Overview

"Self belief and hard work
will always earn you success."

VIRAT KOHLI

Value We Created in 2021

Customers

Cane

71,760 T ▼ 4%
Specialty sugars in 18 varieties

Brands

4,250 ▲ 30%
Direct B2B customers (Mauritius)

19,877 ▼ 47%
Regular B2C customers (Mauritius)

Power

443 GWh ▲ 18%
Supplied to the national grid

15.5 % ▲ 18%
National energy mix

12.8 % ▲ 5%
Share on national renewable energy production

95.6 % ▲ 2%
Plant availability on CEB network

Property and Leisure

22.43 Ha ▲ 69%
Land developed this year

10,711 ▼ 36%
Visitors to *L'Aventure du Sucre*

Employees

MUR 7.8 M ▲ 117%
Invested on employee training and development

33
Additional jobs provided

MUR 1,060.6 M ▼ 10%
Paid in salaries, wages and other benefits

Communities

MUR 1.7 M ▼ 41%
CSR sponsorship channelled through Terra Foundation

30 ▼ 6%
Projects sponsored

Government

MUR 50.4 M ▲ 126%
Paid in taxes in Mauritius

MUR 550.3 M ▼ 2%
Paid in customs and excise duty in Mauritius

Suppliers

MUR 3,124.5 M ▲ 22%
Procurement spend

Providers of Financial Capital

MUR 159.2 M ▼ 8%
Paid to banks and other lenders

MUR 26.3 M ▼ 66%
Paid in dividends to outside shareholders of subsidiaries

MUR 193.4 M ▲ 49%
Paid in dividends to Terra shareholders

MUR 2.03 ▲ 272%
Earnings per share

Our Business at a Glance

Our Organisational Structure

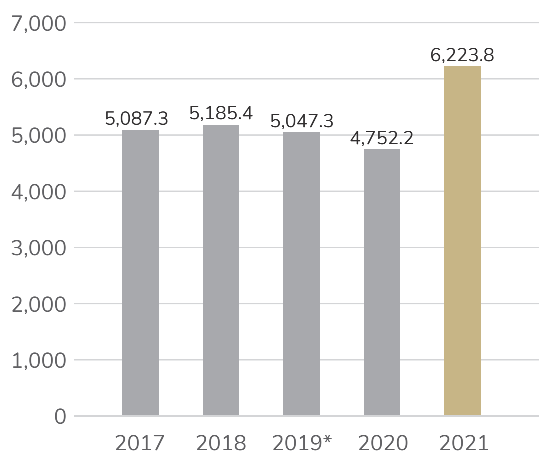
The Group consists of four autonomous clusters: Cane, Brands, Power, and Property and Leisure. Each cluster offers unique business know-how that sets it apart from its competitors and that provides a strong platform for value growth.

These clusters are autonomous in their decision-making processes, budgeting and reporting, as well as in the day-to-day running of their operations. The leadership team of each cluster is fully accountable for their cluster's respective performance, and is empowered to develop their own businesses and to realise international growth opportunities in line with proposals and plans approved by Terra's Board of Directors.

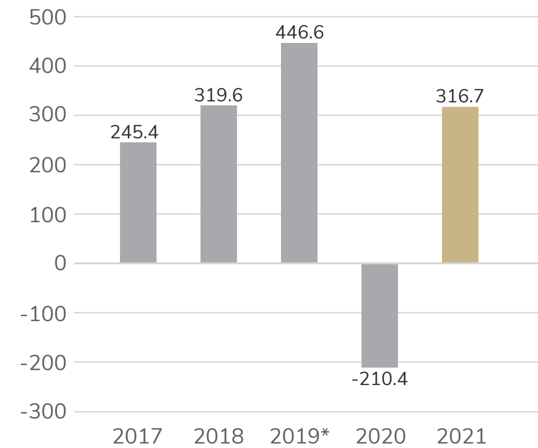
The clusters are supported by specific centralised functions aimed at developing a shared performance-based culture, and at driving operational excellence and efficiencies across the Group.

TERRA MAURICIA LTD

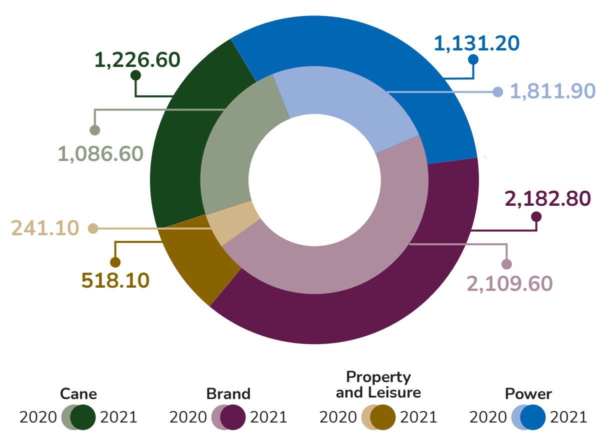
Group Turnover (MUR'M)



