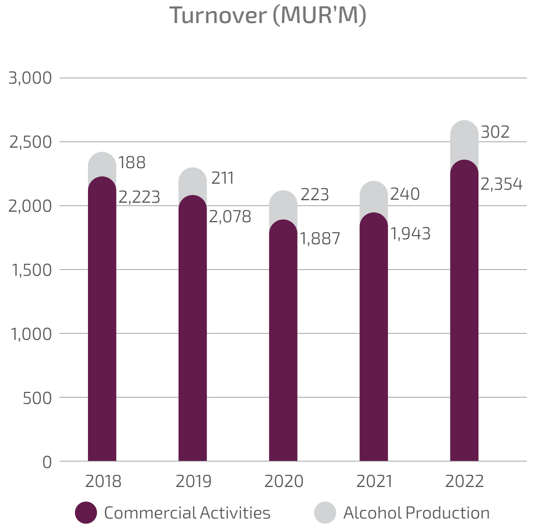
Brands (Cont'd)

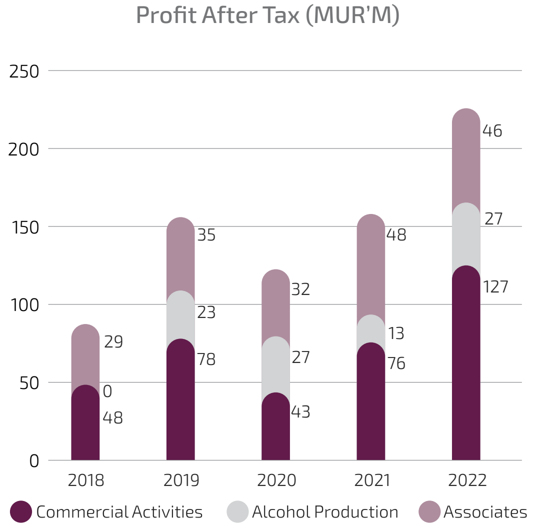
Our strategic outlook (Cont'd)

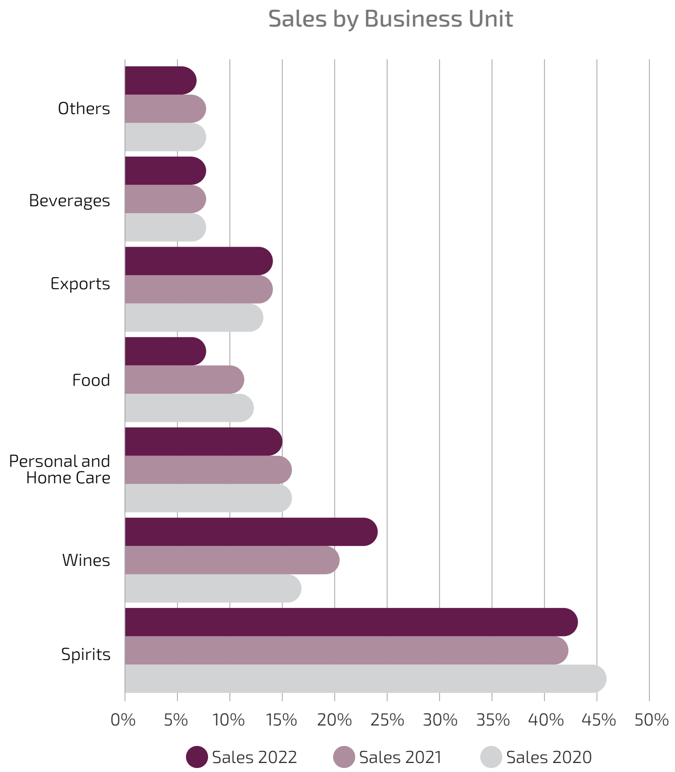
We made good progress on our sustainability journey this year, and this remains a focus for 2023. A key area of investment will be introducing a low-carbon, low-waste distribution technology for our premium spirits, and we have partnered with ecoSPIRITS, a circular economy technology company. We are the only ecoSPIRITS partner in Mauritius and are excited about the possibilities this technology presents, which include eliminating packaging waste in our supply chain and reducing carbon emissions associated with transport. The technology also assists with bottle shortages and alleviates cost-push pressure.

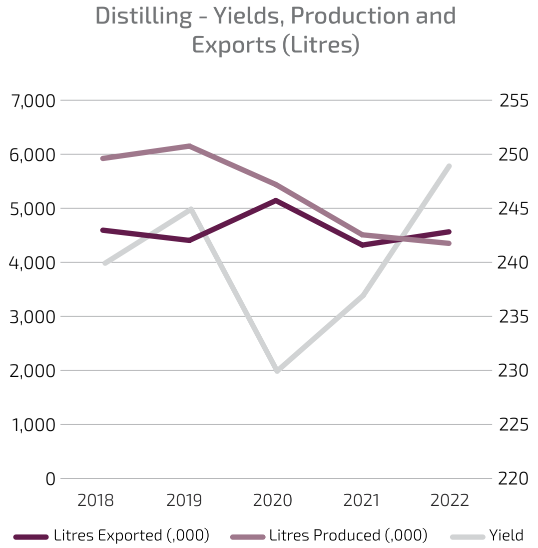
We remain optimistic about the performance prospects of our subsidiary company in Seychelles. This company has a large portfolio of brands, some of which are competing. Previously, this was not significant for the business. However, as per capita consumption has increased and volumes have grown, it has become necessary to split the brand portfolio into two separate companies. This will be executed in 2023 and will ensure that all brands can compete more healthily in the market.

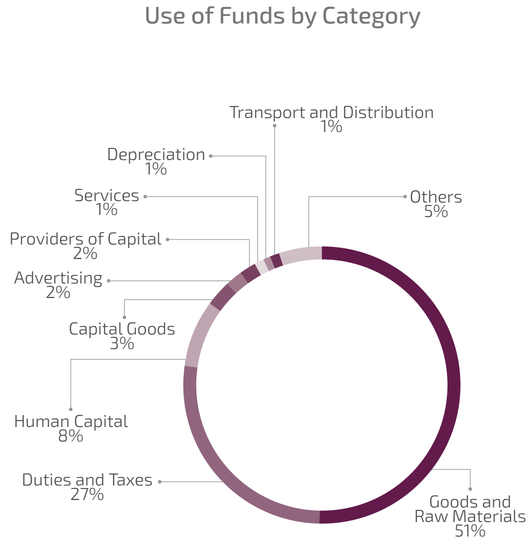
We anticipate that we will continue to see high inflation and interest rates in the year ahead, which will continue to put pressure on disposable income, and it remains challenging to pass increased costs onto consumers. Despite these challenges, we are optimistic for the year ahead and are confident that we can continue to build on the momentum gained in 2022.






Sales by Business Unit
Others
Beverages
Exports
Food
Personal and Home Care
Wines
Spirits
0%
5%
10%
15%
20%
25%
30%
35%
40%
45%
50%
Sales 2022
Sales 2021
Sales 2020


Distilling - Yields, Production and Exports (Litres)
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
255
250
245
240
235
230
225
220
2018
2019
2020
2021
2022
Litres Exported (,000)
Litres Produced (,000)
Yield


Use of Funds by Category
Transport and Distribution 1%
Depreciation 1%
Services 1%
Others 5%
Providers of Capital 2%
Advertising 2%
Capital Goods 3%
Human Capital 8%
Duties and Taxes 27%
Goods and Raw Materials 51%

Power

Terragen is a power producer that supplies electricity to the CEB as well as electricity and steam to Terra's sugar mill through two 35 MW thermal power plants. Operating in a joint venture partnership with French company Albioma, we generate electricity and steam by burning *bagasse* and cane straw during the crop season (from July to December) and imported coal (mainly from South Africa) during the intercrop season.

Our purpose is to supply reliable and low-cost electricity to the country, be available on the CEB grid, and consolidate our position as a major player in the production of renewable energy.

Power business model

Value drivers	Context and outlook
Revenue driver (price)	
Regular and reliable electricity supplier	
• Energy available on demand, responding quickly and efficiently to calls for production and maintaining a reliable supply by avoiding breakdown incidents	• Supply to one major client, CEB, and to Terra's sugar mill. • Terragen runs an efficient and reliable plant and produces power for the country at a competitive rate.
Cost driver (price)	
Raw material cost	
• Increasing the renewable energy portion of electricity production to meet Government's decarbonisation plan, while maintaining cost competitiveness.	• The current energy mix in Mauritius is 82.6% fossil fuel and 17.4% renewable energy; we produce around 9.4 % of the country's renewable energy supply. We are continually looking for opportunities to increase energy efficiency and substitute coal with *bagasse*, cane straw and other renewable energy sources, such as wood biomass and solar. • We remain fully aligned with Government's roadmap to a greener Mauritius and its commitment to phase out coal and achieve 60% renewable energy production by 2030, while maintaining our competitive rate. The National Biomass Renewable Energy Framework, announced in June 2021, will define remuneration for other types of local biomass, other than *bagasse*. The framework will therefore determine which renewable energy projects we prioritise. New announcements have been made in June 2023 and we are currently waiting for the details of the measures that would be adopted. • We foresee more opportunities for the energy transition of the Terragen power plant, especially with biomass.
Material cost efficiency	
• Efficiency gains and safe and clean production processes	• We remain the most efficient, reliable and cost-effective operator in Mauritius, with a strong focus on safety and health; we continually identify opportunities to improve our environmental management, particularly water and chemical consumption, and ash management.

Power (Cont'd)

Power business model (Cont'd)

The main residual risks for the Power cluster as at 31 December 2022 are summarised below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Unplanned and prolonged disruption to production of electricity.	• Unexpected breakdown of a critical item of equipment. • A fire outbreak due to the presence of important amounts of combustible material.	• Performing regular preventive maintenance and inspection of plant and equipment by specialist consultants. • Experience and expertise of Albioma (shareholder and operator of Terragen) in managing numerous power plants around the world. • Investing in plant upgrades including fire protection and the procurement of critical equipment items.	Increased
R2	Severe climatic conditions adversely impact power production.	• Located in a tropical cyclone prone region. • A thunderstorm strike leading to the destruction of electrical and automation systems. • Severe and prolonged drought resulting in interruptions in water supply.	• The power plant is designed to withstand cyclonic gusts of 260 km/h. • Protocols are in place to cater for emergency situations like cyclones. • Terragen can store 900 m^3 of spare water, and measures are taken to optimise water consumption.	Unchanged
R3	Unexpected consequences of specific terms of the PPA resulting in difficult operating and financial conditions.	• Lack of visibility on the terms that will apply to the next PPA (July 2025). • Reduction or stoppage of coal importation, resulting in the power plant not operating at full capacity. • Increase of coal prices on the international markets.	• Engaging closely with the authorities and the CEB. • A new energy business model has been presented to the government and the CEB that incorporates a plan to carry out the energy transition of the plant to a 100% renewable coal-free model.	Unchanged
R4	Disruption in the supply of raw materials and/or spare parts.	• Disruption to the sugar mill activities leading to non-availability of *bagasse* or cane straw for power generation. • Pandemic disrupts supply and availability of spare parts and foreign consultants for timely completion of plant maintenance.	• Using local biomass (cane straw and wood) as alternative sources of fuel to *bagasse*. • Ongoing discussions with authorities to secure a sustainable biomass price for producers.	Increased

Power business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Employees with the appropriate technical skills and motivation** 47	• Reinforced safety measures including weekly safety risk assessments and site visits with the management team. • Refresher training conducted throughout the year to reinforce health and safety practices. • Implemented employee training to reinforce our lockout/ tagout (LOTO) procedure. • Equipment upgraded and installed to ensure employee safety. • Fire Emergency Plan updated.	**Total recordable incident rate (TRIR)** 0.0 (-%) **Lost time incident rate (LTIR)** 0.0 (-%) **Severity rate[2]** 0.0 (-%) **Training hours** 29/person/year (31 in 2021)
Manufactured	One generation plant of 450 GWh capacity. Two units of 35 MW operating on three types of fuel: Coal, *bagasse*, cane straw.	• Covid-19 safety measures and procedures remain in place.	**Produced** 211 GWh (⌄52%) **Share of national energy mix** 8.2%
Natural	**Coal** 96,572 T (⌄55%) ***Bagasse*** 221,953 T (⌄8%) **Sugar cane straw** 7,587 T (⌃32%) **Water** 897,741 m^3 (⌄44%)	• Continue to explore additional options to expand the production of renewable energy from biomass. • Improved waste management at Terragen, emphasising waste separation and recycling.	**CO_2 (coal)** 221,265 T (⌄56%) **Biogenic CO_2 *(bagasse)*** 187,913 T (⌃7%) **Biogenic CO_2 (cane straw)** 11,528 T (⌃34%) **Environmental emergency situations** 0

[1] *Data as at 31 December 2022.*

[2] *Calculation methodology was updated in 2021*

Power (Cont'd)

Power business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Our business model depends on maintaining quality relationships with key stakeholders including: CEB, Terra Milling, regulatory authorities, planters, suppliers and employees.	• Continued partnership with Terragri for the plantation of eucalyptus on marginal land. • Participated in the National Biomass Renewable Energy Framework multi-sectoral working groups. • Responded to a Request for Information (RFI) from CEB on how to phase out our coal by 2030.	**Employee turnover rate** 3% (2021: 0%) **Payment in taxes (Mauritius)** Nil **CSR contribution** MUR 0 million
Intellectual	First Mauritian firm to be granted an AFNOR certified integrated management system certificate based on ISO 9001, ISO 14001 and ISO 45001.	• External Quality, Health and Safety, and Environment (QSE) audit successfully performed without any non-conformities.	**Availability on CEB network** 90.6% **Reliability** 3 plant trips **Specific coal consumption** 591 g/kWh
Financial	**Terragen total equity (Jan 2022)** MUR 901 million **Total borrowings** MUR 0 million **Capital expenditure** MUR 21.4 million	• Actively managed the financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** MUR 1,097.8 million (↓39%) **Profit** MUR 56.4 million (↑115%) **Terragen total equity (Dec 2022)** MUR 1,070.7 million

[1] *Data as at 31 December 2022.*

The operating context

Material issue impacting value creation	Our response
Dependency on a primary client – Being heavily dependent on a single client, it is critical to maintain a strong relationship based on mutually beneficial outcomes. This relationship was challenged during the year due to the Force Majeure declared under the PPA with CEB and the suspension of our operations on 29 April 2022.	We noted the lower coal prices at the start of 2023; as this was a mitigating factor of the Force Majeure, Terragen could restart production using coal. In this respect, we reached an agreement with the CEB on 29 April 2023, and are now back on the grid. The Government has set an ambitious goal of producing 60% of its energy from renewable sources by 2030. In 2021, the CEB asked for an application for a Request for Information (RFI) to see how we can achieve this goal. We have replied to the RFI and are awaiting further engagement on this process. We are identifying opportunities to minimise our emissions, increase our energy efficiency and reduce the use of coal by increasing the use of cane straw, *bagasse* and other biomass sources in the energy mix. Our energy transition strategy sets out our plan to increase the share of renewable energy in our production while maintaining a competitive price per kWh. This includes using solar energy and wood biomass as possible investments.
Potential regulatory changes – Changes in environmental regulation could require significant investment in new equipment and possible changes to current processes.	We engage regularly with authorities to keep abreast of potential regulatory changes and ensure that appropriate measures are taken.
Unplanned disruption to generation or transmission activities – Unplanned outages associated, for example, with a fire, mechanical breakdown, the occurrence of a cyclone or supply chain disruptions could impact our ability to deliver energy.	We have a preventative maintenance programme and clear risk management processes and response measures in place. The power plant is designed to withstand cyclonic gusts of up to 260 km/h and we have a cyclone emergency plan in place.

Power (Cont'd)

Our 2022 performance

Terragen's performance was significantly impacted by the unprecedented increase in coal prices and suspension of our operations based on coal for eight months of the year. We generated 211 GWh of electricity in 2022, a 52% decrease year-on-year. The cluster posted operational losses of MUR 77 million, which were mitigated by the share of associate's profits of MUR 23.4 million and a net reversal of deferred tax provision of MUR 110 million. The cluster therefore realised net profits of MUR 56.4 million, compared to losses of MUR 384.4 million in 2021.

Coal prices first spiked in early October 2021 and reached USD 244 per tonne, up from an average of USD 65 per tonne in 2020. This increase followed the sharp rise in demand for electricity generation as the global economy recovered from the pandemic, especially in China and India. In March 2022, the price of coal reached record highs of USD 430 per tonne triggered by the conflict between Russia and Ukraine. Prices remained elevated for the duration of 2022, averaging USD 276 per tonne.

Unfortunately, our contract with the CEB puts us in a very unfavourable position in terms of raw material price increases, particularly for coal, and at the 2022 prices our power plant would have incurred significant financial losses. Terragen therefore had no other option but to declare Force Majeure under the PPA with CEB and suspend its operations on 29 April 2022. Operations resumed at the beginning of the crop season on 27 June 2022 (using only *bagasse* and cane straw to generate electricity) but were once again suspended on 11 December 2022 at the end the crop season as coal prices remained significantly elevated.

Coal prices normalised at the start of 2023. As this was a mitigating factor of the Force Majeure, we reached an agreement with the CEB on 29 April 2023 and restarted production using coal.

As mentioned, we resumed operations on 27 June 2022 using only *bagasse* and cane straw for the provision of electricity and steam to Terra Milling (previously we used to make use of coal during the crop season to complement electricity production when *bagasse* was not available). We therefore needed to adapt our operations and increase engagement between Terragen and Terra Milling to ensure that both entities ran as efficiently as possible despite constraints and challenges. At Terragen we adapted the frequency of our maintenance programme for our *bagasse* conveyors and engaged with Terra Milling to ensure a consistent supply of *bagasse* to reduce the risk of fuel outages and shutdowns at Terragen.

Our availability index decreased to 90.6% (2021: 95.6%) mainly due to a faulty high-pressure valve in one of our units and a breakdown with our *bagasse* scratcher that is used to feed the boilers.

Increasing our production of renewable energy

We maintained a strong focus on delivering on our commitment to decarbonise our energy mix by shifting from coal to biomass, with continued emphasis on further increasing the use of *bagasse*, cane straw and other renewable energy technologies. Due to the ongoing drought and reduced crop season in 2022, *bagasse* combustion declined to 221,953 tonnes (241,997 in 2021), producing 43.2 GWh for export to the grid.

Electricity produced from cane straw increased this year and we invested in improving the performance of the cane straw shredder at the plant. However, the production rate was affected by rain, breakdowns, low cane yields and high variations in bale density. Despite this, we generated 7.2 GWh using 7,587 tonnes of cane straw, up from 5,735 tonnes in 2021.

Overall, renewable energy production decreased from 82.4 GWh in 2021 to 50.5 GWh in 2022. The decrease was due to the suspension of our coal operations in April 2022; the suspension resulted in reduced fuel availability (only cane straw and *bagasse*), which reduced operational efficiency and impacted renewable energy production levels.

In partnership with Terragri, we continued to explore growing and burning eucalyptus as an additional source of biomass and planted 5.3 additional hectares (18 hectares in 2021) on marginal land. We continued the biomass trial to generate electricity from locally produced wood chips. We also jointly participated with other thermal independent power producers to submit a proposal to the CEB to run a trial with 8,000 tons of imported wood chips.

Our 2022 performance (Cont'd)

Our drive to increase the use of *bagasse*, cane straw and other biomass provides a valuable opportunity to increase green energy generation in Mauritius and reduce the island's coal imports. This became even more critical with the Government's objective to increase renewable energy by 60% and phase out coal by 2030. In 2021, the CEB asked for an application for a RFI to see how we can achieve this goal. We replied to the RFI and presented a new energy business model to the CEB that incorporates a plan to transition our plant to one that is 100% renewable and coal-free. We are waiting for further engagement on this plan.

The Government also announced a National Biomass Renewable Energy Framework in June 2021 and launched multi-sectoral working groups driven by the Mauritius Cane Industry Authority to define remuneration for other local types of biomass, other than ***bagasse***. We were actively involved in these working groups during the first half of the year and, alongside other working group participants, jointly submitted a proposal to the Government in April 2022. New announcements have been made in June 2023 and we are currently waiting for the details of the measures that would be adopted.

Our participation in the carbon burn-out (CBO) project, a joint venture between Terragen and Omnicane, was impacted by the suspension of our operations, which limited available quantities of coal fly ash. This year, 37.2% of our coal fly ash (2,634 tonnes) was sent to the CBO plant, a decrease from 6,471 tonnes in 2021.

Driving improved health and safety and environmental performance

The cluster again recorded a strong health and safety performance, which highlights the excellent safety culture at Terragen. There were no lost time incidents for employees or external workers, and 53 near-misses were recorded (a decrease from 77 near-misses in 2021). We will continue with ongoing safety routines, which have proved to be very effective. These routines include weekly safety risk assessments and site visits by the management team.

We made a concerted effort to improve waste management at Terragen, emphasising waste separation and recycling; we generated 21% less waste and 31% more recycled waste. We again recorded exceedances in effluent quality due to the presence of oil and grease and are investigating how to resolve the issue and strengthen our environmental controls. We recorded no exceedances for air emissions.

Our strategic outlook

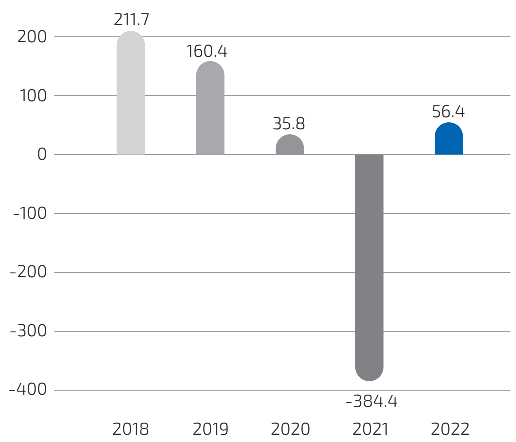
We remain focused on maintaining high levels of availability, reliability and cost effectiveness. In line with this focus, we look forward to further engagement with the CEB and Government stakeholders regarding the RFI and National Biomass Renewable Energy Framework. We remain focused on extending the share of renewable energy in Terragen's production mix, with a competitive price per kWh. In addition to *bagasse*, we will therefore continue to investigate and develop other sources of biomass that can be used in our thermal power plant (with a particular emphasis on wood chips and cane straw).

We will maintain our strong culture of health and safety. On the environmental front, we will continue to reduce water consumption, improve waste management and reinforce the control and monitoring of water and air emissions.

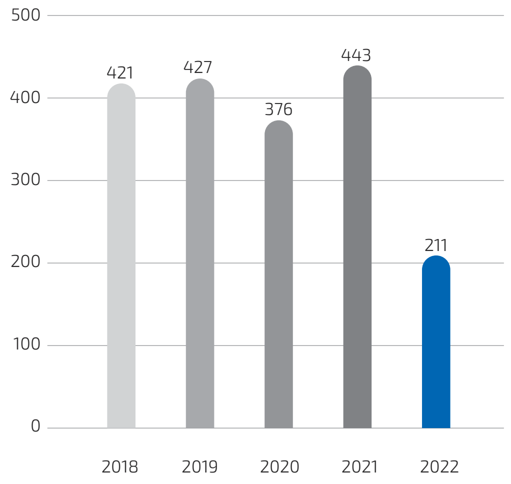
As mentioned, we restarted production using coal as from 30 April 2023. Ultimately, we remain driven by the interests of the Mauritian population and look forward to continuing a strong working relationship with the CEB in the years ahead.

Power (Cont'd)

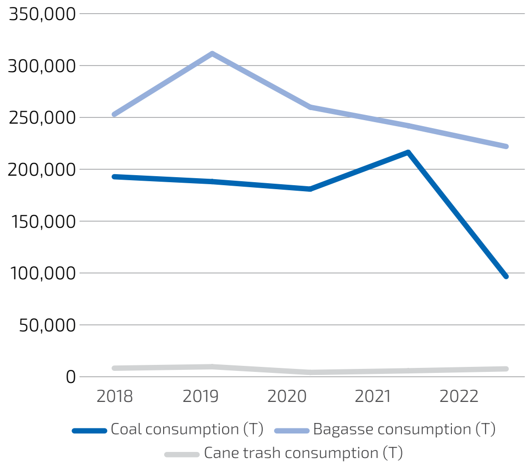
Profit/Loss after Tax (MUR'M)



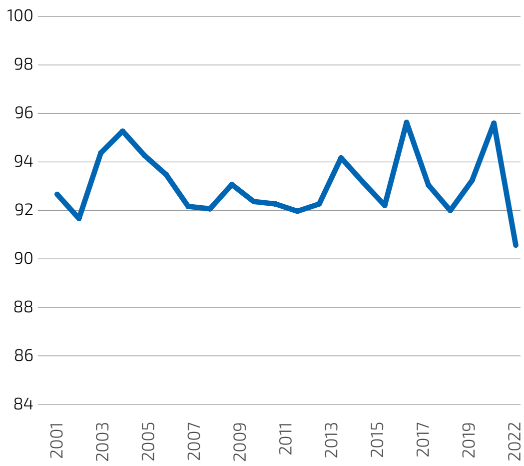
Energy Produced (GWh)

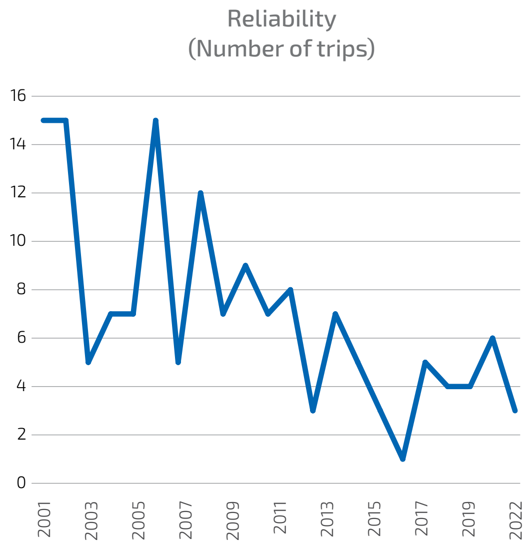


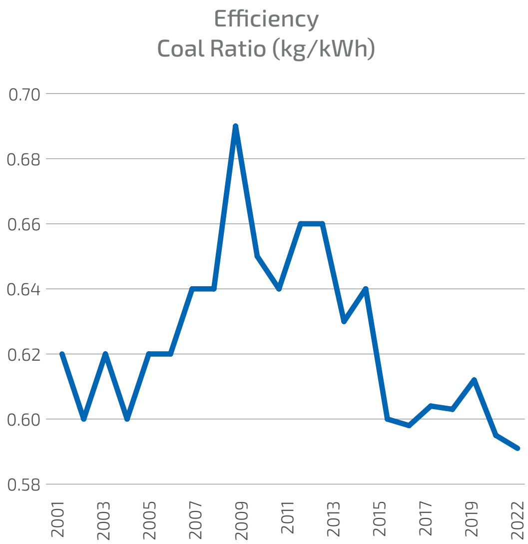
Fuel Consumption (Tonnes)



Total Availibility (%)




Reliability
(Number of trips)
16
14
12
10
8
6
4
2
0
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2022

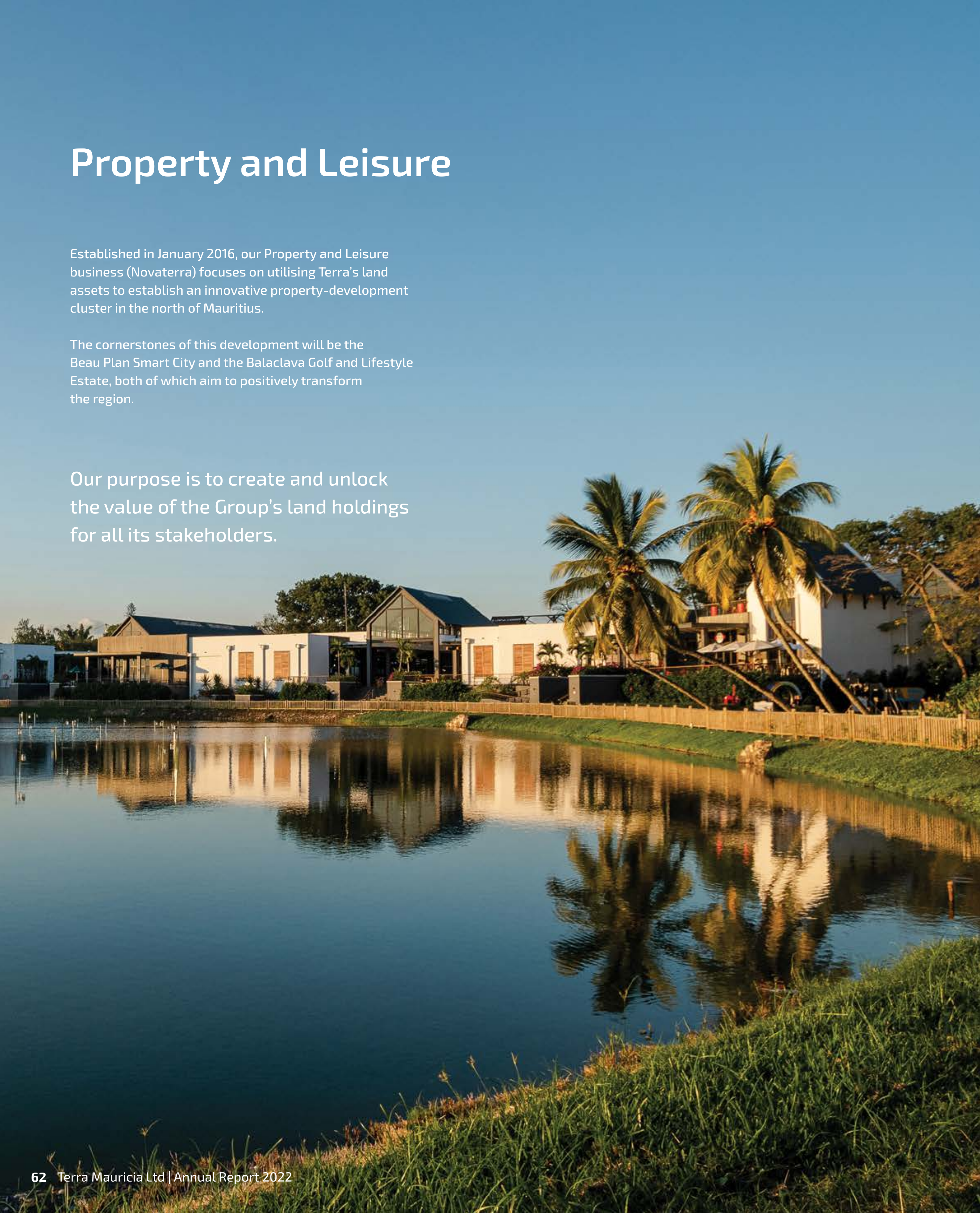

Efficiency
Coal Ratio (kg/kWh)
0.70
0.68
0.66
0.64
0.62
0.60
0.58
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2022

Property and Leisure

Established in January 2016, our Property and Leisure business (Novaterra) focuses on utilising Terra's land assets to establish an innovative property-development cluster in the north of Mauritius.

The cornerstones of this development will be the Beau Plan Smart City and the Balaclava Golf and Lifestyle Estate, both of which aim to positively transform the region.

Our purpose is to create and unlock the value of the Group's land holdings for all its stakeholders.



Property and Leisure business model

Value drivers	Context and outlook

Revenue driver (rental and sale)

Property development cluster	
• Long-term value from the Group's existing land ownership in the north of Mauritius. • Beau Plan Smart City project, a mixed activities development covering 228 hectares in the Pamplemousses region, one of the most densely populated districts in the North.	• Targeted sale of 'non-strategic' land generates cash flow for investment. • Development of a mix of real estate projects over the last five years has set a strong base to grow the portfolio of yielding assets. • A new Government incentive to allow the sale of serviced plots to non-citizens is encouraging. • Two priority zones for development include the Beau Plan Smart City development (major projects completed and others under way) and at a second stage the neighbouring Balaclava Golf and Lifestyle Estate (development rights granted), enhancing the value of the broader property portfolio. • A key differentiator to other business destinations in the north of Mauritius is that we offer a mixed activities development within an exceptional urban design framework. Substantial investment has been made in the area's infrastructure, including new roads to improve accessibility to our projects and enhance access to public transport. The Beau Plan Smart City will be inclusive of the adjoining villages of Pamplemousses and Bois Rouge, sites already recognised as a rural regeneration zone in the Government's National Development Strategy. • The Smart City will be an important economic hub, providing an appealing commercial, residential, education and leisure environment; the Mahogany Shopping Promenade, among others, will be a key employer to the surrounding villages.

Cost driver (managing assets)

Property development and management	
• Commodity prices • Tenant relationships • Integrated and sustainable development	• We have significantly improved the performance of our existing yielding assets and are currently engaging with 278 tenants. • Post Covid-19, the cost of materials remains elevated, raising building costs and ultimately the prices of built-up units. The geo-political situation will maintain pressure on this situation. • We will target new customers by entering new markets. • A key challenge is to ensure a minimum vacancy period once a tenant has left. Ensuring quality tenant relationships will be critical to our success and we are committed to maintaining customer satisfaction. • We have integrated green design principles by working with professionals that have sustainability expertise. • We have invested substantially in the stormwater drainage network to mitigate the potential effects of flash floods. These investments proved to be very effective during the recent events. • The Smart City will integrate multiple digital connectivity solutions, encouraging the uptake of renewable energy sources and facilitating a healthier lifestyle through the provision of quality recreational spaces and non-motorised transport infrastructure.

Property and Leisure (Cont'd)

Property and Leisure business model (Cont'd)

The main residual risks for the Propety and Leisure cluster as at 31 December 2022 are summarised below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Bureaucratic hurdles leading to lower profitability and agility.	• Delays in obtaining permits and clearances from authorities.	• Authorities are working closely with all stakeholders to improve the ease of doing business. • Close watch on current and proposed regulatory policies and legislations. • Diversified service offerings to minimise any impact resulting from changes in Government strategy. • Dedicating resources on a full-time basis to establish appropriate communication with authorities and follow up on all necessary permits and clearances.	Unchanged
R2	Reduction of purchasing power and high finance costs leading to difficulties selling projects and underperforming yielding assets.	• Ongoing impact of the economic recession since the pandemic and additional price increases. • Several consecutive increases in bank interest rates.	• Land sales plan in place to ensure strong cash inflow and maintain low gearing ratio. • Attractiveness of our products is improving. • Beau Plan is now recognised as a premium location.	New
R3	Oversupply of properties on the market impacting on price.	• An increasing number of projects are being implemented nationwide and the market has not grown proportionately.	• Increased focus on marketing strategies and networks. • Every care is taken at the conceptual level of projects to ensure a long-term attractivity for the areas to be developed. • Strategy in place to create a balanced mix of products.	Decreased
R4	Shortage of contractors leading to price increases.	• Increasing number of projects being launched by the public sector.	• Close relationship with sister company (RG) to work in partnership. • Develop and maintain good relationships with a range of reputable contractors.	New

Property and Leisure business model (Cont'd)

Capital	Material inputs[11]	Activities to sustain value	Material outcomes
People	**Employees (Novaterra)** 106 **Employees *(L'Aventure du Sucre)*** 51	• Dedicated health and safety officer in Terragri that supports us on health and safety matters for all our projects. • Annual fire drill for all employees. • Covid-19 safety measures and procedures remain in place. • Executive and leadership development coaching programmes are ongoing. • Continued to roll out our culture and engagement journey	**Total recordable incident rate (TRIR)** 16.3 (^31%) **Lost time incident rate (LTIR)** 16.3 (^75%) **Severity rate[2]** 14.1 (^152%)
Manufactured	**Available space for rent** **Industrial and commercial** 37,061 m² **Office** 9,018 m² **Residential** 21,322 m² **Shopping mall** 8,182 m²	• Designing smaller apartments to target a new market in Mauritius.	**Occupancy rate** 96.8% (^1%)
Natural	**Land available for development and regeneration** 677 ha	• Smart energy measures. • Waste separation and recycling in our Beau Plan Smart City. • Sewerage treatment plant operational within the Smart City. • Internet of Things (IoT), intelligent sensors, and cloud-based software installed to monitor and manage natural resource impacts. • EDGE Certification for our new office building, The Strand. • Agreement for the construction of a 1.6 MW photovoltaic solar farm to supply renewable energy power to the Smart City.	

[1] *Data as at 31 December 2022.*

[2] *Calculation methodology was updated in 2021*

Property and Leisure (Cont'd)

Property and Leisure business model (Cont'd)

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Our business model depends on maintaining quality relationships with key stakeholders including Government, tenants, project developers, financiers, neighbouring communities, and the media.	• Dedicated teams for effective relationship management with relevant stakeholders.	**Employee turnover rate** 7% (2021: 11%) **Payment in taxes (Mauritius)** MUR 3.3 million **Visitors to *L'Aventure du Sucre*** 73,830 people **Participating in events and festivals** 5,000 people
Intellectual	Project timelines include adequate buffer time for obtaining permits.	• To obtain necessary development permits, the Land Management Department works full time following up on applications submitted to various ministries and authorities. • Dedicated Compliance Officer to take clients/buyers through a Know Your Client process. • Audits of *L'Aventure du Sucre* from external tour operators.	Some permits delayed, but these have been addressed. Audits on *L'Aventure du Sucre* conducted in 2022.
Financial	**Property and Leisure total equity (Jan 2022)** MUR 4,620.4 million **Total borrowings** MUR 985.8 million **Capital expenditure** MUR 67.6 million	• Actively managed the financial performance through weekly meetings with head of departments, monthly senior management meetings and regular Board meetings.	**Turnover** MUR 1,032.2 million (^99%) **Profit (including profits on land sales)** MUR 292.6 million (^217%) **Property and Leisure total equity (Dec 2022)** MUR 4,445.3 million

[1] *Data as at 31 December 2022.*

Delivering broader societal value

The Beau Plan Smart City development is anticipated to create at least 8,400 new and direct jobs in the Smart City itself, with an additional 500 construction jobs during the construction phase, and another 5,000 indirect jobs for the suppliers of associated goods and services. We will provide training to develop the skills of people in the region, including small business management, organic farming and ICT. In addition to job creation opportunities, our development will have a positive impact on the value of Terragri's existing land and on our neighbours' property, contributing positively to and generally enhancing the region.

The operating context

Material issue impacting value creation	Our response
Covid-19 – We continued to experience an increase in construction costs due to the rising cost in building materials post Covid-19, which presents a challenge in terms of affordability for the local market. With the opening of our borders, lifting of Covid-19 restrictions and increase in tourism, we saw a pleasing recovery in revenue from our museum activities, *L'Aventure du Sucre*.	To deal with the increasing cost of materials for all projects, we are negotiating with operators and taking steps to mitigate the impact on new builds.
Regulatory and policy framework – Changes in Government policy and regulation relating to property development, as well as any delays in obtaining approvals and other Government permits, could impact on the nature, cost and timing of proposed developments. Given the nature of our business we deal with several authorities, including environment, traffic, road development, and the more recent land drainage authority.	We monitor current and proposed regulatory and policy developments and place a high priority on building and maintaining strong relationships with Government and regulatory authorities. We have a diversified service offering to minimise any negative impact resulting from changes in Government strategy. We have efficient land management tools in place enabling us to adapt quickly to the continuously changing legislative environment. To obtain necessary development permits, the Land Management Department works full time following up on applications submitted to various ministries and authorities. In 2022 we experienced several delays obtaining clearances and permits, which impacted project delivery. Despite this, we have very good relationships with all authorities, and this was strengthened during the year. Communication between Government, authorities and the private sector in general, has been re-established, which is a significant step in the right direction. Through the Economic Development Board (EDB), Government has called for a regulatory review of the real estate and construction sectors to identify improvements. Recommendations have been made to the EDB and we are optimistic that there will be improvement in terms of doing business going forward. Through our active involvement in committees at Business Mauritius, we are in constant dialogue with authorities. We are fully conversant with the Financial Intelligence and Anti Money Laundering Act with a dedicated Compliance Officer and department. All clients/buyers go through a Know Your Client process, and this has been fully integrated into the sales process.
The changing competitive and business environment – A potential oversupply of properties on the market, and other changing market dynamics, could result in lower occupancy rates, a loss of revenue and reduced return on investment. We are seeing pressure on rental prices, mainly in office space, due to oversupply and competition.	To provide a compelling proposition for entrepreneurs to develop or relocate their businesses, we are ensuring the timely implementation of a mix of facilities. We have established a strong marketing and communications team and we have secured the commitment of key anchor tenants in the retail and boutique leisure sectors. We are creating new living spaces in Beau Plan with more pleasant work environments, which we believe will enable us to attract a premium. However, there remains a limit to how much tenants will pay, and we foresee pressure when negotiating with future office tenants.

Property and Leisure (Cont'd)

Our 2022 performance

The Property and Leisure cluster achieved an excellent set of results in 2022, posting a profit of MUR 292.6 million compared to a profit of MUR 92.3 million in 2021.

Profitability was driven by the successful delivery of the first phase of Mango Village; a strong performance by the Mahogany Shopping Promenade; pleasing momentum on our new office building, The Strand, and our Beau Plan Business District; and a recovery in revenue from our museum activities, *L'Aventure du Sucre*. We continued to see a great sense of solidarity in our team, with everyone remaining focused and motivated, positively impacting performance. After the challenges of Covid-19, the cluster also benefitted from the opening of borders and renewed interest in our residential and commercial properties by locals, foreigners and local and international business tenants.

We completed the infrastructural works for *Les Coteaux de Belle Vue*, with the deed of sales concluded in December 2022 for 28 lots out of 53 (total sales MUR 187.5 million out of MUR 351 million). We also launched the sale of three projects within the Smart City – Mango Village phase two, *Les Muguets* phase two and *Le Parc*. These land sales are part of our cash generation plan, which supports our infrastructure and projects at large. Considering the tough operating conditions and impact of the geo-political situation (including high interest rates and inflation), cash generation is increasingly important to sustain our operations.

We engaged with Government on a land exchange mechanism and agreed to transfer some 45 arpents of land to Government to support the implementation of its scheme to build 12,000 social housing units. In exchange, we secured land at Solitude, Beau Plan and Bassin Paquet for future development. We believe this outcome is the result of active engagement and an improved relationship with Government and establishes a strong base for future collaboration.

We continue to work hard to mitigate delays in obtaining permits and clearances from authorities. This includes dedicating full-time resources to establish appropriate communication with authorities and follow up on all necessary permits and clearances.

Beau Plan Smart City projects

This year, we celebrated the one-year anniversary of our retail centre, the Mahogany Shopping Promenade, which was opened in July 2021 in the heart of our Beau Plan Smart City. Since opening, we continue to gain momentum and have secured a strong returning customer base. Over the course of 2022, we received an average of 200,000 visitors per month – a 7% increase on 2021 monthly footfall. In 2022, we hosted 72 events and 156 exhibitions within the Mahogany Shopping Promenade, and we continue to investigate opportunities to further increase offerings in the mall, improve the customer experience and promote customer loyalty. We secured 93.6% of the tenant leasing with a target to reach full occupancy by the end of 2023.

Another milestone in 2022 was concluding the sale of all 26 units from the first phase of Mango Village duplex and apartments (MUR 289 million). This was the first build and sell concluded by Novaterra and, while there were some challenges delivering this project, we were very pleased with the outcome. We have since launched the second phase comprising 22 units (MUR 345 million) and have received a positive response, with 86% of the units booked as at April 2023. We completed the second phase of *Les Muguets*, residential serviced plots in the Smart City, and will hand over 60 plots to respective buyers as from June 2023 (MUR 443 million). We further sold all five *Le Parc* plots in 2022 (MUR 83 million).

We continue to make good progress with the construction of our new office building, The Strand. We have secured 65% occupancy on the total available area and aim to be finished with construction by May 2023. A major highlight was achieving EDGE (Excellence in Design for Greater Efficiencies) Certification for The Strand – a first for Mauritius. EDGE is an international green building certification system focused on making buildings more resource-efficient. We estimate that we will achieve energy savings of approximately 40%, water savings of approximately 30% and 41% less embodied energy in the materials used in the construction of the building. This will reduce operating costs at the office units and generate savings for tenants.

We further launched phase one of the infrastructural works for the Beau Plan Business District in April 2022. The Business District will provide a new business destination for local and international entrepreneurs, professionals and companies, with commercial plots for sale as well as a dedicated zone for small and medium-sized businesses. Since launch, we have secured two major business tenants for the Business District and are seeing strong interest from other prospective tenants (local and international).

We continue to identify opportunities for developments that will bring additional vibrancy to Beau Plan. Work started at Mon Rocher for a Padel Club and Club House, with construction scheduled to end in the third quarter of 2023. We also completed and handed over the second phase of the Greencoast International School at a cost of MUR 92 million, with 272 students at the school at the start of 2023.

The Beau Plan Smart City now offers educational, leisure, office, cultural, residential and shopping opportunities. We have invested substantially in the infrastructure to make Beau Plan more accessible to the public through non-motorised transport, including walking, cycling, and electric scooters, while bus routes now serve the Mahogany Shopping Promenade.

Our 2022 performance (Cont'd)

In 2022, we further established a company (Viva SC Management Ltd) to manage and oversee the security of our Beau Plan Smart City.

We remain committed to ensuring that the Beau Plan Smart City is inclusive of the adjoining villages of Pamplemousses and Bois Rouge. We initiated our Bois Rouge Social Engagement Project in March 2022. As part of this project, we are upgrading the village's infrastructure and started the construction of sports and leisure amenities. Construction was completed in March 2023.

We continue to integrate sustainability practices into the design of the Smart City, including smart energy measures. We progressed with waste separation and recycling in Beau Plan, including installing three deep waste collection containers to recycle plastic, paper and glass. We installed AI and smart technology to optimise energy consumption and introduced energy-efficient lighting and security systems within the Smart City. We also signed an agreement with the CEB to implement a 1.6 MW photovoltaic solar farm, which will allow us to supply the full energy requirements at the Mahogany Shopping Promenade. Energy will be uploaded to the grid at a predefined tariff, with a ROI of 11 years.

Pleasing recovery in revenue from our museum activities, *L'Aventure du Sucre*

After experiencing a loss of MUR 10 million in 2021 due to the closure of borders and Covid-19 restrictions, our subsidiary Sugarworld Ltd, which operates under the brand name *L'Aventure du Sucre*, achieved a fantastic recovery and record profits of MUR 17.7 million in 2022. We expect to build on this strong performance in 2023.

Our strategic outlook

Operating conditions are likely to remain challenging. We continue to experience elevated construction costs due to the rising cost in building materials and freight post Covid-19, now aggravated by the geo-political situation. In addition to global commodity price increases, affordability is being challenged by the depreciation of the Mauritian Rupee and high inflation and interest rates.

Against this backdrop, it is incredibly pleasing that we have executed our strategy effectively and delivered what was initially planned as it now provides us with a strong foundation to navigate challenges while building on what we have already achieved. Importantly, we are reaping the benefits of credible and effective strategy execution: along with investors, an increasing number of prospective residential and commercial tenants (including established local and international brands) are showing interest in our Beau Plan Smart City.

The key components of the Beau Plan Smart City development are now in place, with MUR 2.9 billion invested to date, and our strategy for creating value has worked well, with the mix of projects bringing higher value to Beau Plan. We have seen this value in the increasing price of land, which has risen by more than 200% since 2017 (in some instances increasing by up to 300% for some exclusive products).

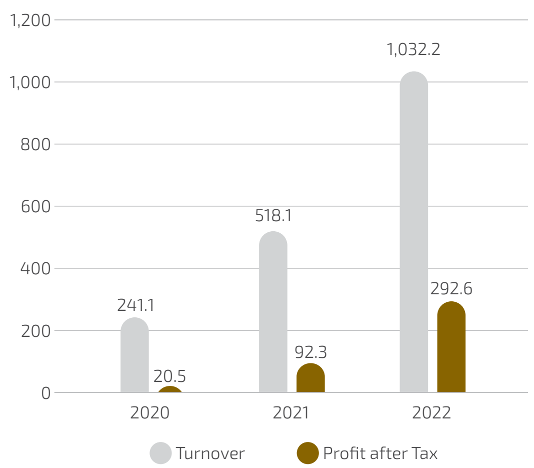
Our strategy for the coming years continues to revolve around three main axes:

- To grow our assets, and continue to build and lease;
- To concentrate on build and sell including villas, duplex, and apartments; and
- The sale of serviced plots, but only where we can extract the highest value.

We are focused on executing this strategy within four main zones with long-term development potential. These zones include Beau Plan (capitalising on the success of our Smart City and existing infrastructure) as well as the neighbouring Balaclava Golf and Lifestyle Estate (development rights granted). In addition, we identified a new zone for development with astonishing views over the North and close to Belle-Vue. We are currently in the planning process. Finally, we identified a one-off opportunity for a sizeable yielding asset in the hospitality sector located at Bassin Paquet, along the coast.

We will maintain a strong focus on managing the development costs of our projects, targeting efficiency opportunities at all different stages, from inception to operation. We will also continue to integrate environmental considerations to reduce our footprint.

Turnover and Profit after Tax (MUR'M)



Investments

	Revenue MUR'M	Profit/(loss) MUR'M	% effective holding
Finance			
SWAN General Ltd is the leading insurance general and life assurance company and financial solutions provider in Mauritius. It provides a range of insurance and financial solutions, from short-term and long-term insurance and retirement plans to wealth management and stockbroking for corporate clients and individual customers.	8,479.8 (↑13.1%)	764.9 (↑10.4%)	34.6
Terra Finance Ltd offers advice and assistance to Terra's subsidiaries on cash management, and on the negotiation of short and long-term funding. The company is authorised to invest liquidities among various subsidiaries, and to manage their foreign currencies and exposure to currency and interest rate risks by using hedging tools.	178.5 (↑24%)	21.1 (↑455.3%)	100
Inside Capital Partners Ltd is an independent private equity manager seeking to invest through equity in strong potential opportunities in selected Southeast African countries. It is a limited company domiciled in Mauritius and also has an office in Lusaka, Zambia.	29.6 (↓11.6%)	2.4 (↑500%)	36.8
Construction			
Terrarock Ltd, incorporated in 1990 further to Terra's policy of field de-rocking, is involved in the manufacturing and sale of hollow concrete blocks, aggregates and rock sand. Management of operations is entrusted to The United Basalt Products Ltd, the strategic partner of Terrarock.	197.3 (↑13.9%)	26.2 (↑5.2%)	45.0
REHM Grinaker Construction Co. Ltd is among the leading construction companies in Mauritius, involved in industrial, commercial, high-end hospitality and leisure projects, as well as in civil and infrastructure works. The company has gained recognition for quality-on-time on a wide range of projects in building and civil engineering, conventional contracts and design-build.	1,616.1 (↑58.5%)	56.5 (↑183.2%)	62.3

	Revenue MUR'M	Profit/(loss) MUR'M	% effective holding
Other investments			
Aquasantec International Ltd is active in development in East Africa, selling plastic equipment such as water tanks, mobile toilets, bio-digesters, septic tanks, HDPE pipe, gutters and other related plastic products using different technologies including roto, blow and injection moulding.	807.9 (⌃13%)	(78.9) (⌄343.5%)	26.7
AMCO Solutions Ltd specialises in procurement and logistics for the sugar industry. In addition to the traditional storage and distribution of molasses, it also manages the Coal Terminal (Management) Co. Ltd, whose responsibilities include the procurement, transport, storage and distribution of coal for the power plants of the sugar industry and the needs of the country. As from the beginning of 2018, the company has also been driving an aggressive procurement strategy to support its shareholders in their quest to lower the cost of inputs in sugar production.	5.5 (⌄72.6%)	51.9 (⌃458.1%)	41.9
United Docks Ltd is listed on the Stock Exchange of Mauritius and its main activities consist of real estate holdings and development.	82.2 (⌃41%)	474.7 (⌃1,589.3%)	21.5

Group-level Functions

While each of Terra's clusters is autonomous in its decision-making, budgeting, and reporting – with each leadership team accountable for its cluster's performance – Group-level strategic guidance and support services are provided in relation to Terra's management of employees, environmental performance, and the community. This section briefly reviews the material performance and outlook of these Group-level activities.

Human resources: investing in our people

Having the right technical and leadership skills, diversity of experience, and a performance-oriented culture are fundamental to Terra's ability to generate value. Terra's Corporate Human Resources (HR) Department, supported by the HR teams at Grays and Terragri, provides strategic guidance on HR issues and various shared and value-added services. These services include customised training and development programmes, HR efficiency matrices, and remuneration and benefits policies.

Deepening our desired working cultures

Talent is a critical driver of business performance, and our ability to attract, develop, deploy and retain talent will be a significant competitive advantage far into the future. Central to this is positioning Terra as an employer of choice and deepening our desired working cultures.

We continue to track and measure desired behaviours through an annual culture index survey. In addition, we rolled out our new employee engagement survey in 2022 to assess levels of employee engagement in our clusters and identify top engagement drivers for the workforce. Undertaken in collaboration with global advisory firm Willis Towers Watson, the survey looked at the aspects of health, personal and financial well-being, diversity and development. We achieved an overall score of 80%, demonstrating that our employees are committed to Terra, receive adequate training and compensation, and feel valued and appreciated for their work. While our score was satisfactory, gaining insight into other improvement areas was valuable. We will conduct this survey every two years going forward. It will be an essential tool to assess our progress in creating an engaging and enabling workplace culture that supports talent retention and improved performance.

We continued to roll out culture and engagement journeys across our Cane and Property and Leisure clusters, and our focus this year was on maintaining momentum.

In our Cane cluster, the executive team participated in facilitated workshops to reflect on progress and to identify opportunities to align the cluster's vision, mission and purpose with its goal of building a learning, caring and results-driven culture. We continue to see improved interaction between colleagues from Terragri and Terra Milling. The impact of the culture and engagement initiatives undertaken in our Cane cluster over the years was further demonstrated by the significant increase in the cluster's employee engagement score, which improved from 33% in 2017 to 85% in 2022.

To further support performance, we implemented a new continuous performance management system in Terragri in 2021 and ran it for the first time in 2022. This PCR (Performance Coaching for Results) system supports meaningful conversations between managers and staff focused on measurable outcomes.

Novaterra received a score of 94% in the engagement survey, demonstrating strong levels of trust, engagement and confidence. As an outcome of the survey, Novaterra identified further opportunities to strengthen employee engagement. We also established teams within the cluster to develop action plans to enhance culture and implement related initiatives.

We launched a succession planning and talent identification project across all clusters in 2022. This project is focused on succession planning for critical positions, factoring in retirement and replacement.

We continued to identify opportunities to digitalise our HR processes, as this enables the use of data and analytics to improve employee experience and enhance our employee value proposition. In 2022 we developed a digital recruitment platform, which we are piloting at *L'Aventure du Sucre*. Anticipated benefits include reducing paper usage and achieving a more streamlined, targeted and efficient recruitment process.

Learning and development

Investing in the learning and development of our employees remains a key strategic focus. Working with the global professional development organisation Dale Carnegie, we conducted a full training needs analysis in all our businesses to establish our annual training plans. We also initiated a project to digitalise our training needs analysis. We will complete the digitalisation project in 2023.

Our Training Centre aims to provide excellent training services to Terra employees and external stakeholders, optimising the Human Resource Development Council refunds and delivering an improved return on investment for all training undertaken. In 2022, we ran 20 programmes at the Training Centre, reaching 189 employees and achieving approximately 342 training hours.

We gained momentum on the uptake of our e-Learning platform. The platform offers eModules that require approximately 10 to 15 minutes to complete and are easy to access at employees' workstations or on a mobile App. We aim to maximise the effectiveness of online learning by enabling employees to learn at their own pace. In 2022, we increased employee participation on the platform from 440 users in 2021 to 480 and have seen a 40% increase in employee participation since launch. We also posted 11 new modules on the platform in 2022. This includes a new ethics eModule, which covers Terra's Code of Ethics and Conflict of Interest Policy. The ethics eModule is mandatory for all permanent employees and all recruits as part of our employee induction process. In 2022, 69% of our employees completed the ethics eModule.

Health and safety

In 2022, Terra hosted its first Health Month to raise employee awareness of the importance of monitoring their health and well-being. Employees received medical check-ups, including breast cancer screening for women, and attended nutrition and mental well-being workshops. We introduced our first online health and safety module, which instructed employees on appropriate ergonomic postures for daily operations. We also integrated health and safety awareness into the redesigned Group induction programme for recruits.

The Group aims to continuously improve its approach to provide a healthy and safe working environment for all its employees, sub-contractors, and visitors. In 2022 the Group saw a slight increase in the total number of accidents recorded, from 57 in 2021 to 60 in 2022. Of these accidents, 92% were classified as minor to moderate, and only 8% accounted for major accidents. We remain committed to instilling a strong health and safety culture across the Group and will roll out various health and safety training and awareness initiatives in the year ahead. This will be supported by our Group Health and Safety Officer and dedicated Health and Safety officers within our clusters who drive a proactive and KPI-orientated health and safety culture.

Cane: The Cane cluster recorded a total recordable incident rate (TRIR) of 22.7 in 2022 (2021: 18.4). Terra Milling delivered a strong health and safety performance, with a 17% and 22% decrease in injuries recorded and man-days lost, respectively. We achieved this improvement through active investment in health and safety, including training, equipment, and visible management interventions. A major highlight for Terra Milling was aligning its operations with ISO 45001, an international occupational health and safety standard issued to protect employees and visitors from work-related accidents and diseases. Terra Milling completed its ISO 45001 certification audit in December 2022. Unfortunately, we experienced an increase in health and safety incidents at Terragri. Recorded accidents tripled, and man-days lost increased by 32%. While most of these accidents were minor (related to lacerations or injuries arising from slips, trips and falls), we unfortunately recorded three major accidents. In 2023, we will focus on learning from the incidents and taking steps to prevent and mitigate associated risks. This includes categorising all risks associated with our operations to ensure we can prioritise and implement required control measures.

Brands: The Brands cluster recorded a TRIR of 34.0 in 2022 (2021: 30.8). This increase mostly relates to minor injuries from lacerations due to broken bottles and moderate injuries from lifting heavy items with improper lifting techniques. We are addressing these issues through refresher training and more frequent and visible on-site inspections. Fortunately, the cluster did not experience any serious incident in 2022. During the year, we also focused on reinforcing on-site fire safety and ensuring that all fire certificates were up to date. Another highlight was re-establishing our monthly Health and Safety Committee. The Committee observed that communication between managers and employees has improved, creating a positive foundation to establish a strong health and safety culture within the cluster.

Power: The Power cluster recorded a TRIR of 0 in 2022 (2021: 0). There were no lost time incidents for employees or external workers, and 53 near-misses were recorded, the details of which inform our continuous learning and improvement. We implemented employee training to reinforce our lockout/tagout (LOTO) procedure for isolating and controlling hazardous energy during maintenance. We reinforced our confined space procedure and created and implemented a confined space work permit. Terragen also purchased new confined space gas meters to ensure air is appropriately monitored in confined areas where maintenance is required. These procedures are critical to ensure employee safety and improve their response to hazardous situations. Terragen further updated its Fire Emergency Plan to ensure employees have the correct equipment and knowledge to respond effectively in emergencies. Other initiatives include completing the safety upgrade of all non-conforming ladders and completing a forklift licensing programme with all relevant employees. Terragen encountered no non-conformities during its triple recertification audit. This strong performance highlights the excellent safety culture at Terragen.

Property and Leisure: The Property and Leisure cluster recorded a TRIR of 16.3 in 2022 (2021: 12.4). This slight increase was mainly due to an increase in minor injuries. Following the opening of our Mahogany Shopping Promenade in June 2021, ensuring the health and safety of tenants and visitors was an utmost priority. The Centre Management Office (CMO) conducted regular site inspections to ensure all tenants complied with established health and safety requirements. Local authorities further audited our Mahogany operations in 2022 and provided minor recommendations to tenants to improve their health and safety procedures. A key focus area for the CMO was electrical safety, and the team tested all electrical protective devices installed within the mall. This enabled the CMO to identify faulty circuits and take corrective action. The CMO Supervisors were trained on properly using scissor lifts to ensure that all work conducted at heights is done safely. We also carried out a fire drill and set up an emergency response team that included tenants. Similarly, *L'Aventure du Sucre* strengthened its fire prevention and protection readiness.

Group-level Functions (Cont'd)

L'Aventure du Sucre further underwent an external audit, verifying its compliance with local legislation and international health and safety standards. Covid-19 management remained a high priority for *L'Aventure du Sucre*, which once again welcomed visitors from around the world.

We provide more information about our health and safety performance in the Terra Sustainability Report, available on our website.

Protecting labour rights

Terra ensures that all employees are adequately remunerated and provided with a respectful working environment free from inappropriate or unprofessional behaviour. This includes any form of harassment or discrimination. We also recognise every employee's right to freedom of association.

In the Cane cluster, 85% of workers are unionised across six different unions. Sector workers are also regulated by sugar industry remuneration orders that set the minimum wages and employment conditions for various categories of workers. Following the collective bargaining process initiated in 2021, the Cane cluster successfully signed the first collective agreement in Mauritius between companies and the sugar industry trade unions (grouped as a Joint Negotiating Panel) in 2022. The agreement represents manual workers. The wages increase of 3.75% considers the impact of the rising cost of living on workers' wages and is indexed to inflation. The agreement promotes equal work for equal pay by ensuring gender pay parity and has safeguards in place to prevent the abuse and exploitation of seasonal and contract workers. The agreement further includes accident cover for any accident arising in or out of the course of their working hours.

Outlook

Looking forward, we will continue to invest in employee learning and development and roll out external training through our Training Centre. We plan to launch a leadership programme in 2023, emphasising soft skills, coaching, and building a strong leadership bench. The outcomes of our succession planning project will be available in 2023, and we will use these to inform our retention and succession planning strategies and learning and development plans. Based on high employee engagement and attendance levels, we intend to roll out another Health Month in 2023.

Environmental performance: driving sustainability at the cluster level

Terra harnesses the productive qualities of landholdings in Mauritius to create stakeholder value. Agriculture and power generation lie at the core of our business model, with our key business activities depending on the availability and quality of natural resources. In addition to our human capital, our key resources include land, water, soil, sugar cane, and biomass. Conserving these resources and safeguarding the island's ecological functioning is central to our value proposition.

At each of our entities, dedicated health, safety, environment, and quality (HSEQ) employees at the cluster level manage sustainability performance. This decentralised approach empowers each cluster to drive performance by identifying and integrating cluster-specific objectives into the overall cluster strategy.

SEMSI LISTING

Since 2015, Terra has been listed on the Stock Exchange of Mauritius' Sustainability Index (SEMSI).

Circular economy: our environmental footprint

Our industrial ecosystem is a leading example of a circular economy in sugar production, with by-products from one part of our business serving as inputs for others. Climate change and water scarcity remain the key environmental risks for Terra, while wastewater management, water pollution and waste production remain other major concerns. The potential to expand renewable energy production from biomass is a climate change-related opportunity for the Group that speaks strongly to our business model (see our Sustainability Report for more details).

Cane: Drought conditions and a reduction in water allocations continued to impact sugar cane production for Terragri. A key focus remained on improving irrigation infrastructure to expand the distribution of treated effluent for irrigation across our fields. In 2022, 589,085 m^3 of treated effluent from Terra Milling and Terragen was used by Terragri for irrigation (2021: 610,966 m^3). Terra Milling focused on reducing water consumption from leaks and inefficiencies and improving waste segregation and recycling. Terragri remained focused on enhancing diesel management and reducing GHG emissions from diesel use. We introduced a smart engine in our harvesting operations, which reduced diesel consumption and maintained efficiency levels.

Brands: In 2022, Grays Distilling sent 48,124 tonnes of vinasse effluent to Topterra for treatment, which is processed into concentrated molasses stillage (CMS) and irrigation water used by Terragri in sugar cane fields. Water consumption declined at Grays Distilling due to lower levels of production and reduced molasses supply. Grays Inc.'s water consumption increased by 15% due to the increased use of recycled bottles requiring washing. Grays Inc. continued with efforts to optimise water-use efficiency and installed rainwater harvesting infrastructure, which supplied 30% of its water needs. As part of its commitment to transition to greener energy sources, Grays Inc. also installed photovoltaic solar panels that generated 50% of its energy requirements.
We recorded no exceedances of effluent quality standards at either entity. Grays Inc. continued to implement a more structured approach to waste management. This includes increasing the number of carton and paper recycling bins on-site and allocating a dedicated bin for collecting and recycling LED bulbs and tubes. We also added new collection points for collecting and recycling used batteries and ink cartridges.

Power: Terragen continued to produce renewable energy from cane straw and b*agasse*. Renewable energy production decreased from 395,492 GJ in 2021 to 315,864 GJ in 2022, and carbon emissions decreased from 500,097 tCO_2e to 221,265 tCO_2e. The decrease was due to the suspension of our coal operations in April 2022; the suspension resulted in reduced fuel availability (only cane straw and *bagasse*), which reduced operational efficiency and impacted production levels. Terragen explored additional options to expand the production of renewable energy from biomass. We planted an additional 5.3 hectares of eucalyptus and continued the biomass trial to generate electricity from locally produced wood chips. We also submitted a proposal to the CEB to run a trial with 8,000 tons of imported wood chips. The share of renewable energy in Terragen's energy mix increased from 19% to 24%. We made a concerted effort to improve waste management at Terragen, emphasising waste separation and recycling; we generated 21% less waste and 31% more recycled waste. We again recorded exceedances in effluent quality due to the presence of oil and grease and are investigating how to resolve the issue and strengthen our environmental controls. We recorded no exceedances for air emissions. Our water consumption decreased to 897,741 m^3 (2021: 1,604,584 m^3) due to decreased energy production and the suspension of our coal operations. The bulk of our effluent was treated and sent to Terragri for irrigation, with 280,000 m^3 of wastewater sent to the local water treatment facility.

Property and Leisure: Novaterra progressed with waste separation and recycling in our Beau Plan Smart City. We installed three deep waste collection containers to recycle plastic, paper and glass. We also installed bi-container bins for recyclable and non-recyclable waste along main avenues. We increased our efforts to optimise water-use efficiency. We treated 20,000 m^3 of our greywater, which we used to irrigate the sugar cane fields in Beau Plan. We installed AI and smart technology to optimise energy consumption and introduce energy-efficient lighting and security systems within Beau Plan Smart City. A major highlight was achieving EDGE (Excellence in Design for Greater Efficiencies) Certification for our new office building, The Strand. EDGE is an international green building certification system focused on making buildings more resource-efficient. *L'Aventure du Sucre* continues to manage its waste and monitor water and electricity use and is taking steps to make its operations more environmentally responsible. This includes prioritising local sourcing, making use of energy-efficient lighting and introducing a paperless approach in its office and marketing activities.

Outlook

During 2023 each of our clusters will focus on the following:

Cane: Enhance irrigation infrastructure to enable more efficient use of water; maintain focus on the management of diesel consumption; implement precision agriculture capabilities to increase the efficiency of chemical fertiliser; and continue to build capacity regarding the use of digital solutions within Terragri.

Brands: Increase employee awareness about water-use efficiency, energy conservation and waste management through campaigns and posters; increase the number of recycling points in warehouses and add dedicated points for scrap metal recycling; include waste management procedures in the induction packs of all recruits; and promote the re-use of rinse water for cleaning-in-place (CIP) processes.

Power: Pursue engagements with Government to develop a strategy in line with the national 60% renewable energy objective by 2030 and the phasing out of coal; increase cane straw and *bagasse* production and enhance renewable energy production; undertake a combustion trial with eucalyptus; develop additional renewable biomass capacity, with a focus on wood chips; and continue employee campaigns to ensure efficient waste segregation.

Property and Leisure: Initiate a Tiny Forest project, which introduces a dense, fast-growing native woodland into the urban space of Beau Plan; develop a roadmap for solid waste management; investigate the use of ground water through boreholes that will supply our Smart City; set up chargers for electric vehicles across our Beau Plan Smart City; construct a 1.6 MW photovoltaic solar farm; and initiate a carbon footprint assessment.

Group-level Functions (Cont'd)

Corporate social responsibility: supporting our communities

In addition to the significant social value the Group creates through its core business activities by providing direct and indirect employment and upskilling its workforce, Terra also provides focused support to neighbouring communities. Our Corporate CSR programme, coordinated by the Terra Foundation, aligns with Government's CSR guidelines and promotes regional and national community development. The foundation's primary focus remained on the geographical areas around Terra's Beau Plan and Belle Vue operations. Going forward, we aim to allocate more resources to ensure that local communities benefit fully from the development of our Beau Plan Smart City.

Strengthened partnerships and extended community support

In 2022, the facility offered by the Mauritius Revenue Authority (MRA) was maintained. Out of the 75% CSR contribution made to the MRA (passed onto the National Social Inclusion Foundation and redistributed to NGOs), companies of the Group retained 25% for our long-term project partners. This retention enabled us to provide 50% of our CSR funds to community projects. We partnered with 23 NGOs and sponsored 50 projects in 2022. We delivered 45 of these projects (representing 84% of our funding) in the northern region.

We remained focused on education and training, poverty alleviation, health care and sports and resumed our focus on heritage and culture as Covid-19 restrictions eased. We also maintained our long-term NGO partnerships. These partnerships include a 48-year sponsorship of *Collège Technique St Gabriel*, a 32-year sponsorship of *Lizie dan la main* and an 18-year sponsorship of the ZEP (priority education zone) school.

We continued to support the resilience and empowerment of communities in the northern region through our Group emergency fund, established in 2020. We launched a service industry training programme targeting unemployed women in the communities surrounding our Beau Plan Smart City. Our focus was to equip these women with the technical and practical skills to work as residential or commercial staff while boosting their self-esteem. We partnered with local NGO *Caritas Solitude*, who assisted with developing a culturally-appropriate training curriculum. The training received positive feedback from the 15 participating women, who received letters of recommendation and were connected to employment opportunities where possible.

The Terra Foundation also collaborated with *Association Mauricienne des Femmes Chefs d'Entreprises* (AMCFE) and enrolled one beneficiary in the Academy for Women Enterprise online course sponsored by the US Embassy. The beneficiary will receive mentorship and training that will enable her to grow her business. In line with our focus on heritage and culture, we resumed our support of a local youth theatre group. Terra Foundation provided funding for transport, props and decorations, and free access to a rehearsal and performance space. Local audiences received the show well, and we are reflecting on how to channel this momentum into renewed support for theatre going forward.

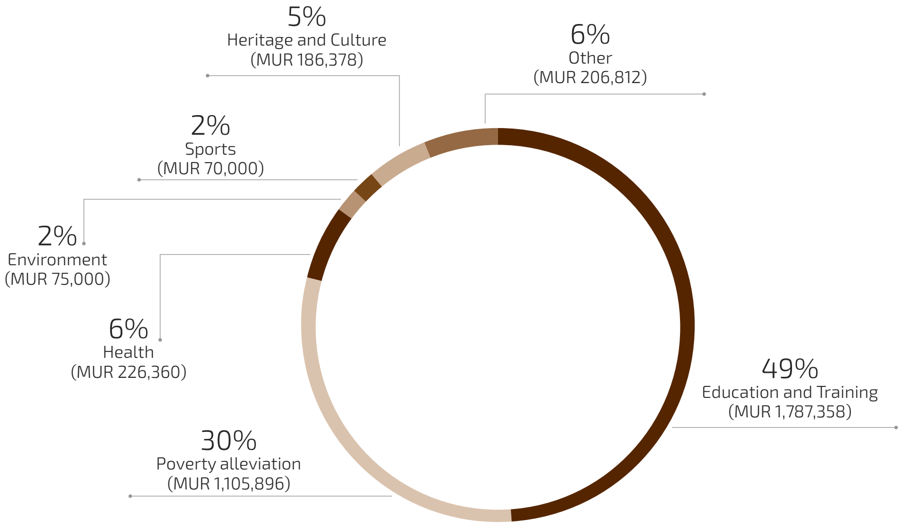
We resumed our employee volunteering initiative this year, which enables our employees to volunteer time for a community cause. Employees assisted with painting facilities and classrooms at a local school and participated in a tree planting day at our Beau Plan Smart City. We also sponsored Christmas activities for the most vulnerable children in the region.

We provide more information on our CSR performance in the Terra Sustainability Report.

Measuring impact

Our budget of MUR 3.6 million net of administrative expenses supported 1,669 beneficiaries (1,911 in 2021), the majority of who were children. We conduct annual evaluation reports to assess the work of our NGO partners.

Sponsorship by focus area in 2022



Outlook

Our focus will remain on maintaining the resilience of our NGO partners. We will continue to draw on our partner network and collaborate with national institutions to ensure we deliver meaningful, high-impact projects in 2023. We remain focused on local integration with our immediate neighbourhoods in Beau Plan Smart City, including offering training and support to job seekers. We remain committed to strengthening our employee volunteering initiative. Our aim of building a database to deliver a broader level of volunteering and in-kind skills-sharing projects remains a focus for the year ahead.

Governance

Atelie Batri (MEDS)
Noir

Our Leadership

Board of Directors

- Audit and Risk Committee
- Corporate Governance Committee
- Strategy and Investment Committee
- Ethics Committee
- Board meetings
- Annual Meeting
- Chairperson
- Secretary

ALAIN REY

Non-Executive Chairman
First appointed to the Board in 2016

BSc (Hons) in Economics (London)
Member of the Institute of Chartered Accountants in England and Wales

8/8 4/4 4/4 2/2 ✓

DOMINIQUE DE FROBERVILLE

Non-Executive Director
First appointed to the Board in 2011

Maîtrise en Chimie Industrielle (France);
MBA (England)

8/8 4/4 ✓

THIERRY DE LABAUVE D'ARIFAT

Non-Executive Director
First appointed to the Board in 2022

Diploma in Building Management
Technikon Natal (South-Africa)
Project Management Professional Certification from the Project Management Institute

2/2 N/A

ALEXIS HAREL

Executive Director
First appointed to the Board in 2011

BSc Business Administration (USA)

8/8 3/4 ✓

DIDIER HAREL

Independent Non-Executive Director
First appointed to the Board in 2016

MBA, INSEAD (Institut Européen d'Administration des Affaires) (France)
BSc Eng. (Hons) in Chemical Engineering and Chemical Technology (UK)

8/8 4/4 ✓

HENRI HAREL

Executive Director
First appointed to the Board in 2011

ACIS (South Africa)

8/8 4/4 ✓

NICOLAS MAIGROT

Managing Director
First appointed to the Board in 2016

BSc Management Sciences (London)

8/8 3/4 4/4 ✓

ANNA MALLAC-SIM

Non-Executive Director
First appointed to the Board in 2021

Master d'Architecture – ESA (Paris)
Diplôme d'Habilitation à la Maîtrise d'Œuvre en son Nom Propre (HMONP) – ESA (Paris)

8/8 ✓

PASCAL RAFFRAY

Non-Executive Director
First appointed to the Board in 2019

BA in Economics and Finance, INSEEC (France)

8/8 6/6 ✓

KALINDEE RAMDHONEE

Independent Non-Executive Director
First appointed to the Board in 2022

Fellow of the Association of Chartered Certified Accountants (UK)

2/2 N/A N/A N/A

Our Leadership (Cont'd)

Board of Directors (Cont'd)

NIKHIL TREEBHOOHUN

Independent Non-Executive Director
First appointed to the Board in 2014

BSc (Hons) Economics, Industry and Trade (UK). Postgraduate Diplomas in Financial Management (Australia) and in Development Planning Techniques (Netherlands). Fellow of the World Academy of Productivity Science

8/8 6/6 2/2 ✓

MARGARET WONG PING LUN

Independent Non-Executive Director
First appointed to the Board in 2012
Retired on 10 November 2022

Fellow of the Institute of Chartered Accountants in England and Wales
BA Honours in Business Studies (London)

6/8 6/6 3/4 ✓

LOUIS DENIS KOENIG

Administrative Executive and Managing Director of Terra Services Ltd, Company Secretary

Maîtrise ès Sciences Economiques (Economie d'Entreprise). Diplôme d'Etudes Supérieures Spécialisées en Finance (France)

8/8 3/6 4/4 3/4 2/2 ✓

Alain Rey (63)
Manager at Citibank NA (Paris): 1986-1988
Financial Director and General Manager in the Mauritian textile industry: 1988-2005
Regional Corporate Director at Barclays Bank in Mauritius: 2005-2006
Chief Executive Officer of Compagnie Sucrière de Mont Choisy: 2007-2015
Board member at Afrasia Bank: 2006-2009 and at The State Bank of Mauritius: 2009-2015

Current outside Directorships of listed and quoted/non-listed companies:

Listed	Quoted/non-listed
MCB Group Limited	CIEL Textile Ltd
New Mauritius Hotels Ltd	Quantum Ltd
	Precigraph Ltée
	MCB Microfinance Ltd

Dominique de Froberville (63)
Production Manager in the paint and optical industries: 1985-1988
Manager of two textile groups: 1988-2000
Director of Operations and then Chief Executive Officer at Mauritius Freeport Development: 2001 to date
Former council member of the Mauritius Employers Federation and member of the Mauritius Exporters Association.

Thierry de Labauve d'Arifat (50)
From Technical Assistant to Site Manager at Rehm Grinaker Construction Company Limited: 1993-1997
Contracts Manager at BEAM Ltd: 1998-2003
Logistics Manager at Plumbelec Co. Ltd: 2003
Self-employed at TDA Consult Ltd to offer building management services: 2004-2015
Head of Operations for the residential cluster at ENL Property Co. Ltd: 2016-2019
Self-employed by TDA Consult Ltd: 2020 to date

Alexis Harel (60)
Auditor and Trainer at De Chazal Du Mée (Chartered Accountants): 1985-1986
General Manager at Elastico Ltd: 1986-1988
Director at Dataphon (Mtius) Ltd: 1988-1992
Commercial Executive and then Managing Director at Grays: 1992 to date
Member of Terra's Executive Committee

Directorships of listed companies:
United Docks Ltd

Didier Harel (71)
From Sales Engineer at Esso in Mauritius to General Manager of Esso in Reunion and to International Sales and Supply Coordinator at Esso Africa Head Office in the UK: 1974-1988
Managing Director of downstream subsidiaries of Total in Zambia and Zimbabwe, Executive Vice-President in charge of Total's downstream operations in East Africa, Indian and Pacific Oceans at Africa-Middle East Head Office in Paris, Managing Director and CEO of Total South Africa Pty Ltd in Johannesburg, Executive Director of Logistics of Total France in Paris and Managing Director and CEO of Total UK Ltd in Watford: 1989-2012
Chairman and CEO of Société Anonyme de Gestion des Stocks Stratégiques (SAGESS): 2012-2015

Directorships of listed companies:
MCB Group Limited

Henri Harel (62)
Auditor at De Ravel, Boulle, Saad & Wyman (Chartered Accountants): 1981-1984
Internal Auditor at Toyota SA Manufacturing: 1984-1988
Financial Accountant at Amalgamated Beverage Industries (Coca-Cola South Africa): 1988-1990
Financial Controller at Société de Gérance de Mon Loisir: 1991-1996
Financial Controller and then Group Chief Finance Officer and Executive Committee member at Terra: 1997 to date

Directorships of listed companies:
Swan General Ltd

Nicolas Maigrot (54)
From Management Controller to Chief Executive Officer at Floreal Knitwear and Ciel Textile: 1989-2010
Chief Executive Officer of Ireland Blyth: 2010-2015
Managing Director of Terra: 2016 to date
Chairman of Terra's Executive Committee

Directorships of listed companies:
Swan General Ltd
United Docks Ltd

Anna Mallac-Sim (34)
Associate of LPB Architectes (Paris): 2011-2015
Collaboration with several local architectural firms in Mauritius: 2016-2017
Teacher at Ecole Nationale d'Architecture de Nantes on its Mauritian campus: 2018 to date

Our Leadership (Cont'd)

Board of Directors (Cont'd)

Pascal Raffray (47)

Sales Assistant at Donaldson Lufkin & Jenrette (Paris): 1999-2000
Trader on US equities at Credit Suisse (Paris): 2000-2007
Trader on International equities at Neuflize OBC (ABN AMRO Group) (Paris): 2007-2013
Dealing services – global products at BNP Paribas (Paris): 2013 to date

Kalindee Ramdhonee (59)

Head of Accounts in the technology cluster of Harel Mallac: 1991-2003
Finance and Administrative Manager to MC Vision: 2003-2010
Group Financial Controller at African Alliance Group: 2010-2012
General Manager in Mauritius for the BIA Group, a Belgian family business: 2012-2016
Founder/Managing Director of Karics Partners Ltd: 2016 to date

Directorships of listed companies:
The United Basalt Products Ltd
BMH Ltd

Nikhil Treebhoohun (68)

Teacher in Economics at secondary level: 1978-1981
Senior positions at Ministry of Economic Planning and Development and Ministry of Industry: 1981-1987
Lecturer in Economics at the University of Mauritius: 1987-1989
Projects Manager at the Industrial and Vocational Training Board: 1989-1992
Director of the Export Processing Zone Development Authority: 1992-2000
Executive Director of the National Productivity and Competitiveness Council (NPCC): 2000-2005
Adviser and Head of the Trade Section of the Commonwealth Secretariat: 2005-2011
Chairman of Oxford International Consultants (Mauritius): 2011
Chief Executive Officer of Global Finance Mauritius: 2011-2014

Margaret Wong Ping Lun (69)

Manager of the Consultancy Department of De Chazal Du Mée, Chartered Accountants: 1985-1990
Lecturer in Accounting and Finance at the University of Mauritius: 1991 to her retirement in August 2019
She was a member of the Listing Executive Committee of the Stock Exchange of Mauritius

Directorship of listed companies:
Fincorp Investment Ltd

New appointment

Françoise Ip Wan Shek (66)

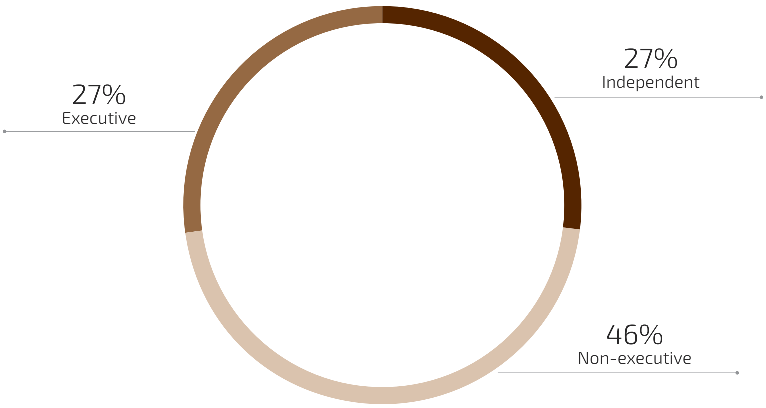
Fellow of the Association of the Chartered and Certified Accountants (FCCA)
BA Honours in Business Studies (London)
Mrs Ip started her career as Accountant at Ferney Spinning Mills Ltd in 1979 and has worked for 40 years in the Ciel Textile group of companies. She was successively Financial Controller and then Head of Finance of the cluster, which included foreign subsidiaries in Madagascar, India and Bangladesh. She retired as Head of Finance of the knitwear division in December 2018. She has been self-employed as a Management Consultant in training and coaching in Management Accounting Concept form January 2019 to June 2023.

Secretary to the Board

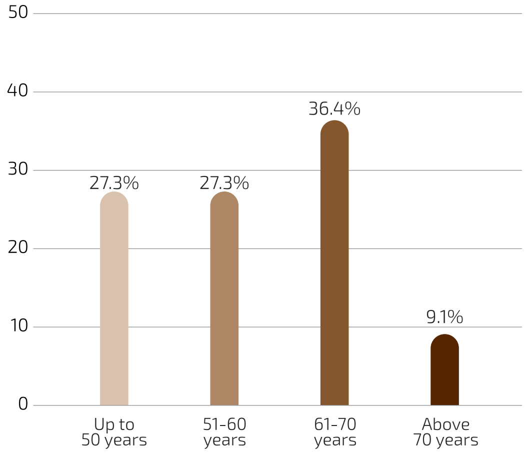
Louis Denis Koenig (56)

Statistician at the Anglo-Mauritius Assurance Society: 1989-1990
Assistant Secretary and then Administrative Executive at Terra: 1990 to date
Dealer's Representative at Cavell Securities Ltd and member of The Stock Exchange of Mauritius instances: 1992-2006
Fellow of the Mauritius Institute of Directors and Director of several subsidiaries of Terra
Member of Terra's Executive Committee

Composition of the Board of Directors



Age Pyramid of the Board of Directors



Our Leadership (Cont'd)

Management team

MARIE-ANNICK AUGUSTE
CSR MANAGER
(TERRA FOUNDATION)

JOCELYN DE CHASTEAUNEUF
MANAGING DIRECTOR
(GRAYS DISTILLING)

NICOLAS EYNAUD
GENERAL MANAGER
(NOVATERRA)

EDWIGE GUFFLET
MANAGING DIRECTOR
(L'AVENTURE DU SUCRE)

JEAN-MARC IWEINS
PLANT MANAGER
(TERRAGEN)

STEEVE LAREINE
GROUP FINANCE MANAGER

SÉBASTIEN MAMET

GENERAL MANAGER
(AGRICULTURE)

IQRA MOSAHEB

GROUP LEGAL ADVISOR

CHRISTOPHER PARK

GROUP HUMAN RESOURCE MANAGER

DIDIER RAMSAMY

FACTORY MANAGER
(TERRA MILLING LTD)

JULIEN ROUSSET

HEAD OF CORPORATE DEVELOPMENT

ASHWAN SEEPARSAD

GROUP IT MANAGER

JOËLLE WONG HING NANG

HEAD OF TREASURY
(TERRA FINANCE)

Our Leadership (Cont'd)

Management team (Cont'd)

Marie-Annick Auguste (52)

CSR Manager (Terra Foundation)

BA in Psychology and Communication (South Africa)

Marie-Annick Auguste started her career at the South African High Commission in 1991, working as confidential secretary in the political section. From 2001 to mid-2002, she worked at Desbro International, part of the Rogers Group. From 2002 to 2009, she was Head of the Sponsorship, Fundraising and Public Relations Department of SOS Children's Villages Mauritius. She was appointed as Terra Foundation's CSR Officer in May 2010 and is now its CSR Manager.

Jocelyn de Chasteauneuf (48)

Managing Director (Grays Distilling)

BA (Hons) Accounting and Finance – London (UK)

Member of the Association of Chartered Management Accountants (UK)

Jocelyn de Chasteauneuf started his career as Accountant in London and has been thereafter the Cost Accountant of a Mauritian manufacturing company. He was employed as Finance Manager of the Brands cluster of the Group in 2001 and is presently its Finance Director. He is also the Managing Director of the distillery.

Nicolas Eynaud (54)

General Manager (Novaterra)

National Diploma in Land Surveying (South Africa)

Nicolas Eynaud started his career in 1991 at SDDSR (Land Surveyors), where he became a partner in 1995. There he was involved in an extensive range of projects for the island's major estates and corporate bodies, in the fields of building, engineering and cadastral surveying. In 2001 he joined Espral, a service company providing full land management and commercial support to all land-based assets owned by the ENL Group. He was appointed General Manager of Espral in 2009, a position which he held until 2013. After spending some two years as Group Property Manager at Compagnie de Beau Vallon, Nicolas Eynaud joined the Group in January 2016.

Edwige Gufflet (54)

Managing Director *(L'Aventure du Sucre)*

Maitrise ès Sciences Economiques (France)
MBA (USA)

Edwige Gufflet started her career in the banking sector in 1993 and worked there until 1998. She then moved on to project management at CIEL Textile until 2003. The same year, she joined *L'Aventure du Sucre* as General Manager and was promoted Managing Director in December 2012.

Jean-Marc Iweins (42)

Plant Manager (Terragen)

Diplôme d'Ingénieur Généraliste de l'ICAM Lille (France)

After working ten years as account manager for water treatment activities in the French West Indies and in the Indian Ocean islands, Jean-Marc Iweins joined Albioma in 2014 as deputy power plant manager of Albioma Bois-Rouge in Reunion Island. He held this function from 2014 to 2018. He has been managing the Terragen power plant since July 2018.

Steeve Lareine (58)

Group Finance Manager

Fellow of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants

Steeve Lareine started his professional career with De Chazal du Mée & Co (Chartered Accountants) in the Auditing and subsequently in the Consulting Department. Before joining the Group in 1999, he was employed as Divisional Accountant at Rey & Lenferna.

Sébastien Mamet (47)

General Manager (Agriculture)

Chartered Accountant (UK)

After working in the Audit Department of EY in London and in Mauritius for eight years, Sébastien Mamet joined the Corporate Finance Division of PricewaterhouseCoopers Mauritius in 2004. As Senior Manager of the division, he advised clients on *inter alia* mergers and acquisitions, business plans, finance raising and financial restructuring. He joined Harel Frères in 2009 to head its new strategic development function. As a member of the Management Committee, he used to advise on the Group's strategic orientation and was responsible for implementing new business developments. He was appointed as General Manager (Agriculture) in 2016.

Iqra Mosaheb (46)

Group Legal Advisor
LLB (Hons) (Mauritius), LLM (Bristol, UK), MBA (Paris-Dauphine, France)
Barrister at Law

Called to the Mauritian Bar since 2002, Iqra Mosaheb started her career in the offshore sector. Over the last 16 years, she has acquired extensive experience in corporate legal services, including overseeing group in-house legal services, both in the financial services and in non-financial services sectors, with an enhanced focus on banking services. Iqra joined Terra in 2017.