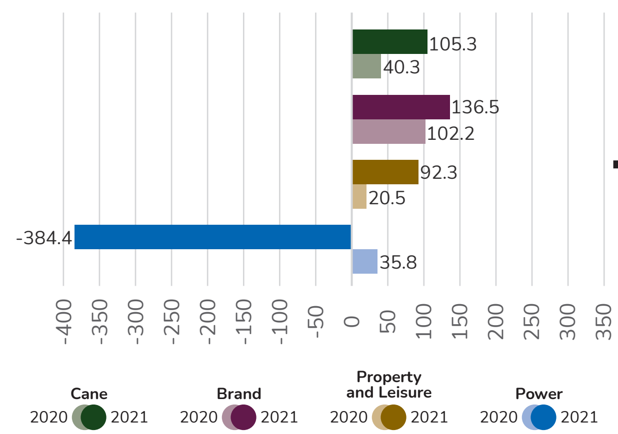
Group Profit/Loss after Tax (MUR'M)



Turnover - Contribution of each Cluster (MUR'M)



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



*The 2019 figures have been restated

Cane

224
employees at Terragri *(Agriculture)*

128
employees at Terra Milling

9.2%
employee turnover rate

718,969 T ▲2%
of sugar cane milled

5,044 Ha ▼6%
of land under cane cultivation *(including 58 Ha of organic cane cultivation)*

71,952 T ▼9%
of sugar produced

Brands

461
employees at Grays Inc.

41
employees at Grays Distilling

24
own brands

42%
sales from spirits

18.6%
employee turnover rate

18%
sales from wines

4.5 million L ▼17%
of alcohol produced

Power

50
employees at Terragen

0%
employee turnover rate

12.8% ▲5%
renewable energy share

95.6% ▲2%
availability on CEB network

443 GWh ▲18%
sold to CEB

Property and Leisure

72
employees at Novaterra

56
employees at *L'Aventure du Sucre*

11%
employee turnover rate

22.43 Ha ▲69%
of land developed

M² UNDER RENT:

34,644 m² ▲2%
Industrial and commercial

22,629 m² ▼9%
Residential

9,290 m² ▲8%
Office

8,182 m²
Shopping Mall

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
- 5,044 ha sugar cane fields
- 718,969 tonnes sugar cane milled

Brands
- 21,520 tonnes of molasses
- 2,948 tonnes of coal
- 420 m³ of alcohol

Power
- 241,997 tonnes of *bagasse*
- 216,355 tonnes of coal
- 5,735 tonnes of cane straw
- 16,537 tonnes *bagasse* ash

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

Topterra
- 49,267 tonnes of *vinasse*

Terrarock
- 303,282 tonnes of boulders

Thermal Valorisation Co. Ltd
- 6,471 tonnes of coal 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:

- 1,134 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:

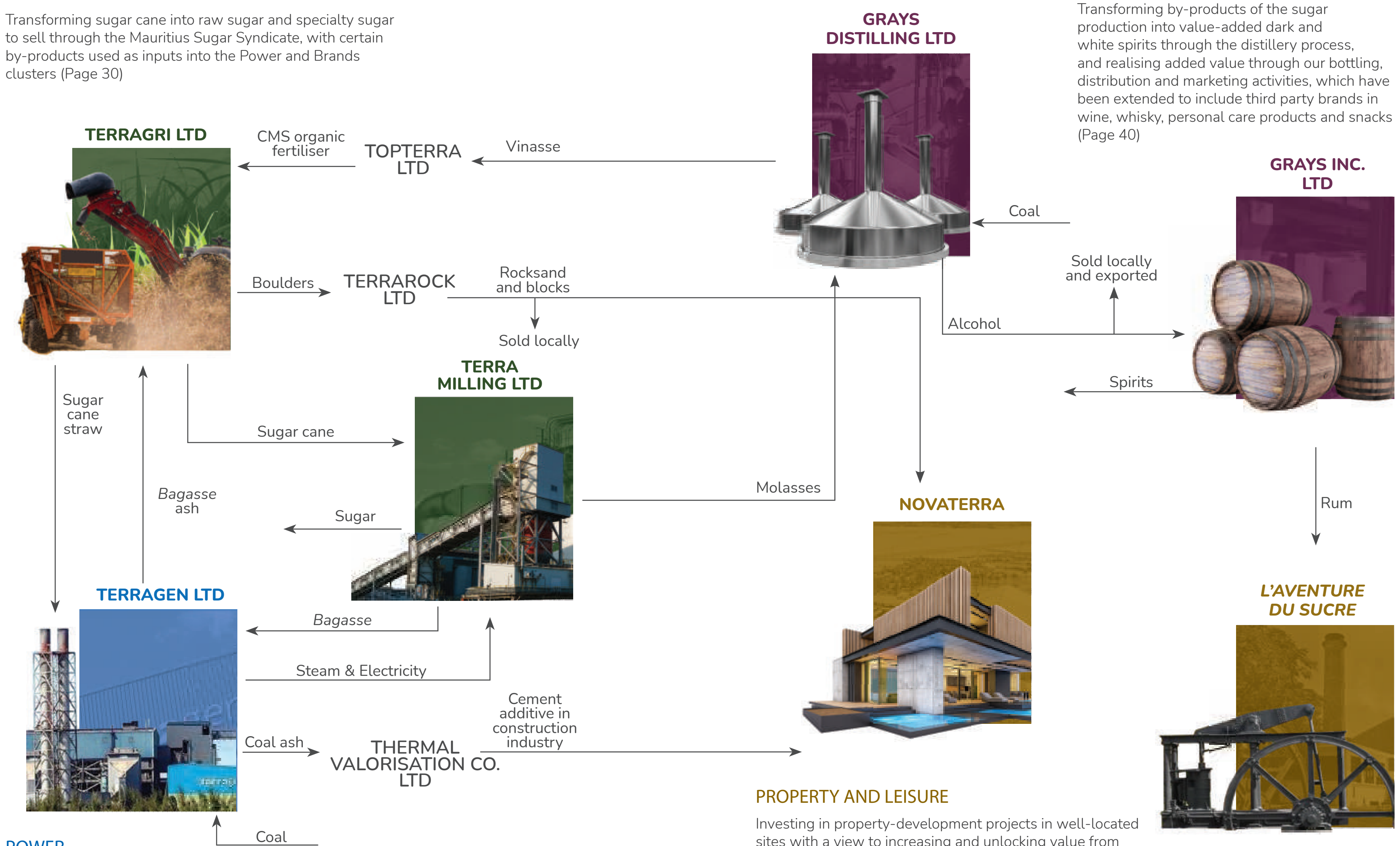
- Positive customer and tenant relationships
- Positive employee relations
- Constructive engagement with Government
- Investor confidence
- Positive supplier and partner relations
- Community trust and partnerships