Christopher Park (40)

Group Human Resource Manager
BCom HRM, Management and Business Law (Australia)
MCom Human Resources and Marketing (Australia)

Christopher Park started his career in Australia in 2006 where he worked for the country's largest human resource consulting and recruitment company, Chandler Macleod, as HR and Recruitment Consultant. Upon his return to Mauritius in 2009, he joined Adecco Mauritius as a Recruitment and HR consultant. He then joined Enterprise Information Solutions (part of the Cim Group) as their HR Manager in 2010. After one year, he was additionally offered the position of the group's Corporate HR Manager. He was employed by Rogers as Corporate HR Manager from October 2012, before joining Terra as Group HR Manager in December 2013.

Didier Ramsamy (50)

Factory Manager (Terra Milling Ltd)
Chemical Engineering, MBA, AMIChemE (UK)

After working in the Mauritian sugar industry for 12 years, Didier Ramsamy joined Illovo Sugar Africa and worked at two Illovo mills, namely Ubombo Sugar Ltd in Eswatini (16 years) and Maragra Açúcar SA in Mozambique (two years) as a middle manager. Having grown through the ranks at Illovo, Didier was Factory Optimisation Manager at Maragra before joining TML. In his role as Optimisation Manager, he was responsible to develop optimisation strategies for the factory. Didier was appointed as Factory Manager of Terra Milling Ltd in August 2022.

Julien Rousset (41)

Head of Corporate Development
MSc in Management (France)

After working in China for five years in the engineering field and setting up a wholly foreign-owned bank in Shanghai, Julien Rousset joined the sugarcane industry in Tanzania and Mauritius for four years, heading a number of strategic developments on the African continent for different Mauritian groups. He joined Terra in 2016 to head its corporate development function. As a Director of some of Terra's associates and a member of several management committees, he advises on the strategy formulation of the Group's projects and is responsible for following existing investments and implementing new business developments.

Ashwan Seeparsad (40)

Group IT Manager
BSc (Hons) in Business Information Technology (UK)

After obtaining his IT degree from the University of Greenwich, London, in 2007, Ashwan Seeparsad acquired experience in the IT sector in the UK for two years. He then moved to Mauritius in 2009 and worked for several companies in Mauritius over the course of 14 years, including the Ciel Group for 10 years, where he was the IT Lead. He joined the Group in 2019 to serve as IT Lead and was subsequently appointed Group IT Manager in 2021.

Joëlle Wong Hing Nang (41)

Head of Treasury (Terra Finance)
Fellow Member of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants
BSc (Hons) Management with specialisation in Marketing (University of Mauritius)

Joëlle Wong started her career at Cirne Financial Services as Accounts Officer in 2004. She joined Shell Mauritius Limited in that same year as Stock Controller, before being appointed as Country Treasurer in 2008. She took on a wider role as Country Treasurer and Credit Controller in 2013. In 2016, she became part of the group credit function of Vivo Energy (a Shell and Engen Licensee in Africa) as Group Senior Credit Officer. In that role, she was responsible for managing the group credit risk and for leading several projects in 24 African markets while operating remotely from Mauritius. She joined Terra Finance Ltd in May 2021 and was appointed as Head of Treasury on 28 June 2021.

Management Information

Executive Commitee

Nicolas Maigrot	**Managing Director**
Nicolas Eynaud	**General Manager (Novaterra)**
Alexis Harel	**Executive Director**
Henri Harel	**Group Chief Finance Officer**
Louis Denis Koenig*	**Administrative Executive**
Sébastien Mamet	**General Manager (Agriculture)**
Julien Rousset	**Head of Corporate Development**

*Also serves as Secretary to the Committee

Profiles of Executive Committee members are set out on pages 80 to 89.

Cane

Sébastien Mamet
General Manager

Didier Ramsamy
Factory Manager

Power

Terragen Management Ltd
Managers

Jean-Marc Iweins
Plant Manager

Property and Leisure

Nicolas Eynaud
General Manager

Edwige Gufflet
Managing Director
(Sugarworld Ltd)

Brands

Bottling and Distribution
Alexis Harel
Managing Director

Distillery
Jocelyn de Chasteauneuf
Managing Director

Accounts

Steeve Lareine — **Group Finance Manager**

Human Resources

Christopher Park — **Group HR Manager**

Information Technology

Ashwan Seeparsad — **Group IT Manager**

Legal

Iqra Mosaheb — **Group Legal Advisor**

Corporate Social Responsibility

Marie-Annick Auguste — **CSR Manager**

Treasury Management

Joëlle Wong Hing Nang — **Head of Treasury**

Stone Crushing and Block Making

The United Basalt Products Limited — **Managers**

Corporate Governance Report

TERRA Mauricia Ltd ("Terra" or "the Company") is classified as a Public Interest Entity ("PIE") according to the Financial Reporting Act 2004 and is therefore required to apply the eight principles of the Code of Corporate Governance in accordance with The National Code of Corporate Governance for Mauritius (2016) (the "Code"). This Corporate Governance report adequatly explains of how these principles have been applied by the Company and its subsidiaries ("the Group").

Constitution

Terra's constitution conforms with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius. It is available on the Group's website.

The constitution has the following salient features:

- Wide objects and powers are conferred on the Company;
- The absence of ownership restrictions or pre-emptive rights attached to shares issued by the Company;
- The ability of the Company to purchase its own shares, and to reissue and sell any of them;
- Retirement by rotation of three Directors at every Annual Meeting;
- A procedure for proposing candidates for election to the office of Director;
- The ability of shareholders to cast postal votes; and
- The casting vote of the Chairman.

Board of Directors

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group. It must ensure that proper systems and controls are in place to protect the Group's assets and its good reputation. Considering recommendations made by Management, the Board makes strategic choices and decisions, identifies key risk areas, monitors and evaluates the implementation of policies and business plans, and approves major investments as well as the Company's annual capital expenditure and operating budgets. The Board performed these responsibilities during the year.

The roles of the Chairman and Managing Director are separate and each of them has clearly defined responsibilities. The Chairman's main role is to lead and oversee the proper functioning of the Board and to ensure that it operates effectively. The Managing Director is responsible for the day-to-day management of the Group, supervising a team of executives, coordinating the elaboration and submission of development strategies to the Board and monitoring the effective implementation of operational decisions. The Board has adopted a Board Charter, available on Terra's website, which describes clearly, *inter alia*, the role and responsibilities of the Board and its committees, the duties and powers of the Board, the related decision-making processes, and the management of potential conflicts of interest.
The charter is reviewed regularly and was last reviewed in 2021. The Directors are aware of their legal duties.

The Board also approved formal information technology and information security policies, which are available under the Corporate Governance section of the Group's website, and which describe, *inter alia*, the restrictions placed over the right of access to information. The Board regularly review these policies. Each year, the Board also approves the main clusters' significant expenditures on information technology, together with their annual capital expenditure budgets.

Directors are expected to attend, in person or by teleconference, all Board meetings and all Board committee meetings of which they are members, except in exceptional circumstances. Board meeting dates are generally set well in advance to enable Directors to manage their other commitments. As required by the Board Charter, the Directors receive the Agenda of Board meetings at least five working days before the meeting, as well as the relevant documents and papers. The attendance of Directors at Board and committee meetings in 2021, as well as at the Annual Meeting of shareholders, is set out on pages 80 to 82. The Board of Terra met eight times during the year, including a special full-day session dedicated to Group strategy.

Corporate Governance Report (Cont'd)

Senior Group executives are invited, when appropriate, to attend Board meetings and make presentations on the strategies and projects under the custody of their business units. The profiles of the senior Group executives are set out on pages 80 to 89. Consultants are also invited to attend Board meetings when necessary and, in 2022, several of them made presentations to the Board.

During the year under review the Board focused on the following issues:

- Ensuring that the Company acted as a socially responsible entity;
- Approving the audited consolidated annual and interim financial statements and their abridged version for publication, as well as the Annual Report;
- Overseeing performance of the main clusters against budgets;
- Ensuring balanced and constructive communications with stakeholders;
- Approving major strategic investments and credit lines with financial institutions;
- Considering reports from the Board committees;
- Overseeing key risk areas and ensuring effective risk management processes;
- Declaring final dividends for the year ended on 31 December 2022;
- Providing guidance and leadership in the corporate governance arena;
- Regularly reviewing and optimising the Company's debt profile; and
- Considering, providing input and approving the Group's strategy for the forthcoming financial year.

Board size and composition

In terms of the constitution, the Board of Terra, which is a unitary one, consists of not more than eleven Directors and includes five non-executive Directors, three executive Directors and three independent non-executive Directors. The Board's size and composition are appropriate, considering the structure of the shareholding, and provide an adequate number of independent and executive Directors. The present mix is considered sufficient to avoid group think at the level of the Board.

The Directors who were in office during the year ended 31 December 2022 are those listed on pages 80 to 82.

Their profiles, as well as the Directorships held by them in listed companies, including the external obligations of the Chairman, as well as any change thereto and its impact, appear on the same pages. The other external Directorships held by them are available on page 257. The external obligations of the Chairman have not changed in 2022 and they have been found to be compatible with the discharge of his duties and responsibilities. The Board charter has capped the number of outside positions of Directors (excluding the Group and its associates) to ten, but the Board has the discretion of authorising a greater number on a case-by-case basis. None of the Directors have reached the prescribed limit. Except for Mr Pascal Raffray, who resides in Paris, all other Directors ordinarily reside in Mauritius, and there are two female members on the Board. None of the independent Directors have yet served for more than nine years on the Board. If this was the case, the Board would regularly examine the Director's situation and performance to determine if he/she would still be considered independent.

The Code of Corporate Governance, as well as the Board charter, provides criteria to determine the status of independence from a Director's standpoint. One of these criteria states that cross Directorships or significant links with other Directors through involvement in other companies or bodies, could result in the Director being defined as non-independent. The Board charter also gives the Board the right to grant waivers to any of the above criteria so that knowledge, experience, skills and integrity are privileged in the nomination process of independent Directors. Mr Didier Harel and the Chairman have cross Directorships in one company at non-executive level. However, the Board again carefully considered this matter and resolved that there is no perceived reason why Mr Didier Harel should not continue to be regarded as an independent Director. The Board has determined that he has shown objectivity and an unfettered independent judgement, that he has performed his duties in good faith and that his independence as Director has not been affected in any way by this cross Directorship.

Although the Chairman is not considered as being independent, as he is also the Chairman of Société de Nemours, the ultimate holding entity of Terra, he has no link with the shareholding of Société de Nemours and has also shown objectivity and an independence of judgement in performing his duties.

At the Annual Meeting held in 2022, one Director who retired from office by rotation was eligible for re-election and was re-elected. Two non-executive Directors were appointed to fill vacancies. Under Section 138 (6) of the Companies Act, one non-executive Director, namely Mr Didier Harel, was proposed for re-election and was re-elected. The latest Board evaluation confirmed his performance and commitment. A new non-executive director will be proposed for election in replacement of Mr Nikhil Treebhoohun, who has served on the Board for nine years.

The Board is of the opinion that the rotation of three Directors each year, as provided by Terra's constitution is appropriate in the circumstances of the Group, given its complexity and the diversity of its activities.

The Board believes that the tenure of office of Directors should be of a sufficient duration to allow these Directors – particularly independent Directors and those who are members of the Board committees – to be reasonably familiar with the intricacies of the Group's operations. This ensures they can exercise the expected degree of leadership, skill and judgement required to ensure sound decision-making at Board level, in the best interests of the Group.

The Board is responsible for succession planning, including senior executives and the nomination process of Directors. This responsibility has been partly delegated to the Corporate Governance Committee. The latter identifies potential new Directors, according to the provisions of Terra's constitution, as well as new executives and makes recommendations to the Board after considering the skills, knowledge, experience, age and gender of the candidates. Upon their appointment, the new non-executive Directors receive a formal letter describing their legal responsibilities and fiduciary duties, as well as the Board's specific expectations, including the time commitment. The Board is also responsible for the induction of new Directors, with the help of the Company Secretary, and their professional development. The latest Board Effectiveness Evaluation provided the opportunity to discuss this specific matter with the Directors and to assess their training needs.

Directors' interests in the share capital of Terra Mauricia Ltd

The Directors' interests in the Company's securities as at 31 December 2022 pursuant to the Listing Rules are as follows:

	Ordinary Shares			
	Direct		Indirect	
	Shares	%	Shares	%
Directors				
Thierry d'Arifat	-	-	-	-
Dominique de Froberville	-	-	266	0.00%
Alexis Harel	30,133	0.01%	74,083	0.03%
Didier Harel	-	-	-	-
Henri Harel	413,666	0.18%	35,200	0.02%
Nicolas Maigrot	-	-	-	-
Anna Mallac-Sim	133	0.00%	4,758,211	2.09%
Pascal Raffray	-	-	-	-
Kalindee Ramdhonee	-	-	-	-
Alain Rey	-	-	-	-
Nikhil Treebhoohun	-	-	-	-
Total	443,932	0.20%	4,867,760	2.14%
Total issued shares	227,545,624			

None of the Directors holds any interest in subsidiaries of the Company. The Directors abide by the principles enunciated in the Model Code on Securities Transactions by Directors, set out in Appendix 6 of the Mauritius Stock Exchange Listing Rules. During the year under review, none of the Directors bought or sold shares of Terra.

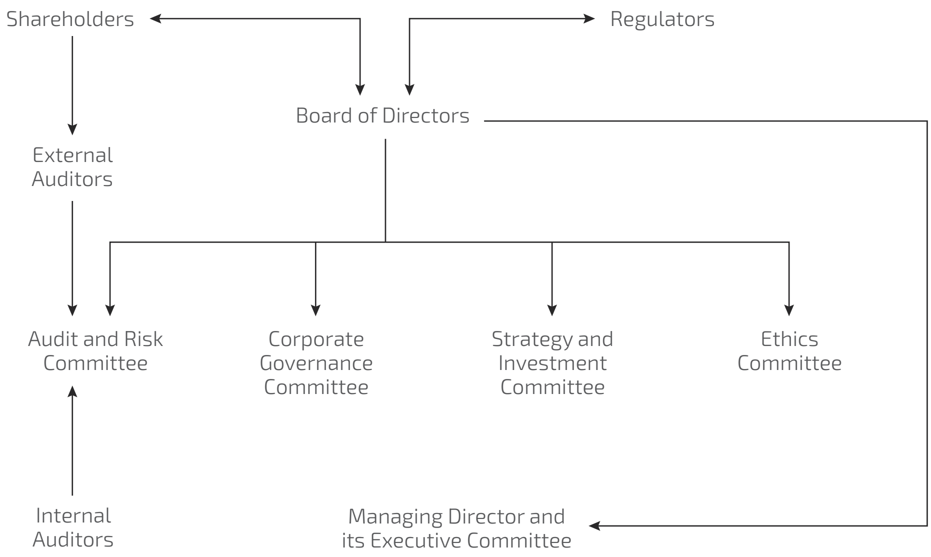
Corporate Governance Report (Cont'd)

Group Company Secretary

Directors have direct access to the advice and services of the Group Company Secretary, Terra Services Ltd, through its representative, Mr Louis Denis Koenig, who is responsible for ensuring that Board procedures and processes are followed. He also ensures that within one month of their appointment newly appointed Directors are made aware of their fiduciary duties and responsibilities. He further prepares an induction programme tailored to their individual requirements in order for them to be immediately familiar with the Group's operations and business environment and to meet and exchange with senior management. Among its directors, Terra Services Ltd has one member of the Institute of Chartered Secretaries and Administrators of the United Kingdom and one Chartered Accountant. An interest register is maintained by the Group Company Secretary and is available for inspection by shareholders upon written request to the Company as provided by law.

Governance framework and delegation of authority

Terra's governance structure provides for delegation of authority, while enabling the Board to retain effective control. The Board delegates specific responsibilities to the Managing Director and to Board committees with clearly defined mandates. Their terms of reference, which have been approved by the Board, were reviewed in 2020. They are posted on Terra's website, along with the position statement of each senior governance position within the Company and the Group's organisational structure. The Board also approved these items, which were reviewed in 2021. While an independent Director assumes the chairmanship of the Audit and Risk Committee, the Chairman of the Board chairs the three other committees to ensure a smooth and proper coordination between these committees and the Board.



Group Compliance function

The Group has a Compliance function which is ensured by a Group Compliance and Money Laundering Reporting Officer, who ensures the compliance of all relevant Group companies with the laws and regulations pertaining to the Financial Intelligence and Anti-Money Laundering Act as well as the Anti-Money Laundering and Combatting the Financing of Terrorism Act.

Board committees

Audit and Risk Committee

Composition

Members:	
Margaret Wong Ping Lun (up to 10 November 2022)	Chairperson: Independent non-executive
Kalindee Ramdhonee (as from 16 November 2022)	Chairperson: Independent non-executive
Pascal Raffray	Member: Non-executive
Nikhil Treebhoohun	Member: Independent Non-executive

Other regular attendees:
Managing Director
Group Chief Finance Officer
External auditors
Internal auditors
Group Finance Manager

Terms of reference

The Committee operates under formal terms of reference modelled closely on the Code's provisions. It is primarily responsible for maintaining an appropriate relationship with the Group's external auditors, reviewing and monitoring the effectiveness of the systems of internal control, including internal financial control, business risk management and the audit process. Its main objective is to provide the Directors with additional assurance regarding the quality and reliability of financial information used by them and to assist them in properly discharging their duties. The Committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non-audit work. External and internal auditors have unrestricted access to the Committee. The Committee's terms of reference also encompass the responsibilities to oversee the Group's risk management framework. The Board reviewed these terms of reference in November 2020.

External auditors

At the Annual Meeting held in November 2022 the shareholders approved the re-appointment of BDO & Co, who were first appointed in 2020. Details of audit and non-audit fees are disclosed on page 119.

Meeting schedule

The Audit and Risk Committee met six times in 2022 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by Directors is set out on pages 80 to 82. Critical policies, judgements and estimates were discussed when the Committee met with the external auditors to review the financial statements. On that occasion, the Committee met the auditors outside the presence of management.

Corporate Governance Report (Cont'd)

Committee focus in 2022

- Monitoring of the external audit process;
- Consolidated and abridged audited financial statements for approval by the Board and publication;
- Review of annual report and management letters for the Group;
- External and internal audit planning for 2022;
- Review of internal audit reports; and
- Regular review of the effectiveness of the Risk Management Framework, as described in the Group's Enterprise Risk Management (ERM) approach and reviewing the risk registers of each cluster.

Grays' Audit and Risk Committee

Given that 26% of Grays Inc. is owned by Distell Group, a strategic partner, and taking into account the complexity of its activities, Grays Inc. has a separate Audit and Risk Committee. This Committee is under the chairmanship of Deon Louw, a representative of the strategic partner, with Henri Harel and Dominique de Froberville as members. The Committee reports to the Board of Grays Inc. The minutes of its proceedings are circulated to Terra's Audit and Risk Committee and Board. Grays' Audit and Risk Committee met on two occasions during the year. The first meeting focused on the management letter from the external auditors, the audited financial statements, and a follow-up report from the internal auditor. The second meeting focused on the external audit plan, the engagement letters and fees for the hiring of services regarding the preparation of financial statements and the tax computation, the review of three internal audit follow-up reports, and the finalisation of the internal audit plan for 2023.

Corporate Governance Committee

Composition

Members throughout the year:	
Alain Rey	Chairman: Non-executive
Didier Harel	Member: Independent Non-executive
Margaret Wong Ping Lun (up to 10 November 2022)	Member: Independent Non-Executive
Kalindee Ramdhonee (as from 16 November 2022)	Member: Independent Non-Executive

In attendance:	
Nicolas Maigrot	Executive

Terms of reference

The Committee's role encompasses the functions of both the Remuneration and the Nomination Committees.

Its terms of reference include *inter alia* the development of Group general policy on executive and senior management remuneration, as well as the determination of specific remuneration packages and performance measurement criteria for executive Directors. It also makes recommendations concerning the level of Directors' fees. It regularly reviews the Board's structure, size and composition and makes recommendations to the Board on Directors' appointments. The Committee has the further responsibility of implementing the Code throughout the Group and ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in it. The Board reviewed the terms of reference of the Committee in November 2020.

Meeting schedule

The Corporate Governance Committee met four times during the year and the attendance of individual Directors at these meetings is detailed on pages 80 to 82.

Committee focus in 2022

- Reviewing the Corporate Governance Report and Annual Report for the year ended 31 December 2021;
- Appointment and re-appointment of Directors;
- Preparation of Annual Meeting held on 10 November 2022;
- Composition of boards of Directors of subsidiaries and associated companies;
- Review and approval of the remuneration of senior executives;
- Board self-evaluation;
- Determination of the variable portion of senior executives' remuneration;
- Review of and recommendations for the Directors' remuneration; and
- Renewal of the Directors and Officers Liability Insurance Policy.

Board evaluation

A follow-up of the Board Effectiveness Evaluation held in the first quarter of 2020 with the help of Ernst & Young (EY) was done by EY in the second half of 2022. The evaluation also reviewed the performance of the Board committees and the individual Directors. The report was subsequently submitted to the Committee and to the Board in the first quarter of 2023. Appropriate measures will be taken regarding the improvement areas identified by the report.

Strategy and Investment Committee

Composition

Members throughout the year:	
Alain Rey	Chairman: Non-executive
Dominique de Froberville	Member: Non-executive
Nicolas Maigrot	Member: Executive
Alexis Harel	Member: Executive
Didier Harel	Member: Independent Non-executive
Henri Harel	Member: Executive

In attendance:	
Julien Rousset	Head of Corporate Development

Terms of reference

The Strategy and Investment Committee assists the Board in discharging its duties relating to strategic investment or disinvestment decisions. The Committee reviews and recommends significant investment or disinvestment choices to the Board, based on input provided by the management team. It has neither managerial nor decision-making powers. The Committee consists of a minimum of three and a maximum of six Directors appointed by the Board, at least half of who should be non-executive Directors and preferably independent. The Board appoints a chairman from among the non-executive members of the Committee. The Board reviewed the terms of reference of the Committee in November 2020.

Meeting schedule and Committee focus in 2022

The Strategy and Investment Committee met four times in 2022. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities, including new projects for the Property and Leisure cluster, the Group's financing requirements and made several recommendations to the Board. The attendance of individual Directors at these meetings is detailed in the table on pages 80 to 82.

Corporate Governance Report (Cont'd)

Ethics Committee

Composition

Members throughout the year:	
Alain Rey	Chairman: Non-executive
Christopher Park	Member: Human Resources Manager
Nikhil Treebhoohun	Member: Independent Non-executive
Louis Denis Koenig	Member: Administrative Executive

In attendance:	
Gilbert Bouic (Group Ethics Officer)	Consultant

Terms of reference

The Group is fully committed to its Code of Ethics covering ethical standards. The Group's Code of Ethics is monitored by the Ethics Committee, which has the mandate to deal with any complaint relating to the Group's Code of Ethics and to ensure that it is regularly updated. The Committee is seconded in its mission by the Group Ethics Officer who holds a Certificate from the Ethics Institute of South Africa.

The Group's Code of Ethics, which includes a Whistle-blowing Policy monitored by Transparency Mauritius, was reviewed in 2021. All Board members, senior executives, staff, and employees have been invited to renew their commitment to abide by the Code of Ethics. During the year, an e-Learning module was launched for all employees with access to a computer to enable them to become more familiar with the revised Code and to validate their comprehension and commitment online. For those who did not have access to a computer, live sessions were organised by the Group Ethics Officer with the help of Transparency Mauritius. One whistle-blowing case was reported through Transparency Mauritius at the end of 2022 and has been duly and satisfactorily investigated. During the year, the Group Ethics Officer continued to devote time to encouraging the Group's employees and stakeholders, such as contractors and suppliers, to adhere to the revised Code of Ethics to ensure it is successfully implemented.

The Board reviewed the terms of reference of the Committee in November 2020.

Meeting schedule

The Committee met twice in 2022 and the attendance of individual Directors at meetings is detailed in the table on pages 80 to 82.

Committee focus in 2022

- Report of the Group Ethics Officer on its activities;
- Renewed the agreement with Transparency Mauritius for the whistle-blowing services;
- Dissemination of information on ethics within the Group; and
- Reviewing the action plan of the Group Ethics Officer for 2023.

Remuneration of Directors and remuneration policy

Directors

All Board Directors are remunerated according to a fixed fee, as well as an additional fee for each Board and committee meeting attended. The Chairman is remunerated in a similar manner, but at a higher rate. The Board's remuneration is recommended by the Corporate Governance Committee and submitted at the Annual Meeting for approval. The Board approves the committee fees.

The remuneration received by Directors from the Company varied according to the number of meetings held and attended in 2022 and the number of committees on which they sat. The non-executive Directors do not receive any remuneration in the form of share options or in relation to the Company's or the Group's performance.

The individual remuneration received from the Company by the Directors in office on 31 December 2022 is as follows:

Directors	2022 MUR'000
Dominique de Froberville	846
Thierry de Labauve d'Arifat	143
Alexis Harel	1,103
Didier Harel	1,008
Henri Harel	689
Nicolas Maigrot	689
Anna Mallac-Sim	689
Pascal Raffray	945
Kalindee Ramdhonee	143
Alain Rey (Chairman)	2,013
Nikhil Treebhoohun	1,023

Executives

Regarding executive Directors, the Remuneration Policy, which is determined by the Corporate Governance Committee, aims at:

- Aligning executive remuneration with the Group's business objectives and shareholder value;
- Attracting, retaining and motivating high-calibre executives capable of achieving the Group's objectives;
- Motivating executives to achieve ambitious performance levels; and
- Recognising performance at individual and corporate level.

In addition to the fixed and per meeting Directors' fees, the overall remuneration of executive Directors includes a basic salary, pension and other benefits, as well as a variable annual performance bonus. The variable performance bonus is in line with the above-mentioned policy objectives and is based on a percentage of the Group's or relevant company's adjusted profit after tax, after deduction of any item of exceptional or non-operational nature, as well as on the achievement of agreed Key Result Areas. The variable annual performance bonus represents a significant percentage of the total remuneration of the executive Directors. This aims at better aligning the objectives set for these Directors with those of the Group and provides an added incentive to respond to the challenges the Group faces.

The Corporate Governance Committee has retained outside consultants to provide independent market information and advice relating to the regular review of executive performance and remuneration.

The executive Directors do not receive any fees in their capacity of Directors of subsidiaries. However, they may receive remuneration from the subsidiary that is their employer. For reasons of confidentiality and due to the market sensitivity of the information, the Board of Directors has decided not to disclose the individual remuneration that executive Directors receive from subsidiaries.

The remuneration and benefits received by the Directors from the Company and its subsidiaries as at 31 December 2022 are disclosed in the Statutory Disclosures on page 118.

Related party transactions and conflicts of interest

Related party transactions are disclosed in aggregate in Note 40 to the Financial Statements. During the year, there were no material transactions between Terra or any of its subsidiaries or associates and a Director, chief executive, controlling shareholder or companies owned or controlled by a Director, chief executive, or controlling shareholder. Conflicts of interest, if any, have been properly declared by interested Directors and were properly managed according to the Group's Conflict of Interest Policy which is posted on Terra's website.

Share option plan

The Group has no share option plan.

Management agreements

Except for the management contracts between Ivoirel Limitée and Sucrivoire, between Terrarock Ltd and The United Basalt Products Ltd, and the management agreement between Terragri Ltd and Beau Plan Campus Ltd, there are no management agreements with third parties to which Terra or a subsidiary is a party.

Corporate Governance Report (Cont'd)

Internal controls and risk management

The Board has ultimate responsibility for the system of internal control and risk management. Details on the way the Board delivered its duties in that respect, with the help of the Audit and Risk Committee, are provided on pages 103 to 109 of this report.

Health, safety and environment

An overview of the Group's Health and Safety activities and its environmental performance is provided on pages 73 to 75 of this report.

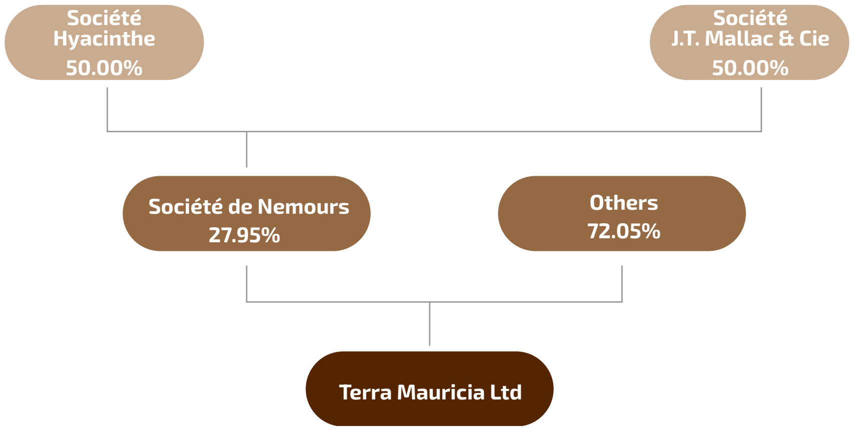
Donations and corporate social responsibility

Political and other donations made during the year are shown on page 119. Until further notice the Board has decided to maintain the current practice of disclosing in aggregate the political contributions.

The Group's policies and practices in relation to corporate social responsibility (CSR) are detailed on pages 76 and 77.

Holding structure

As at 31 December 2022, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



Group structure

The Group structure is provided on page 259. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 90) and the Strategy and Investment Committee, before being submitted to the relevant Board for its approval. Information is exchanged within the Group through the Executive Committee, as well as via the various management committees set up for each cluster. The Group's risks are managed at the cluster level by each General Manager, each of whom has signed an acknowledgement in that respect. These risks are monitored at Group level by a Group Risk Management Committee through a risk management framework and risk register, under the supervision of the Audit and Risk Committee.

Substantial shareholders

As at 31 March 2023, the following shareholders were directly or indirectly beneficially interested in 5% or more in the share capital of Terra:

	Direct	Indirect
Mallac Sim Armelle	0.69%	5.57%
Moulin Cassé Ltée	1.09%	9.52%
Société de Nemours	27.95%	-
Société Hyacinthe	-	13.98%
Société J.T. Mallac & Cie	1.09%	13.98%

It should be noted that Moulin Cassé Ltée holds its indirect interest through Société Hyacinthe, which is a member of Société de Nemours. Mrs Armelle Mallac Sim holds her indirect interests through Société J.T. Mallac & Cie and through Société Amée, which is a member of Société J.T. Mallac & Cie and also holds shares directly in the Company. To date, no other entity or individual has reported an interest of 5% or more in the share capital of Terra.

Common Directors

As at 31 December 2022, the following Directors were common to Terra and the Group's holding entities:

Directors of the Company	Directors of holding entities		
	Société de Nemours	Société Hyacinthe	Société J.T. Mallac & Cie
Anna Mallac-Sim	x		
Dominique de Froberville	x		x*
Alexis Harel	x	x	
Henri Harel	x	x*	
Thierry de Labauve d'Arifat	x		
Alain Rey	x*		

* Chairman

While there is no formal meeting between the Board and the main shareholders of Terra other than the Annual Meeting, these common Directors allow the Board to remain aware of the concerns of the major shareholders.

Shareholders' agreement

Terra is not a party to any shareholders' agreement and, to the best of its knowledge, there is no shareholders' agreement between its direct shareholders.

Dividend policy

The Board has no formal dividend policy. However, under normal circumstances, and considering *inter alia* the Group's performance, capital expenditure, debt servicing requirements and investment needs, as well as any external uncertainties the Group is facing, the Board aims to distribute a yearly dividend that is considered sustainable in the medium to long term.

Corporate Governance Report (Cont'd)

Shareholders' and stakeholders' relations and communication

The Group understands the importance of communicating with its shareholders and ensures that they are kept informed on matters affecting Terra. An overview of the relationships with the main stakeholders is provided on pages 26 and 27. Communication is effected via the Annual Report, the Sustainability Report, circulars issued in compliance with the Listing Rules of the Stock Exchange of Mauritius, press announcements, the publication of Group unaudited quarterly and audited abridged financial statements, dividend declarations, Terra's website and social media where visitors can leave questions or comments, and the Annual Meeting, to which all shareholders are invited.

Moreover, all Directors are invited and encouraged, save for exceptional circumstances, to attend the Annual Meeting and to be available to answer shareholders' questions. In 2021 and 2022 all Directors attended the meeting. Since 2003, it has been the practice to allow for the postal vote of shareholders at the Annual Meeting of Harel Frères and subsequently of Terra.

The main institutional investors and investment managers are generally invited each year to attend a presentation on the published audited results and to put questions to Management. This exercise is well attended and welcomed by the investing community.

The Group engages with its stakeholders via institutional or official forums such as the Mauritius Chamber of Agriculture, Business Mauritius, the Mauritius Chamber of Commerce and Industry, the Mauritius Sugar Syndicate and the Mauritius Cane Industry Authority. The Group also regularly engages with local communities. Contacts with the Group's stakeholders is made directly or via the local authorities on a frequent or ad-hoc basis. This enables the Group to remain appraised of the concerns and expectations of its stakeholders. Several social impact surveys have been conducted in the neighbouring regions, including in the context of the future Beau Plan Smart City, to help the Group when engaging with the local *forces vives* and communities. Terra Foundation also regularly organises forums with NGOs to assess their work, needs or expectations, and also to find ways of going beyond the strictly financial aspect of CSR.

Share information

Information relating to share distribution and Stock Exchange performance is set out on pages 110 to 114. Dates of important events are also noted.

Terra Services Ltd
Secretary

27 April 2023

Internal Controls and Risk Management

Terra's success as an organisation depends on its ability to identify and manage risks that can prevent it from achieving its objectives, including both downside risks as well as upside risks related to opportunities generated by its business and the markets it operates in. While ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk resides in the way Terra conducts its business and the culture of its team. Terra takes an embedded approach to risk management that puts risk assessment at the core of the leadership team agenda.

Risk-management framework

The Group's risk management framework (RMF) is the management structure and set of procedures by which the Group enacts its Risk Policy. The RMF further ensures that the Board of Terra Mauricia Ltd can discharge its responsibility to govern risk for the Group in accordance with the Companies Act and the Code of Corporate Governance for Mauritius.

Through the Audit and Risk Committee, the Board reviewed the RMF in 2020 with the assistance of Ernst & Young (EY), following the departure of the Group Risk Champion. Following the review, a Group Risk Management Committee was established in 2021 at managerial level to monitor the risk management of the Group's clusters.

The revised RMF (illustrated below) is designed to enable a continual process for identifying, evaluating, managing and reporting significant risks across the components of the Group.

Organisation

Board of Directors

↑

Audit and Risk Committee

↑

Group Risk Management Committee

↑

Cluster Risk Champion and BU General Managers

Outcomes

- Clear guidance on risk management methodology
- Greater likelihood of achieving business objectives
- Fewer sudden shocks and unwelcome surprises
- Reduction in management time spent "firefighting"
- Achievement of competitive advantage
- Increased likelihood of change initiatives being achieved

Policy and procedures

Risk Policy

- Policy around risk management to drive consistent interpretation and management of risks throughout Terra Mauricia Ltd and its subsidiaries

Risk Procedures

- Processes to identify risks, prioritise them, develop mitigating strategies and report to the Audit and Risk Committee;
- Reporting tools and templates that underpin the monitoring and management of risks;
- Processes to track progress in the implementation of remediation strategies; and
- Processes to measure and report on the effectiveness of these remediation strategies.

Assurance and guidance

Internal audit

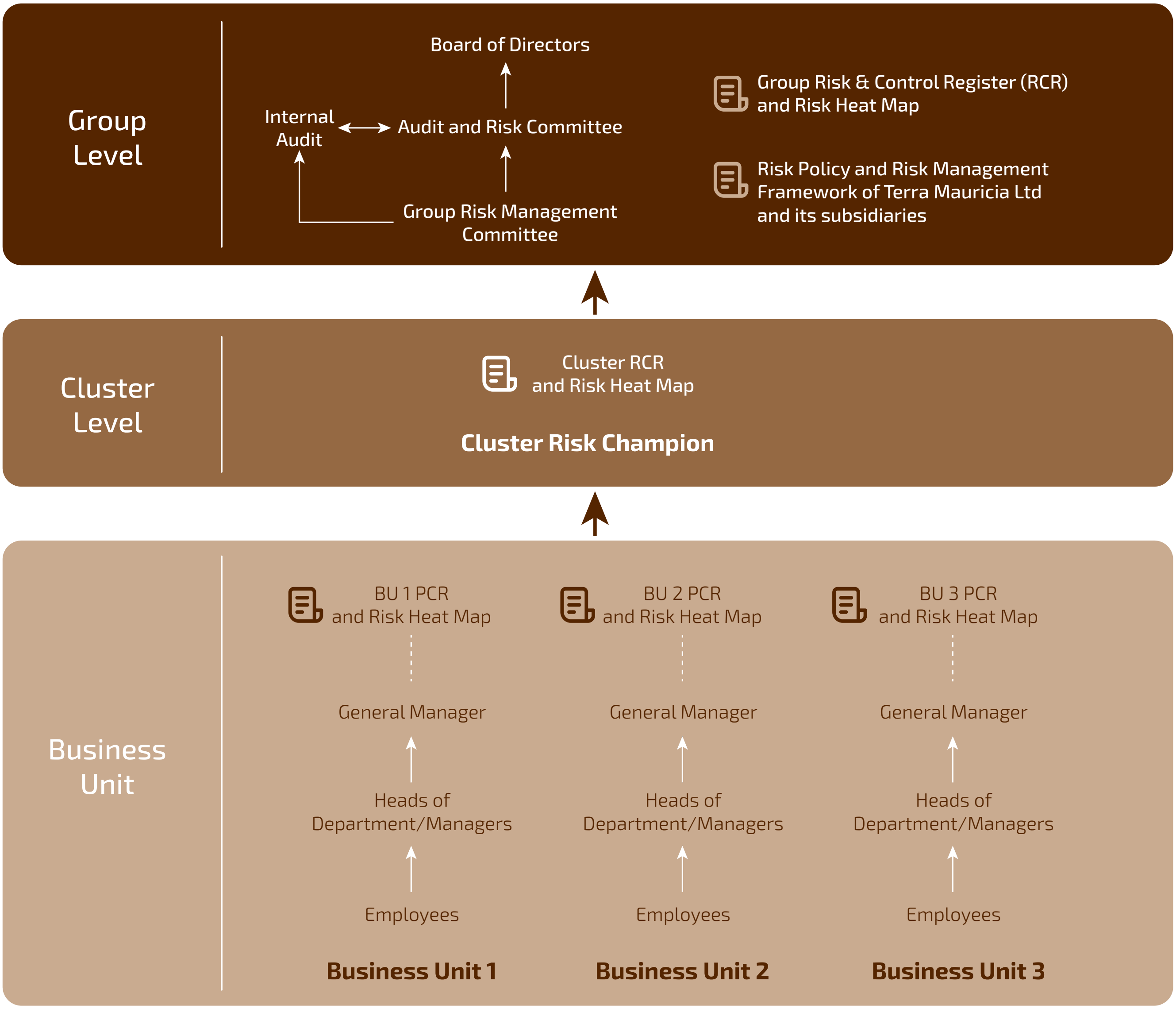
B.U.: Business Unit

The Board, advised by the Audit and Risk Committee where appropriate, reviews the significant risks when taking decisions that could have a material impact on Terra. The Audit and Risk Committee's role and responsibilities regarding risk management include carrying out a robust assessment of the main risks facing Terra, including those that would threaten its business models, future performance, solvency and liquidity. The Committee reviews the Group's ability to identify and manage emerging risks and the effectiveness of internal controls and risk management annually. It further evaluates Terra's risk appetite in pursuit of its business strategy.

Internal Controls and Risk Management (Cont'd)

Risk-management organisation

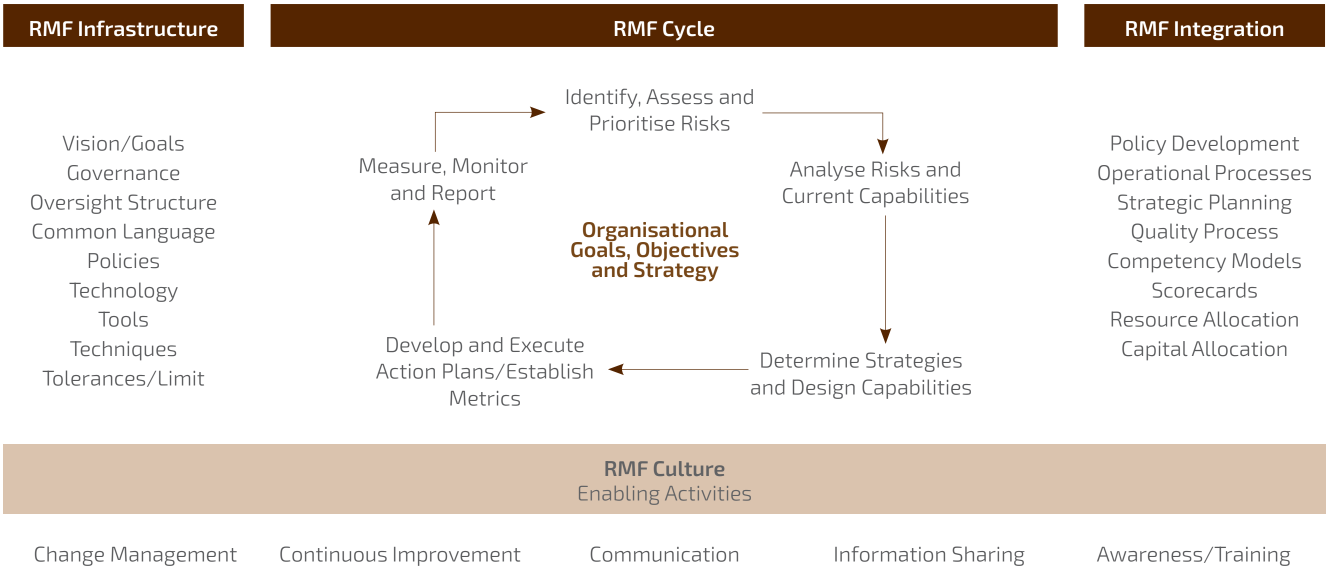
The governance structure and associated lines of communication that apply to the Group's RMF are illustrated below. There is a two-way relationship between the risk owners (employees) at business unit level and the Board of Directors (the Board) at Group level, whereby the guidance from the Board will be cascaded down to the risk owners through established lines of communication. Risk registers and risk heat maps are established at business unit level, consolidated at cluster level and elevated at Group level for reporting purposes to the Board. This model allows for a top-down and bottom-up risk management approach.



The above model is replicated across the Group's clusters.

Risk-management cycles

The graphic below illustrates the risk management cycles, including the main associated activities, the way these integrate with the core processes and activities of Terra Mauricia Ltd and its subsidiaries, the infrastructure that enables risk management (in terms of policies, guidance and tools), and the internal processes and modalities that are required to establish and sustain a robust risk management culture.



Reporting on risks

Our risk reporting process involves risk classification into four main categories that consider the external and internal environment of all the business units in the Group. It also includes environmental, social and governance risks.

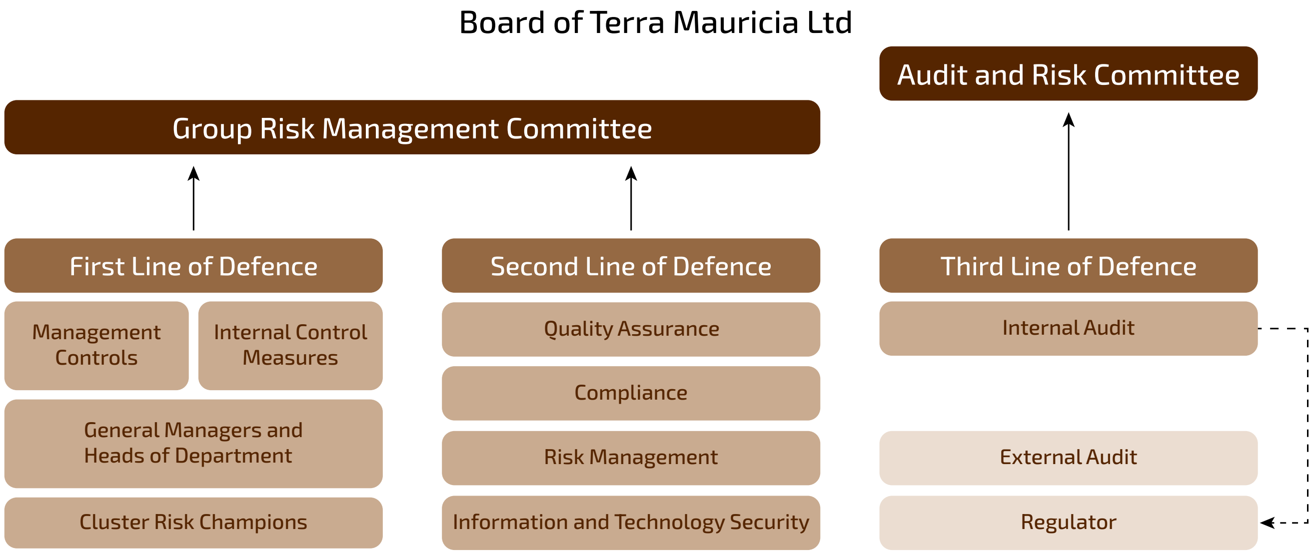
- Strategic – strategic risks are risks that arise from failure to achieve business strategy and objectives ;
- Financial – financial risks include areas such as financial sustainability, financial resources, market, foreign exchange, liquidity and credit risk ;
- Operational – operational risks are risks related to internal practices, processes and systems that are adequate to achieve the associated operational strategic plan. They include human capital, environment, stakeholder relations, technology, information system, data and cyber security, and health and safety ; and
- Legal and regulatory compliance.

Some 21 main risks were identified and validated by management for the Group, together with their mitigating measures and controls. These risks cannot be eliminated, while controls and mitigating measures cannot provide absolute protection against factors such as unexpected events, errors or fraud.

Internal Controls and Risk Management (Cont'd)

Internal controls and audit

To ensure the effectiveness of the Group's RMF, the Board and senior management rely on several line functions – including monitoring and assurance functions – within the organisation. Terra adopts the 'Three Lines of Defence' model as illustrated below:



First line of defence

Under the first line of defence, operational management has ownership, responsibility, and accountability for directly assessing, controlling and mitigating risks.

Second line of defence

The second line of defence consists of activities covered by several components of internal governance (compliance, risk management, quality, IT, and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation.

Third line of defence

Internal audit forms the organisation's third line of defence. Except for Grays, which has its own in-house internal auditor, and Terrarock, which retained the services of UHY & Co up to the end of 2022, EY performs the internal audit function and supports the Group in achieving its objectives, identifying and managing major risks, and complying with policies, laws and regulations.

The internal audit function reports directly to the Audit and Risk Committee (ARC) and administratively to management. It prepares an annual plan of its activities that the ARC reviews and approves to ensure that material risk areas are included and business processes are acceptably covered. The ARC also oversees the appointment, performance and independence of the internal audit function, as well as the completion of the approved internal audit plan. The ARC receives reports that detail the outcomes of internal audit assignments. This enables the ARC to oversee and ensures that gaps identified are effectively and timeously remediated by management to contain risks. In addition to areas covered by the annual internal audit plan, the ARC may request the internal audit function to review other areas it requires insights on.

In assessing the internal auditors' performance, the ARC applies the following criteria:

- Skills and technical expertise of the internal auditors;
- Ability to listen and respond to Terra's expectations;
- Ability to demonstrate insights and knowledge of the business;
- Ability to proposing solutions and recommendations in response to observations noted;
- Timeliness of delivery;
- Scope and objectives of the internal audit visits are met and address the risk areas of the Group;
- Completion of planned internal audit visits in a year;
- Communication skills; and
- Overall experience with the internal auditors.

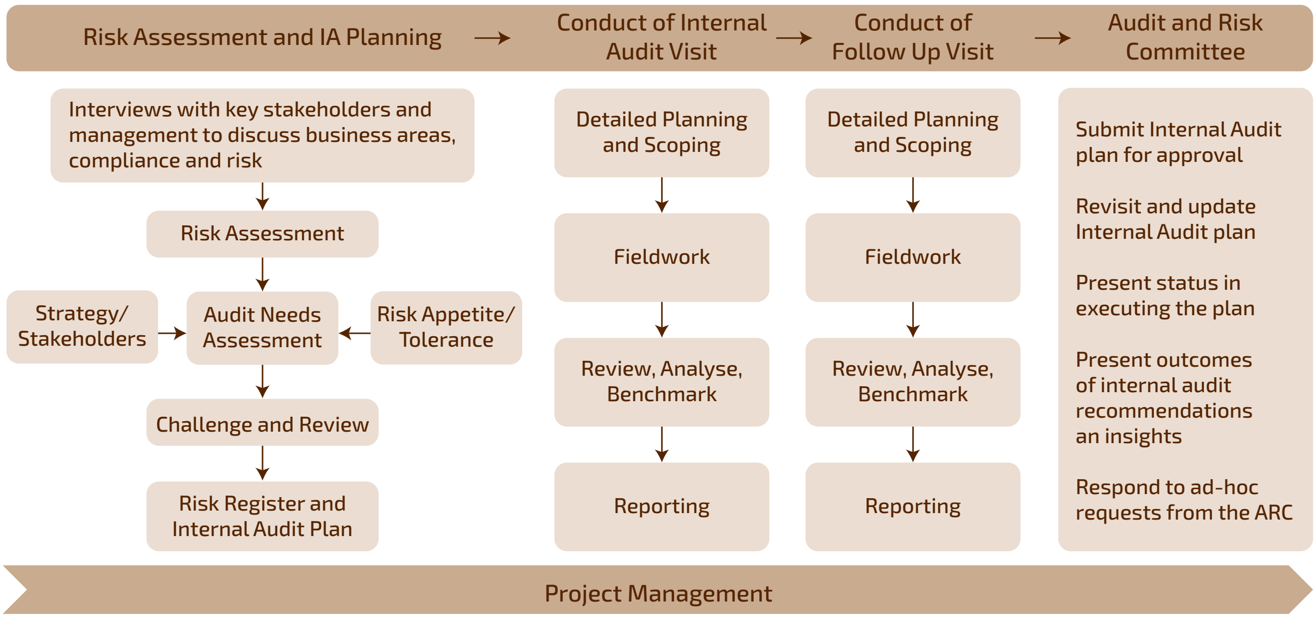
To enable it to perform effectively, the internal audit function has unrestricted access to the Company's records and information, as well as to Terra's employees and management team.

The internal audit function adds value to the Group by helping management answer the following key questions related to the areas reviewed by the internal auditors:

- What risks are we exposed to?
- How effective are our controls in containing the key risks?
- What are the root causes of the control gaps observed?
- What do we need to do to better contain these risks?
- How can we make better use of what we have?
- How can we do things better?
- How can we build resilience?
- How do we compare to others?
- What are the leading practices we could adopt?

The framework adopted by the internal audit function is summarised below.

Core Delivery Framework



Internal Controls and Risk Management (Cont'd)

Preparation of the internal audit plan involves conducting a risk assessment exercise at Group and entity levels to identify and rank the main risks they are exposed to, and thereby identify what areas need to be audited and in what order of priority. Highly ranked risks that have corresponding auditable controls are typically prioritised for audit. This exercise involves collaboration among the members of the ARC, the internal audit function and management to draw out consensus on material risks areas that warrant attention from the internal auditors.

The internal audit function typically executes its assignments through the following five main phases, which are consistent with its methodology and aligned to the Institute of Internal Auditors (IIA) standards and leading internal audit practices.

	1 Plan and Scope	2 Conduct Fieldwork	3 Review Findings	4 Issue Report	5 Conduct Follow Up
Approach	• Meet with appointed contact person to agree on audit project scope, objective and communication protocols • Confirm appropriate resources required to execute the audit program • Agree audit timelines	• Conduct understanding interviews and review key business documentation • Formulate audit programs including risk and control matrices (RACM) • Assess the design of controls through interviews with relevant personnel, review of process documentation and 'walkthrough' of the control • Assess the effectiveness of controls in operation via execution of the test work program	• Review and analyse findings from fieldwork conducted • For issues identified, perform root cause analysis and impact analysis to understand the materiality and 'why' the issue has occured • Identify any compensating controls associated with the preliminary findings • Draft the report in a pre-agreed format and structure • Submit draft report to management for preliminary comments and validation	• Close comments and agree with management on content of draft report • Collect management comments and remediation actions, and include these in the internal audit report • Finalise the report and release	• Agree with management timing for follow up audits • Agree which remediation actions have been implemented to date and plan to independently confirm that these are operating effectively • Interview relevant management for status update inquiry and determine required test • Verify that action plans for each finding have been implemented • Verify reasons for failing to implement any action plans and recommend way forward to close out any remaining issues
Deliverables	• Mobilise the project team and assign roles • Confirmed scope and objectives • Project schedule, plan and timelines	• Audit program including RACM • Audit Working Papers and supporting documents	• Preliminary List of Issues • Draft Audit Report	• Final Audit Report including management actions	• Follow-up Report including the status for each action plan within the issued reports

Continuous project management and status updates as agreed in communication protocol

Remedial actions to address findings are identified with the relevant management teams, who assign responsibility and a deadline to each action to enforce accountability to remediate these gaps. The internal auditor also performs desktop follow-up reviews on the audit exercises conducted to ensure that the necessary remedial actions have been duly and effectively implemented.

EY has a specialist team of internal auditors in Mauritius who are part of a larger multi-disciplinary consulting team. It leverages this team to ensure that the internal audits conducted at Terra are resourced with the appropriate mix of experience, knowledge and skills. Members of this team are university graduates who hold recognised international qualifications in their respective fields (e.g. ACCA, Institute of Chartered Accountants of England & Wales, Certified Internal Auditors (CIA), Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC)). This team can advise Terra on improvements needed, and share leading practices based on first-hand experience of working across many geographies for EY clients. Members of this specialist team are continuously trained in leading internal audit.

EY maintains the independence and objectivity of its staff who are part of the internal audit team through strict EY independence related policies that apply to all staff, regular training and awareness on these subjects, as well as regular verification of the compliance of partners and executives with EY independence-related policies.

The following audit reviews were carried out and tabled at the ARC meetings during the year under review:

- Terragri Review of Satellite Stores and Capitalisation of Plantation Costs;
- Terra Mauricia Cybersecurity Final Report;
- Terrarock – Follow Up Audit of Capital Expenditure Review;
- Terrarock – Follow Up Audit of Stock Management;
- Novaterra – Review of Revenue Management; and
- Novaterra Review of Working Capital Management.

Kalindee Ramdhonee
Chairperson of the Audit and Risk Committee

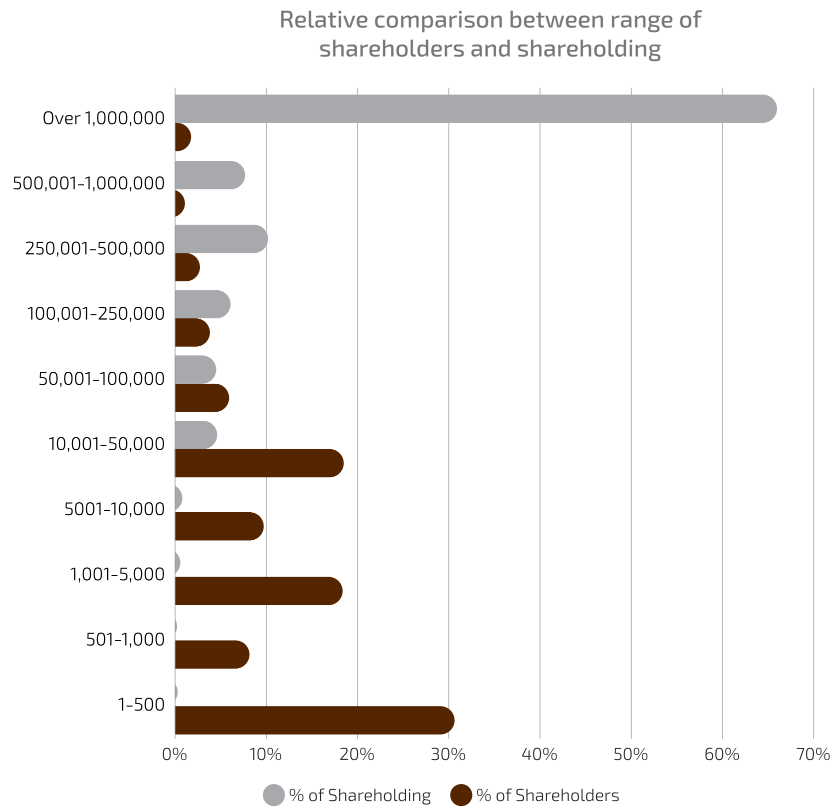
27 April 2023

Share Analysis and Stock Exchange Performance

Distribution of shareholders of Terra Mauricia Ltd at 31 December 2022

Range of shareholding

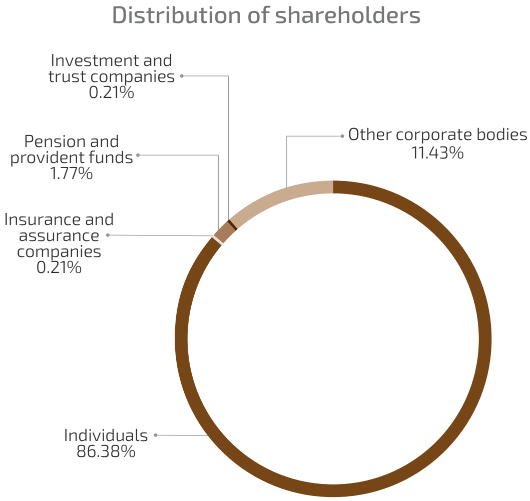
Range of Shareholders	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shareholding
1 - 500	725	30.57%	116,617	0.05%
501 - 1,000	192	8.09%	167,471	0.07%
1,001 - 5,000	434	18.30%	1,161,278	0.51%
5,001 - 10,000	229	9.65%	1,651,583	0.73%
10,001 - 50,000	437	18.42%	10,347,209	4.55%
50,001 - 100,000	139	5.86%	10,082,613	4.43%
100,001 - 250,000	89	3.75%	13,672,137	6.01%
250,001 - 500,000	63	2.66%	23,055,358	10.13%
500,001 - 1,000,000	24	1.01%	17,321,254	7.61%
Over 1,000,000	40	1.69%	149,970,104	65.91%
TOTAL	2,372	100.00%	227,545,624	100.00%

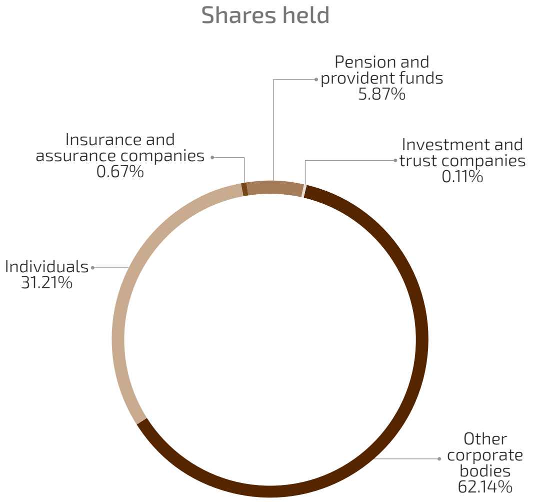


Shareholder spread

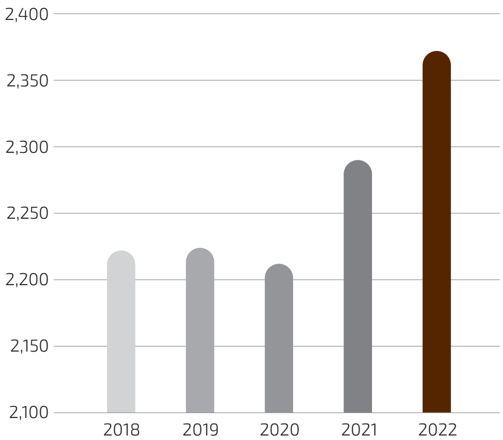
To the best knowledge of the Directors, the spread of shareholders at 31 December 2022 was as follows:

	Shareholders		Shares held	
	Number	%	Number	%
Individuals	2,049	86.38	71,012,031	31.21
Insurance and assurance companies	5	0.21	1,524,558	0.67
Pension and provident funds	42	1.77	13,364,334	5.87
Investment and trust companies	5	0.21	241,064	0.11
Other corporate bodies	271	11.43	141,403,637	62.14
	2,372	100.00	227,545,624	100.00





Number of shareholders



NUMBER OF SHAREHOLDERS AS AT 31 DECEMBER	
2018	2,222
2019	2,224
2020	2,212
2021	2,290
2022	2,372

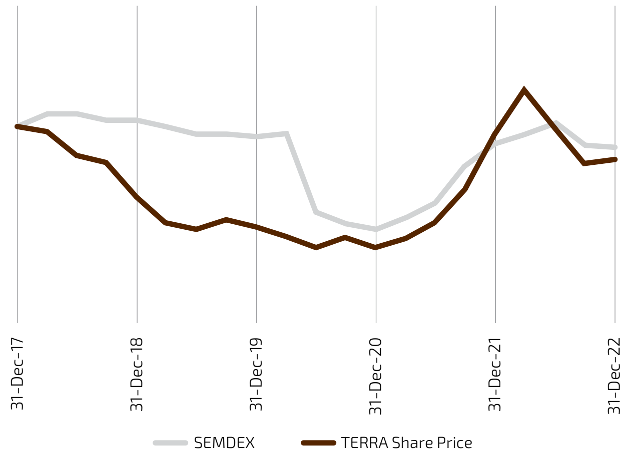
The number of shareholders of Terra was 2,376 as at 31 March 2023.

Share Analysis and Stock Exchange Performance (Cont'd)

Stock Exchange performance

Terra witnessed a fall of 13.98% (2021: +55.30%) in its share price, to close at MUR 26.45 at the end of December 2022, the price swinging between MUR 25.00 and MUR 35.00 during the year under review. Total volume traded on Terra stood at 7.8 million shares (8.1 million in 2021) for a share turnover ratio of 3.70% (Market average: 5.39%). Total value traded amounted to MUR 222.7 million, compared to MUR 188.7 million in 2021 (Volume Weighted Average Price: MUR 28.60). Foreigners were net sellers to the tune of MUR 28.9 million (2021: MUR 18.5 million).

Relative quarterly movement of SEMDEX and TERRA share price



	2018	2019	2020	2021	2022
SEMDEX (Points)					
- Year End Closing	2,220.76	2,177.09	1,648.39	2,097.89	2,055.25
SHARE PRICE (MUR)					
- Year End Closing Price	22.00	20.00	19.80	30.75	26.45
- High	29.40	23.20	21.00	30.75	35.00
- Low	21.05	19.50	16.50	18.60	25.00

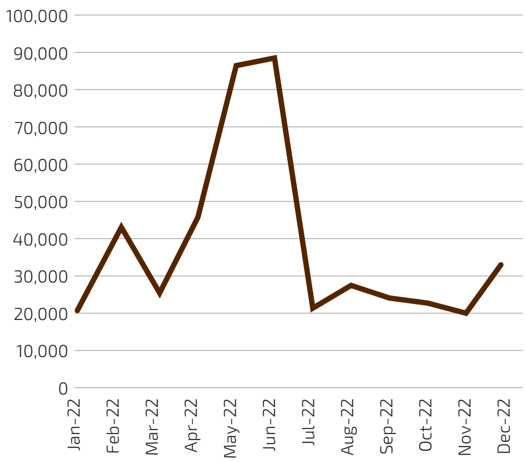
Note: The Terra share price was MUR 22.75 on 27 April 2023.

	2018	2019	2020	2021	2022
YIELDS					
- Earnings Yield %	2.41	5.80	-*	6.60	14.86
- Dividend Yield %	3.86	4.25	2.88	2.76	3.78
PRICE EARNING RATIO	41.51	17.24	-*	15.15	6.73

* For the year ended 31 December 2020, Terra Mauricia Ltd recorded a loss per share.

Average volume traded monthly on the stock exchange in 2022

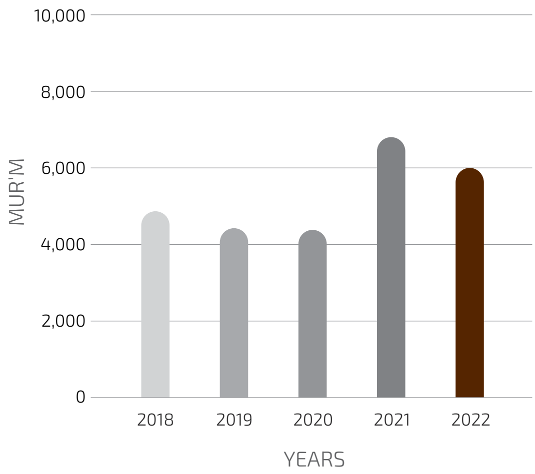
Month	Average volume traded
January	21,268
February	38,718
March	22,584
April	40,915
May	77,164
June	78,778
July	19,195
August	24,601
September	21,891
October	20,739
November	18,192
December	30,963



Market capitalisation

	MUR'M	EUR'M*	USD'M*
2018	5,006.00	105.44	112.84
2019	4,551.00	95.86	102.58
2020	4,505.40	94.90	101.55
2021	6,997.03	147.38	157.72
2022	6,018.58	126.77	135.66

* The exchange rates used are those for the year 2022 as displayed on next page.



The market capitalisation of Terra on 27 April 2023 was MUR 5,176.66 million.

Share Analysis and Stock Exchange Performance (Cont'd)

Main exchange rates to the Rupee

Consolidated Indicative Selling Rates (Source: Bank of Mauritius on http://bom.intnet.mu)

Currency	31 December 2021	30 December 2022
Euro	49.7827	47.4756
US Dollar	43.8750	44.3643
GB Pound	59.3501	53.6059
SA Rand	2.8115	2.6764

Shareholders' calendar and relations

Financial year-end	31 December
Publication of yearly group abridged financial statements (audited)	Late March
Group audited annual financial statements available	Late March
Quarterly financial report - Q1 (unaudited)	Mid May
Annual report issued	Mid June
Annual meeting of shareholders	Late June
Quarterly financial report - Q2 (unaudited)	Mid August
Quarterly financial report - Q3 (unaudited)	Mid November
Dividend - declaration	Late November
- payment	Late December

This calendar has been disturbed this year again due to unforeseen circumstances.

Website: www.terra.co.mu

For more details on shareholders' relations and communication please refer to page 102.

Secretary's Certificate

(pursuant to Section 166(d) of the Companies Act 2001)

We certify that, to the best of our knowledge and belief, Terra Mauricia Ltd has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001.

Terra Services Ltd
Secretary

27 April 2023

Statement of Compliance

(pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: TERRA Mauricia Ltd (The Company)

Reporting period: 01 January to 31 December 2022

We, the Directors of TERRA Mauricia Ltd, confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance.

Alain Rey
Chairman

Kalindee Ramdhonee
Director

27 April 2023

Statement of Directors' Responsibilities in Respect of Consolidated and Separate Financial Statements

Directors acknowledge their responsibilities for:

i. adequate accounting records and maintenance of effective internal control systems;
ii. the preparation of consolidated and separate financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with the International Financial Reporting Standards (IFRS), the Companies Act and the Financial Reporting Act; and
iii. the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. The report of the external auditors on the financial statements is on pages 122 to 129.

The Directors report that:

i. adequate accounting records and an effective system of internal controls and risk management have been maintained;
ii. appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
iii. IFRS, the Companies Act, and the Financial Reporting Act have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained, and quantified;
iv. the Code of Corporate Governance has been adhered to. Reasons have been provided where there has been non-compliance; and
v. The full Annual Report is published on the Company's website.

Signed on behalf of the Board of Directors by

Alain Rey
Chairman

Kalindee Ramdhonee
Director

27 April 2023

Statutory Disclosures

(pursuant to Section 221 of the Companies Act 2001)

Directors

Names

The names of the Directors of Terra Mauricia Ltd at 31 December 2022 are given on page 99 of this report. In addition, a list of Directors of subsidiary companies at the same date appears on page 256.

Service contracts

Three executive Directors, namely Messrs Nicolas Maigrot, Alexis Harel and Henri Harel, presently have service contracts without expiry dates with group companies. Other than for the above-mentioned executive Directors, none of the Directors proposed for election or re-election at the forthcoming Annual Meeting of shareholders have service contracts with the Company or the Group.

Remuneration and benefits

	The Company		Subsidiaries	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Emoluments paid by the company and its subsidiaries to:				
- Directors of Terra Mauricia Ltd:				
• Executive				
Full-time	**1.7**	1.1	**38.4**	31.5
part-time	**1.1**	0.9	**10.8**	10.6
• Non-executive	**7.9**	6.9	**0.9**	0.8
	10.7	8.9	**50.1**	42.9

- Directors of subsidiary companies (other than those of Terra Mauricia Ltd):

	2022	2021
	MUR'M	MUR'M
• 15 Executive (10 in 2021)		
Full-time	**89.1**	61.4
• 15 Non-executive (16 in 2021)	**0.7**	0.6
	89.8	62.0

Contracts of significance

During the year under review, there were no contracts of significance to which Terra Mauricia Ltd, or one of its subsidiaries, was a party and in which a Director of Terra Mauricia Ltd was personally and materially interested, either directly or indirectly.

Auditors' remuneration

	The Group		The Company	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Audit fees paid to:				
BDO & Co	**8.4**	6.4	**2.0**	1.7

No fees was paid to BDO & Co for non-audit services.
The fees paid be each subsidiary of the Group are available on page 258.

Donations

	The Group	
	2022	2021
	MUR'M	MUR'M
Contributions towards Corporate Social Responsibility	**4.4**	6.2
Amount distributed by Terra Foundation	**3.6**	1.7
Number of projects funded: 50 (2021: 30)		
Other donations	**0.4**	0.3
Political	**-**	-

The donations made by each subsidiary of the Group are available on page 258.

Major transactions

No major transaction was approved by the Company for the year under review. The major transactions approved by subsidiaries were as follows:

- The purchase of 56.3454 Ha by Forbach Investment Ltd;
- The disposal of all the shares held by Terravest Holding Ltd.

Financial Statements


NEW GROVE
RUM
TRADITION
EMOTION
HERITAGE

Independent Auditor's Report

To the shareholders of TERRA Mauricia Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of TERRA Mauricia Ltd and its subsidiaries (the "Group") and the Company's separate financial statements on pages 130 to 253 which comprise the consolidated and separate statements of financial position as at December 31, 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated and separate financial statements on pages 130 to 253, give a true and fair view of the financial position of the Group and the Company as at December 31, 2022, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritian Companies Act 2001.

Basis for Qualified Opinion

Consolidated financial statements

As disclosed in notes 9 and 37 - Investment in Associates, 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, 2022, the share of the net assets of the Associate was MUR'M 557.9 (representing 16.0% of total Investment in Associates and 2.2% of Total Assets), and the share of loss from this Associate was MUR'M 126.1.

Due to a lack of supporting evidence, we 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, 2021. For this reason, our 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.

Report on the Audit of the Consolidated and Separate Financial Statements (Cont'd)

Basis for Qualified Opinion (Cont'd)

Separate financial statements

In the separate financial statements, investment in subsidiaries are carried at fair value. As disclosed in note 8 and 36 - Investment in Subsidiaries, the investment in Ivoirel Limitée (a subsidiary having Sucrivoire S.A. as an associate), has a carrying value of MUR'M 32.5 (representing 0.2% of total Investment in Subsidiaries and 0.2% of Total Assets). The Company recorded a fair value decrease of MUR'M 317.0 (from MUR'M 349.5 to MUR'M 32.5) which has been included in the statement of other comprehensive income.

The investment in Ivoirel Limitée has been classified as a Level 3 investment in the fair value hierarchy, as management has used discounted cash flow techniques to arrive at the fair value of Ivoirel Limitée, which is based on unobservable inputs which include discount rates, management's cash flow forecasts and growth rates. Although the Company has prepared a discounted cash flow, we were unable to obtain sufficient and appropriate audit evidence over the reasonableness of the unobservable inputs in the discounted cash flow models used to determine the fair value. It was also impracticable to perform alternative audit procedures over the fair value as the required information was not available.

This matter was similarly qualified for the year ended December 31, 2021. For this reason, our 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.

We conducted our audit in accordance with International Standards on Auditing (''ISAs''). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report

To the shareholders of TERRA Mauricia Ltd (Cont'd)

Report on the Audit of the Consolidated and Separate Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Valuation of land and buildings (applicable to the consolidated financial statements)
Refer to notes 2.2, 4.1 and 5 of the accompanying financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
The Group carries its land and buildings at revalued amount under the revaluation model in terms of IAS 16 Property, plant and equipment. Land and buildings, which consists mainly of agricultural land, is included under property, plant and equipment, with a combined carrying value of MUR'M 10,291.7, as at December 31, 2022. Land and buildings are revalued every 3 years, unless there is evidence that the fair value of an asset differs materially from the carrying amount. The fair value of land and buildings is determined by an independent external valuer. The last valuation was carried out at December 31, 2022. The valuation process involves significant judgement in determining the valuation methodology to be used and in estimating the underlying assumptions to be applied. The recent valuation was based on recent market transaction on arm's length terms for similar properties determined based on market comparable approach or on depreciated replacement cost when appropriate market value cannot be established. This matter was considered to be one of most significance in the audit of the Group financial statements due to the material balance of land and buildings in the Group's financial statements and significant judgements and estimates involved in arriving at their fair values.	Our audit procedures in respect of this key audit matter included, amongst other: – Assessing the design and implementation of the key controls relating to the valuation of land and buildings. – Confirming the independence of management's expert (the external valuer) including their experience and qualifications. – Obtaining the valuation reports prepared by the external valuer and assessing for reasonability by assessing key assumptions used and comparing with available market data. – Testing the mathematical accuracy of the underlying conditions used in the valuation models. – Ensuring that the measurement basis for the valuation and valuation methods used were in accordance with International Financial Reporting Standards. – Satisfying ourselves that the techniques used in the open market value models by the external valuers are appropriate in the circumstances and have been applied consistently. – Making enquiries with management with regards to the input to the valuation and requested management representation. – Engaging with our valuation specialists to assess the reasonableness of the fair values attributed to land and buildings and the significant assumptions used to arrive at the fair values. – Comparing the actual sales of land realised during the year with valuation report to confirm that there is no major difference in the value. – Reviewing the completeness and adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

Report on the Audit of the Consolidated and Separate Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Impairment Assessment of Non-Current Assets (applicable to the consolidated financial statements)
Refer to notes 2.17, 4.1, 5 and 7 of the accompanying financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
In line with IAS 36, Impairment of Assets requirements, an impairment assessment should be performed when there is any indicator of impairment on non-financial assets. At December 31, 2022, an impairment assessment had been performed for the power plant of Terragen Ltd, whereby the recoverable amount has been compared to its carrying amounts. The recoverable amount being the higher of the value in use and fair value less costs of disposal. An impairment is recognised should the recoverable amount of the asset be less than its carrying amount. Due to the specialised nature of the power plant, and on the facts and circumstances existing as at reporting date, management has determined the recoverable amount of the power plant and ancillary equipment using the R2 IOWA curve. In applying the R2 IOWA curve, several inputs and assumptions were used such as: – Historical cost of the asset; – Annual historical inflation since acquisition date; – Average useful life; – Age of the asset. A discount for economic obsolescence and cost of disposing of the assets was also applied to arrive at the recoverable amount. The determination of the recoverable amounts involves a high level of judgement and estimation, hence has been considered as a key audit matter in the audit of the Group's financial statements.	Our audit procedures in respect of this key audit matter included, amongst other: – Evaluating the design and implementation of the relevant controls relating to the assessment of impairment indicators for non-current assets, when annual impairment test is not mandatory. – Evaluating management's impairment assessment to determine whether indicators of impairment exist based on our knowledge of the Group and current market information. – Obtaining impairment assessment as prepared by management and discussing the reasonableness of assumptions used to obtain a better understanding of the value in use calculations. – Engaging with our valuation expert to: • evaluate the appropriateness of the valuation methodology used by management; • ensure the inputs used in the valuation are accurate; • check the reasonableness of the assumptions used based on conditions existed at year end; • test the mathematical accuracy of the valuation; • perform sensitivity analysis to determine the upper and lower range of the recoverable amount. – Evaluating the completeness and adequacy of the financial statement disclosures in accordance with International Financial Reporting Standards.

Independent Auditor's Report

To the shareholders of TERRA Mauricia Ltd (Cont'd)

Report on the Audit of the Consolidated and Separate Financial Statements (Cont'd)

Other Information

The Directors are responsible for the other information. The other information comprises mainly of information contained in the Annual Report, including the Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibilities and Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon. All other information in the Annual Report, except those disclosed above, will be made available to us after that date. If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report in this regard. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the financial information of an investment in associate and a subsidiary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Report on the Audit of the Consolidated and Separate Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor’s Report

To the shareholders of TERRA Mauricia Ltd (Cont’d)

Report on the Audit of the Consolidated and Separate Financial Statements (Cont’d)

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Cont’d)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

– We have no relationship with or interests in, the Company and its subsidiaries other than in our capacity as auditor and dealings in the ordinary course of business.

– We have obtained all the information and explanations we have required.

– In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (“Code”) disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the public interest entity has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Report on the Audit of the Consolidated and Separate Financial Statements (Cont'd)

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders, those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & CO
Chartered Accountants

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

Port Louis,
Mauritius.
April 27, 2023

Consolidated and Separate Statements of Financial Position

December 31, 2022

	Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
ASSETS		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Non-current assets					
Property, plant and equipment	5	**11,852.9**	10,622.8	**-**	-
Right-of-use assets	5A	**90.5**	54.4	**-**	-
Investment properties	6	**2,645.4**	1,956.3	**-**	-
Intangible assets and goodwill	7	**224.4**	193.1	**-**	-
Investments in subsidiaries	8	**-**	-	**15,255.8**	13,647.5
Investments in associates	9	**3,492.1**	3,657.0	**203.3**	245.6
Financial assets at fair value through other comprehensive income	10	**725.3**	660.0	**768.6**	702.5
Financial assets at amortised cost	11	**6.3**	7.7	**-**	-
Lease receivables	5B	**49.1**	46.8	**-**	-
Deferred tax assets	13	**157.1**	216.7	**-**	-
		19,243.1	17,414.8	**16,227.7**	14,595.6
Current assets					
Inventories	14	**1,624.9**	1,288.7	**-**	-
Consumable biological assets	15	**295.6**	193.3	**-**	-
Trade and other receivables	16	**1,763.8**	1,759.1	**49.3**	44.5
Financial assets at amortised cost	11	**4.3**	17.3	**-**	-
Lease receivables	5B	**2.5**	2.4	**-**	-
Current tax assets	24(a)	**20.1**	3.2	**0.1**	-
Cash in hand and at bank	33(b)	**705.5**	505.8	**35.5**	35.2
		4,416.7	3,769.8	**84.9**	79.7
Non-current assets classified as held for sale	17(i)	**1,391.6**	1,098.7	**256.9**	351.7
Total assets		**25,051.4**	22,283.3	**16,569.5**	15,027.0

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 122 to 129.

Consolidated and Separate Statements of Financial Position
December 31, 2022 (Cont'd)

		THE GROUP		THE COMPANY	
	Notes	**2022**	2021	**2022**	2021
EQUITY AND LIABILITIES		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Capital and reserves					
Stated capital	18	**11,976.0**	11,976.0	**11,976.0**	11,976.0
Revaluation and other reserves	19	**2,636.4**	1,678.7	**2,052.9**	532.9
Retained earnings		**1,455.7**	504.7	**1,470.4**	1,418.3
Owners' interest of the Company		**16,068.1**	14,159.4	**15,499.3**	13,927.2
Non-controlling interests		**985.7**	840.1	**-**	-
Total equity		**17,053.8**	14,999.5	**15,499.3**	13,927.2
Non-current liabilities					
Borrowings	20	**3,326.5**	3,097.6	**1,009.6**	851.6
Lease liabilities	21	**38.7**	12.9	**-**	-
Deferred tax liabilities	13	**141.3**	242.5	**-**	-
Retirement benefit obligations	22	**679.2**	628.8	**-**	-
		4,185.7	3,981.8	**1,009.6**	851.6
Current liabilities					
Trade and other payables	23	**1,128.8**	1,243.6	**12.3**	12.0
Contract liabilities	25(c)	**246.4**	158.7	**-**	-
Current tax liabilities	24(a)	**9.0**	42.9	-	0.2
Borrowings	20	**1,316.4**	1,038.6	**48.3**	236.0
Lease liabilities	21	**47.7**	36.5	**-**	-
		2,748.3	2,520.3	-	248.2
Liabilities directly associated with non-current assets classified as held for sale	17(ii)	**1,063.6**	781.7	**-**	-
Total liabilities		**7,997.6**	7,283.8	**1,070.2**	1,099.8
Total equity and liabilities		**25,051.4**	22,283.3	**16,569.5**	15,027.0

These financial statements have been approved and authorised for issue by the Board of Directors on April 27, 2023.

Alain Rey
Chairman

Kalindee Ramdhonee
Director

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 122 to 129.

Consolidated and Separate Statements of Profit or Loss

Year ended December 31, 2022

	Notes	THE GROUP 2022 MUR'M	THE GROUP 2021 MUR'M	THE COMPANY 2022 MUR'M	THE COMPANY 2021 MUR'M
Continuing operations:					
Revenue	25	**6,605.4**	6,223.8	**345.3**	210.9
Cost of sales	29	**(4,710.9)**	(4,780.1)	**-**	-
Gross profit		**1,894.5**	1,443.7	**345.3**	210.9
Gains arising from changes in fair value of consumable biological assets	15	**102.3**	20.7	**-**	-
Fair value (loss)/gain on non-current assets classified as held for sale	17	**(94.8)**	77.0	**-**	-
Other income	26	**134.0**	243.3	**2.1**	4.7
Impairment loss of financial assets	27	**(48.0)**	(59.5)	**-**	(1.0)
Impairment loss of non-financial assets	27	**(0.7)**	(536.3)	**-**	-
Reversal of impairment loss on financial assets	27A	**11.3**	60.4	**-**	9.2
Reversal of impairment loss on non-financial assets	27A	**12.0**	-	**-**	-
Administrative expenses	29	**(781.0)**	(667.2)	**(25.1)**	(29.6)
Distribution costs	29	**(137.9)**	(165.5)	**-**	-
Other expenses	29	**(308.7)**	(252.5)	**-**	-
Profit before finance costs	28	**783.0**	164.1	**322.3**	194.2
Finance income	30	**32.0**	10.0	**0.6**	3.0
Finance costs	30	**(187.0)**	(159.2)	**(43.0)**	(37.1)
Net finance costs		**(155.0)**	(149.2)	**(42.4)**	(34.1)
Profit after finance costs		**628.0**	14.9	**279.9**	160.1
Share of results of associates	9	**321.0**	290.5	**-**	-
Gain on remeasurement of associate	35(a)(ii)	**-**	24.9	**-**	-
Profit on disposal of associate		**-**	39.8	**-**	-
Impairment of associates	9	**-**	(3.0)	**-**	-
Profit before taxation		**949.0**	367.1	**279.9**	160.1
Taxation	24(b)	**44.0**	(50.4)	**(0.3)**	0.3
Profit for the year from continuing operations		**993.0**	316.7	**279.6**	160.4
Discontinued operations:					
Net profit for the year from discontinued operations	34	**56.5**	-	**-**	-
Profit for the year		**1,049.5**	316.7	**279.6**	160.4
Profit attributable to:					
Owners of the Company		**893.2**	462.3		
Non-controlling interests		**156.3**	(145.6)		
		1,049.5	316.7		
Earnings per share (MUR)					
Basic and diluted					
- From continuing and discontinued operations	31	**3.93**	2.03		
- From continuing operations	31	**3.77**	2.03		

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 122 to 129.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2022

	Notes	THE GROUP 2022 MUR'M	THE GROUP 2021 MUR'M	THE COMPANY 2022 MUR'M	THE COMPANY 2021 MUR'M
Profit for the year		**1,049.5**	316.7	**279.6**	160.4
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Continuing operations:					
Revaluation adjustments of land and buildings and plant	5(a)	**1,601.4**	-	**-**	-
Deferred tax on revaluation of buildings	13	**(21.2)**	-	**-**	-
Remeasurements of retirement benefit obligations	22(a)(vi)	**(57.5)**	221.2	**-**	-
Deferred tax on remeasurements of retirement of benefit obligations	13(c)	**9.6**	(33.8)	**-**	-
Changes in fair value of equity instruments at fair value through other comprehensive income	19	**48.0**	(77.8)	**1,520.0**	269.1
Discontinued operations:					
Revaluation adjustments of land and buildings and plant		**11.7**	-	**-**	-
Remeasurements of retirement benefit obligations		**10.3**	-	**-**	-
Deferred tax on retirement benefit obligations and revaluation of buildings		**(2.8)**	-	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive (loss)/income of associates	9(a)(ii)	**(227.4)**	205.2	**-**	-
Translation reserve movement		**(24.9)**	57.1	**-**	-
Other comprehensive income for the year		**1,347.2**	371.9	**1,520.0**	269.1
Total comprehensive income for the year, net of tax		**2,396.7**	688.6	**1,799.6**	429.5
Total comprehensive income attributable to:					
Owners of the Company		**2,186.5**	799.7		
Non-controlling interests		**210.2**	(111.1)		
		2,396.7	688.6		
Total comprehensive income for the year analysed as follows:					
Continuing operations		**2,321.0**	688.6		
Discontinued operations		**75.7**	-		
		2,396.7	688.6		

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 122 to 129.

Consolidated and Separate Statements of Changes in Equity

Year ended December 31, 2022

THE GROUP	Notes	Share Capital	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
		Attributable to owners of the Company					
		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 profit for the year		-	337.4	-	337.4	34.5	371.9
Total comprehensive income for the year		-	337.4	462.3	799.7	(111.1)	688.6
Release on disposal of land		-	(50.0)	50.0	-	-	-
Changes in ownership interest in subsidiaries that do not result in a loss of control		-	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	32	-	-	(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, 2022		**11,976.0**	**1,678.7**	**504.7**	**14,159.4**	**840.1**	**14,999.5**
Profit for the year		**-**	**-**	**893.2**	**893.2**	**156.3**	**1,049.5**
Other comprehensive income for the year		**-**	**1,293.3**	**-**	**1,293.3**	**53.9**	**1,347.2**
Total comprehensive income for the year		**-**	**1,293.3**	**893.2**	**2,186.5**	**210.2**	**2,396.7**
Release on disposal of land and buildings		**-**	**(258.4)**	**258.4**	**-**	**-**	**-**
Changes in ownership interest in subsidiaries that do not result in loss of control		**-**	**(69.2)**	**30.9**	**(38.3)**	**(36.6)**	**(74.9)**
Other movements		**-**	**(8.0)**	**(4.0)**	**(12.0)**	**(3.7)**	**(15.7)**
Dividends	32	**-**	**-**	**(227.5)**	**(227.5)**	**(24.3)**	**(251.8)**
Balance at December 31, 2022		**11,976.0**	**2,636.4**	**1,455.7**	**16,068.1**	**985.7**	**17,053.8**

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 122 to 129.

THE COMPANY	Notes	**Share Capital**	**Amalgamation Reserve**	**Equity Instruments at Fair value through OCI Reserve**	**Retained Earnings**	**Total**
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2021		11,976.0	(43.3)	211.4	1,547.0	13,691.1
Profit for the year		-	-	-	160.4	160.4
Other comprehensive income for the year		-	-	269.1	-	269.1
Total comprehensive income for the year		-	-	269.1	160.4	429.5
Release on disposal of equity investments at fair value through OCI		-	-	95.7	(95.7)	-
Dividends	32	-	-	-	(193.4)	(193.4)
At December 31, 2021		11,976.0	(43.3)	576.2	1,418.3	13,927.2
At January 1, 2022		**11,976.0**	**(43.3)**	**576.2**	**1,418.3**	**13,927.2**
Profit for the year		**-**	**-**	**-**	**279.6**	**279.6**
Other comprehensive income for the year		**-**	**-**	**1,520.0**	**-**	**1,520.0**
Total comprehensive income for the year		**-**	**-**	**1,520.0**	**279.6**	**1,799.6**
Dividends	32	**-**	**-**	**-**	**(227.5)**	**(227.5)**
At December 31, 2022		**11,976.0**	**(43.3)**	**2,096.2**	**1,470.4**	**15,499.3**

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 122 to 129.

Consolidated and Separate Statements of Cash Flows

Year ended December 31, 2022

	Notes	THE GROUP 2022 MUR'M	THE GROUP 2021 MUR'M	THE COMPANY 2022 MUR'M	THE COMPANY 2021 MUR'M
Operating activities					
Profit before taxation from continuing operations		**949.0**	367.1	**279.9**	160.1
Adjustments for:					
Depreciation of property, plant and equipment	5	**315.5**	360.3	**-**	-
Depreciation of right-of-use assets	5A	**21.9**	17.3	**-**	-
Profit on sale of property, plant and equipment	26	**(53.4)**	(144.9)	**-**	-
Profit on disposal of associate		**-**	(39.8)	**-**	-
Retirement benefit obligations	22	**60.3**	49.7	**-**	-
Amortisation of intangible assets and goodwill	7	**10.0**	7.2	**-**	-
Depreciation of investment properties	6	**27.1**	17.1	**-**	-
Impairment on investment property	6	**0.7**	0.4	**-**	-
Impairment on property, plant and equipment	5	**-**	535.9	**-**	-
Dividend income	25	**(27.1)**	-	**(345.3)**	(210.9)
Interest expense	30	**187.0**	159.2	**43.0**	37.1
Interest income		**(32.0)**	(10.0)	**(0.6)**	(3.0)
Share of results of associates	9	**(321.0)**	(290.5)	**-**	-
Impairment of associates	9	**-**	3.0	**-**	-
Impairment of financial assets	27	**-**	1.0	**-**	1.0
Reversal of impairment of financial assets	27A	**-**	(9.2)	**-**	(9.2)
Loss/(gain) on fair value measurement	17(i)	**94.8**	(77.0)	**-**	-
Changes in working capital:					
- Inventories		**(231.3)**	31.2	**-**	-
- Financial assets at amortised cost		**14.4**	45.7	**-**	9.2
- Consumable biological assets	15	**(102.3)**	(20.7)	**-**	-
- Trade and other receivables		**(4.7)**	(576.0)	**(4.8)**	2.3
- Lease receivables		**(2.4)**	(2.3)	**-**	-
- Contract liabilities		**87.7**	62.8	**-**	-
- Trade and other payables		**(114.8)**	216.5	**0.3**	(36.6)
Cash generated from/(used) in operations		**879.4**	704.0	**(27.5)**	(50.0)
Interest paid		**(184.9)**	(159.2)	**(43.0)**	(37.1)
Employer's contribution to pension plan	22	**(67.4)**	(64.8)	**-**	-
Tax recovered	24(a)	**0.9**	-	**-**	-
Tax paid	24(a)	**(31.4)**	(51.2)	**(0.6)**	-
Dividends received from associates	9(a)(ii)	**97.8**	78.9	**-**	-
Dividend received		**27.1**	-	**345.3**	210.4
Net cash generated from operating activities		**721.5**	507.7	**274.2**	123.3

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 122 to 129.

	Notes	THE GROUP 2022 MUR'M	THE GROUP 2021 MUR'M	THE COMPANY 2022 MUR'M	THE COMPANY 2021 MUR'M
Investing activities					
Purchase of property, plant and equipment	5(a)	**(383.6)**	(250.3)	**-**	-
Purchase of investment properties	6	**(416.6)**	(375.4)	**-**	-
Intangible assets acquired	7(a)	**(19.2)**	(3.4)	**-**	-
Purchase of investment in:					
- Associates	9(ii)	**-**	(59.2)	**-**	(47.7)
- Financial assets at fair value through other comprehensive income	10(i)	**(17.3)**	(50.1)	**(17.3)**	(61.0)
Acquisition of non-controlling interest in subsidiary	34	**-**	(18.7)	**-**	-
Proceeds on sale of property, plant and equipment		**80.8**	206.6	**-**	-
Proceeds on sale of investment properties		**9.8**	63.7	**-**	-
Proceeds on disposal of right of use assets		**0.3**	2.2	**-**	-
Proceeds on sale of investments		**-**	94.6	**-**	94.6
Deposits on investments		**-**	(82.9)	**-**	-
Interest received		**11.4**	10.0	**0.6**	3.0
Net cash used in investing activities		**(734.4)**	(462.9)	**(16.7)**	(11.1)
Financing activities					
Proceeds from borrowings	33(a)	**568.5**	403.6	**(29.7)**	97.3
Repayment of borrowings	33(a)	**(50.0)**	(199.6)	**-**	-
Principal paid on lease liabilities	21(e)	**(20.8)**	(17.3)	**-**	-
Interest paid on lease liabilities	21(e)	**(2.1)**	(2.0)	**-**	-
Dividends paid to shareholders of TERRA Mauricia Ltd	32	**(227.5)**	(193.4)	**(227.5)**	(193.4)
Dividends paid to non-controlling interests	32	**(24.3)**	(26.3)	**-**	-
Net cash generated from/(used in) financing activities		**243.8**	(35.0)	**(257.2)**	(96.1)
Increase in cash and cash equivalents		**230.9**	9.8	**0.3**	16.1
Movement in cash and cash equivalents					
At January 1,		**472.4**	432.9	**35.2**	19.1
Effect of foreign exchange rate changes		**(19.4)**	29.7	**-**	-
Increase		**230.9**	9.8	**0.3**	16.1
At December 31,	33(b)	**683.9**	472.4	**35.5**	35.2

The notes on pages 138 to 253 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 122 to 129.

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022

1A. General Information

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

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

Principal activities

TERRA Mauricia Ltd is an investment holding company.
Details of subsidiaries' activities are disclosed in Note 36.

1B. Basis of preparation

The financial statements of TERRA Mauricia Ltd and its subsidiaries comply with the Mauritian Companies Act 2001 and Mauritian Financial Reporting Act 2004 (FRA) and have been prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the Company and its subsidiary companies (collectively "The Group") and the separate financial statements of the Company.

The financial statements are presented in Mauritian Rupees (MUR) and all values are rounded to the nearest million (MUR'M) and one decimal place, except when otherwise indicated.

The financial statements are prepared under the historical cost convention except that:
(i) Land and buildings are carried at revalued amounts;
(ii) Financial assets at fair value through other comprehensive income (FVOCI) are stated at their fair values;
(iii) Consumable biological assets are stated at their fair value less costs to sell;
(iv) Net defined benefit liability is measured at fair value of plan assets less the present value of the defined benefit obligation;
(v) Investments in subsidiaries and associates in separate financial statements of the Company are measured at their fair values.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Application of New and Revised International Financial Reporting Standards ("IFRS")

In the current year, the Group and Company have applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on January 1, 2022.

2. Significant Accounting Policies (Cont'd)

2.1 Application of New and Revised International Financial Reporting Standards ("IFRS") (Cont'd)

New and revised Standards and Interpretations that are effective for the reporting period

The following relevant revised standards have been applied in these financial statements. Their applications have not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)
IFRS 3	Business Combinations - Amendments updating a reference to the Conceptual Framework
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018 - 2020 (fees in the '10 per cent' test for derecognition of financial liabilities)
IFRS 16	Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification.

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective on annual period on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding classification of liabilities (effective January 1, 2024)
IAS 1	Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective January 1, 2024)
IAS 1	Presentation of Financial Statements - Amendment regarding the disclosure of accounting policies (effective January 1, 2023)
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants (effective January 1, 2024)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates (effective January 1, 2023)
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective January 1, 2023)
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinetely)
IFRS 16	Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective January 1, 2024).

2. Significant Accounting Policies (Cont'd)

2.1 Application of New and Revised International Financial Reporting Standards ("IFRS") (Cont'd)

Conceptual framework

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group and the Company.

The Directors anticipate that these amendments will be applied in the annual financial statements for the annual periods beginning on the respective dates as indicated above. The Directors are still evaluating the application and the potential impact of these amendments.

2.2 Property, plant and equipment

Property, plant and equipment are measured at cost at recognition. Buildings are subsequently stated at their revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is subsequently stated at its revalued amount being the fair value at the date of revaluation, less subsequent accumulated impairment losses. All other property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the assets' carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Land and buildings are revalued every three years, unless there is evidence that the fair value of the assets differ materially from the carrying amount. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Depreciation is calculated on the straight-line method to write off the cost or the revalued amounts of the assets to their residual values over their estimated useful lives as follows:

Buildings on Leasehold Land	2 - 10%
Buildings	1 - 20%
Power Plant	1 - 4 %
Factory Equipment	2 - 50%
Agricultural Equipment	2 - 25%
Motor Vehicles	10 - 25%
Furniture and Office Equipment	2 - 35%
Bearer plants	12.5%

Land and construction in progress are not depreciated.

2. Significant Accounting Policies (Cont'd)

2.2 Property, plant and equipment (Cont'd)

Depreciation is charged to either cost of sales or other expenses based on the function the asset holds. For those assets which are involved in the core operations of the entity, the depreciation is charged to cost of sales. For those assets which are involved in administrative operations, the depreciation is charged to administrative expenses.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognised in profit or loss.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2.3 Investment properties

Investment properties comprise of land and buildings. Investment properties, held to earn rentals, are initially stated at cost plus transaction costs. Subsequently buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the investment properties to their residual values over the estimated useful life. Land is not depreciated.

The principal annual rate is as follows:

Buildings	2 - 8%

Transfers of property to, or from, investment property, when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet the definition of investment property and there is evidence of the change in use. Transfers between investment properties, owner-occupied property and inventories are made at the carrying amounts of the property transferred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Inventory property under development

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

2. Significant Accounting Policies (Cont'd)

2.3 Investment properties (Cont'd)

Inventory property under development (Cont'd)

Cost incurred in bringing each property to its present location and condition includes:
- Freehold land;
- Amounts paid to contractors for development; and
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

2.4 Intangible assets and goodwill

(a) Intangible assets consist of land conversion rights (LCRs), goodwill, brands/distribution rights and computer software.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives comprise of computer software and are amortised over the useful economic life and assessed at the end of each reporting period whether there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives comprise of land conversion rights, goodwill and brands/distribution rights and are not amortised, but are tested for impairment annually and wherever there is an indication that the intangible asset may be impaired, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(i) *Land conversion rights*

The reform of the Sugar Industry in the years 2000 necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. In order to assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

An LCR is recognised as a non-current asset and is initially measured at cost at the date on which the Group is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with.

Land conversion rights (LCRs) are assumed to have an indefinite useful life as per the terms of the agreement entered with the Government of Mauritius.

2. Significant Accounting Policies (Cont'd)

2.4 Intangible assets and goodwill (Cont'd)

(i) *Land conversion rights (Cont'd)*

LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), used internally for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss.

(ii) *Brands/distribution rights*

Brands/distribution rights are shown at cost and tested annually for impairment.

Useful life

Distribution rights have an indefinite useful life. These are not amortized because there is no foreseeable limit to the cash flows generated by those intangible assets. The Directors have considered the relevant factors in determining the useful life of the distribution rights. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the distribution rights have been assessed as having an indefinite useful life.

(iii) *Computer software*

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5 years).

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(iv) *Goodwill*

Goodwill arising on an acquisition of a business is measured at cost less accumulated impairment losses, if any.

Goodwill is not amortised but tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

2. Significant Accounting Policies (Cont'd)

2.5 Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value, with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve as per Note 2.7(b)(i) - Fair value through other comprehensive income.

Consolidated financial statements

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.
The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss as per note 2.7(a).

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets) are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

Non-controlling interests are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Any difference between any consideration paid/received and the relevant share of the carrying value of net assets of the subsidiary is recorded within equity, separately from the equity of the owners of the Company. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. Significant Accounting Policies (Cont'd)

2.5 Investment in subsidiaries (Cont'd)

Loss of control

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Investment in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at fair value, with changes in fair value recognised in other comprehensive income and accumulated in fair value reserve as per Note 2.7(b)(i) - Fair value through other comprehensive income.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the gain or loss previously recognised in other comprehensive income is reclassified to profit or loss relative to that reduction in ownership interest.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

2. Significant Accounting Policies (Cont'd)

2.7 Financial instruments

(a) *Recognition and initial measurement*

All financial instruments are initially recognised when the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) *Classification and subsequent measurement*

(i) **Financial assets**

On initial recognition, the Group and the Company classify financial assets as subsequently measured at amortised cost or fair value through other comprehensive income based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less impairment losses which are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment allowance for trade receivables is recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such allowances are recorded in a separate impairment loss allowance account in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated impairment allowance.

2. Significant Accounting Policies (Cont'd)

2.7 Financial instruments (Cont'd)

(b) *Classification and subsequent measurement (Cont'd)*

(i) **Financial assets (Cont'd)**

Amortised cost (Cont'd)

Impairment allowance for receivables from related parties and loans to related parties is recognised based on the general approach and on a forward-looking expected credit loss model. The methodology used to determine the amount of the impairment allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised.

For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company determine that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being past due the agreed credit term; or
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.

From time to time, the Group and the Company elect to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest method and any resulting difference to the carrying value is recognised in profit or loss.

The Group's financial assets measured at amortised cost comprise trade and other receivables excluding prepayments/ taxes receivable/deposits, cash in hand and at bank and financial assets at amortised cost in the statement of financial position.

The Company's financial assets measured at amortised cost comprise trade and other receivables excluding deposits, cash in hand and at bank and financial assets at amortised cost in the statement of financial position.

2. Significant Accounting Policies (Cont'd)

2.7 Financial instruments (Cont'd)

(b) *Classification and subsequent measurement (Cont'd)*

(i) **Financial assets (Cont'd)**

Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group have made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group consider this measurement to be the most representative of the business model for these assets. They are subsequently measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal any balance within fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

2. Significant Accounting Policies (Cont'd)

2.7 Financial instruments (Cont'd)

(b) *Classification and subsequent measurement (Cont'd)*

(i) **Financial assets (Cont'd)**

Fair value through other comprehensive income (Cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:
- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

The Group's financial assets at fair value through other comprehensive income comprise of equity securities.

The Company's financial assets at fair value through other comprehensive income comprise of investments in subsidiaries, investments in associates and equity securities.

(ii) **Financial liabilities**

Amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes the initial transaction costs and any premium payable on redemption, as well as any interest payable while the liability is outstanding.

The Group's other financial liabilities include borrowings and trade and other payables (excluding VAT). The Company's other financial liabilities include borrowings and trade and other payables.

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

2. Significant Accounting Policies (Cont'd)

2.7 Financial instruments (Cont'd)

(c) *Derecognition*

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

The Group and the Company enter into transactions whereby they transfer assets recognised in their statement of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

On derecognition of equity instruments at fair value through other comprehensive income, the difference between the asset's carrying amount remeasured at the date of derecognition, and the sum of the consideration received and receivable is recognised in profit or loss. Any balance within the FVOCI reserve is directly reclassified to retained earnings and is not reclassified to profit or loss.

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Biological assets

(i) **Bearer Biological assets - Deer farming**

Bearer biological assets, excluding bearer plants, are stated at their fair value less costs to sell with any change therein recognised in profit or loss.

(ii) **Consumable Biological assets - Sugar cane**

Sugar canes are measured at their fair value less costs to sell. The fair value of sugar canes is the present value of expected net cash flows from the sugar canes discounted at the relevant market determined pre-tax rate. Changes in fair value is recognised in profit or loss.

2. Significant Accounting Policies (Cont'd)

2.9 Leases

(i) *As a lessee*

Leases are accounted for by recognising a right-of-use asset and a lease liability except for:
• Leases of low value assets; and
• Leases with a duration of 12 months or less.

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:
(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset; and
(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise through use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
• Amounts expected to be payable under any residual value guarantee;
• The exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
• Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. Significant Accounting Policies (Cont'd)

2.9 Leases (Cont'd)

(i) *As a lessee (Cont'd)*

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets such as IT equipments are recognised on a straight-line basis as an expense in profit or loss.

Right of use assets comprise of Land, Buildings and Motor Vehicles.

2. Significant Accounting Policies (Cont'd)

2.9 Leases (Cont'd)

(ii) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Most leases are classified as operating leases from a lessor perspective.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

2.10 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. Significant Accounting Policies (Cont'd)

2.10 Current and deferred income tax (Cont'd)

Deferred tax (Cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Corporate Social Responsibility (CSR)

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current year is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

2. Significant Accounting Policies (Cont'd)

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.12 Non-current assets classified as held for sale and discontinued operations

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

Events or circumstances may extend the period to complete the sale beyond one year but if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset, such extension does not preclude the asset from being classified as held for sale.

The Group

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate, or a portion of an investment in an associate, the investment, or the portion of the investment in associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in associate that has not been classified as held for sale continues to be accounted for using the equity method.

Impairment losses on initial classification as held for sale and subsequent gains or losses on measurement are recognised in profit or loss.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for distribution, and:
- Represents a major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2. Significant Accounting Policies (Cont'd)

2.13 Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

2.14 Retirement benefit obligations

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

2. Significant Accounting Policies (Cont'd)

2.14 Retirement benefit obligations (Cont'd)

Gratuity on retirement

The Workers' Right Act 2019 stipulates that the gratuity paid on retirement should be based on the remuneration (which is inclusive of payment for extra work, productivity bonus, attendance bonus, commission in return for services and any other regular payments) of the employee instead of earnings. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26) for a worker employed on a 6-day week and 15 days remuneration based on a month of 22 days (15/22) for a worker employed on a 5-day week.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

State pension plan

Contributions to the National Pension Fund are expensed in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date then they are discounted to their present value.

Measurement of defined benefit obligations: Key actuarial assumptions

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions, such as discount rate, inflation rate, future salary increase and average retirement age for pension obligations are based on current market conditions.

2. Significant Accounting Policies (Cont'd)

2.15 Provisions

Provisions are recognised when the Group and the Company have a legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.16 Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using MUR, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated and separate financial statements are presented in MUR, which is the Company's and the Group's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents is presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as financial assets at fair value through OCI, are included in the fair value reserve in equity.

2. Significant Accounting Policies (Cont'd)

2.16 Foreign currencies (Cont'd)

(iii) *Group companies*

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) Income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and

(c) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings are taken to equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2.17 Impairment of non-financial assets

<u>Impairment of non-financial assets excluding goodwill, land conversion rights and brand rights</u>

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

2. Significant Accounting Policies (Cont'd)

2.17 Impairment of non-financial assets (Cont'd)

Impairment of non-financial assets excluding goodwill, land conversion rights and brand rights (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Goodwill

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.18 Revenue recognition

(a) *Revenue from contracts with customers*

Performance obligations and timing of revenue recognition

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

2. Significant Accounting Policies (Cont'd)

2.18 Revenue recognition (Cont'd)

(a) *Revenue from contracts with customers (Cont'd)*

Performance obligations and timing of revenue recognition (Cont'd)

A small minority of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the Group still has physical possession only if:

- The arrangement is substantive (i.e. requested by the customer);
- The finished goods have been identified separately as belonging to the customer;
- The product is ready for physical transfer to the customer; and
- The Company does not have the ability to use the product to direct it to another customer.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Practical expedients

The Company has taken advantage of the practical expedients:

- Not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- Expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods/services before transferring them to the customer.

2. Significant Accounting Policies (Cont'd)

2.18 Revenue recognition (Cont'd)

(a) *Revenue from contracts with customers (Cont'd)*

(i) *Cane cluster*

The performance obligation relating to the sale of sugar and by-products is satisfied upon delivery of those goods. At the grower stage, control of the goods passes when the delivery truck crosses the weighbridges. At the miller and refiner stage, control of the goods passes to the customer upon delivery.

(ii) *Power cluster*

The power cluster generates revenue from the sale of electricity, which is recognised over time as and when distributed on the grid.

(iii) *Brands cluster*

The performance obligation is satisfied upon delivery of those goods when control of the goods passes to the customer upon delivery.

(iv) *Property cluster*

Revenue is recognised when control over the land has been transferred to the customer, that is, when the legal title has passed to the customer upon signature of the "Acte de Vente". Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract.

(b) *Revenue from sale of sale of morcellement lots*

Revenue from the sale of morcellement lots is net of rebates and discounts. The Group uses the percentage of completion method to determine the appropriate amount of revenue to be recognised in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract (or by reference to surveys of work performed or completion of a physical proportion the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

2. Significant Accounting Policies (Cont'd)

2.18 Revenue recognition (Cont'd)

(c) *Remaining performance obligations*

The vast majority of the Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. However, certain design contracts and contracts for the delivery of goods have been entered into for which both:

- The original contractual period was greater than 12 months; and
- The Group's right to consideration does not correspond directly with the performance.

In addition, sales of extended warranties for periods of greater than one year and material rights relating to discounts on future contracts do not meet these conditions.

(d) *Other revenues*

Other revenues earned by the Group/Company are recognised on the following bases:

- Dividend income - when the shareholder's right to receive payment is established.
- Lease income arising from operating leases-on a straight-line basis over the lease term.
- Profit on sale of property, plant and equipment and land is recognised when the significant risks and returns have been transferred to the buyer.
- Agricultural diversification represents the gross proceeds of sale of fruits and vegetables and animals, revenue from agricultural diversification is recognised when goods are delivered and title has passed.
- Sugar Insurance Fund Board (SIFB) compensation represents the compensable loss in excess of the sugar accrued on supply and the total insurable sugar and is recognised on accrual basis unless there is uncertainty on the outcome of the compensation in which case the normal contingent asset policy as per IAS 37 applies.
- Others include rent and transport, cane supply agreement and other consultancy fees, which are recognised in the accounting year in which the services are received.

2.19 Dividend distribution

Dividends which have been appropriately authorised and which are non-discretionary, on or before the end of the reporting period but not distributed at the end of the reporting date are recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.20 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

2. Significant Accounting Policies (Cont'd)

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

2.22 Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as land, investment properties and unquoted financial assets at fair value through OCI, and for non-recurring measurement, such as assets held for sale in discontinued operations. Management is comprised of the Chief Finance Executive, Chief Finance Officers, Heads of the investment properties segment.

External valuers are involved for valuation of significant assets, such as properties and land conversion rights. Involvement of external valuers is determined annually by Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2. Significant Accounting Policies (Cont'd)

2.22 Fair value measurement (Cont'd)

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.23 Net finance costs

The finance income and finance costs include:
- Foreign exchange gain and loss;
- Interest expense;
- Interest income.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:
- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.24 Foreseeable losses

In accordance with the accounting policy, when it is probable that the total contract cost will exceed total contract revenue, management makes its best forecast of such costs and the total expected loss on the contract is recognised as an expense immediately.

2.25 Contingent asset

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.26 Contingent liabilities

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

2. Significant Accounting Policies (Cont'd)

2.27 Construction contract

Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group uses the 'stage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to surveys of work performed or completion of a physical proportion of the contract work. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset (Contract Assets) the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability (Contract Liabilities) the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

3. Financial Risk Management

3.1 Financial risk factors

The Group and the Company endeavour to manage their exposure to market risks and to minimize the impact of volatility in exchange rates and interest rates on the bottom line of group companies.

The Group's and the Company's activities expose them to a variety of financial risks which have to be effectively managed so as to protect their long-term sustainability and to safeguard the interests of their stakeholders.

The Group's and the Company's overall risk management programmes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's and the Company's financial performance.

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

A description of the significant risk factors is given below together with risk management policies where applicable.

(a) Market risk
  (i) Currency risk
  (ii) Equity price risk
  (iii) Commodity price risk
(b) Credit risk
(c) Liquidity risk and
(d) Cash flow and fair value interest rate risk.

(a) **Market risk**

(i) ***Currency risk***

The Group is exposed to foreign exchange risk arising from sugar growing activities, primarily with respect to the Euro (EUR), the US dollar (USD), the Seychellois Rupee (SCR) and other currencies. This risk affects both the crop proceeds and the fair value of the biological assets. The Group also has investments in foreign entities denoted in US dollar (USD) and whose net assets are exposed to currency translation risk.

The Group and the Company are exposed to currency risks from their exports and imports both for their commercial and production activities. As such they are subject to risks from changes in currency values that could affect earnings. Given the limited availability of financial instruments locally, short-term transaction risks arising from currency fluctuations are not hedged.

Subject to cost and availability of finance, the Group and the Company aim to minimise their foreign exposure by borrowing in local and foreign currency to mirror their currency commitments as they fall due.

No currency risk is hedged.

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) **Market risk (Cont'd)**

(i) ***Currency risk (Cont'd)***

Currency profile

The currency profile of the Group's and the Company's financial assets and liabilities are summarised below:

THE GROUP	MUR	EUR	USD	SCR	Other currencies	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2022						
Trade and other receivables	**1,245.2**	**238.0**	**45.1**	-	**59.9**	**1,588.2**
Financial assets at amortised cost	**10.6**	-	-	-	-	**10.6**
Cash in hand and at bank	**588.1**	**60.8**	**41.3**	**14.1**	**1.2**	**705.5**
Lease receivables	**51.6**	-	-	-	-	**51.6**
Total assets	**1,895.5**	**298.8**	**86.4**	**14.1**	**61.1**	**2,355.9**
Trade and other payables	**835.9**	**47.2**	**27.5**	**101.5**	**10.9**	**1,023.0**
Borrowings	**4,642.9**	-	-	-	-	**4,642.9**
Lease liabilities	**86.4**	-	-	-	-	**86.4**
Total liabilities	**5,565.2**	**47.2**	**27.5**	**101.5**	**10.9**	**5,752.3**
At December 31, 2021						
Trade and other receivables	1,061.6	171.0	23.0	85.6	138.3	1,479.5
Financial assets at amortised cost	25.0	-	-	-	-	25.0
Cash in hand and at bank	423.9	33.3	34.5	8.2	5.9	505.8
Lease receivables	49.2	-	-	-	-	49.2
Total assets	1,559.7	204.3	57.5	93.8	144.2	2,059.5
Trade and other payables	1,136.9	38.0	245.8	33.1	29.6	1,483.4
Borrowings	4,124.9	-	-	11.3	-	4,136.2
Lease liabilities	49.4	-	-	-	-	49.4
Total liabilities	5,311.2	38.0	245.8	44.4	29.6	5,669.0

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) *Currency risk (Cont'd)*

Currency profile (Cont'd)

THE COMPANY	MUR	USD	EUR	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2022				
Trade and other receivables	**48.4**	**-**	**-**	**48.4**
Cash in hand and at bank	**10.4**	**24.9**	**0.2**	**35.5**
Investment in subsidiaries	**15,255.8**	**-**	**-**	**15,255.8**
Investment in associates	**203.3**	**-**	**-**	**203.3**
Total assets	**15,517.9**	**24.9**	**0.2**	**15,543.0**
Borrowings	**1,057.9**	**-**	**-**	**1,057.9**
Trade and other payables	**12.3**	**-**	**-**	**12.3**
Total liabilities	**1,070.2**	**-**	**-**	**1,070.2**
At December 31, 2021				
Trade and other receivables	2.3	-	-	2.3
Cash in hand and at bank	16.5	18.5	0.2	35.2
Investment in subsidiaries	13,647.5	-	-	13,647.5
Investment in associates	245.6	-	-	245.6
Total assets	13,911.9	18.5	0.2	13,930.6
Borrowings	1,087.6	-	-	1,087.6
Trade and other payables	11.1	-	-	11.1
Total liabilities	1,098.7	-	-	1,098.7

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2022	2021	**2022**	2021
	MUR	MUR	**MUR**	MUR
EUR	**46.09**	49.04	**46.42**	48.74
USD	**43.83**	41.58	**43.65**	43.10
SCR	**3.17**	2.54	**3.20**	2.91

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) **Market risk (Cont'd)**

(i) ***Currency risk (Cont'd)***

Sensitivity analysis
A reasonably possible strengthening/weakening of the MUR against all other currencies at December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

The analysis is based on the assumption that the MUR strengthened/weakened against EUR and USD by 4% and 6% respectively (2021: 4% and 6%) and its corresponding impact on loss/profit.

	2022	2021	**2022**	2021
THE GROUP	**MUR'M**	MUR'M	**MUR'M**	MUR'M
EUR	**8.4**	5.5	**(8.4)**	(5.5)
USD	**2.9**	9.4	**(2.9)**	(9.4)
THE COMPANY				
USD	**1.2**	0.9	**(1.2)**	(0.9)

Given that the Group has limited foreign currency exposure to SCR and other currencies, no sensitivity analysis was carried out.

(ii) ***Equity price risk***

The Group and the Company are exposed to equity securities price risk because of investments in financial assets at fair value through other comprehensive income. To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's and the Company's profit or loss and equity.

The analysis is based on the assumption that the fair value increases/decreases by 3% (2021: 3%), based on historical observation.

	THE GROUP		**THE COMPANY**	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Financial assets at fair value through OCI	**+/- 21.8**	+/- 19.8	**+/- 23.1**	+/- 21.1

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) **Market risk (Cont'd)**

(iii) ***Commodity price risk***

The Group is also exposed to price risk with the incidence of the market price of sugar.

The table below summarises the impact of increases/(decreases) in the price of sugar on the Group. The analysis is based on the assumption that the price of sugar increases/decreases by 11% (2021: 11%), based on historical observation of consumable biological assets.

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Impact on profit or loss and equity	**153.9**	96.8

(b) **Credit risk**

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's and the Company's trade receivables and financial assets at amortised cost.

The amounts presented in the statement of financial position, are net of impairment loss, estimated by the Group's and the Company's management based on prior experience and the current environment.

As regards the Cane and Power segments, the Group has significant concentration of credit risk with exposure spread over a few customers. However, sale of products is made through reputable institutions where risk of default is very remote.

As for the Brands segment, the Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group and the Company have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and to limit the amount of credit exposure to any one financial institution.

Exposure to credit risk and ECLs for trade receivables and financial assets at amortised cost have been disclosed in notes 16 and 11 respectively.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

The table below analyses the Group's and the Company's non-derivative financial liabilities and into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2022					
Borrowings	**1,294.8**	**57.0**	**10.5**	**3,259.0**	**4,621.3**
Bank overdrafts	**21.6**	**-**	**-**	**-**	**21.6**
Lease liabilities	**38.7**	**47.7**	**-**	**-**	**86.4**
Trade and other payables	**952.2**	**-**	**-**	**-**	**952.2**
At December 31, 2021					
Borrowings	1,005.2	48.6	70.0	2,979.0	4,102.8
Bank overdrafts	33.4	-	-	-	33.4
Lease liabilities	36.5	12.9	-	-	49.4
Trade and other payables	1,218.8	-	-	-	1,218.8

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2022					
Borrowings	**48.3**	**-**	**-**	**1,009.6**	**1,057.9**
Trade and other payables	**12.3**	**-**	**-**	**-**	**12.3**
At December 31, 2021					
Borrowings	236.0	-	-	851.6	1,087.6
Trade and other payables	12.0	-	-	-	12.0

Details of going concern and subsequent events are disclosed in note 4.2 and note 43 respectively.

Details of loan covenants are disclosed in note 20(h).

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (Cont'd)

(d) **Cash flow and fair value interest rate risk**

The Group's and the Company's interest-rate risks arise from borrowings. Borrowings issued at variable rates expose the Group and the Company to cash flow interest-rate risk. Borrowings issued at fixed rates also expose the Group and the Company to fair value interest-rate risk.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

At December 31, if interest rates on MUR-denominated borrowings and EUR-denominated borrowings had been 50 basis points higher/lower, based on historical observation, with all other variables held constant, post-tax profit for the year and shareholders' equity would have been changed as shown in the table below.

	MUR denominated borrowings (50 basis points)		EUR denominated borrowings (50 basis points)	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
THE GROUP				
Impact on post-tax profit and shareholders' equity	**19.2**	17.0	**-**	-
THE COMPANY				
Impact on post-tax profit and shareholders' equity	**4.4**	4.5	**N/A**	N/A

At December 31, 2022, and December 31, 2021 if variable interest rates on deposit at bank had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would not be significantly impacted.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company are the current bid price. These instruments are included in Level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as financial assets at fair value through OCI.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

3. Financial Risk Management (Cont'd)

3.2 Fair value estimation (Cont'd)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow method, EBITDA multiple and net asset value are used to determine fair value for the remaining financial instruments.

3.3 Capital Risk Management

The Group's and the Company's objectives when managing capital are:

- To safeguard the Group's and the Company's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group and the Company set the amount of capital in proportion to risk. The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the Group and the Company monitor capital on the basis of the net debt-to-adjusted capital ratio. Adjusted capital comprises all components of equity (i.e stated capital, revaluation and other reserves, and retained earnings).

The Group and the Company consider the net debt-to-adjusted capital ratios computed below to be reasonable and in line with its respective repayment capacity.

The net debt-to-adjusted capital ratios at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt (note 20)	**4,642.9**	4,136.2	**1,057.9**	1,087.6
Lease liabilities (note 21)	**86.4**	49.4	**-**	-
Less: cash in hand and at bank	**(705.5)**	(505.8)	**(35.5)**	(35.2)
Net debt	**4,023.8**	3,679.8	**1,022.4**	1,052.4
Total equity	**17,053.8**	14,999.5	**15,499.3**	13,927.2
Net debt-to-equity ratio	**0.24:1**	0.24:1	**0.07:1**	0.08:1

There were no changes in the Group's and the Company's approach to capital risks management during the year.

4. Critical Accounting Estimates and Assumptions

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Measurement of fair value

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 - land and building
- Note 8 - investment in subsidiaries
- Note 9 - investment in associates
- Note 10 - financial assets at fair value through other comprehensive income
- Note 15 - consumable biological assets

Pension benefits

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.
In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. More details about assumptions used are provided in note 22.

Impairment of non-financial assets

Goodwill, Land Conversion Rights and Brand rights are considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Refer to note 27 for more details.

4. Critical Accounting Estimates and Assumptions (Cont'd)

4.1 Key sources of estimation uncertainty (Cont'd)

Impairment of non-financial assets (Cont'd)

Future cash flows expected to be generated by the cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is allocated to the other assets of a cash-generating unit.

The land conversion rights ("LCRs") granted under the Sugar Industry Efficiency ("SIE") Act 2001 have been tested for impairment using the valuation of an independent property valuer.

The basis of calculation on useful life of the power plant has been disclosed under note 47.

Underclaims and overclaims

Adjustments to turnover are made for underclaims and overclaims. Underclaims comprise of work completed, but not yet certified. On the other hand, overclaims represent amounts claimed but not yet due. These estimates are carried out by the in-house Quantity Surveyors and are vetted by top Management.

The Company accounts for retention and advance on the net amount of underclaim and overclaim.

Provision for maintenance contracts

As the contract progresses, a provision for maintenance, to be used during the defects liability period, is made. Such provision is assessed by management and is based on the risk element of individual contracts.

Future taxable profits

Management makes forecasts based on historical experience and uses best judgements to estimate future taxable profits against which the benefit of part or all of a deferred tax asset will be utilised.

4.2 Critical accounting judgements

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The details are provided in note 27.

4. Critical Accounting Estimates and Assumptions (Cont'd)

4.2 Critical accounting judgements (Cont'd)

Impairment of financial assets (Cont'd)

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Going Concern

THE GROUP

The Group realised a profit of MUR'M 1,049.5 for the year ended December 31, 2022 (2021: profit of MUR'M 316.7) and had total equity of MUR 17.1 billion (2021: MUR 15.0 billion). The Group had a net current asset position of MUR'M 1,668.5 at December 31, 2022 (2021: net current asset position of MUR'M 1,249.5).

The Group manages liquidity risk by maintaining adequate borrowing facilities and working capital funds. At December 31, 2022, the Group had unused credit headroom of MUR 2.4 billion. The Board monitors the net debt level of the Group taking into consideration the expected outlook of the Group's financial position, cash flows and future capital commitments. The Group adopts a prudent approach in managing its liquidity risk, taking into account any volatility in its business and investment activity requirements.

The Group has sufficient liquid assets and unused borrowing facilities with sufficient headroom to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of these consolidated financial statements. Consequently, the Directors have therefore concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Liquidity management

The overall group net debt amounted to MUR'M 4,023.8 (2021: MUR'M 3,679.8) which is an increase of 9.3% over the prior year. Out of the net debts are MUR'M 1,192.3 (2021: MUR'M 935.2) which are short-term money market lines which are renewed on an ongoing basis. The Group never had instances where the short-term money market loan had not been renewed.

The net debt-to-equity ratio of 23.6% as at December 31, 2022 is considered to be reasonable and is being monitored closely. The Group has sufficient liquid assets (Level 1 investments) and unused borrowing facilities with sufficient headroom to meet all its current obligations as they fall due in the normal course of business.

THE COMPANY

The Company is an investment holding company whose main source of income is dividends from investments. The Company generated a profit after taxation of MUR'M 279.6 (2021: MUR'M 160.4) for the year ended December 31, 2022 and had total equity of MUR 15.5 billion (2021: MUR 13.9 billion). The Company has a net current asset position of MUR'M 24.3 (2021: Net current liability position of MUR'M 168.5).

The Company has liquid assets and cash flows to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of these separate financial statements. Consequently, the Directors have therefore concluded that it is appropriate to prepare the separate financial statements on a going concern basis.

5. Property, Plant and Equipment

(a) **THE GROUP**

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Construction in Progress	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2022											
- Cost	5.1	141.6	36.1	2,146.2	1,378.5	697.6	420.9	753.1	7.5	752.8	6,339.4
- Valuation	8,378.1	-	857.5	-	-	-	-	-	-	-	9,235.6
Total cost/valuation	8,383.2	141.6	893.6	2,146.2	1,378.5	697.6	420.9	753.1	7.5	752.8	15,575.0
Additions	0.8	0.2	52.2	5.7	105.4	53.1	35.6	68.9	15.0	46.7	383.6
Transfer from/ (to) investment properties (note 6)	0.7	-	20.0	-	-	-	-	-	(2.5)	-	18.2
Reclassification	-	-	(35.7)	-	47.9	-	-	0.1	(12.3)	-	-
Transfer to inventories (note 14)	(29.6)	-	(34.2)	-	-	-	-	-	(0.3)	-	(64.1)
Revaluation adjustment	1,424.9	-	55.0	-	-	-	-	-	-	-	1,479.9
Disposals/scrapped assets	(419.9)	-	(22.5)	-	(39.5)	-	(25.8)	(25.2)	-	-	(532.9)
Translation differences	-	-	3.2	-	-	-	1.0	1.7	-	-	5.9
At December 31, 2022											
- Cost	-	141.8	-	2,151.9	1,492.3	750.7	431.7	798.6	7.4	799.5	6,573.9
- Valuation	9,360.1	-	931.6	-	-	-	-	-	-	-	10,291.7
Total cost/valuation	9,360.1	141.8	931.6	2,151.9	1,492.3	750.7	431.7	798.6	7.4	799.5	16,865.6
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2022	-	49.1	115.6	1,811.9	864.9	587.0	383.7	534.7	-	605.3	4,952.2
Charge for the year	-	2.0	71.2	14.6	95.9	29.8	18.8	36.3	-	46.9	315.5
Transfer to inventories (note 14)	-	-	(33.3)	-	-	-	-	-	-	-	(33.3)
Reclassification	-	-	(13.0)	-	13.0	-	-	-	-	-	-
Revaluation adjustment	-	-	(121.5)	-	-	-	-	-	-	-	(121.5)
Disposals/scrapped assets	-	-	(19.5)	-	(35.0)	-	(23.4)	(25.2)	-	-	(103.1)
Translation differences	-	-	0.5	-	-	-	1.0	1.4	-	-	2.9
At December 31, 2022	-	51.1	-	1,826.5	938.8	616.8	380.1	547.2	-	652.2	5,012.7
CARRYING AMOUNTS											
At December 31, 2022	9,360.1	90.7	931.6	325.4	553.5	133.9	51.6	251.4	7.4	147.3	11,852.9

5. Property, Plant and Equipment (Cont'd)

(a)

THE GROUP (Cont'd)	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Construction in Progress	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2021											
- Cost	-	141.6	12.4	2,145.0	1,456.0	656.2	442.0	743.6	0.9	718.8	6,316.5
- Valuation	8,418.1	-	890.9	-	-	-	-	-	-	-	9,309.0
Total cost/valuation	8,418.1	141.6	903.3	2,145.0	1,456.0	656.2	442.0	743.6	0.9	718.8	15,625.5
Additions	-	-	11.6	1.2	118.3	43.1	16.6	18.9	6.6	34.0	250.3
Transfer from investment properties (note 6)	5.1	-	-	-	-	-	-	-	-	-	5.1
Disposals/scrapped assets	(40.0)	-	(33.4)	-	(195.8)	(1.7)	(42.0)	(15.6)	-	-	(328.5)
Translation differences	-	-	12.1	-	-	-	4.3	6.2	-	-	22.6
At December 31, 2021											
- Cost	5.1	141.6	36.1	2,146.2	1,378.5	697.6	420.9	753.1	7.5	752.8	6,339.4
- Valuation	8,378.1	-	857.5	-	-	-	-	-	-	-	9,235.6
Total cost/valuation	8,383.2	141.6	893.6	2,146.2	1,378.5	697.6	420.9	753.1	7.5	752.8	15,575.0
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2021	-	47.3	72.0	1,255.1	910.4	563.5	395.0	517.6	-	552.3	4,313.2
Charge for the year	-	1.8	73.1	56.5	97.3	25.2	25.7	27.7	-	53.0	360.3
Disposals/scrapped assets	-	-	(30.9)	-	(177.9)	(1.7)	(40.7)	(15.6)	-	-	(266.8)
Impairment losses (note 27(ii))	-	-	-	500.3	35.6	-	-	-	-	-	535.9
Translation differences	-	-	1.4	-	(0.5)	-	3.7	5.0	-	-	9.6
At December 31, 2021	-	49.1	115.6	1,811.9	864.9	587.0	383.7	534.7	-	605.3	4,952.2
CARRYING AMOUNTS											
At December 31, 2021	8,383.2	92.5	778.0	334.3	513.6	110.6	37.2	218.4	7.5	147.5	10,622.8

5. Property, Plant and Equipment (Cont'd)

(b) Measurement of fair value of land and buildings

The fair value measurements of the freehold land and buildings of the Group as at December 31, 2022 were performed by Noor Dilmohamed & Associate, an independent professional valuer not related to the Group and having the appropriate qualifications (Certified Practising Valuer (Australia) & Registered Valuer; API Mem. Reg. No. 00064007) and recent experience in fair value of properties (note 2.2). The valuation was based on recent market transactions on arm's length terms for similar properties determined based on market comparable approach. Where the market value of an asset cannot be established, its value was arrived at using a surrogate such as Depreciated Replacement Cost.

If land and buildings were stated on the historical cost basis, their carrying amounts would be as follows:

	Land		Buildings	
THE GROUP	**2022**	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cost	**2,994.0**	3,442.0	**695.6**	712.6
Accumulated depreciation	**-**	-	**(513.3)**	(507.4)
Carrying amount	**2,994.0**	3,442.0	**182.3**	205.2

Sensitivity analysis

The following tables show the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

Description	Fair value hierarchy	Significant unobservable input	2022 Range of unobservable input	2021 Range of unobservable input
Agricultural Land	Level 3	Price per Ha	MUR 180,000 - MUR 7,750,000	MUR 305,000 - MUR 7,000,000
		Bulk discount rate	40%	35%
Non-Agricultural Land	Level 3	Price per Ha	MUR 180,000 - MUR 40,000,000	MUR 313,000 - MUR 25,000,000
		Bulk discount rate	40%	35%
Buildings	Level 3	Price per Square meter	MUR 3,500 - MUR 40,000	MUR 2,000 - MUR 50,000
		Bulk discount rate	40%	35%

The bulk discount of 40% for 2022 has been determined using the following assumptions:
- Around 100 Hectares may be disposed of annually;
- The period of sale would be 65 years;
- The rate of growth of agricultural land more particularly cane land at around 3 per cent per annum; and
- The discount rate 6.5 per cent per annum.

An increase/(decrease) in the price per Ha and the price per Square meter would result in an increase/(decrease) in fair value. An increase/(decrease) in the discount rate would result in a decrease/increase in fair value.

5. Property, Plant and Equipment (Cont'd)

(c) **Impairment losses**

Bearer plants

For the year ended December 31, 2022, the Group did not recognise any impairment on bearer plants (2021: Nil) based on a valuation carried out by management.

Power plant

Market and economic conditions were indicators of impairment at December 31, 2022 and 2021. At December 31, 2021, the impairment was determined by comparing the carrying amount of the Cash Generating Unit ("CGU") with its recoverable amount which was estimated based on its Value in Use ("VIU"). The VIU amount was determined using discounted cash flow technique and an impairment of MUR'M 535.9 was recognised allocated between power plant and factory equipment.

The subsidiary's main business is to generate electricity using its power plant and sell to the Central Electricity Board ("CEB"). Given the unprecedented increase in coal prices in early 2022, the production and sales of electricity from the use of coal was suspended in April 2022 due to a Force Majeure Event invoked by the subsidiary since March 2022. A mediation process is ongoing and no agreement has yet been reached between CEB and the subsidiary. While the plant operated on *bagasse* only during the harvest season, the power plant remains closed during the intercrop season.

In the absence of any indication of what the contract would look like and taking into account that only 2 years remaining under the current power purchase agreement, a change in valuation approach is warranted. At December 31, 2022, the recoverable amount was based on the fair value less cost of disposal of the assets of the subsidiary. The main component of the subsidiary's property, plant and equipment is the power plant. The power plant meets the definition of a specialised asset as per the RICS Valuation – Global Standards 2017 ("RB Global") Glossary and as such, the Depreciated Replacement Cost approach (DRC) is the most appropriate method to determine the fair value of the power plant. Because of the power plant's specialised nature, it is categorised as a level 3 instrument.

DRC is the current cost of replacing an asset with its modern equivalent asset, taking into account the deductions for physical deterioration and all relevant forms of obsolescence and optimization.

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

5. Property, Plant and Equipment (Cont'd)

(c) Impairment losses (Cont'd)

Power plant (Cont'd)

An impairment assessment was determined by comparing the carrying amount of the power plant with its recoverable amount based on the Fair Value Less Cost Of Disposal (FVLCOD) and the FVLCOD was determined using the depreciated replacement cost at June 30, 2025. In arriving at the depreciated replacement cost, the following key assumptions were used:

- The replacement cost of plant was determined based on the historical cost in Euro as per the Fixed Assets Register adjusted for inflation of 1.7% annually since date of acquisition.
- The remaining useful life of the power plant which is 22 years old with an average life of 20 years, based on the R2 IOWA survivor curve, is 3.91 years.
- A discount of 20% for economic obsolescence and risk associated with the high coal price has been taken into consideration.
- Cost to sell was estimated at 15% based on PWC methodology survey after taking into account the specialised nature and significant value of the power plant.
- A discount rate of 20.3% was used to discount the depreciated replacement cost in year 2025.

An increase/decrease in economic obsolescence discount, cost to sell and discount rate would result a decrease/increase in the FVLCOD.

Based on the impairment asssessment performed on the power plant and the other assets of the subsidiary there is no material impact on the financial statements as at December 31, 2022.

(d) Depreciation has been charged to profit or loss as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Cost of sales	**148.5**	216.1
Other expenses	**167.0**	144.2
	315.5	360.3

(e) Property, plant and equipment are included in amounts given as collaterals to bank borrowings.

5A. Right-of-Use Assets

	Land	Buildings	Motor vehicles	Total
	MUR'M	MUR'M	MUR'M	MUR'M
COST				
At January 1, 2021	11.2	54.1	7.3	72.6
Additions	-	15.8	0.9	16.7
Disposals	(0.8)	(2.9)	(0.6)	(4.3)
Effect of modification to lease term	-	19.1	-	19.1
Exchange differences	-	0.6	-	0.6
At December 31, 2021	**10.4**	**86.7**	**7.6**	**104.7**
Additions	**-**	**11.6**	**8.1**	**19.7**
Disposals	**-**	**(0.7)**	**(0.6)**	**(1.3)**
Effect of modification to lease term	**-**	**38.4**	**-**	**38.4**
Exchange differences	**-**	**0.2**	**-**	**0.2**
At December 31, 2022	**10.4**	**136.2**	**15.1**	**161.7**
ACCUMULATED DEPRECIATION				
At January 1, 2021	0.1	32.8	2.2	35.1
Charge for the year	0.2	15.4	1.7	17.3
Disposals	-	(1.7)	(0.4)	(2.1)
At December 31, 2021	**0.3**	**46.5**	**3.5**	**50.3**
Charge for the year	**0.2**	**18.7**	**3.0**	**21.9**
Disposals	**-**	**(0.6)**	**(0.4)**	**(1.0)**
At December 31, 2022	**0.5**	**64.6**	**6.1**	**71.2**
CARRYING AMOUNT				
At December 31, 2022	**9.9**	**71.6**	**9.0**	**90.5**
At December 31, 2021	10.1	40.2	4.1	54.4

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Depreciation on right-of-use assets (note 28)	**21.9**	17.3
Interest on lease liabilities (note 21(d))	**2.1**	2.0
	24.0	19.3

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

5B. Lease Receivables

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Year 1	**2.5**	2.4
Year 2	**2.6**	2.5
Year 3	**2.7**	2.6
Year 4	**2.8**	2.7
Year 5	**3.0**	2.8
Onwards	**3,431.3**	3,434.6
Undiscounted lease payments	**3,444.9**	3,447.6
Less: unearned finance income	**(3,393.3)**	(3,398.4)
Present value of lease payments receivable	**51.6**	49.2
Net investment in the lease	**51.6**	49.2

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Undiscounted lease payments analysed as:		
Recoverable after 12 months	**3,442.4**	3,445.2
Recoverable within 12 months	**2.5**	2.4
	3,444.9	3,447.6
Net investment in the lease analysed as:		
Recoverable after 12 months	**49.1**	46.8
Recoverable within 12 months	**2.5**	2.4
	51.6	49.2

The Group entered into leasing arrangements as a lessor for plots of land at morcellement Le Hameau.

The term of the lease entered into is 99 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in MUR.

6. Investment Properties

THE GROUP	Investment property under development 2022 MUR'M	2021 MUR'M	Land and buildings 2022 MUR'M	2021 MUR'M	Total 2022 MUR'M	2021 MUR'M
COST						
At January 1,	**955.9**	693.8	**1,277.7**	1,321.9	**2,233.6**	2,015.7
Additions	**118.5**	262.1	**298.1**	113.3	**416.6**	375.4
Disposals	**-**	-	**(9.8)**	(63.8)	**(9.8)**	(63.8)
Transfer to land and building (note 5(a))	**-**	-	**(18.2)**	(5.1)	**(18.2)**	(5.1)
Transfer	**(224.6)**	-	**224.6**	-	**-**	-
Transfer to inventories (note 14)	**(86.3)**	-	**403.5**	(88.6)	**317.2**	(88.6)
At December 31,	**763.5**	955.9	**2,175.9**	1,277.7	**2,939.4**	2,233.6
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
At January 1,	**0.4**	-	**276.9**	259.9	**277.3**	259.9
Charge for the year	**-**	-	**27.1**	17.1	**27.1**	17.1
Transfer to inventories (note 14)	**-**	-	**(11.1)**	-	**(11.1)**	-
Disposals	**-**	-	**-**	(0.1)	**-**	(0.1)
Impairment loss (note 27)	**0.7**	0.4	**-**	-	**0.7**	0.4
At December 31,	**1.1**	0.4	**292.9**	276.9	**294.0**	277.3
CARRYING AMOUNTS						
At December 31,	**762.4**	955.5	**1,883.0**	1,000.8	**2,645.4**	1,956.3

(a) For disclosure purposes, details of the Group's investment properties and information about the fair value hierarchy is as follows:

December 31,	Level 3 2022 MUR'M	2021 MUR'M
Land and buildings	**4,299.2**	3,337.9

The fair value of investment properties are based on valuations performed in December 2022 by accredited independent valuers, namely Noor Dilmahomed & Associates who have the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined on open market value by reference to recent market transactions on arm's length term. The valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. Investment properties that have been valued using the depreciated replacement cost have been classified as Level 3.

6. Investment Properties (Cont'd)

(a) The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The significant unobservable inputs and the sensitivity of these inputs on the fair value has been discussed below.

Description	Fair value hierarchy	Significant unobservable input	2022 Range of unobservable input	2021 Range of unobservable input
Non-Agricultural Land	Level 3	Price per Ha	MUR 180,000 - MUR 40,000,000	MUR 313,000 - MUR 25,000,000
		Bulk discount rate	40%	35%

(b) The following amounts have been recognised in profit or loss:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Rental income (note 28)	**199.3**	119.1
Direct operating expenses from investment properties that generate rental income	**38.2**	51.5
Direct operating expenses from investment properties that do not generate rental income	**8.0**	51.5

(c) The investment properties are leased to tenants under operating leases with rentals payable monthly.

Lease payments for some contracts include Consumer Price Index (CPI) increases, but there are no other variable lease payments that depend on an index rate.

Minimum lease payments receivable on leases of investment properties are as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Within 1 year	**196.1**	173.9
Between 1 and 2 years	**201.6**	184.9
Between 2 and 3 years	**212.4**	188.9
Between 3 and 4 years	**208.8**	190.2
Between 4 and 5 years	**194.4**	180.5
Later than 5 years	**283.6**	292.8
	1,296.9	1,211.2

(d) Additions to investment properties relate to subsequent expenditure.

(e) Investment property under development include land development and other related costs. There was a transfer of MUR 224.6 M from investment property under development to investment property (land & buildings) during the financial year (2021: Nil).

7. Intangible Assets and Goodwill

(a) **THE GROUP**	**Goodwill**	**Land Conversion Rights**	**Computer Software**	**Brands/ Distribution Rights**	**Total**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST					
At January 1, 2021	22.3	219.0	103.0	58.4	402.7
Additions	-	-	3.4	-	3.4
Assets scrapped	-	-	(0.7)	-	(0.7)
Exchange difference	-	-	0.8	-	0.8
At December 31, 2021	**22.3**	**219.0**	**106.5**	**58.4**	**406.2**
Additions	**-**	**-**	**14.1**	**5.1**	**19.2**
Acquired through business combination	**9.9**	**-**	**-**	**-**	**9.9**
Exchange difference	**-**	**-**	**-**	**0.2**	**0.2**
At December 31, 2022	**32.2**	**219.0**	**120.6**	**63.7**	**435.5**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES					
At January 1, 2021	22.3	98.3	86.0	-	206.6
Charge for the year	-	-	7.2	-	7.2
Assets scrapped	-	-	(0.7)	-	(0.7)
At December 31, 2021	**22.3**	**98.3**	**92.5**	**-**	**213.1**
Charge for the year	**-**	**-**	**10.0**	**-**	**10.0**
Reversal of impairment (note 27A)	**-**	**(12.0)**	**-**	**-**	**(12.0)**
At December 31, 2022	**22.3**	**86.3**	**102.5**	**-**	**211.1**
CARRYING AMOUNTS					
At December 31, 2022	**9.9**	**132.7**	**18.1**	**63.7**	**224.4**
At December 31, 2021	-	120.7	14.0	58.4	193.1

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:

(a) the aggregate of:
- (i) the consideration transferred measured in accordance with this IFRS, which generally requires acquisition date fair value,
- (ii) the amount of any non-controlling interest in the acquiree measured in accordance with this IFRS, and
- (iii) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

(b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this IFRS.

7. Intangible Assets and Goodwill (Cont'd)

Impairment test on goodwill and brand distribution rights

Each cash generating unit (CGU) represents a business operation and is the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of each CGU has been determined using value in use calculation. The post-tax cash flow projections are based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The recoverable amount of the different CGU's has been determined as follows:

- Brands: The recoverable amount has been determined based on a discounted cash flow (DCF) approach using a discount rate of 14.09%.

The discount rate takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Cash flows beyond the five-year period are extrapolated using a terminal growth of 3.54%.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry, required resources needed to service new and existing operations as well as the current economic environment.

Goodwill has been allocated for impairment testing purposes to the following CGU's:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Brands Segment	**9.9**	-

No impairment of goodwill has been recognised in 2022 (2021: MUR'M Nil). Management believes that any reasonably possible change in key assumptions on which the Brand's segment's recoverable amount is based, would not cause the Brand's segment's carrying amount to exceed the recoverable amount.

(b) *Amortisation*

The amortisation of computer software totalling MUR'M 10.0 (2021: MUR'M 7.2) has been charged to other expenses.

Land conversion rights

During the year, the Group carried out a review of the recoverability of the land conversion rights and this resulted in a reversal of impairment of MUR'M 12.0 for the Group (2021: MUR'M nil). The recoverable amount was determined based on fair value less cost of disposal and represents the net selling price.

8. Investments in Subsidiaries

(a) Reconciliation of movements in investment in subsidiaries is presented below:

	THE COMPANY		
	Level 2	**Level 3**	**Total**
	MUR'M	**MUR'M**	**MUR'M**
2022			
At January 1	**1,326.0**	**12,321.5**	**13,647.5**
Increase in fair value	**24.4**	**1,583.9**	**1,608.3**
At December 31,	**1,350.4**	**13,905.4**	**15,255.8**
2021			
At January 1,	997.6	12,418.3	13,415.9
Transfer from associates (note 9(b)(i))	-	25.7	25.7
Transfer to non-current assets held for sale (note 17(i))	-	(8.0)	(8.0)
Increase/(decrease) in fair value	328.4	(114.5)	213.9
At December 31,	1,326.0	12,321.5	13,647.5

(i) Fair value through other comprehensive income financial assets include the following:

	THE COMPANY	
	2022	2021
	MUR'M	MUR'M
Unquoted - Level 2, recurring fair value	**1,350.4**	1,326.0
Unquoted - Level 3, recurring fair value	**13,905.4**	12,321.5
	15,255.8	13,647.5

Details of subsidiaries are set out in note 36.

The accounting policies relevant for investment in subsidiaries described in the summary of significant accounting policies (note 2.5).

(b) Unquoted Level 2 securities include investments in entities which hold shares in quoted securities.

The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

8. Investments in Subsidiaries (Cont'd)

(c) Measurement of fair value - Level 3

The discounted cash flows (DCF) method and net asset value valuation methodologies were used to estimate the fair value of investment in subsidiaries. The DCF valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used.

2022 **Type**	**Valuation techniques**	**Key unobservable inputs**	**Range of unobservable inputs**	**Sensitivity of the input to fair value**	
				%	**MUR'M**
Investment in subsidiaries	**DCF**	**Discount rate**	**0% - 4%**	**1.45%**	**(232.5)**
				(1.45%)	**145.1**
		Growth rate	**0% - 5%**	**2.40%**	**560.5**
				(2.40%)	**(290.4)**

2021 Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				%	MUR'M
Investment in subsidiaries	DCF	Discount rate	2% - 5%	1.45%	(305.4)
				(1.45%)	141.8
		Growth rate	0% - 3.7%	2.40%	174.2
				(2.40%)	(198.4)

An increase/(decrease) in the unobservable inputs would result in a significantly higher/(lower) fair value as shown in the table above.

Some subsidiaries have been valued using the net asset value basis amounting to MUR'M 11,882.3 (2021: MUR'M 9,823.3) because either the underlying assets are fair valued (land & buildings (note 5)) or net asset value represents the best estimate of fair value at the measurement date.

9. Investments in Associates

	2022	2021
	MUR'M	MUR'M
(a) THE GROUP		
(i) Group's share of net assets	**3,414.3**	3,525.1
Goodwill	**77.8**	131.9
At December 31,	**3,492.1**	3,657.0

Details of associates are set out in note 37.

(ii) Reconciliation of movements in investments in associates is presented below:

	2022	2021
	MUR'M	MUR'M
At January 1,	**3,657.0**	3,089.9
Transfer to non-current assets classified as held for sale (note 17(vi))	**(129.8)**	-
Additions (note 37(c))	**-**	59.2
Transfer from trade and other receivables (note 16)	**-**	71.7
Share of results of associates	**321.0**	290.5
Impairment of associates	**-**	(3.0)
Dividend received (note 40)	**(97.8)**	(78.9)
Share of other comprehensive income	**(227.4)**	205.2
Movements in translation reserves	**(30.9)**	22.4
At December 31,	**3,492.1**	3,657.0

(iii) The accounting policies relevant for investments in associates described in the summary of significant accounting policies (note 2.6).

(b) THE COMPANY

(i) Reconciliation of movements in investment in associates is presented below:

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
At January 1,	**128.4**	**95.7**	**21.5**	**245.6**
Decrease in fair value	**(14.5)**	**(10.8)**	**(17.0)**	**(42.3)**
At December 31,	**113.9**	**84.9**	**4.5**	**203.3**

9. Investments in Associates (Cont'd)

(b) **THE COMPANY (Cont'd)**

2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
At January 1,	31.3	47.2	29.7	108.2
Additions	-	29.0	18.7	47.7
Transfer from receivables	71.6	-	-	71.6
Transfer to subsidiaries (note 8(a))	-	-	(25.7)	(25.7)
Increase/(decrease) in fair value	25.5	19.5	(1.2)	43.8
At December 31,	128.4	95.7	21.5	245.6

(ii) Fair value through other comprehensive income financial assets include the following:

	2022	2021
	MUR'M	MUR'M
Quoted - Level 1, recurring fair value	**113.9**	128.4
Unquoted - Level 2, recurring fair value	**84.9**	95.7
Unquoted - Level 3, recurring fair value	**4.5**	21.5
	203.3	245.6

(iii) Unquoted Level 2 securities include investments in entities which hold shares in quoted securities.

The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

(iv) **Measurement of fair value - Level 3**

The EBITDA multiple was used to estimate the fair value of investment in associates. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used. An increase/(decrease) in the unobservable inputs would result in a significantly higher/(lower) fair value as shown in the table below:

9. Investments in Associates (Cont'd)

(b) THE COMPANY (Cont'd)

(iv) Measurement of fair value - Level 3 (Cont'd)

2022 **Type**	**Valuation techniques**	**Key unobservable inputs**	**Range of unobservable inputs**	**Sensitivity of the input to fair value**	
				%	**MUR'M**
Investment in associates	**DCF**	**Discount rate**	**0% - 4%**	**1.45%**	**(45.1)**
				(1.45%)	**79.1**
		Growth rate	**0% - 5%**	**2.40%**	**120.2**
				(2.40%)	**(47.6)**
	EBITDA multiple	**Multiple**	**40% - 60%**	**33.00%**	**-**
				(33.00%)	**-**
		Discount	**10% - 20%**	**7.55%**	**-**
				(7.55%)	**-**

2021 Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				%	MUR'M
Investment in associates	DCF	Discount rate	2% - 5%	1.45%	(64.3)
				(1.45%)	153.6
		Growth rate	0% - 3.7%	2.40%	211.8
				(2.40%)	(48.9)
	EBITDA multiple	Multiple	40%	33.00%	(3.7)
				(33.00%)	3.7
		Discount	15% - 20%	7.55%	(0.3)
				(7.55%)	0.3

Summarised information on investments in associates are disclosed in note 37.

(v) During the year 2021, the Group acquired an additional equity stake of 26.8% in Rehm Grinaker Construction Co Ltd for a consideration of MUR'M 18.7 and obtained control in the entity in accordance to IFRS 10 : Consolidated Financial Statements. Subsequently, the Group has derecognised Rehm Grinaker Construction Co Ltd from investment in associate to recognise it as investment in subsidiary as disclosed in note 35.

10. Financial Assets at Fair Value through Other Comprehensive Income

(i) Equity investments at fair value through other comprehensive income included the following:

	THE GROUP			
	Level 1	Level 2	Level 3	Total
2022	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	**111.5**	**129.2**	**419.3**	**660.0**
Additions	**-**	**-**	**17.3**	**17.3**
Change in fair value recognised in OCI	**(13.0)**	**(17.2)**	**78.2**	**48.0**
At December 31	**98.5**	**112.0**	**514.8**	**725.3**
2021				
At January 1,	151.8	64.4	341.0	557.2
Additions	-	-	50.1	50.1
Disposals	-	-	(30.0)	(30.0)
Transfer from receivables	-	160.5	-	160.5
Change in fair value recognised in OCI	(40.3)	(95.7)	58.2	(77.8)
At December 31	111.5	129.2	419.3	660.0

	THE COMPANY			
	Level 1	Level 2	Level 3	Total
2022	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	**154.0**	**129.2**	**419.3**	**702.5**
Additions	**-**	**-**	**17.3**	**17.3**
Change in fair value recognised in OCI	**(12.2)**	**(17.2)**	**78.2**	**48.8**
At December 31	**141.8**	**112.0**	**514.8**	**768.6**
2021				
At January 1,	171.2	64.4	341.0	576.6
Additions	10.9	-	50.1	61.0
Disposals	-	-	(30.0)	(30.0)
Transfer from receivables	-	160.5	-	160.5
Change in fair value recognised in OCI	(28.1)	(95.7)	58.2	(65.6)
At December 31	154.0	129.2	419.3	702.5

10. Financial Assets at Fair Value through Other Comprehensive Income (Cont'd)

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Quoted - Level 1				
- Harel Mallac & Co Ltd	**71.8**	84.0	**71.8**	84.0
- Swan General Ltd	**-**	-	**43.3**	42.5
- Swan Life Ltd	**26.7**	27.5	**26.7**	27.5
	98.5	111.5	**141.8**	154.0
Unquoted - Level 2	**112.0**	129.2	**112.0**	129.2
Unquoted - Level 3	**514.8**	419.3	**514.8**	419.3
	725.3	660.0	**768.6**	702.5

(iii) Financial assets measured at fair value through other comprehensive income include the Group's and the Company's strategic equity investments not held for trading. The Group and the Company have made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

(iv) Investments in equity instruments at fair value through other comprehensive income are not subject to impairment.

(v) Level 1

The fair value of quoted securities is based on published market prices.

Level 2

Unquoted securities include investments in entities which hold shares in quoted securities. The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

10. Financial Assets at Fair Value through other Comprehensive Income (Cont'd)

(v) Level 3

The significant unobservable inputs used in measuring the fair value of Level 3 securities are as follows:

Description	Fair values at December 31, 2022 MUR'M	2021 MUR'M	Valuation technique	Unobservable inputs
Investment in Inside Equity Fund (IEF)	**514.8**	419.3	IEF was set up as an investment fund with investments in unquoted equity securities classified under the level 3 fair value hierarchy. The value of the fund is determined by the underlying fair value of its investment. The investment in the fund is reflected by its net asset value (NAV). NAV has therefore been used as valuation technique.	The NAV of IEF is primarily based on the valuation of its underlying investments which are fair valued using appropriate valuation techniques. Increases/ (decreases) in unobservable inputs would not have a significant impact on the fair values.

Sensitivity analysis

The following table indicates the approximate change in the Group's and Company's equity in response to reasonably possible changes in net asset value of investment.

	Impact on equity	
	2022	2021
	MUR'M	MUR'M
5% increase in Net Asset Value (2021: 5%)	**25.7**	21.0

(vi) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**210.5**	240.7	**253.8**	283.2
USD	**514.8**	419.3	**514.8**	419.3
	725.3	660.0	**768.6**	702.5

(vii) One of the Group and the Company's strategic investments is a 36.01% (2021: 36.01%) interest in Inside Equity Fund (the "Fund"). This investment is not accounted for using the equity method (as an associate) as the Group and the Company do not have the power to participate in the Fund's operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level and a contractual arrangement which enables the Board to take all operational and strategic decisions without consultation with shareholders of the Fund.

(viii) Dividends received on investments held at year end amounted to MUR'M 27.1 (2021: MUR'M 2.2) for the Group and the Company.

(ix) During 2021, the Company disposed part of its Level 3 securities at cost with the objective of reducing its non core assets.

11. Financial Assets at Amortised Cost

	THE GROUP			
	2022		2021	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Receivable from related parties (note 40)	**1.2**	**4.1**	8.2	3.9
Other receivables	**3.1**	**2.2**	10.1	3.8
	4.3	**6.3**	18.3	7.7
Less: impairment on financial assets at amortised cost (note 27)	**-**	**-**	(1.0)	-
	4.3	**6.3**	17.3	7.7

	THE COMPANY			
	2022		2021	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Other receivables	**-**	**-**	1.0	-
Less: impairment on financial assets at amortised cost (note 27)	**-**	**-**	(1.0)	-
	-	**-**	-	-

Loans to related parties are unsecured and interest bearing. Directors have made an assessment of probability of default of loans to related parties at reporting date and the amount of lifetime ECL is immaterial and has not been accounted for.

(a) *Impairment and risk exposure*

No impairment on loans to related parties was recognised during the year for the Group and the Company (2021: MUR'M: 1.0).

The carrying amounts of financial assets at amortised cost represent the maximum credit exposure.

(b) The carrying amounts of the financial assets at amortised cost are denominated in MUR and as such there is no exposure to foreign currency risk.

(c) The Group and the Company apply IFRS 9 general approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets at amortised cost.

(d) Interest may be charged at commercial rates where the term of repayment exceed six months. Collateral is not normally obtained.

(e) No reversal of impairment has been recognised during the year (2021: MUR'M: 9.2) for the Group as disclosed in note 27A.

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

12. Financial Instruments

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

THE GROUP		**Carrying amount**				**Fair value**			
December 31, 2022	Notes	**FVOCI - equity instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Financial assets measured at fair value									
Equity securities	10	**725.3**	-	-	**725.3**	**98.5**	**112.0**	**514.8**	**725.3**
Financial assets not measured at fair value									
Lease receivables	5B	-	**51.6**	-	**51.6**				
Trade and other receivables (note 3.1(a)(i))		-	**1,588.2**	-	**1,588.2**				
Financial assets at amortised cost	11	-	**10.6**	-	**10.6**				
Cash in hand and at bank	33(b)	-	**705.5**	-	**705.5**				
		-	**2,355.9**	-	**2,355.9**				
Financial liabilities not measured at fair value									
Lease liabilities	21	-	-	**86.4**	**86.4**				
Borrowings	20	-	-	**4,642.9**	**4,642.9**				
Trade and other payables (note 3.1(a)(i))		-	-	**952.2**	**952.2**				
		-	-	**5,681.5**	**5,681.5**				

12. Financial Instruments (Cont'd)

Accounting classification and fair values (Cont'd)

THE GROUP (Cont'd)		Carrying amount				Fair value			
December 31, 2021	Notes	FVOCI - equity instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Financial assets measured at fair value									
Equity securities	10	660.0	-	-	660.0	111.5	129.2	419.3	660.0
Financial assets not measured at fair value									
Lease receivables	5B	-	49.2	-	49.2				
Trade and other receivables (note 3.1(a)(i))		-	1,479.5	-	1,479.5				
Financial assets at amortised cost	11	-	25.0	-	25.0				
Cash in hand and at bank	33(b)	-	505.8	-	505.8				
		-	2,059.5	-	2,059.5				
Financial liabilities not measured at fair value									
Lease liabilities	21	-	-	49.4	49.4				
Borrowings	20	-	-	4,136.2	4,136.2				
Trade and other payables (note 3.1(a)(i))		-	-	1,136.9	1,136.9				
		-	-	5,322.5	5,322.5				

(i) Trade and other receivables as stated above exclude prepayments, deposits and taxes.

(ii) Trade and other payables as stated above exclude deposits, taxes and provisions.

12. Financial Instruments (Cont'd)

Accounting classification and fair values (Cont'd)

THE COMPANY		Carrying amount				Fair value			
December 31, 2022	Notes	**FVOCI - equity instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Financial assets measured at fair value									
Investment in subsidiaries	8	**15,255.8**	-	-	**15,255.8**	-	**1,350.4**	**13,905.4**	**15,255.8**
Investment in associates	9	**203.3**	-	-	**203.3**	**113.9**	**84.9**	**4.5**	**203.3**
Equity securities	10	**768.6**	-	-	**768.6**	**141.8**	**112.0**	**514.8**	**768.6**
		16,227.7	-	-	**16,227.7**	**255.7**	**1,547.3**	**14,424.7**	**16,227.7**
Financial assets not measured at fair value									
Trade and other receivables (note 3.1(a)(i))		-	**48.4**	-	**48.4**				
Cash in hand and at bank	33(b)	-	**35.5**	-	**35.5**				
		-	**83.9**	-	**83.9**				
Financial liabilities not measured at fair value									
Borrowings	20	-	-	**1,057.9**	**1,057.9**				
Trade and other payables (note 3.1(a)(i))		-	-	**12.3**	**12.3**				
		-	-	**1,070.2**	**1,070.2**				

12. Financial Instruments (Cont'd)

Accounting classification and fair values (Cont'd)

THE COMPANY (Cont'd)		Carrying amount				Fair value			
December 31, 2021	Notes	FVOCI - equity instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Financial assets measured at fair value									
Investment in subsidiaries	8	13,647.5	-	-	13,647.5	-	1,326.0	12,321.5	13,647.5
Investment in associates	9	245.6	-	-	245.6	128.4	95.7	21.5	245.6
Equity securities	10	702.5	-	-	702.5	154.0	129.2	419.3	702.5
		14,595.6	-	-	14,595.6	282.4	1,550.9	12,762.3	14,595.6
Financial assets not measured at fair value									
Trade and other receivables (note 3.1(a)(i))		-	2.3	-	2.3				
Cash in hand and at bank	33(b)	-	35.2	-	35.2				
		-	37.5	-	37.5				
Financial liabilities not measured at fair value									
Borrowings	20	-	-	1,087.6	1,087.6				
Trade and other payables (note 3.1(a)(i))		-	-	11.1	11.1				
		-	-	1,098.7	1,098.7				

(i) Trade and other receivables as stated above exclude deposits.

(ii) Trade and other payables as stated above exclude deposits, taxes and provisions.

13. Deferred Taxes

Deferred income taxes are calculated on all temporary differences under the liability method at the effective tax rate of 17% (2021: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Deferred tax assets	**(157.1)**	(216.7)
Deferred tax liabilities	**141.3**	242.5
	(15.8)	25.8
Unused tax losses available for offset against future taxable profits	**438.4**	566.9

The tax losses expire on a rolling basis over 5 years as follows:	THE GROUP	
	2022	2021
	MUR'M	MUR'M
2023	**121.6**	37.0
2024	**23.4**	208.4
2025	**26.4**	251.8
2026	**251.8**	46.3
2027	**15.2**	23.4
	438.4	566.9

Deferred tax assets have not been recognised on tax losses because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

(b) The movement on the deferred income tax account is as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**25.8**	3.7
Credited to profit or loss (note 24(b))	**(30.0)**	(11.7)
(Credited)/charged to other comprehensive income	**(11.6)**	33.8
At December 31,	**(15.8)**	25.8

(c) The deferred income (credited)/tax charged to other comprehensive income during the year is as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Fair value reserves in shareholders' equity:		
- Land and building	**(21.2)**	-
- Retirement benefit obligation (note 13(d))	**9.6**	33.8
	(11.6)	33.8

13. Deferred Income Taxes (Cont'd)

(d) Deferred tax assets and liabilities, deferred tax movement in profit or loss and equity are attributable to the following items:

THE GROUP	At January 1, 2021	Profit or Loss	Movement in Equity	**At December 31, 2021**	**Profit or Loss**	**Movement in Equity**	**At December 31, 2022**
	MUR'M	MUR'M	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Deferred income tax liabilities							
Accelerated tax depreciation	205.4	(10.0)	-	**195.4**	**(80.6)**	**-**	**114.8**
Asset revaluations	51.5	(4.4)	-	**47.1**	**0.6**	**(21.2)**	**26.5**
	256.9	(14.4)	-	**242.5**	**(80.0)**	**(21.2)**	**141.3**
Deferred income tax assets							
Accelerated tax depreciation	(114.6)	0.8	-	**(113.8)**	**47.0**	**-**	**(66.8)**
Tax losses carried forward	(0.2)	(1.1)	-	**(1.3)**	**0.9**	**-**	**(0.4)**
Right-of-use assets	(0.8)	1.0	-	**0.2**	**(0.7)**	**-**	**(0.5)**
Retirement benefit obligations	(135.3)	2.2	33.8	**(99.3)**	**1.0**	**9.6**	**(88.7)**
Provisions	(2.3)	(0.2)	-	**(2.5)**	**1.8**	**-**	**(0.7)**
	(253.2)	2.7	33.8	**(216.7)**	**50.0**	**9.6**	**(157.1)**
Net deferred income tax liabilities	3.7	(11.7)	33.8	**25.8**	**(30.0)**	**(11.6)**	**(15.8)**

14. Inventories

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
(a) Raw materials	**203.6**	289.7
Work-in-progress	**234.5**	186.6
Inventory property	**154.9**	35.7
Finished goods	**730.6**	525.3
Spare parts and consumables	**314.3**	268.7
Less: Provision for obsolescence	**(13.0)**	(17.3)
	1,624.9	1,288.7

(b) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Cost of inventories consumed in respect of other inventories (note 29)	**3,105.8**	3,005.7
Cost of inventories consumed in respect of sales of completed inventory property	**393.7**	10.0
	3,499.5	3,015.7

15. Consumable Biological Assets

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**193.3**	172.6
Net changes in fair value less estimated costs to sell	**102.3**	20.7
At December 31,	**295.6**	193.3

The fair value measurements for standing canes have been categorised as Level 3 fair values based on the inputs.

At December 31, 2022, sugar canes comprised of approximately 5,086 hectares of sugar cane plantations (2021: 4,986 hectares). The Group manages sugar cane plantations on land that the Group owns and this land has been classified under "Property, plant and equipment" (note 5).

During the year, the Group harvested approximately 300,823 tonnes of canes (2021: 305,335 tonnes), which based on a selling price of Raw Sugar at MUR 21,500/ton (2021: MUR 16,765/ton) had a fair value less costs to sell of MUR'M 295.6 (2021: MUR'M 193.3) at the date of harvest.

For the year 2023, the Group forecasts to harvest approximately 1,074,000 tonnes of canes (2022: 1,037,000 tonnes).

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

THE GROUP

Sugar cane	**Key unobservable inputs**	**Range of unobservable inputs**	**Sensitivity of the input to fair value**	
2022			**%**	**MUR'M**
	Cane maturity	**20.0%**	**10.0%**	**0.66**
	Price of sugar	**22,626**	**10.0%**	**47.39**
	Extraction rate	**10.5%**	**0.5%**	**27.45**
	Estimated cane production in metric tonnes	**290,000**	**10.0%**	**46.17**
2021				
	Cane maturity	20.0%	10.0%	0.30
	Price of sugar	15,000	10.0%	38.90
	Extraction rate	10.0%	0.5%	21.30
	Estimated cane production in metric tonnes	340,000	5.0%	33.61

An increase/(decrease) in each of the key unobservable inputs would give rise to an increase/(decrease) in the fair value of consumable biological assets.

15. Consumable Biological Assets (Cont'd)

The Group's sugar cane plantations are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate conditions could intensify one or more of these events. Periods of drought and associated high temperatures may increase the risk of sugar cane fires and insect outbreaks. In addition to their effects on sugar cane yields, extreme weather events may also increase the cost of operations. The Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. Physical risks arising from fires and drought are to a great extent subject to risk transfer and thereby within the cover of the Group's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

At the Group, 80% of the harvesting is done mechanically using specialised industrial equipment. Traditionally, the cane was burnt before harvesting to remove leaves and other wastes which could impede milling. However, as a means to reduce herbicides, sugarcane are green harvested, thus recycling nitrogen in the plant, keeping the humidity in the soil and avoiding the growth of weeds.

16. Trade and Other Receivables

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade receivables	**1,084.1**	938.0	**-**	-
Less: allowance for impairment (note 16(i))	**(158.2)**	(130.4)	**-**	-
Trade receivables - net	**925.9**	807.6	**-**	-
Dividend receivable	**44.3**	2.3	**2.4**	0.9
Deposit receivable	**0.1**	22.5	**-**	-
Accrued income	**-**	20.4	**-**	-
Advance payments	**16.5**	86.5	**-**	-
Short-term loans	**1.2**	1.1	**-**	-
Receivable from related parties (note 40(ii))	**-**	-	**45.0**	41.2
Deposit on investments	**0.9**	83.9	**0.9**	1.0
Prepayments	**78.5**	82.9	**-**	-
Sugar proceeds receivable	**253.1**	519.4	**-**	-
Molasses proceeds receivable	**247.6**	-	**-**	-
VAT and taxes	**96.1**	90.3	**-**	-
Other receivables	**99.6**	42.2	**1.0**	1.4
	1,763.8	1,759.1	**49.3**	44.5

The carrying amounts of trade and other receivables approximate their fair values.

16. Trade and Other Receivables (Cont'd)

The Group and the Company made an assessment of impairment of 'other receivables' and receivable from related parties under the Expected Credit Losses (ECL) model using general approach and determined that the impairment is immaterial.

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**1,420.8**	1,341.2	**49.3**	44.5
USD	**45.1**	23.0	**-**	-
EUR	**238.0**	171.0	**-**	-
SCR	**-**	85.6	**-**	-
Other currencies	**59.9**	138.3	**-**	-
	1,763.8	1,759.1	**49.3**	44.5

(i) *Impairment of trade and other receivables*

Trade receivables

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at December 31, 2022 and 2021 was determined as follows for trade receivables:

THE GROUP

At December 31, 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Expected loss rate	**6.1%**	**1.8%**	**4.9%**	**58.0%**	
Gross carrying amount - trade receivable	**818.1**	**65.0**	**18.3**	**182.7**	**1,084.1**
Loss allowance	**(50.2)**	**(1.2)**	**(0.9)**	**(105.9)**	**(158.2)**

16. Trade and Other Receivables (Cont'd)

(i) *Impairment of trade receivables (Cont'd)*

THE GROUP (Cont'd)

At December 31, 2021	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Expected loss rate	6.7%	4.3%	11.5%	82.6%	
Gross carrying amount - trade receivable	776.5	55.3	16.5	89.7	938.0
Loss allowance	(52.0)	(2.4)	(1.9)	(74.1)	(130.4)

The closing loss allowances for trade receivables as at December 31, reconcile to the opening loss allowances as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**130.4**	122.8
Loss allowance recognised in profit or loss during the year (note 27)	**48.0**	58.5
Exchange difference	**(3.3)**	1.0
Receivables written off during the year as uncollectible	**(5.6)**	(0.7)
Unused amount reversed (note 27A)	**(11.3)**	(51.2)
At December 31,	**158.2**	130.4

(ii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above except for prepayments. The Group and the Company do not hold any collateral as security.

(iii) The Group and the Company consider a financial asset to be in default when:
- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 120 days past due.

(iv) *Write-off*

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group and the Company individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and the Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

(v) *Other receivables*

The Group and the Company used the simplified impairment approach to calculate its ECL. Management have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. A loss given default (LGD) proxy of 45% was used for counterparties based in Mauritius which is representative of the corporate client's exposure. For receivables who settled their balances after the year end, management used the sovereign PD and a lower LGD of 10%. For both years, the loss allowance on other receivables was deemed to be insignificant and have not been provided in profit or loss.

17. Non-Current Assets classified as Held for Sale

(i) *Non-current assets classified as held for sale*

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**1,098.7**	291.5	**351.7**	331.3
Reclassified from investments in subsidiaries (note 8(a))	**-**	-	**-**	8.0
Reclassified from investments in associates (note 9(ii))	**264.7**	-	**-**	-
Additions	**-**	755.1	**-**	-
Fair value (loss)/gain (note 17 (iii))	**(94.8)**	77.0	**(94.8)**	77.0
Disposals	**-**	(24.9)	**-**	(64.6)
Movement in assets	**123.0**	-	**-**	-
At December 31,	**1,391.6**	1,098.7	**256.9**	351.7

(ii) *Liabilities directly associated with non-current assets classified as held for sale*

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**781.7**	-
Movement in liabilities	**147.0**	781.7
Reclassified from investments in associates (note 9(ii))	**134.9**	-
At December 31,	**1,063.6**	781.7

At December 31, 2022, the investment in United Investments Ltd, Rehm Grinaker Construction Co Ltd and Aquasentec International Ltd were classified as held for sale following the decision of the Board to dispose of them in the forthcoming year.

Efforts to sell the investment in associates have started and a sale is expected to conclude within the next 12 months.

Non-current assets held for sale are stated at fair value less costs to sell and where applicable based on the share price at year end.

(iii) The fair value (loss)/gain is recognised through other comprehensive income at Company level and through profit or loss at Group level. It arises in the fair value movement in the share price of United Investments Ltd.

(iv) Assets classified as held-for-sale and liabilities associated with assets include the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Assets classified as held for sale:				
Rehm Grinaker Construction Co Ltd (note (v))	**878.0**	755.1	**8.0**	8.0
United Investments Limited (at fair value)	**248.9**	343.6	**248.9**	781.7
Aquasantec International Limited (note (vii))	**264.7**	-	**-**	-
	1,391.6	1,098.7	**256.9**	789.7
Liabilities associated with assets classified as held for sale:				
Rehm Grinaker Construction Co Ltd (note (v))	**928.7**	781.7	**-**	-
Aquasantec International Limited (note (vii))	**134.9**	-	**-**	-
	1,063.6	781.7	**-**	-
Net assets of disposal group	**328.00**	317.0	**256.9**	789.7

17. Non-Current Assets classified as Held for Sale (Cont'd)

(v) Rehm Grinaker Construction Co Ltd

In October 2020, the Board has resolved to dispose of Rehm Grinaker Construction Co Ltd and negotiations with interested parties are in progress. The disposal is consistent with the Group's long-term policy to focus its activities on the Group's other core businesses. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal are expected to be the same as the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale. The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

The major classes of assets and liabilities of Rehm Grinaker Construction Co Ltd classified as held for sale are as follows:

	2022	2021
	MUR'M	MUR'M
Property, plant and equipment	**197.7**	167.2
Contract assets (note 45(i))	**282.9**	141.2
Trade and other receivables	**83.9**	107.4
Financial assets at amortised cost	**-**	103.3
Prepayment	**106.0**	-
Cash and cash equivalents	**147.7**	137.4
Other assets	**59.8**	98.6
Assets classified as held for sale	**878.0**	755.1
Borrowings	**33.1**	40.2
Retirement benefit obligations	**56.4**	71.8
Provisions	**498.7**	-
Trade and other payables	**158.1**	549.0
Contract liabilities (note 45 (ii))	**180.2**	117.1
Oher liabilities	**2.2**	3.6
Liabilities associated with assets classified as held for sale	**928.7**	781.7
Net assets of disposal group	**(50.7)**	(26.6)

(vi) *United Investments Ltd*

In December 2019, the Board took the decision to dispose all its investments in the operator, which is expected to dissolve within 12 months, have been classified as a disposal group held for sale and presented separately in the Statement of Financial Position.

17. Non-Current Assets classified as Held for Sale (Cont'd)

(vii) *Aquasantec International Limited*

Subsequent to an offer, the Directors of Terravest Holding Ltd, a wholly-owned subsidiary of Terra Mauricia Ltd, agreed, on December 3, 2022, to dispose of all the shares held in Aquasantec International Limited. The sale is expected to be completed within a year from the reporting date. At December 31, 2022, Aquasantec International Limited was classified as a disposal group held for sale and presented separately in the statement of financial position. The major classes of assets and liabilities of Aquasantec International Limited classified as held for sale are as follows:

	2022	2021
	MUR'M	MUR'M
Goodwill	**54.2**	-
Property, plant and equipment	**86.8**	-
Right-of-use assets	**10.1**	-
Equity investments	**28.8**	-
Inventories	**23.0**	-
Trade and other receivables	**44.3**	-
Financial asset at amortised cost	**7.6**	-
Cash and cash equivalents	**3.7**	-
Other assets	**6.2**	-
Assets classified as held for sale	**264.7**	-
Borrowings	**44.5**	-
Lease liabilities	**9.1**	-
Trade and other payables	**77.1**	-
Oher liabilities	**4.2**	-
Liabilities associated with assets classified as held for sale	**134.9**	-
Net assets of disposal group	**129.8**	-

18. Stated Capital

		THE GROUP AND THE COMPANY	
		2022	2021
	No. of shares Million	**MUR'M**	MUR'M
Issued and fully paid			
At January 1, and December 31,	**227.5**	**11,976.0**	11,976.0

The total issued number of ordinary shares of TERRA Mauricia Ltd is 227,545,624 shares of no par value (2021: 227,545,624 shares). All issued shares are fully paid.

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

The Board may issue shares at any time and there is no limit on the number of shares to be issued at no par value.

19. Revaluation and Other Reserves

THE GROUP	Notes	Associates Reserves	Revaluation Reserves	Amalgamation Reserves	Actuarial Losses	Translation Reserve	Financial Assets at FVOCI Reserve	Total
		Attributable to owners of the Company						
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2022		**245.2**	**2,102.6**	**(43.3)**	**(270.9)**	**73.4**	**(428.3)**	**1,678.7**
Remeasurements of post employment benefit obligations		-	-	-	**(36.6)**	-	-	**(36.6)**
Deferred tax on remeasurements of post employment benefit obligations		-	-	-	**6.1**	-	-	**6.1**
Release on disposal of land		-	**(258.4)**	-	-	-	-	**(258.4)**
Revaluation of land and buildings		-	**1,552.3**	-	-	-	-	**1,552.3**
Deferred tax on revaluation of buildings		-	**(17.7)**	-	-	-	-	**(17.7)**
Changes in fair value of equity instruments at fair value through other comprehensive income	10	-	-	-	-	-	**48.0**	**48.0**
Other movements		-	**(18.9)**	-	**10.9**	-	-	**(8.0)**
Movement in translation reserves		**(30.9)**	-	-	-	**(0.5)**	-	**(31.4)**
Changes in ownership interest in subsidiaries that do not result in loss of control		-	**(69.2)**	-	-	-	-	**(69.2)**
Share of other comprehensive income of associates	9	**(242.7)**	**15.3**	-	-	-	-	**(227.4)**
At December 31, 2022		**(28.4)**	**3,306.0**	**(43.3)**	**(290.5)**	**72.9**	**(380.3)**	**2,636.4**

19. Revaluation and Other Reserves (Cont'd)

		Attributable to owners of the Company						
THE GROUP	Notes	**Associates Reserves**	**Revaluation Reserves**	**Amalgamation Reserves**	**Actuarial Losses**	**Translation Reserve**	**Financial Assets at FVOCI Reserve**	**Total**
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2021		31.4	2,151.1	(43.3)	(445.4)	60.2	(446.2)	1,307.8
Remeasurements of post employment benefit obligations		-	-	-	206.6	-	-	206.6
Deferred tax on remeasurements of post employment benefit obligations		-	-	-	(32.1)	-	-	(32.1)
Release on disposal of land		-	(50.0)	-	-	-	-	(50.0)
Changes in fair value of equity instruments at fair value through other comprehensive income	10	-	-	-	-	-	(77.8)	(77.8)
Release on disposal of equity investments at fair value through OCI		-	-	-	-	-	95.7	95.7
Consolidation adjustments on acquisition of subsidiary		-	(13.0)	-	-	-	-	(13.0)
Other movements		-	0.7	-	-	-	-	0.7
Movements in translation reserve		22.4	-	-	-	13.2	-	35.6
Share of other comprehensive income of associates	9	191.4	13.8	-	-	-	-	205.2
At December 31, 2021		245.2	2,102.6	(43.3)	(270.9)	73.4	(428.3)	1,678.7

19. Revaluation and Other Reserves (Cont'd)

Associates reserves

Associates reserves comprise the cumulative change in other comprehensive income of associates.

Financial assets at fair value through OCI reserve

Financial assets at fair value through OCI reserve comprises the cumulative net change in financial assets through OCI that has been recognised in other comprehensive income until the investments are derecognised.

Translation reserve

The translation reserve consists of the foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

The revaluation surplus relates to the revaluation of land and buildings.

Actuarial losses

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligation recognised.

Amalgamation reserve

This arose upon the amalgamation of TERRA Mauricia Ltd with HF Investments Ltd.

THE COMPANY

The Company's revaluation and other reserves are made up of amalgamation reserve and equity instruments at fair value through other comprehensive income reserve.

20. Borrowings

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Bank loans (note 20(c))	**726.5**	618.6	**-**	-
Loans from related parties (notes 40, 20(c))	**2,600.0**	2,479.0	**1,009.6**	851.6
Total non-current	**3,326.5**	3,097.6	**1,009.6**	851.6
Current				
Bank overdrafts (note 33(b))	**21.6**	33.4	**-**	-
Bank loans	**52.5**	70.0	**-**	-
Loans from related parties (notes 40)	**50.0**	-	**48.3**	236.0
Money market lines (note 20(a))	**1,192.3**	935.2	**-**	-
	1,294.8	1,005.2	**48.3**	236.0
Total current	**1,316.4**	1,038.6	**48.3**	236.0
Total borrowings	**4,642.9**	4,136.2	**1,057.9**	1,087.6

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

20. Borrowings (Cont'd)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Breakdown of loans:				
- Loans from related parties	**2,750.0**	2,479.0	**1,057.9**	1,087.6
- Bank loans	**779.0**	688.6	**-**	-
- Money market lines	**1,192.3**	935.2	**-**	-
	4,721.3	4,102.8	**1,057.9**	1,087.6
Less: Repayable within one year	**(1,394.8)**	(1,005.2)	**(48.3)**	(236.0)
Repayable after one year	**3,326.5**	3,097.6	**1,009.6**	851.6

(b) The maturity of non-current loans is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
- After one year and before two years	**57.0**	48.6	**-**	-
- After two years and before five years	**10.5**	70.0	**-**	-
- Above five years	**3,259.0**	2,979.0	**1,009.6**	851.6
	3,326.5	3,097.6	**1,009.6**	851.6

(c) Non-current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
- After one year and before two years				
Bank borrowings	**57.0**	48.6	**-**	-
- After two years and before five years				
Bank borrowings	**10.5**	70.0	**-**	-
- After five years				
Bank borrowings	**659.0**	500.0	**-**	-
Loans from related parties	**2,600.0**	2,479.0	**1,009.6**	851.6
	3,259.0	2,979.0	**1,009.6**	851.6
Total	**3,326.5**	3,097.6	**1,009.6**	851.6

The carrying amounts of non-current borrowings are not materially different from the fair value.

(d) An analysis of borrowing by currency is provided below:

	THE GROUP		
	MUR'M	**SCR'M**	**Total**
2022			
Bank overdraft	**21.6**	-	**21.6**
Bank loans	**779.0**	-	**779.0**
Loans from related parties	**2,650.0**	-	**2,650.0**
Money market lines	**1,192.3**	-	**1,192.3**
	4,642.9	-	**4,642.9**

20. Borrowings (Cont'd)

(d) An analysis of borrowing by currency is provided below: (Cont'd)

2021	THE GROUP		
	MUR'M	SCR'M	Total
Bank overdraft	33.4	-	33.4
Bank loans	677.3	11.3	688.6
Loans from related parties	2,479.0	-	2,479.0
Money market lines	935.2	-	935.2
	4,124.9	11.3	4,136.2

The borrowings held by the Company are all denominated in Mauritian Rupee.

(e) The interest rate profile of the Group and Company at the reporting date was as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
	Floating interest rate		**Floating interest rate**	
	% p.a.	% p.a.	**% p.a.**	% p.a.
Loans from related parties	**1.20 - 5.73**	3.575	**1.50 - 6.82**	1.50 - 2.95
Bank loans	**1.50 - 6.75**	1.50 - 4.10	**n/a**	n/a
Money market lines	**2.00 - 5.35**	2.50 - 3.10	**n/a**	n/a

(f) Money Market Lines are short-term (1-3 months) borrowings, renewable at the option of the Group.

(g) Borrowings are secured by fixed and floating charges on the land and buildings (note 5(e)).

(h) The Group has bank loans with a total carrying amount of MUR'M 1,971.3 at December 31, 2022 (2021: MUR'M 1,623.8). These loans contained the following covenants:

- Debt to equity ratio not exceeding 0.5:1
- Minimum interest cover of 2.0:1 to be maintained at all times.

The Directors confirmed that there has been no breach of the loan covenants at reporting date.

(i) Borrowings are not materially different since the borrowings carry floating interest rates as such they approximate their value.

21. Lease Liabilities

THE GROUP	**Land**	**Buildings**	**Motor vehicles**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
At January 1, 2021	5.5	20.9	7.0	33.4
Additions	-	15.8	0.9	16.7
Effect of modification to lease term	(0.9)	17.9	(0.4)	16.6
Interest expense	0.4	1.1	0.5	2.0
Lease payments	(0.5)	(16.9)	(1.9)	(19.3)
At December 31, 2021	**4.5**	**38.8**	**6.1**	**49.4**
Additions	**-**	**11.6**	**8.1**	**19.7**
Effect of modification to lease term	**-**	**38.4**	**-**	**38.4**
Derecognition of lease liabilities	**-**	**-**	**(0.3)**	**(0.3)**
Interest expense	**0.4**	**1.7**	**-**	**2.1**
Lease payments	**(0.5)**	**(19.8)**	**(2.6)**	**(22.9)**
At December 31, 2022	**4.4**	**70.7**	**11.3**	**86.4**

	2022	2021
	MUR'M	MUR'M
Current	**47.7**	36.5
Non-current	**38.7**	12.9
	86.4	49.4

(a) Nature of leasing activities (in the capacity as lessee)

The Group leases two plots of land from Government of Mauritius:
(1) A portion of land and part of Bassin Paquet in the district of Rivière du Rempart and
(2) Another portion of land in the district of Rivière du Rempart.

The Group also leases a number of commercial properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates.

The Group also leases 21 motor vehicles for use in its operations.

(b) Lease payments

(i) *Variable lease payments*

The lease payments for the plot of land and Bassin Paquet in Rivière du Rempart is a fixed yearly amount while the other plot of land in Rivière du Rempart is against consideration of a premium and annual rental which is adjusted every 3 years by reference to cumulative inflation based on Consumer Price Index (CPI) during the 3-year period which shall not exceed 15.8% in any case.

(ii) *Fixed lease payments*

The lease payments for motor vehicles are fixed yearly amounts.

21. Lease Liabilities (Cont'd)

(c) Lease terms

The portion of land and part of Bassin in the district of Pamplemousses is for a period of 99 years as from August 7, 1963. The portion of land in the district of Rivière du Rempart is for a period of 60 years as from January 28, 2009.

The commercial properties are for a period of between 1 and 4 years.

The motor vehicles leases are for a period of 5 years.

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
(d) Interest expense (included in finance costs)	**2.1**	2.0
Total cash outflows	**22.9**	19.3

(e) Lease payments are analysed as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Principal paid on lease liabilities	**(20.8)**	(17.3)
Interest paid on lease liabilities	**(2.1)**	(2.0)
	(22.9)	(19.3)

22. Retirement Benefit Obligations

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Amount recognised in the statement of financial position:		
Defined pension benefits (note 22(a)(ii))	**679.2**	628.8
Amount charged to profit or loss:		
- Defined pension benefits (note 22(a)(v))	**60.3**	49.7
- Defined contribution plan	**9.7**	21.2
	70.0	70.9
Amount charged/(credited)to other comprehensive income		
- Defined pension benefits (note 22(a)(vi))	**57.5**	(221.2)

(a) Defined pension benefits

(i) Retirement benefit obligations comprise of the Group's pension schemes and of other post-retirement benefits. The pension schemes are defined benefit plans based on final salary and the assets of the plans are invested with the Sugar Insurance Pension Fund (SIPF) and a pension arrangement with an insurance company.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2022. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

22. Retirement Benefit Obligations (Cont'd)

(a) Defined pension benefits (Cont'd)

(ii) The amounts recognised in the statement of financial position are as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Present value of funded obligations	**1,155.3**	1,190.2
Fair value of plan assets	**(693.4)**	(708.6)
	461.9	481.6
Present value of unfunded obligations	**217.3**	147.2
Liability in the statement of financial position	**679.2**	628.8

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**628.8**	865.1
Charged to profit or loss	**60.3**	49.7
Charged/(credited) to other comprehensive income	**57.5**	(221.2)
Employer's contributions	**(67.4)**	(64.8)
At December 31,	**679.2**	628.8

(iii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**1,337.4**	1,516.1
Current service cost	**25.7**	31.9
Interest cost	**47.2**	29.3
Employees' contributions	**1.1**	1.1
Past service cost	**11.6**	-
Actuarial losses/(gains)	**27.6**	(151.5)
Benefits paid	**(78.0)**	(89.5)
At December 31,	**1,372.6**	1,337.4
Analysed as follows:		
Present value of funded obligations	**1,155.3**	1,190.2
Present value of unfunded obligations	**217.3**	147.2
	1,372.6	1,337.4

22. Retirement Benefit Obligations (Cont'd)

(a) Defined pension benefits (Cont'd)

(iv) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1,	**708.6**	651.0
Interest income	**26.4**	14.2
Actuarial (losses)/gains	**(29.9)**	69.7
Employer's contributions	**67.4**	64.8
Employees' contributions	**1.1**	1.1
Scheme expenses	**(1.4)**	(1.7)
Benefits paid	**(78.0)**	(89.5)
Cost of insuring risk benefits	**(0.8)**	(1.0)
At December 31,	**693.4**	708.6

(v) The amount recognised in profit or loss are as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Current service cost	**25.7**	31.9
Scheme expense	**1.4**	1.7
Cost of insuring risk benefits	**0.8**	1.0
Net interest expense	**20.8**	15.1
Past service cost	**11.6**	-
Total included in employee benefit expense	**60.3**	49.7

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2022	2021
Remeasurement on the net defined benefit liability:	**MUR'M**	MUR'M
Losses/(gains) on pension scheme assets	**29.9**	(69.7)
Experience losses on the liabilities	**32.4**	0.7
Changes in assumption underlying the present value of the scheme	**(4.8)**	(152.2)
Actuarial losses recognised in OCI	**57.5**	(221.2)

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Local equities	**99.9**	108.6
Overseas equities	**136.0**	159.3
Fixed interest	**222.6**	227.9
Properties	**73.8**	74.8
Qualifying insurance policies	**161.1**	138.0
Total market value of assets	**693.4**	708.6

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties are not based on quoted market prices in active markets.

The Group's ordinary shares are not included in the pension plan assets.

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

22. Retirement Benefit Obligations (Cont'd)

(a) Defined pension benefits (Cont'd)

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	THE GROUP	
	2022	2021
Discount rate	**4.3% - 6%**	3.6% - 5%
Future salary growth rate	**1% - 3%**	0.5% - 1%
Future pension growth rate	**0.0%**	0.0%

(ix) Sensitivity analysis on defined benefit obligations at end of the reporting date:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Discount rate (1% decrease)	**125.5**	141.3
Future salary growth (1% increase)	**42.0**	39.6
Future pension growth (1% decrease)	**42.0**	39.6

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method. Any similar variation in other assumptions would have shown a smaller change in the defined benefit obligation.

(x) The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

(xi) Risks are associated with the Pension promise/obligation. The Pension promise exposes the Group to actuarial risks such as longevity risk, interest rate risk, and salary risk.

(a) Longevity risk - The liabilities disclosed are based on the mortality tables PA(92) for post-retirement mortality. Should the experience be less favourable than the standard mortality tables, the liabilities will increase.

(b) Interest rate risk - If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

(c) Salary risk - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(xii) The funding requirement are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

22. Retirement Benefit Obligations (Cont'd)

(a) Defined pension benefits (Cont'd)

(xiii) The Group is expected to contribute MUR'M 26.1 to the pension scheme for the year ending December 31, 2023.

Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), the benefits payable to employees who are not part of any pension plans, were unfunded as at December 31, 2019. With the implementation of the PRGF, these employees who resigned as from 2020 are eligible for a portable gratuity benefit based on service with the employer as from January 1, 2020 and remuneration as exit (same benefit formula as for retirement/death gratuity). As from January 2022, the Group has started to contribute to PRGF for these employees.

(xiv) The actual return of the total assets for the year 2022 is MUR'M 6.5 (2021: MUR'M 81.3).

(xv) The weighted average duration of the defined benefit obligation is 9.1 years (2021: 9.4 years) at the end of the reporting period.

(b) Defined contribution plan

The Group operates a defined contribution scheme, the assets of which are held and administered by an independent fund administrator. All new employees of the Group are members of the defined contribution retirement plan. Payments by the Group to the defined contribution retirement plan are charged as an expense as they fall due.

(c) Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

	Defined benefit obligation		**Fair value of plan assets**		**Net defined benefit liability**	
	2022	2021	**2022**	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Balance at January 1,	**1,337.4**	1,516.1	**(708.6)**	(651.0)	**628.8**	865.1
Included in profit or loss						
Current service cost	**25.7**	31.9	**-**	-	**25.7**	31.9
Employees' contribution	**1.1**	1.1	**(1.1)**	(1.1)	**-**	-
Scheme expenses	**-**	-	**1.4**	1.7	**1.4**	1.7
Cost of insuring risk benefit	**-**	-	**0.8**	1.0	**0.8**	1.0
Interest cost/(income)	**47.2**	29.3	**(26.4)**	(14.2)	**20.8**	15.1
Past service cost	**11.6**	-	**-**	-	**11.6**	-
	85.6	62.3	**(25.3)**	(12.6)	**60.3**	49.7
Included in OCI						
Remeasurement losses/(gains):						
Arising from actuarial losses/(gains)	**27.6**	(151.5)	**29.9**	(69.7)	**57.5**	(221.2)
	27.6	(151.5)	**29.9**	(69.7)	**57.5**	(221.2)
Others						
Contributions paid by the employer	**-**	-	**(67.4)**	(64.8)	**(67.4)**	(64.8)
Benefits paid	**(78.0)**	(89.5)	**78.0**	89.5	**-**	-
	(78.0)	(89.5)	**10.6**	24.7	**(67.4)**	(64.8)
Balance as at December 31,	**1,372.6**	1,337.4	**(693.4)**	(708.6)	**679.2**	628.8

23. Trade and Other Payables

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade payables	**412.3**	712.8	**-**	-
Amounts due to related parties (note 40)	**12.2**	22.1	**3.6**	1.1
Retention monies	**30.4**	11.1	**-**	-
Client advances	**1.6**	-	**-**	-
Sugar Insurance Premium	**63.2**	39.1	**-**	-
Employee related expenses	**12.6**	-	**-**	-
Accruals	**324.2**	258.9	**-**	-
Deposits	**47.4**	37.3	**-**	0.9
VAT and taxes	**93.7**	44.6	**-**	-
Provisions (note 23(a))	**35.5**	24.8	**-**	-
Others	**95.7**	92.9	**8.7**	10.0
	1,128.8	1,243.6	**12.3**	12.0

(a) *Centralisation in accordance with restructuration*

Provisions for compensation payments in respect of restructuration were recognised after a formal plan was established and when the obligation was incurred. Estimates are regularly reviewed and adjusted as appropriate for new circumstances. The provision is expected to be settled in the next financial year. Movements relate solely to when expenditure is incurred.

24. Taxation

(a) **(Assets)/liabilities in the statements of financial position**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**39.7**	26.0	**0.2**	0.5
(Over)/under provision in previous years	**(14.9)**	(2.4)	**(0.1)**	(0.5)
Tax recovered	**(0.9)**	-	**-**	-
	23.9	23.6	**0.1**	-
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2021: 3%/15%/25%/30%)	**0.9**	64.5	**0.4**	0.2
Other adjustment	**(2.1)**	-	**-**	-
Tax paid	**(31.4)**	(51.2)	**(0.6)**	-
Translation difference	**(2.4)**	2.8	**-**	-
At December 31,	**(11.1)**	39.7	**(0.1)**	0.2
Analysed as follows:				
Current tax assets	**(20.1)**	(3.2)	**(0.1)**	-
Current tax liabilities	**9.0**	42.9	**-**	0.2
	(11.1)	39.7	**(0.1)**	0.2

24. Taxation (Cont'd)

(b) (Credited)/Charged in profit or loss

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2021: 3%/15%/25%/30%)	**0.9**	64.5	**0.4**	0.2
(Over)/under provision in previous years	**(14.9)**	(2.4)	**(0.1)**	(0.5)
Deferred taxation (note 13(b))	**(30.0)**	(11.7)	**-**	-
(Credited)/charged for the year	**(44.0)**	50.4	**0.3**	(0.3)

(c) The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit before taxation from continuing operations	**949.0**	367.1	**279.9**	160.1
Effective tax calculated at a rate of 17% (2021: 17%)	**161.3**	62.4	**47.6**	27.2
Income not subject to tax	**(201.6)**	(132.4)	**(47.7)**	(31.6)
Expenses not deductible for tax purposes	**11.2**	122.8	**0.3**	4.6
(Over)/under provision in previous years	**(14.9)**	(2.4)	**0.1**	(0.5)
Charged/(credited) for the year	**(44.0)**	50.4	**0.3**	(0.3)

(d) The current tax rate differs as per the Group's activities and jurisdictions it operates in.

(e) Expenses not deductible for tax purposes comprise mostly of depreciation of property, plant and equipment, amortisation of intangible asset and loss on foreign exchange. Income not subject to tax mainly includes dividends received and interest income.

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

25. Revenue

(a) The Group is organised into the following main business segments:-

- Cane, which includes sugar cane growing and milling activities.
- Power, which includes the production and sale of electricity processed from coal and *bagasse*.
- Brands, which includes the manufacturing, bottling and retailing of alcohol products and sale of consumable goods.
- Property and Leisure, which includes the rental of properties, property development and leisure services.
- Others, which include contract revenue in respect of construction (in 2021), manufacture and sale of building materials, none of which constitute a separately reportable segment.

	THE GROUP						THE COMPANY
2022	**Cane**	**Power**	**Brands**	**Property and Leisure**	**Others**	**Total**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Recognised at a point in time:							
Sale of goods	**1,541.0**	**-**	**2,656.5**	**-**	**197.3**	**4,394.8**	**-**
Sale of services	**46.1**	**-**	**-**	**329.9**	**7.4**	**383.4**	**-**
Sale of properties	**-**	**-**	**-**	**702.3**	**-**	**702.3**	**-**
Dividend income	**-**	**-**	**-**	**-**	**27.1**	**27.1**	**345.3**
Recognised over time:							
Sale of electricity	**-**	**1,097.8**	**-**	**-**	**-**	**1,097.8**	**-**
Total revenue from contracts with customers	**1,587.1**	**1,097.8**	**2,656.5**	**1,032.2**	**231.8**	**6,605.4**	**345.3**

	THE GROUP						THE COMPANY
2021	**Cane**	**Power**	**Brands**	**Property and Leisure**	**Others**	**Total**	**Total**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Recognised at a point in time:							
Sale of goods	1,177.6	-	2,182.8	-	173.2	3,533.6	-
Sale of services	49.0	-	-	164.2	10.9	224.1	-
Sale of properties	-	-	-	353.9	-	353.9	-
Dividend income	-	-	-	-	-	-	210.9
Recognised over time:							
Contract revenue	-	-	-	-	300.3	300.3	-
Sale of electricity	-	1,811.9	-	-	-	1,811.9	-
Total revenue from contracts with customers	1,226.6	1,811.9	2,182.8	518.1	484.4	6,223.8	210.9

25. Revenue (Cont'd)

(b) Geographical segments

The Group's four reportable segments operate in the following main geographical areas and are managed in their respective country:

	Total assets		Capital expenditure	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Mauritius	**24,273.2**	21,408.5	**1,140.4**	645.0
Côte d'Ivoire	**557.9**	713.2	**-**	-
Seychelles	**243.9**	161.6	**6.8**	0.8
	25,075.0	22,283.3	**1,147.2**	645.8

Sales analysis:	At a point in time		Over time		Total sales	
	2022	2021	**2022**	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Mauritius	**5,101.3**	3,802.0	**1,097.8**	2,112.2	**6,199.1**	5,914.2
Côte d'Ivoire	**46.1**	49.0	**-**	-	**46.1**	49.0
Seychelles	**360.2**	260.6	**-**	-	**360.2**	260.6
	5,507.6	4,111.6	**1,097.8**	2,112.2	**6,605.4**	6,223.8

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

(c) Liabilities related to contracts with customers

	THE GROUP	
	Contract liabilities	
	2022	2021
	MUR'M	MUR'M
At January 1,	**158.7**	73.4
Transfer from trade and other payables	**0.9**	22.5
Cash received in advance	**786.6**	426.6
Amount released during the year	**(699.8)**	(363.8)
At December 31,	**246.4**	158.7

Contract liabilities arise from the Group's property division, which engages in land development.

The refund liability relates to customers' right to return products within 30 days of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

The following table shows how much of the revenue recognised in the current reporting period relates to brought forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Arising from land development	**158.7**	73.4

26. Other Income

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit on disposal of property, plant and equipment	**53.4**	144.9	**-**	-
SIFB compensation	**-**	0.5	**-**	-
Insurance refund	**5.9**	5.6	**-**	-
Management fees	**15.9**	14.5	**-**	-
Sale of paillis and boulders	**12.6**	9.9	**-**	-
Transport and mechanical services	**12.7**	28.5	**-**	-
Refund from MSS	**12.6**	8.8	**-**	-
Others	**20.9**	30.6	**2.1**	4.7
	134.0	243.3	**2.1**	4.7

27. Impairment of Financial and Non-Financial Assets

		THE GROUP		THE COMPANY	
	Notes	**2022**	2021	**2022**	2021
		MUR'M	MUR'M	**MUR'M**	MUR'M
Financial assets					
Allowance for expected credit losses:					
Trade and other receivables (note 16(i))	(i)	**48.0**	58.5	**-**	-
Financial assets at amortised cost (note 11)		**-**	1.0	**-**	1.0
		48.0	59.5	**-**	1.0
Non-financial assets					
Property, plant and equipment	(ii)	**-**	535.9	**-**	-
Investment properties (note 6)		**0.7**	0.4	**-**	-
		0.7	536.3	**-**	-

(i) The subsidiaries of TERRA Mauricia Ltd carried out an impairment assessment of their trade receivables which resulted in an impairment of MUR'M 48.0 (2021: MUR'M 58.5).

(ii) Terragen Ltd, a subsidiary of Terra Mauricia Ltd, carried out an impairment test by assessing the recoverable amount of its plant and related equipment which resulted in no material impairment to be recognised for 2022. (2021: MUR'M 535.9). Refer to note 5(c).

27A. Reversal of Impairment Loss on Financial and Non-Financial Assets

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Financial assets				
Reversal of impairment on:				
Trade and other receivables (note 16(i))	**(11.3)**	(51.2)	**-**	-
Financial assets at amortised cost (note 11(e))	**-**	(9.2)	**-**	(9.2)
	(11.3)	(60.4)	**-**	(9.2)
Non-financial assets				
Intangible assets - Land conversion rights (note 7(a))	**(12.0)**	-	**-**	-

Terra Mauricia Ltd carried out an impairment assessment of its intangible assets which resulted in no impairment (2021: Nil). Refer to note 7(a).

28. Profit before Finance Costs

	THE GROUP	
	2022	2021
The profit before finance costs is arrived at after:	**MUR'M**	MUR'M
Crediting:		
Rental of land and buildings	**199.3**	119.1
Profit on sale of property, plant and equipment	**53.4**	144.9
and charging:		
Depreciation on property, plant and equipment	**315.5**	360.3
Depreciation on right-of-use asset	**21.9**	17.3
Depreciation on investment properties	**27.1**	17.1
Amortisation of intangible assets	**10.0**	7.2
Impairment losses of financial and non-financial assets	**48.7**	-
Employee benefit expense	**1,133.2**	1,060.6

29. Expense by Nature

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Depreciation and amortisation	**374.5**	401.9	**-**	-
Raw materials and consumables used (note 14(b))	**3,105.8**	3,005.7	**-**	-
Employee benefit expense *	**1,133.2**	1,060.6	**-**	-
Other production costs	**1.5**	-	**-**	-
Management fees	**16.5**	-	**-**	-
Insurance	**51.5**	-	**-**	-
Rent	**4.6**	-	**-**	-
Subcontractors cost	**60.3**	-	**-**	-
Contract expenses	**-**	334.5	**-**	-
Repairs and maintenance	**402.3**	338.0	**-**	-
Selling and distribution costs	**132.9**	-	**-**	-
Other expenses	**655.4**	724.6	**25.1**	29.6
Total cost of sales, administrative expenses, distribution costs and other expenses	**5,938.5**	5,865.3	**25.1**	29.6

*Employee benefits include short-term employee benefits, post employment benefits, other long-term employee benefits and termination benefits.

Other expenses relate to include cost of inventories consumed in respect of sales of completed inventory property.

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

30. Net Finance Costs

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Finance income:				
- Foreign exchange gain	**20.6**	3.0	**-**	3.0
- Interest income on lease	**4.3**	5.3	**-**	-
- Others	**7.1**	1.7	**0.6**	-
	32.0	10.0	**0.6**	3.0
Finance cost:				
- Interest expense on bank overdrafts	**(0.1)**	-	**-**	-
- Interest expense on loans repayable by instalments	**(4.9)**	(4.8)	**-**	-
- Interest expense on loan from related parties (note 40)	**(102.2)**	(75.1)	**(42.1)**	(37.1)
- Interest expense on other loans not repayable by instalments	**(61.7)**	(60.1)	**-**	-
- Interest expense on lease liabilities	**(2.1)**	(2.0)	**-**	-
- Foreign exchange loss	**-**	(8.0)	**-**	-
- Others	**(16.0)**	(9.2)	**(0.9)**	-
	(187.0)	(159.2)	**(43.0)**	(37.1)
Total - Net finance costs	**(155.0)**	(149.2)	**(42.4)**	(34.1)

31. Earnings per Share

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Profit attributable to owners of the Company on continuing and discontinued operations	**893.2**	462.3
Profit attributable to owners of the Company on continuing operations	**858.0**	-
Number of ordinary shares in issue	**227.5**	227.5
Basic and diluted		
- from continuing and discontinued operations	**3.93**	2.03
- from continuing operations	**3.77**	2.03

32. Dividends

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**-**	-	**-**	-
Final ordinary declared - MUR 1.00 per share (2021: MUR 0.85 per share)	**227.5**	193.4	**227.5**	193.4
Dividends paid during the year	**(227.5)**	(193.4)	**(227.5)**	(193.4)
Dividends declared by subsidiaries to non-controlling interests	**24.3**	26.3	**-**	-
Dividends paid to non-controlling interests	**(24.3)**	(26.3)	**-**	-
At December 31,	**-**	-	**-**	-

33. Notes to Statement of Cash Flows

(a) Reconciliation of liabilities arising from financing activities

At December 31, 2022	**THE GROUP**				
			Non-cash changes		
	At January 1, 2022	**Cash flows**	**Acquisition**	**Other movements***	**At December 31, 2022**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Lease liabilities	**49.4**	**(22.9)**	**19.7**	**46.2**	**86.4**
Borrowings	**4,102.8**	**518.5**	**-**	**-**	**4,621.3**
Total liabilities from financing activities	**4,152.2**	**495.6**	**19.7**	**46.2**	**4,707.7**

At December 31, 2021	**THE GROUP**				
			Non-cash changes		
	At January 1, 2021	**Cash flows**	**Acquisition**	**Other movements***	**At December 31, 2021**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Lease liabilities	33.4	(19.3)	16.7	18.6	49.4
Borrowings	3,898.8	204.0	-	-	4,102.8
Total liabilities from financing activities	3,932.2	184.7	16.7	18.6	4,152.2

*Other movements include mainly foreign exchange difference and effect of modification to lease term.

At December 31, 2022	**THE COMPANY**		
	At January 1, 2022	**Cash flows**	**At December 31, 2022**
	MUR'M	**MUR'M**	**MUR'M**
Borrowings	**1,087.6**	**(29.7)**	**1,057.9**

At December 31, 2021	**THE COMPANY**		
	At January 1, 2021	**Cash flows**	**At December 31, 2021**
	MUR'M	MUR'M	MUR'M
Borrowings	990.3	97.3	1,087.6

33. Notes to Statement of Cash Flows (Cont'd)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cash in hand and at bank	**705.5**	505.8	**35.5**	35.2
Bank overdrafts (note 20)	**(21.6)**	(33.4)	**-**	-
	683.9	472.4	**35.5**	35.2

The cash and cash equivalents are held with banks and financial institution counterparties, which are rated Baa2 to Baa3, based on ratings of Moody's.

The Group considers that its cash in hand and at bank have low credit risk based on the external credit ratings of the counterparties.

No impairment on cash at bank was recognised during 2022 and 2021 since the amount was deemed insignificant.

(c) Non-cash transactions

For the year ended December 31, 2022 there were no material non-cash transactions (2021: Nil).

34. Discontinued Operations

The Board has resolved to dispose of Rehm Grinaker Construction Co Ltd and negotiations with interested parties are in progress. The disposal is consistent with the Group's long-term policy to focus its activities on the Group's other core businesses. These operations, which are expected to be sold within the next 12 months, have been classified as a disposal group held for sale and as a discontinued operation.

The results of Rehm Grinaker Construction Co Ltd which have been included in the profit for the year were as follows:

	2022
	MUR'M
Revenue	**1,616.1**
Expenses	**(1,563.7)**
Other income	**5.4**
Net finance costs	**(4.2)**
Profit before tax from discontinued operations	**53.6**
Tax credit	**2.9**
Profit for the year from discontinued operations	**56.5**

35. Business Combination

(a) **Acquisition of subsidiary - 2021**

(i) *Additional investment in Rehm Grinaker Construction Co Ltd*

At December 31, 2020, the Group held 35.5% of the share capital of Rehm Grinaker Construction Co Ltd. The investment held was classified as investment in associate as the Group did not have control over Rehm Grinaker Construction Co Ltd.

During the year 2021, the Group acquired an additional equity stake of 26.8% in Rehm Grinaker Construction Co Ltd for a consideration of MUR'M 18.7 and obtained control in the entity in relation to IFRS 10 : Consolidated Financial Statements. On July 20, 2021, the Group has derecognised Rehm Grinaker Construction Co Ltd from investment in associate to recognise it as investment in subsidiary.

(ii) *Gain on remeasurement of previously held equity interest*

This transaction has resulted in the recognition of a profit in the statement of profit or loss as follows:

	MUR'M
Fair value of previously held equity interest	24.9
Less: carrying value of equity interest held before the business combination	-
Gain on remeasurement of associate to subsidiary	24.9

(iii) *Consideration transferred*

The following table summarises the consideration paid for Rehm Grinaker Construction Co Ltd and the fair value of the identifiable amounts of the assets acquired and liabilities assumed at acquisition date:

	MUR'M
Cash	18.7
Fair value of equity interest held before the business combination	24.9
Total consideration	43.6
Fair value of net assets acquired	(43.6)
Gain on bargain purchase	-

(iv) *Net effect of business combination*

	MUR'M
Gain on remeasurement of associate to subsidiary	24.9
Gain on bargain purchase	-
Total gain recognised in the statement of profit or loss	24.9

35. Business Combination (Cont'd)

(a) Acquisition of subsidiary - 2021 (Cont'd)

(v) *Assets acquired and liabilities recognised at the date of acquisition*

	MUR'M
Assets	
Property, plant and equipment	159.9
Right of use assets	17.7
Deferred tax assets	36.4
Cash and cash equivalents	180.0
Current assets	561.4
Liabilities	
Borrowings	(38.8)
Retirement benefit obligations	(73.7)
Current liabilities	(772.9)
Fair value of identifiable net assets acquired	70.0
Less: non-controlling interests	(26.4)
Share of fair value of identifiable net assets acquired	43.6

(vi) *Net cash inflow on acquisition of subsidiary*

	MUR'M
Consideration paid in cash	18.7
Less: cash and cash equivalent balances acquired	(180.0)
	(161.3)

36. Investment in Subsidiaries

(a) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Type of shares held	Stated capital	**2022** % holding	**2022** % held by other group companies	**2022** % held by non-controlling interests	2021 % holding	2021 % held by other group companies	2021 % held by non-controlling interests	Principal activity
		MUR							
Terra Milling Ltd	Ordinary	56,657,480	**-**	**80.00**	**20.00**	-	80.00	20.00	Sugar
Terragen Ltd	Ordinary	520,523,500	**-**	**51.00**	**49.00**	-	51.00	49.00	Energy
Terra Brands Ltd	Ordinary	12,000,000	**100.00**	**-**	**-**	100.00	-	-	Investment
Grays Inc. Ltd	Ordinary	83,280,000	**-**	**74.00**	**26.00**	-	74.00	26.00	Commercial
Grays Distilling Ltd*	Ordinary	20,738,000	**-**	**100.00**	**-**	-	66.67	33.33	Manufacturing
Terra Services Ltd	Ordinary	25,000	**100.00**	**-**	**-**	100.00	-	-	Services
Ivoirel Limitée	Ordinary	29,443,274	**100.00**	**-**	**-**	100.00	-	-	Investment
Sagiterra Ltd	Ordinary	25,000	**100.00**	**-**	**-**	100.00	-	-	Property management
Société Proban	Parts d'intérêts	8,100,000	**83.34**	**-**	**16.66**	83.34	-	16.66	Investment
Terra Foundation	Ordinary	10,000	**100.00**	**-**	**-**	100.00	-	-	Social activities
Fondation Nemours Harel	Parts d'intérêts	10,000	**75.00**	**-**	**25.00**	75.00	-	25.00	Cultural activities
Société Evapo	Parts d'intérêts	16,525,000	**-**	**-**	**-**	-	66.67	33.33	Investment
Terrarock Ltd	Ordinary	15,000,000	**-**	**54.00**	**46.00**	-	54.00	46.00	Manufacturing
Terragri Ltd	Ordinary	722,455,070	**100.00**	**-**	**-**	100.00	-	-	Sugar
Terra Finance Ltd	Ordinary	500,000	**100.00**	**-**	**-**	100.00	-	-	Treasury
Terravest Holding Ltd	Ordinary	130,860,000	**100.00**	**-**	**-**	100.00	-	-	Investment
Sugarworld Limited	Ordinary	45,238,456	**95.24**	**-**	**4.76**	95.24	-	4.76	Commercial
Les Chais de L'Isle de France Ltée	Ordinary	3,000,000	**-**	**100.00**	**-**	-	100.00	-	Commercial
Terragen Management Ltd	Ordinary	100,000	**-**	**66.75**	**33.25**	-	66.75	33.25	Services
Intendance Holding Ltd	Ordinary	1,647,700	**100.00**	**-**	**-**	100.00	-	-	Investment
Beau Plan Cellars Ltd	Ordinary	10,000,000	**-**	**100.00**	**-**	-	100.00	-	Manufacturing
Beau Plan Office Park Ltd	Ordinary	407,470,000	**-**	**100.00**	**-**	-	100.00	-	Commercial
Beau Plan Retail Park Ltd	Ordinary	442,300,000	**-**	**100.00**	**-**	-	100.00	-	Commercial
Providence Warehouse Ltd	Ordinary	10,000	**-**	**50.00**	**50.00**	-	50.00	50.00	Commercial
Beau Plan Development Ltd	Ordinary	1,601,000,000	**-**	**100.00**	**-**	-	100.00	-	Property management
East Indies Company Ltd	Ordinary	2,500,000	**-**	**100.00**	**-**	-	100.00	-	Dormant
Mon Rocher School Holding Ltd	Ordinary	1	**-**	**100.00**	**-**	-	100.00	-	Dormant
Belle Vue Rum Ltd	Ordinary	2,000,000	**-**	**100.00**	**-**	-	100.00	-	Freeport operations
BS Fragrance (Mauritius) Ltd	Ordinary	100,000	**-**	**100.00**	**-**	-	100.00	-	Sale of perfumes
Beau Plan Sports & Leisure Ltd	Ordinary	1	**-**	**100.00**	**-**	-	-	-	Commercial
Forbach Investment Ltd	Ordinary	433,500,000	**-**	**100.00**	**-**	-	-	-	Property management
Rehm Grinaker Construction Company Limited**	Ordinary	85,000,000	**62.26**	**-**	**-**	62.26	-	-	Construction
VIVA SC Management Ltd	Ordinary	1	**-**	**100.00**	**-**	-	-	-	Property management

* During the year, Terra Brands acquired the minority stake in Grays Distilling Ltd.
**Investment in Rehm Grinaker Construction Co Ltd has been reclassified to non-current asset held for sale (note 17).

36. Investment in Subsidiaries (Cont'd)

(i) The above subsidiaries are incorporated and operate in Mauritius except for the following:

(i) Ivoirel Limitée, whose country of operation is Côte d'Ivoire;

(ii) Providence Warehouse Ltd, whose country of operations is Seychelles.

(ii) For December 31, 2022 and 2021, the Group accounts for its investments in Providence Warehouse Ltd as subsidiary although the Group holds 50% of the issued share capital as the Group has control over the investment due to appropriate representation at board level.

(iii) Subsidiaries with non-coterminous year end have been accounted based on management accounts as at December 31, 2020. Rehm Grinaker Construction Co. Limited has a June 30 year end since its acquisition in 2021.

(b) Subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the Company:

	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
	MUR'M	MUR'M
2022		
Terragen Ltd	**(24.1)**	**259.8**
Terra Milling Ltd	**53.9**	**170.8**
Grays Inc. Ltd	**21.5**	**84.2**
2021		
Terragen Ltd	(191.9)	731.8
Terra Milling Ltd	10.1	121.8
Grays Inc. Ltd	16.3	94.5

(c) Summarised financial information on subsidiaries with material non-controlling interests

(i) Summarised statement of financial position of Terragen Ltd:

	2022	2021
	MUR'M	MUR'M
Non-current assets	**770.2**	701.7
Current assets	**426.5**	832.5
Non-current liabilities	**(79.4)**	(168.6)
Current liabilities	**(65.6)**	(408.1)
Total equity	**1,051.7**	957.5

36. Investment in Subsidiaries (Cont'd)

(c) **Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)**

Summarised statement of profit or loss and other comprehensive income of Terragen Ltd:

	2022	2021
	MUR'M	MUR'M
Revenue	**1,151.8**	1,835.1
Expenses	**(1,217.8)**	(2,196.5)
Other income	**25.0**	3.8
Net finance costs	**(12.2)**	(8.6)
Loss before tax	**(53.2)**	(366.2)
Taxation	**4.0**	(25.4)
Loss for the year	**(49.2)**	(391.6)
Other comprehensive income	**43.6**	-
Total comprehensive income	**(5.6)**	144.3

Summarised cash flow information of Terragen Ltd:

	2022	2021
	MUR'M	MUR'M
Net cash (outflow)/inflow from operating activities	**(87.2)**	170.8
Net cash outflow from investing activities	**(21.4)**	(49.1)
Net cash outflow from financing activities	**-**	-
Net cash (outflow)/inflow	**(108.6)**	121.7

The summarised financial information above is the amount before intra-group eliminations.

(ii) Summarised statement of financial position of Terra Milling Ltd:

	2022	2021
	MUR'M	MUR'M
Non-current assets	**897.2**	877.4
Current assets	**484.8**	398.5
Non-current liabilities	**(173.6)**	(224.7)
Current liabilities	**(318.5)**	(428.7)
Total equity	**889.9**	622.5

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

36. Investment in Subsidiaries (Cont'd)

(c) Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

Summarised statement of profit or loss and other comprehensive income of Terra Milling Ltd:

	2022	2021
	MUR'M	MUR'M
Revenue	850.4	590.8
Expenses	(615.6)	(526.9)
Other income	34.3	13.3
Finance costs	(2.8)	(24.1)
Profit before tax	266.3	53.1
Taxation	3.6	(2.7)
Profit for the year	269.9	50.4
Other comprehensive income	61.5	30.5
Total comprehensive income	331.4	80.9

Summarised cash flow information of Terra Milling Ltd:

	2022	2021
	MUR'M	MUR'M
Net cash inflow from operating activities	272.7	26.0
Net cash outflow from investing activities	(76.5)	(54.3)
Net cash outflow from financing activities	(161.7)	(63.2)
Net cash inflow/(outflow)	34.5	(91.5)

The summarised financial information above is the amount before intra-group eliminations.

(iii) Summarised statement of financial position of Grays Inc Ltd:

	2022	2021
	MUR'M	MUR'M
Non-current assets	379.8	333.8
Current assets	1,405.3	996.9
Non-current liabilities	(228.2)	(211.1)
Current liabilities	(1,169.7)	(754.3)
Total equity	387.2	365.3

36. Investment in Subsidiaries (Cont'd)

(c) Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

Summarised statement of profit or loss and other comprehensive income of Grays Inc Ltd:

	2022	2021
	MUR'M	MUR'M
Revenue	**1,989.5**	1,718.9
Expenses	**(1,897.3)**	(1,642.5)
Other income	**27.5**	17.4
Finance costs	**(27.9)**	(20.7)
Profit before tax	**91.8**	73.1
Taxation	**(9.0)**	(10.3)
Profit for the year	**82.8**	62.8
Other comprehensive income	**(25.8)**	21.7
Total comprehensive income	**57.1**	84.5

Summarised cash flow information of Grays Inc Ltd:	**2022**	2021
	MUR'M	MUR'M
Net cash (outflow)/inflow from operating activities	**(238.0)**	88.0
Net cash outflow from investing activities	**(68.6)**	(25.1)
Net cash inflow/(outflow) from financing activities	**329.7**	(71.5)
Net cash outflow	**(8.6)**	(8.6)

The summarised financial information above is the amount before intra-group eliminations.

37. Investment in Associates

(a) Summarised financial information and details of each of the material associates is set out below:

	Current assets		Non-current assets		Current liabilities	
	2022	2021	**2022**	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
AMCO Solutions Limited	**10.0**	17.9	**1.5**	2.4	**0.8**	8.6
Anytime Investment Ltd	**0.1**	-	**113.9**	100.5	**-**	-
Coal Terminal (Management) Co Ltd	**30.8**	55.3	**56.6**	61.2	**27.0**	50.9
Horus Ltée	**2.1**	1.0	**261.5**	261.5	**2.3**	2.3
Swan General Ltd	**11,162.4**	9,146.8	**50,986.5**	54,170.6	**1,396.9**	1,430.0
New Fabulous Investment Ltd	**0.1**	-	**113.9**	100.5	**-**	-
New Goodwill Co. Ltd	**514.7**	568.9	**246.8**	34.9	**328.5**	210.9
Topterra Ltd	**38.3**	25.0	**61.0**	59.3	**68.4**	53.0
Sucrivoire S.A	**3,657.0**	3,783.6	**5,629.0**	4,539.4	**4,117.3**	3,056.0
Aquasantec International Limited	**315.8**	295.8	**473.9**	450.8	**331.3**	234.5
Thermal Valorisation Co Ltd	**51.7**	25.2	**729.0**	783.0	**57.5**	92.7
United Docks Ltd	**402.0**	280.2	**4,037.0**	2,916.6	**52.8**	27.3
Distillerie de Bois Rouge Ltd	**2.7**	2.8	**-**	-	**7.3**	7.1
Grays Uganda Ltd	**6.5**	6.5	**5.3**	5.3	**8.4**	8.4
Inside Capital Partners Ltd	**15.6**	13.3	**3.2**	2.1	**2.8**	3.5
Payment Express Ltd	**25.4**	24.6	**219.1**	217.6	**216.9**	187.0
Beau Plan Campus Ltd	**40.0**	69.5	**632.3**	636.7	**64.4**	61.4
The Greencoast International Primary School Limited	**14.8**	4.0	**5.3**	3.3	**21.2**	5.8

Non-current liabilities		Revenues		Dividend received		Profit/(loss)	
2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
-	0.9	**5.5**	20.1	**50.0**	16.0	**51.9**	9.3
-	-	**-**	-	**-**	-	**-**	-
52.3	58.8	**184.9**	201.9	**-**	-	**1.4**	3.2
-	-	**1.2**	-	**-**	-	**(0.1)**	(0.1)
55,179.1	56,356.5	**8,479.8**	7,500.3	**125.1**	119.2	**764.9**	692.5
-	-	**-**	-	**-**	-	**-**	-
73.2	74.5	**2,004.4**	1,829.6	**96.5**	89.7	**136.5**	144.6
6.5	6.9	**38.2**	14.2	**-**	-	**-**	-
5,168.8	5,267.1	**4,856.6**	4,643.8	**-**	-	**(494.7)**	(509.7)
174.6	195.8	**807.9**	714.9	**-**	-	**(78.9)**	32.4
239.6	298.6	**243.7**	136.5	**-**	-	**66.8**	(23.5)
1,502.5	754.2	**82.2**	58.3	**6.7**	5.1	**474.7**	28.1
3.6	3.6	**-**	-	**-**	-	**-**	-
-	-	**-**	-	**-**	-	**-**	-
1.9	-	**29.6**	33.5	**-**	-	**2.4**	(0.6)
7.5	37.7	**145.8**	143.2	**-**	-	**-**	-
153.3	226.3	**64.0**	58.3	**-**	-	**30.9**	26.5
10.4	9.4	**31.3**	22.4	**-**	-	**(3.6)**	1.6

Notes to the Consolidated and Separate Financial Statements

Year ended December 31, 2022 (Cont'd)

37. Investment in Associates (Cont'd)

(a) Summarised financial information and details of each of the material associates is set out below (Cont'd):

	OCI		Total comprehensive income		% holding	
	2022	2021	**2022**	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M		
AMCO Solutions Limited	**-**	-	**51.9**	9.3	**41.9**	41.9
Anytime Investment Ltd	**-**	-	**-**	-	**24.5**	24.5
Coal Terminal (Management) Co Ltd	**-**	-	**1.4**	3.2	**15.4**	15.4
Horus Ltée	**-**	-	**(0.1)**	(0.1)	**50.0**	50.0
Swan General Ltd	**(704.4)**	593.7	**60.5**	593.7	**34.6**	34.6
New Fabulous Investment Ltd	**-**	-	**-**	-	**24.5**	24.5
New Goodwill Co. Ltd	**-**	-	**136.5**	144.6	**33.3**	33.3
Topterra Ltd	**-**	-	**-**	-	**50.0**	33.3
Sucrivoire S.A	**11.2**	(28.8)	**(483.5)**	(538.5)	**25.5**	25.5
Aquasantec International Limited	**(7.5)**	(14.6)	**(86.4)**	17.8	**26.7**	26.7
Thermal Valorisation Co Ltd	**-**	-	**66.8**	(23.5)	**17.9**	17.9
United Docks Ltd	**0.4**	20.6	**475.1**	48.7	**21.5**	21.5
Distillerie de Bois Rouge Ltd	**-**	-	**-**	-	**33.3**	33.3
Grays Uganda Ltd	**-**	-	**-**	-	**22.2**	22.2
Inside Capital Partners Ltd	**-**	-	**2.4**	(0.6)	**36.8**	36.8
Payment Express Ltd	**-**	-	**-**	-	**27.8**	27.8
Beau Plan Campus Ltd	**-**	-	**30.9**	26.5	**40.0**	40.0
The Greencoast International Primary School Limited	**-**	-	**(3.6)**	1.6	**20.0**	20.0

(i) Associates with non-coterminous year end have been equity accounted based on management accounts at December 31, 2022.

Financial period ended	Country of incorporation	Principle place of business	Nature of business
June 30,	Mauritius	Mauritius	Strategic procurement
June 30,	Mauritius	Mauritius	Investment holding
December 31,	Mauritius	Mauritius	Procurement and logistics of coal
June 30,	Mauritius	Mauritius	Investment holding
December 31,	Mauritius	Mauritius	Insurance
June 30,	Mauritius	Mauritius	Investment holding
June 30,	Mauritius	Mauritius	Rum bottling and distribution
June 30,	Mauritius	Mauritius	Production and distribution of liquid fertiliser
December 31,	Côte d'Ivoire	Côte d'Ivoire	Sugar production
December 31,	Mauritius	Mauritius	Management company
December 31,	Mauritius	Mauritius	Energy
June 30,	Mauritius	Mauritius	Real estate
July 31,	Mauritius	Mauritius	Dormant
December 31,	Uganda	Uganda	Dormant
December 31,	Mauritius	Mauritius	Fund management
June 30,	Mauritius	Mauritius	Payment service provider
December 31,	Mauritius	Mauritius	Real estate
December 31,	Mauritius	Mauritius	Education

37. Investment in Associates (Cont'd)

(b) For December 31, 2022 and 2021, the Group accounts for its investments in Coal Terminal (Management) Co Ltd as associate although the Group holds less than 20% of the issued share capital as the Group has the ability to exercise significant influence over the investment due to the Group's representation on the Board of Directors of the associate company.

For December 31, 2022 and 2021, the Group accounts for its investments in Horus Ltée as associate although the Group holds 50% of the issued share capital as the Group does not have control over the investment due to the lack of representation at board level and there is no agreement with the investee stating otherwise.

(c) **Reconciliation of summarised financial information**

Reconciliation of summarised financial information to the carrying amount recognised in the financial statements in respect of material associates is set out below:

	Carrying amount						
December 31, 2022	**Opening balance**	**Transfer to NCAHFS**	**Share of profit/ (loss) for the year**	**Dividends**	**Share of OCI for the year**	**Translation reserves**	**Closing balance**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Investment in associates							
AMCO Solutions Limited	**4.6**	**-**	**21.7**	**(20.9)**	**(0.8)**	**-**	**4.6**
Horus Ltée	**220.4**	**-**	**43.5**	**(0.6)**	**-**	**-**	**263.3**
Swan General Ltd	**1,782.5**	**-**	**262.8**	**(43.2)**	**(243.2)**	**-**	**1,758.9**
New Goodwill Co. Ltd	**106.1**	**-**	**45.5**	**(32.2)**	**0.5**	**-**	**119.9**
Sucrivoire S.A	**713.2**	**-**	**(126.1)**	**-**	**4.9**	**(34.1)**	**557.9**
Aquasantec International Limited	**84.4**	**(75.7)**	**(21.0)**	**-**	**11.3**	**1.0**	**-**
Thermal Valorisation Co Ltd	**145.9**	**-**	**23.4**	**-**	**-**	**-**	**169.3**
Inside Capital Partners Ltd	**4.4**	**-**	**0.9**	**-**	**(0.2)**	**-**	**5.1**
United Docks Ltd	**296.9**	**-**	**58.3**	**(0.9)**	**0.1**	**-**	**354.4**
Beau Plan Campus Ltd	**167.3**	**-**	**12.3**	**-**	**-**	**2.2**	**181.8**
	3,525.7	**(75.7)**	**321.3**	**(97.8)**	**(227.4)**	**(30.9)**	**3,415.2**

	Carrying amount						
December 31, 2021	Opening balance	Additions	Share of profit/ (loss) for the year	Dividends	Share of OCI for the year	Translation reserves	Closing balance
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Investment in associates							
AMCO Solutions Limited	6.0	-	3.9	(6.7)	1.4	-	4.6
Horus Ltée	187.3	29.0	3.1	(0.5)	1.5	-	220.4
Swan General Ltd	1,349.6	10.9	254.0	(41.2)	209.2	-	1,782.5
New Goodwill Co. Ltd	87.6	-	48.2	(29.9)	0.2	-	106.1
Sucrivoire S.A	861.4	-	(130.0)	-	(26.1)	7.9	713.2
Aquasantec International Limited	57.1	-	8.7	-	18.3	0.3	84.4
Thermal Valorisation Co Ltd	134.7	19.4	(8.2)	-	-	-	145.9
Inside Capital Partners Ltd	1.2	-	(0.2)	-	3.0	0.4	4.4
United Docks Ltd	124.7	71.6	99.2	(0.6)	2.0	-	296.9
Beau Plan Campus Ltd	144.5	-	10.6	-	(1.6)	13.8	167.3
	2,954.1	130.9	289.3	(78.9)	207.9	22.4	3,525.7

37. Investment in Associates (Cont'd)

(d) Information presented in aggregate for the associates that are not individually significant:

	2022	2021
	MUR'M	MUR'M
Carrying amount of interests	**(0.9)**	(0.6)
Group's share of profit	**(0.3)**	1.2
Group's share of other comprehensive income	**-**	(2.7)
Group's share of total comprehensive income	**(0.1)**	(2.7)

(e) The following associates are listed on a primary market and therefore a quoted price is available for the shares.

	2022	2021
	MUR'M	MUR'M
Fair value of investments		
Swan General Ltd	**1,393.7**	1,368.5
United Docks Ltd	**198.8**	224.1

38. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Property, plant and equipment	**102.4**	99.7
Investment properties	**203.5**	528.5
Inventory work in progress	**230.1**	198.0
	536.0	826.2

39. Parent and Ultimate Holding Entity

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the parent and ultimate holding entity of TERRA Mauricia Ltd.

40. Related Party Transactions

Related parties are individuals and companies where the individual or the company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

(i) **THE GROUP**

	Purchases of services	Sales of services and others	Amount receivable	Amount payable	Borrowings	Interest expense	Dividend income
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2022							
Associates	**17.4**	**51.7**	**5.3**	**-**	**-**	**-**	**97.8**
Enterprises with common Directors	**117.8**	**-**	**-**	**12.2**	**2,650.0**	**102.2**	**-**
	135.2	**51.7**	**5.3**	**12.2**	**2,650.0**	**102.2**	**97.8**
2021							
Associates	10.5	53.1	12.1	-	-	-	78.9
Enterprises with common Directors	134.1	-	-	22.1	2,479.0	75.1	-
	144.6	53.1	12.1	22.1	2,479.0	75.1	78.9

Amounts receivable from and payable to related parties are unsecured, interest-free and repayable within one year. Non-current related party receivable is unsecured, interest-free and repayment is not expected to be requested within one year.

Impairment loss on trade receivables from an associate amounted to MUR'M 48.0 (2021: MUR'M 58.5).

Details of impairment of associates are disclosed in note 9(a)(ii).

Dividends paid to non-controlling interests amounting to MUR'M 24.3 (2021: MUR'M 26.3) are disclosed in the Group statement of cash flows.

(ii) **THE COMPANY**

	Sales of services and others	Amount receivable	Amount payable	Borrowings	Interest expense	Dividend income
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2022						
Associates	**-**	**3.4**	**-**	**-**	**-**	**24.2**
Subsidiaries	**295.0**	**45.0**	**3.6**	**1,057.9**	**42.1**	**321.1**
	295.0	**48.4**	**3.6**	**1,057.9**	**42.1**	**345.3**
2021						
Associates	-	1.0	-	-	-	10.9
Subsidiaries	-	40.2	1.1	1,087.6	37.1	199.1
	-	41.2	1.1	1,087.6	37.1	210.0

40. Related Party Transactions (Cont'd)

None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

Amounts receivable from and payable to related parties are unsecured, interest-free and repayable within one year. Non-current related party receivable is unsecured, interest-free and repayment is not expected to be requested within one year.

Refer to note 20 for terms and conditions of borrowings and note 11 for amounts receivables.

Letter of comfort given to a wholly owned subsidiary is disclosed in note 41(c).

Dividends paid to shareholders amounting to MUR'M 227.5 (2021: MUR'M 193.4) are disclosed in Company's statement of cash flows.

(iii) Key management personnel

Key management personnel consists of personnel employed by the Company and its subsidiaries who can exercise direct control on major parts of the Group/Company's activities and resources. The key management personnel compensation comprised the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	MUR'M	MUR'M	**MUR'M**	MUR'M
Salaries and short-term employee benefits	**159.0**	131.0	**-**	-
Post employment benefits	**9.3**	6.4	**-**	-
Other benefits	**1.9**	-	**-**	-
	170.2	137.4	**-**	-

41. Contingent Liabilities

(a) Cases in Dispute

(i) *Previous distillers*

An agreement was reached in 1979 between five enterprises (including a subsidiary of the Group) for the sale and sharing thereof of alcohol produced from molasses and sold in Mauritius. The agreement was terminated in 2000. There is currently a dispute over the compensation payable upon termination to two partners, who are claiming MUR'M 58.4 from the other partners, (including a subsidiary of the Group). A ruling was delivered in August 2012 by the Judge of the Commercial Court to the effect that the matter should be referred to arbitration. However, the parties have given notice of appeal of that judgement. The appeal was called in March 2014, when some points of laws were raised. On November 20, 2014, arguments were heard on the points of law and the judge has delivered his ruling on December 11, 2015, allowing the appeal to proceed. The appeal was heard on February 22, 2017 and the Court has ruled, on November 1, 2018, that the case should be referred to the Supreme Court (Commercial Division). The case is ongoing.

(ii) *Ex-employees of Beau Plan Sugar Factory*

There is currently a claim to a subsidiary for damages from ex-employees of Beau Plan Sugar Factory for MUR'M 130.0 in respect of breach of contract. The court case is ongoing.

Notes to the Consolidated and Separate Financial Statements
Year ended December 31, 2022 (Cont'd)

41. Contingent Liabilities (Cont'd)

(a) Cases in Dispute (Cont'd)

(iii) *Irrigation Authority*

There is a dispute in respect of irrigation dues by Terragri Ltd for the period 2005 to December 31, 2022 amounting to MUR'M 66.9. The matter has been referred to an Arbitration Board as provided by the water supply agreement existing between the Irrigation Authority and Terragri Ltd.

(iv) *Breach of contract*

A subsidiary has claimed an amount of MUR'M 1.8 to one of its clients in respect of overdue selling fees. The client has submitted a counterclaim of MUR'M 60 to the subsidiary for breach of contract and damages. The dispute is still pending.

(v) *Breach of contract*

A client of Rehm Grinaker Construction Co Ltd is claiming MUR'M 33.0 from it for alleged breach of contract, which is resisted. The case is ongoing.

(vi) *Work accident*

The heirs of 2 ex-employees of Terra Milling Ltd, who were victims of work accident, have claimed damages amounting to MUR'M 6.1 and MUR'M 7.8 respectively from their former employer. The cases are ongoing. The exposure is mitigated under the employer liability insurance cover of the Terra Milling Ltd.

(vii) *Dismissal*

A former employee has claimed MUR'M 30.0 from Rehm Grinaker Construction Co Ltd for unjustified dismissal, which is resisted. The case is ongoing.

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M 403.8 as at December 31, 2022 (2021: MUR'M 524.0).

(c) Letter of comfort

In the ordinary course of business, the Company has provided letters of comfort and undertaking in favour of commercial banks in Mauritius in respect of banking facilities availed by its wholly owned subsidiary, Terra Finance Ltd.

As at December 31, 2022, the total comfort provided in respect of the short-term banking facilities amounted to MUR 4.4 billion (2021: MUR 3.4 billion) out of which total utilisation amounted to MUR 1.2 billion (2021: MUR 1.0 billion).

TERRA Mauricia Ltd has provided financial support to its subsidiary, Terragen Ltd, to a maximum amount of MUR 43.5 M for the period to December 31, 2024, so as to allow the subsidiary to continue operating in the foreseeable future and to meet its obligations.

TERRA Mauricia will also suppport the subsidiary up to MUR 88 M in the event that a contingent liability in favour of the offtaker falls due.

41. Contingent Liabilities (Cont'd)

(d) Outstanding bank guarantees

Guarantees to third parties given by Rehm Grinaker Construction Co Ltd bankers' at December 31, 2022 amounted to MUR'M 504.2 (2021: MUR'M 482.7) in respect of on-going contracts and tenders in normal course of business. These guarantees are secured by way of floating charges over the assets of Rehm Grinaker Construction Co Ltd.

42. Impact of Russia-Ukraine conflict

The geopolitical situation in Eastern Europe intensified on February 24, 2022 with Russia's invasion of Ukraine. This ongoing military conflict has led to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activities in Ukraine. For companies having operations in Russia, Ukraine, or neighbouring countries or that conduct business with their counterparties, the war is increasingly affecting economic and global financial markets and worsening ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

43. Events after the reporting period

Since the outbreak of war in Ukraine, coal prices reached record high levels in 2022. In the circumstances, Terragen declared a Force Majeure Event in 2022 under the Power Purchase Agreement with the Central Electricity Board and the parties are currently engaged in a mediation process.

Terragen Ltd operated on bagasse only during the harvest season, and remained closed during the intercrop season.

Furthermore, it is noteworthy to record the downward movement in the prices of coal over the first quarter of 2023 as opposed to the prices seen in 2022.

Apart from the above there has been no event after reporting period which requires disclosure in these financial statements.

44. Segment Information

Reportable segments are disclosed in note 25(a).

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, cash and cash equivalents and receivables and exclude investments in associates and others.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies (note 2).

44. Segment Information (Cont'd)

(a) Information about reportable segments

THE GROUP Year ended December 31, 2022	Cane MUR'M	Power MUR'M	Brands MUR'M	Property and Leisure MUR'M	Others MUR'M	Group interests MUR'M	Total MUR'M
Total segment revenues	1,602.3	1,151.8	2,752.5	1,132.2	414.1	-	7,052.9
Intersegment sales	(15.2)	(54.0)	(96.0)	(100.0)	(182.3)	-	(447.5)
Revenues from external customers	1,587.1	1,097.8	2,656.5	1,032.2	231.8	-	6,605.4
Segment profit/(loss)	507.1	(64.8)	195.8	318.6	124.9	(178.4)	903.2
Fair value loss on non-current assets classified as held for sale	-	-	-	-	(94.8)	-	(94.8)
Impairment losses on financial assets	(46.1)	-	(2.4)	1.0	(0.5)	-	(48.0)
Impairment losses on non-financial assets	-	-	-	(0.7)	-	-	(0.7)
Reversal of Impairment losses on financial assets	-	-	6.4	3.8	1.1	-	11.3
Reversal of Impairment losses on non-financial assets	12.0	-	-	-	-	-	12.0
Net finance (costs)/income	(18.2)	(12.2)	(29.6)	(38.4)	(235.0)	178.4	(155.0)
Profit/(loss) after finance costs	454.8	(77.0)	170.2	284.3	(204.3)	-	628.0
Share of results of associates	(126.1)	23.4	45.5	11.6	366.6	-	321.0
Profit/(loss) before taxation	328.7	(53.6)	215.7	295.9	162.3	-	949.0
Taxation	0.3	110.0	(15.8)	(3.3)	(47.2)	-	44.0
Profit from continuing operations	329.0	56.4	199.9	292.6	115.1	-	993.0
Profit from discontinued operations							56.5
Profit for the year							1,049.5
Non-controlling interests							(156.3)
Profit attributable to equity holders of the Company							893.2

44. Segment Information (Cont'd)

(a) Information about reportable segments (Cont'd)

THE GROUP	Cane	Power	Brands	Property and Leisure	Others	Group interests	Total
Year ended December 31, 2021	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,232.8	1,842.9	2,257.2	610.3	631.0	-	6,574.2
Intersegment sales	(6.2)	(31.0)	(74.4)	(92.2)	(146.6)	-	(350.4)
Revenues from external customers	1,226.6	1,811.9	2,182.8	518.1	484.4	-	6,223.8
Segment profit/(loss)	274.3	194.8	126.1	99.2	63.9	(134.9)	623.4
Fair value loss on non-current assets classified as held for sale	-	-	-	-	77.0	-	77.0
Impairment of non-financial assets	-	(535.9)	-	(0.4)	-	-	(536.3)
Net finance (costs)/income	(37.7)	(8.6)	(18.4)	(16.5)	(202.9)	134.9	(149.2)
Profit/(loss) after finance costs	236.6	(349.7)	107.7	82.3	(62.0)	-	14.9
Share of results of associates	(130.0)	(8.2)	48.2	10.9	369.6	-	290.5
Gain on remeasurement of associate	-	-	-	-	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)
Profit/(loss) after taxation	105.3	(384.4)	136.5	92.3	367.0	-	316.7
Non-controlling interests							145.6
Profit attributable to equity holders of the Company							462.3

(b) Other material items

THE GROUP	Cane	Power	Brands	Property and Leisure	Others	Total
Year ended December 31, 2022	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Finance income	**18.5**	**-**	**4.8**	**4.1**	**4.6**	**32.0**
Finance costs	**(36.7)**	**(12.2)**	**(34.3)**	**(42.5)**	**(61.3)**	**(187.0)**
Cost of sales	**(1,100.2)**	**(1,053.6)**	**(1,937.2)**	**(471.4)**	**(148.5)**	**(4,710.9)**
Segment assets	**9,462.6**	**1,010.8**	**2,385.2**	**5,821.0**	**595.1**	**19,274.7**
Associates	**558.0**	**169.3**	**118.9**	**179.6**	**2,466.3**	**3,492.1**
Other assets	**3.1**	**10.3**	**27.2**	**0.7**	**2,243.3**	**2,284.6**
Segment liabilities	**561.5**	**52.7**	**797.8**	**568.0**	**169.7**	**2,149.8**
Borrowings	**621.9**	**-**	**888.7**	**985.8**	**2,146.4**	**4,642.9**
Other liabilities	**29.3**	**67.0**	**37.3**	**2.2**	**1,069.1**	**1,204.9**
Capital expenditure	**208.7**	**21.4**	**118.7**	**765.1**	**33.3**	**1,147.2**
Depreciation and amortisation	**(158.8)**	**(23.8)**	**(74.4)**	**(67.6)**	**(49.9)**	**(374.5)**
Other material non-cash items:						
- Impairment losses on financial assets	**(46.1)**	**-**	**(2.4)**	**1.0**	**(0.5)**	**(48.0)**
- Impairment losses on non-financial assets	**-**	**-**	**-**	**(0.7)**	**-**	**(0.7)**
- Reversal of Impairment losses on financial assets	**-**	**-**	**6.4**	**3.8**	**1.1**	**11.3**
- Reversal of Impairment losses on non-financial assets	**12.0**	**-**	**-**	**-**	**-**	**12.0**

44. Segment Information (Cont'd)

(b) Other material items (Cont'd)

THE GROUP	Cane	Power	Brands	Property and Leisure	Others	Total
Year ended December 31, 2021	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Finance income	-	-	3.2	3.9	2.9	10.0
Finance costs	(7.3)	(7.5)	(19.8)	(0.5)	(124.1)	(159.2)
Cost of sales	(941.9)	(1,517.0)	(1,597.3)	(313.4)	(410.5)	(4,780.1)
Segment assets	7,414.4	1,307.0	1,847.1	5,487.1	568.3	16,623.9
Associates	713.2	145.9	105.1	271.7	2,421.1	3,657.0
Other assets	12.0	7.9	20.6	3.8	1,958.1	2,002.4
Segment liabilities	573.3	391.0	654.8	394.6	109.8	2,123.5
Borrowings	738.9	0.2	477.0	746.9	2,173.2	4,136.2
Other liabilities	29.6	168.6	29.2	0.7	796.0	1,024.1
Capital expenditure	144.1	31.1	67.5	396.0	7.1	645.8
Depreciation and amortisation	(159.6)	(68.5)	(69.7)	(57.1)	(47.0)	(401.9)
Other material non-cash items:						
- Impairment losses on financial assets	(58.8)	-	(7.0)	(2.0)	8.3	(59.5)
- Reversal of impairment loss on financial assets	60.4	-	-	-	-	60.4
- Impairment losses on non-financial assets	-	(535.9)	-	(0.4)	-	(536.3)

45. Assets and Liabilities Related to Contracts with Customers

(i) Contract assets included in non-current assets classified as held for sale

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1	**141.2**	-
At date of acquisition	**-**	222.3
Transfers from contract assets to trade receivables	**-**	(264.8)
Excess of revenue recognised over cash	**141.7**	183.7
At December 31 (note 17)	**282.9**	141.2

(ii) Contract liabilities included liabilities directly associated with non-current assets classified as held for sale

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
At January 1	**117.1**	-
At date of acquisition	**-**	114.3
Amount released and recognised as revenue	**(86.9)**	(20.1)
Cash received in advance and not recognised as revenue	**150.0**	22.9
At December 31, 2022 (note 17)	**180.2**	117.1

46. Construction Contracts

	THE GROUP	
	2022	2021
	MUR'M	MUR'M
Contracts in progress at end of reporting year:		
Contract costs incurred plus recognised profits less losses to date	**1,616.2**	3,887.9
Less: progress billings	**(1,513.5)**	(3,863.8)
Net amount due from customers	**102.7**	24.1
Gross amount due from customers for contract work done	**282.9**	141.2
Gross amount due to customers for contract work done	**(180.2)**	(117.1)
	102.7	24.1
Bank guarantees given to third parties in respect of retention monies	-	18.9

47. IOWA Curve

The Iowa type curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. The Iowa curves is a system of generalised survivor curves which depicts the range of survivor characteristics usually experienced by utility and industrial properties. By identifying large numbers of like property items installed approximately at the same time and recording the date of all retirements, they were able to compile all of the necessary statistical data to formulate a series of equipment mortality tables. These tables were refined, and a series of 18 different sets of curves were developed. These curves were then organised according to variations in retirement frequency and labelled using a two-part designation system. IOWA curves have been used in practice for the Ontario Energy Board and WestCoast Transmission System where remaining useful lives had to be determined. The R2 IOWA Survivor Curve was used to determine the useful life of the power plant.

Three-year Summary of Published Results and Assets and Liabilities - The Group

STATEMENT OF PROFIT OR LOSS

	THE GROUP		
	2022	2021	2020
	MUR'M	MUR'M	MUR'M
Turnover	**6,605.4**	6,223.8	4,752.2
Profit/(loss) before taxation and associates' results	**628.0**	14.9	(255.5)
Share of results of associates	**321.0**	290.5	249.2
Gain on remeasurement of associate	**-**	24.9	-
Profit on disposal of associate	**-**	39.8	-
Impairment of associates	**-**	(3.0)	(181.8)
Taxation	**44.0**	(50.4)	(22.3)
Profit/(loss) after taxation	**993.0**	316.7	(210.4)
Profit for the year from discontinued operations	**56.5**	-	-
Profit/(loss)for the year	**1,049.5**	316.7	(210.4)
Profit/(loss) attributable to:			
Owners of the Company	**893.2**	462.3	(268.9)
Non-controlling interests	**156.3**	(145.6)	58.5

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		
	2022	2021	2020
	MUR'M	MUR'M	MUR'M
Profit/(loss) after taxation	**1,049.5**	316.7	(210.4)
Other comprehensive income for the year net of tax	**1,347.2**	371.9	(191.6)
Total comprehensive income	**2,396.7**	688.6	(402.0)
Total comprehensive income attributable to:			
Owners of the Company	**2,186.5**	799.7	(434.5)
Non-controlling interests	**210.2**	(111.1)	32.5
	2,396.7	688.6	(402.0)
Percentage of profit on shareholders' interest (%)	**13.61**	5.7	(2.00)
Earnings per share (MUR)	**3.93**	2.03	(1.18)
Dividends proposed and paid	**227.5**	193.4	129.7
Dividend per share (MUR)	**1.00**	0.85	0.57
Dividend cover (times)	**3.9**	2.4	-
Net assets per share (MUR)	**70.6**	62.2	59.7
Weighted number of ordinary shares used in calculation (M)	**227.6**	227.6	227.6

* No dividend cover in 2020 as the Group incurred a loss of MUR'M 210.4.

STATEMENTS OF FINANCIAL POSITION

	THE GROUP		
	2022	2021	2020
	MUR'M	MUR'M	MUR'M
Non-current assets	**19,243.1**	17,414.8	17,252.5
Current assets	**4,416.7**	3,769.8	3,232.5
Non-current assets classified as held-for-sale	**1,391.6**	1,098.7	291.5
Total assets	**25,051.4**	22,283.3	20,776.5
Owners' interest of the Company	**16,068.1**	14,159.4	13,593.5
Non-controlling interests	**985.7**	840.1	975.4
Non-current liabilities	**4,185.7**	3,981.8	3,796.1
Current liabilities	**2,748.3**	2,520.3	2,411.5
Liabilities directly associated with non-current assets classified as held-for-sale	**1,063.6**	781.7	-
Total equity and liabilities	**25,051.4**	22,283.3	20,776.5

Administrative


SIMON
www.simon-online.fr

Directors of Subsidiary Companies

(Pursuant to Section 221 of the Companies Act 2001)

Directors	Subsidiary Companies																													
	Beau Plan Cellars Ltd	Beau Plan Development Ltd	Beau Plan Office Park Ltd	Beau Plan Retail Park Ltd	Beau Plan Sports & Leisure Ltd	Belle Vue Rum Ltd	BS Fragrance (Mauritius) Ltd	Equatorial Deliveries Ltd	Forbach Investment Ltd	Grays Distilling Ltd	Grays Inc. Ltd	Intendance Holding Ltd	Ivoirel Ltée	MISA Company Ltd	Les Chais de L'Isle De France Ltée	Mon Rocher School Holding Ltd	Providence Warehouse Co. Ltd	Rehm Grinaker Construction Co Ltd	Sagiterra Ltd	Sugarworld Ltd	Terra Brands Ltd	Terra Finance Ltd	Terra Foundation	Terra Milling Ltd	Terra Services Ltd	Terragen Ltd	Terragen Management Ltd	Terragri Ltd	Terrarock Ltd	Terravest Holding Ltd	Viva SC Management Ltd
Kavita Achameesing																										●	●				
Areff Atchia					●																										●
François Boullé																													●		
Jocelyn de Chasteauneuf	○					○	○			○	○				○		●				○										
Neil Cloete																		●													
Joël Couve de Murville					●																										
Louis Decrop																										●	●				
Jean-Philippe Desvaux de Marigny		●	●	●					●							●				●											
Ramanand K. Ellapah																								●							
Nicolas Eynaud		○	○	○					○							○			●	●											
Dominique Huet de Froberville	●									●	●										●			●				●			
Thierry de Labauve d'Arifat																												●			
Edwige Gufflet																				●											
Alexis Harel	○					○	○	●		○	○			●	○		●	●			○		●	●				●			
Antoine L. Harel																		●													
Charles Harel																		●													
Didier Harel																												●			
Henri Harel	●	●	●	●					●	●	●	●	●					●	●		●	●	●	●	●	●	●		●	●	
Roupesh Hematlal							x																								
Jean-Marc Jauffret																													●		
Vidyanand Jeetooa																								x							
Jean-Jacques Jullienne																													●		
Hubert Koenig					●																										
Louis Denis Koenig		●	●	●					●										●	●		●	●	●	○	●	●				
Pascal Langeron																										●	●				
Gilbert Bernadin Legrand																				x											
Philippe Lincoln					●																										●
Deon Louw	●										●																				
Nicolas Maigrot	●									●	●	●	●					●	●	●	●		●	●	●	●	●		●	●	
Anna Mallac-Sim																												●			
Sébastien Mamet												●	●											○	●	●	●				
Guy Morel																	x														
Gajandranath Mutty																								x							
Yousouf Oodally																				●											
Krishnaduth Pursun																								●							
Feroze Peerboccus																										x	x				
Christophe Quevauvilliers																													●		
Kalindee Ramdhonee																								●				●			
Pascal Raffray																												●			
Alain Rey																						●	●					●			
Vincent Rogers																													●		
Julien Rousset																						●				●				●	
Salim Soobadar																								●							
Stéphane Thomas																	●														
Nikhil Treebhoohun																												●			
Stéphane Ulcoq																													●		
Leonard Jacobus Volschenk	●										●																				
Colin Whiting								●						●			●														
Margaret Wong Ping Lun										x														x				x			
Alternate Directors																															
Chandkrek Dussoye																										●					
Jean-Michel Gérard																										x					
Schalk Willem Klopper											●																				
Mahendra Kumar Ramroop																										x					
Christian Yong Kiang Young																		●								●					

○ Executive Director in office as at 31 December 2022

● Non-executive Director in office as at 31 December 2022

x Ceased to hold office during the year ended 31 December 2022

External Directorships of Directors
of Terra Mauricia Ltd

	Directors										
	Alexis Harel	Didier Harel	Henri Harel	Dominique de Froberville	Thierry de Labauve d'Arifat	Nicolas Maigrot	Anna Mallac-Sim	Pascal Raffray	Kalindee Ramdhonee	Alain Rey	Nikhil Treebhoohun
Listed Companies											
New Mauritius Hotels Ltd										•	
Swan General Ltd			•			•					
MCB Group Ltd		•								•	
United Docks Ltd	•					•					
Other Companies											
AMCO Solutions Ltd	•		•			•					
Anytime Investment Ltd			•			•					
Aquasantec International Ltd			•			•					
BMH Ltd									•		
Celtinest Ltd					•						
CIEL Textile Ltd										•	
COAL Terminal (Management) Co Ltd			•			•					
Distillerie de Bois Rouge Ltd	•										
Grays Uganda Ltd	•										
Grenelec Ltd					•						
Horus Ltée	•					•					
Mammouth (Mauritius) Ltd									•		
MFD Group Ltd				○							
MCB Microfinance Ltd										•	
Mer Rouge Trading Ltd				•							
Mexa Investment Ltd				•							
Moulin Cassé Ltée	•		•								
New Fabulous Investment Ltd			•			•					
New Goodwill Co Ltd			•			•					
Precigraph Ltée										•	
Quantum Ltd										•	
Sucrivoire SA			•			•					
SuGha Ltd						•					
Swan Life Ltd			•			•					
Tamapro Ltd				•							
TDA Consult Ltd				•							
The United Basalt Products Ltd									•		
The Lux Collective Ltd	•										
Thermal Valorisation Co Ltd			•			•					
Topterra Ltd	•										
UDL Investment Ltd						•					
United Investments Ltd			•			•					
United Properties Ltd						•					

○ Executive Director in office as at 31 December 2022 • Non-executive Director in office as at 31 December 2022

Auditors' Remuneration and Donations from Subsidiary Companies

(Pursuant to Section 221 of the Companies Act 2001)

	2022			2021		
	Auditors' Remuneration	**Donations towards CSR**	**Other Donations**	Auditors' Remuneration	Donations towards CSR	Other Donations
	MUR'M	**MUR'M**	**MUR'M**	MUR'M	MUR'M	MUR'M
Holding Company						
Terra Mauricia Ltd	**2.0**	**0.1**	**0.2**	1.7	0.1	0.3
Subsidiaries						
Beau Plan Cellars Ltd	-	-	-	-	-	-
Beau Plan Development Ltd	**0.4**	**1.2**	-	0.3	1.8	-
Beau Plan Office Park Ltd	**0.1**	-	-	-	-	-
Beau Plan Retail Park Ltd	**0.4**	-	-	0.4	-	-
Beau Plan Sports & Leisure Ltd	-	-	-	-	-	-
Belle Vue Rum Ltd	-	-	-	-	-	-
BS Fragrance (Mtius) Ltd	-	-	-	-	-	-
Forbach Investment Ltd	-	-	-	-	-	-
Grays Distilling Ltd	**0.3**	**0.1**	-	0.3	0.3	-
Grays Inc. Ltd	**1.4**	**0.6**	-	1.2	0.5	-
Intendance Holding Ltd	-	-	-	-	-	-
Ivoirel Limitée	-	-	-	-	-	-
Les Chais de L'Isle de France Ltée	-	-	-	0.1	-	-
Mon Rocher School Holding Ltd	-	-	-	-	-	-
Providence Warehouse Ltd	**0.1**	-	-	-	-	-
Rehm Grinaker Construction Co. Ltd	**0.8**	-	-	-	-	-
Sagiterra Ltd	-	-	-	-	-	-
Société Proban	-	-	-	-	-	-
Sugarworld ltd	**0.1**	-	-	0.1	-	-
Terra Brands Ltd	**0.2**	**0.1**	-	0.1	0.1	-
Terra Finance Ltd	**0.1**	-	-	0.3	-	-
Terra Milling Ltd	**0.6**	**1.5**	-	0.5	0.8	-
Terra Services Ltd	-	-	-	-	-	-
Terragen Ltd	**0.4**	-	-	0.3	2.2	-
Terragen Management Ltd	**0.1**	-	-	-	-	-
Terragri Ltd	**1.3**	-	**0.2**	1.0	-	-
Terrarock Ltd	-	**0.8**	-	0.1	0.4	-
Terravest Holding Ltd	**0.1**	-	-	-	-	-
Viva SC Management Ltd	-	-	-	-	-	-
	8.4	**4.4**	**0.4**	6.4	6.2	0.3

Group Structure

Effective Holding	Date of Aquisition by the Group	Classification of Activities	Terra Mauricia Ltd	
100%	2012	1, 2, 8 & 10	100%	TERRAGRI LTD
40.00%	2016	8	40.00%	BEAU PLAN CAMPUS LTD
100%	2017	10	100%	BEAU PLAN DEVELOPMENT LTD
100%	2018	8	100%	BEAU PLAN RETAIL PARK LTD
100%	2019	8	100%	BEAU PLAN OFFICE PARK LTD
100%	2021	8	100%	BEAU PLAN SPORTS & LEISURE LTD
100%	2022	10	100%	FORBACH INVESTMENT LTD
100%	2022	1	100%	VIVA SC MANAGEMENT LTD
100%	2017	10	100%	MON ROCHER SCHOOL HOLDING LTD
20.00%	2020	12	20.00%	THE GREEN COAST INTERNATIONAL PRIMARY SCHOOL LTD
80.00%	1995	3	80.00%	TERRA MILLING LTD
51.00%	1998	9	51.00%	TERRAGEN LTD
15.43%	1998	1	30.26%	COAL TERMINAL (MANAGEMENT) CO. LTD
17.85%	2014	9	35.00%	THERMAL VALORISATION CO. LTD
66.75%	1998	1	66.75%	TERRAGEN MANAGEMENT LTD
100%	2001	10	100%	SAGITERRA LTD
100%	1960	1	100%	TERRA BRANDS LTD
24.50%	2000	1	24.50%	NEW FABULOUS INVESTMENT LTD
24.50%	2000	1	24.50%	ANYTIME INVESTMENT LTD
33.33%	2000	5	18.63%	NEW GOODWILL CO. LTD
			30.00%	30.00%
74.00%	2006	5 & 6	74.00%	GRAYS INC. LTD
37.00%	2008	6	50.00%	PROVIDENCE WAREHOUSE CO. LTD
37.00%	2008	8	100%	MISA COMPANY LIMITED
37.00%	2011	6	100%	EQUATORIAL DELIVERIES LIMITED
37.00%	2021	6	50.00%	BS FRAGRANCE (MAURITIUS) LTD
22.20%	2015	5	30.00%	GRAYS UGANDA LTD
74.00%	2016	5	100%	BELLE VUE RUM LTD
74.00%	2017	13	100%	BEAU PLAN CELLARS LTD
100%	1998	4	100%	GRAYS DISTILLING LTD
50.00%	2010	4.a	50.00%	TOPTERRA LTD
33.33%	1996	1	33.33%	DISTILLERIE DE BOIS ROUGE LIMITED
33.33%	1996	4	100%	SOCIETE DE DISTILLATION DE ST ANTOINE ET BOIS ROUGE
100%	2005	6	100%	LES CHAIS DE L'ISLE DE FRANCE LIMITEE
95.24%	2012	12	95.24%	SUGARWORLD LTD
100%	1997	1.a	100%	IVOIREL LIMITEE
25.50%	1997	2.a & 3.a	25.50%	SUCRIVOIRE S.A.
83.34%	1990	1	83.34%	SOCIETE PROBAN
45.00%	1990	7	54.00%	TERRAROCK LTD
75.00%	2000	12	75.00%	FONDATION NEMOURS HAREL
100%	2010	12	100%	TERRA FOUNDATION
50.00%	2006	1	50.00%	HORUS LTEE
			18.34%	
21.46%	2006	5	12.29%	UNITED DOCKS LTD
			26.54%	
52.35%	1978	1	46.65%	SOCIETE DE LERCA
			50.52%	
43.21%	1978	1	16.77%	HAREL MALLAC & CO LTD
100%	2004	1	100%	TERRA SERVICES LTD
100%	2012	14	100%	TERRA FINANCE LTD
100%	2015	1	100%	TERRAVEST HOLDING LIMITED
26.67%	2014	15	26.67%	AQUASANTEC INTERNATIONAL LIMITED
100%	1982	1	100%	INTENDANCE HOLDING LTD
			33.48%	
34.56%	1972	11	1.08%	SWAN GENERAL LTD
29.21%	1953	11	0.62%	82.72% SWAN LIFE LTD
41.87%	1961	13	41.87%	AMCO SOLUTIONS LIMITED
62.26%	1991	7	62.26%	REHM GRINAKER CONSTRUCTION CO. LTD
29.03%	2013	1	29.03%	UNITED INVESTMENTS LTD
36.75%	2015	1	36.75%	INSIDE CAPITAL PARTNERS LTD
36.01%	2015	1 & 1.a	36.01%	INSIDE EQUITY FUND
27.83%	2015	1	27.83%	PEX LTD
33.33%	2015	1	33.33%	SOCIETE M.S.P.A. ET CIE (RTC)
50.00%	2019	1.a	50.00%	SUGHA LTD

Classification of companies' main activities:

1. Investment, management and other services
1.a Investment, management and other services (off-shore)
2. Sugar cane cultivation
2.a Sugar cane cultivation (abroad)
3. Sugar milling
3.a Sugar milling (abroad)
4. Distillery / Refinery
4.a CMS production
5. Bottling
6. Distribution
7. Construction and engineering
8. Lessor of land and buildings
9. Energy production
10. Land development and property consultancy
11. Insurance
12. Cultural / CSR / Education
13. Commodity trading
14. Financial services
15. Industry

List of Acronyms

AI	Artificial Intelligence
ALC	African Leadership College
AFNOR	*Association Française de Normalisation*
BOM	Bank Of Mauritius
BU	Business Unit
CEB	Central Electricity Board
CO_2	Carbon Dioxide
CSR	Corporate Social Responsibility
CWA	Central Water Authority
EPA	Environment Protection Act
ERM	Enterprise Risk Management
EU	European Union
EUR	Euro
FSA	Financial Services Act
FSC	Financial Services Commission
GDP	Gross Domestic Product
GIS	Geographic Information System
GRI	Formerly 'Global Reporting Initiative'
GHG	Greenhouse Gas
GJ	Giga Joules
GWh	Giga Watt per hour
HACCP	Hazard Analysis and Critical Control Points
HIV	Human Immunodeficiency Virus
ILO	International Labour Organization
IPP	Independent Power Producer
IPPA	Investment Promotion and Protection Agreement
IIRC	International Integrated Reporting Council
ISO	International Organisation for Standardisation
KWh	Kilo Watt per hour
KPI	Key Performance indicator
LMC	LMC International Ltd
LEAD	Leadership and Empowerment for Action and Development
MCIA	Mauritius Cane Industry Authority
MIOD	Mauritius Institute of Directors
MIGA	Multilateral Investment Guarantee Agency
MRA	Mauritius Revenue Authority
MSPA	Mauritius Sugar Producers Association
MSS	Mauritius Sugar Syndicate
MUR	Mauritian Rupee
MW	Mega Watt
NGO	Non-Governmental Organisation
NO_x	Nitrous Oxide
NPCC	National Productivity and Competitiveness Council
OHSAS	Occupational Health and Safety Management System
OSH	Occupational Safety and Health
PPA	Power Purchase Agreement
QSE	Quality, Security and Environment
SAFIRE	*Service d'Accompagnement, de Formation, d'Intégration et de Réhabilitation de l'Enfant*
SDG	Sustainable Development Goal
SEDEX	Supplier Ethical Data Exchange
SEM	Stock Exchange of Mauritius
SEMSI	Stock Exchange of Mauritius Sustainability Index
SIFB	Sugar Insurance Fund Board
SIFCA	*Société Immobilière et Financière de la Côte Africaine*
SO_2	Sulphur Dioxide
TIPA	Terrain for Interactive Pedagogy through Arts
USD	United States Dollar
WTO	World Trade Organisation

Corporate Information

Registered Office

Beau Plan Business Park
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Secretary

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Auditors

BDO & Co
(Chartered Accountants)
10, Frère Félix de Valois Street
Port-Louis 11404
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Bankers

The Mauritius Commercial Bank Limited
SBM Bank (Mauritius) Ltd
ABSA Bank (Mauritius) Ltd
AfrAsia Bank Limited
BCP Bank (Mauritius) Ltd
Maubank Ltd
Standard Bank (Mauritius) Ltd
SBI (Mauritius) Ltd
ABC Banking Corporation Ltd

Cane

Terragri Ltd/Terra Milling Ltd
Belle Vue-Mauricia
Mapou 31806
Republic of Mauritius
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Power

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Beau Plan Business Park
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Corporate Information

Brands

Grays Inc. Ltd
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Grays Distilling Ltd
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Property and Leisure

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Website: www.novaterra.mu

Sugarworld Ltd – *L'Aventure du Sucre*
Beau Plan, Pamplemousses 21001
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Telefax: (230) 243 9699
E-mail: administration@aventuredusucre.com
Website: www.aventuredusucre.com

Stone Crushing and Block Making

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Corporate Social Responsibility

Terra Foundation
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Finance

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