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 30)

BRANDS

Transforming by-products of the sugar production into value-added dark and white spirits through the distillery process, and realising added value through our bottling, distribution and marketing activities, which have been extended to include third party brands in wine, whisky, personal care products and snacks (Page 40)



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 50)

PROPERTY AND LEISURE

Investing in property-development projects in well-located sites with a view to increasing and unlocking 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 60)

CAPITAL OUTCOMES

NATURAL CAPITAL:

- Total energy consumed: 1,132,836 GJ
- Total CO_2 emissions (scope 1): 711,750 tonnes
- Total water consumed: 4,690,744 m³
- Total fertilisers consumed: 26,553 tonnes
- Total glass bottles recycled: 1.3 million units

MANUFACTURED CAPITAL:

- MUR 250.3 million investment in property, plant and equipment

FINANCIAL CAPITAL:

- MUR 6,223.8 million turnover
- MUR 316.7 million profit after taxation
- MUR 193.4 million paid in dividends
- MUR 462.3 million reinvested in the Group

HUMAN CAPITAL:

- 1,111 employees
- MUR 1,060.6 million paid in salaries, wages and other benefits
- MUR 7.8 million in employee training and development
- 33 additional jobs provided

INTELLECTUAL CAPITAL:

- Digital transformation expenditure
- Brand development expenditure
- Certifications on quality, food safety, environmental and OHS management (see Operational Review section)
- 95.6% plant availability on CEB network

SOCIAL AND RELATIONSHIP CAPITAL:

- MUR 50.4 million paid in taxes in Mauritius
- MUR 550.3 million paid in customs and excise duty in Mauritius
- MUR 3,124.5 million paid to suppliers
- MUR 159.2 million paid to banks and other lenders
- MUR 26.3 million paid in dividends to subsidiary shareholders
- Two percent of profits directed to CSR work
- MUR 1.7 million spent by Terra Foundation
- 30 CSR projects sponsored

OUR MATERIAL RISKS

1. Specific terms of the Power Purchase Agreement (PPA) and unexpected consequences
2. Economic downturn
3. Decrease in supply of cane and by-products
4. Oversupply of properties on the market

PRODUCTS AND OUTPUTS

- 71,760 tonnes of specialty sugars
- 443 GWh of electricity sold to CEB grid
- 754,332 GJ of steam to Terra Milling
- 4.5 million litres alcohol and 24 own brands
- 22.43 ha of land developed
- m² available space for rent
  - Industrial and commercial: 34,644 m²
  - Office: 9,290 m²
  - Residential: 22,629 m²
  - Shopping Mall: 8,182 m²
- 10,711 visitors at *L'Aventure du Sucre*
- 14,460 tonnes of CMS organic fertiliser
- Cement additive for construction industry
- Rocksand and blocks

Chairman's Message

2021 was a catastrophic year in terms of the impact of Covid-19 on the economy of Mauritius. The Mauritian borders were totally closed for eight months of the year, and even the tentative openings in July and October when people could fly in without quarantine, did not ease the impact. Most significantly, Covid-19 created large-scale supply chain disruptions, affecting all our businesses. The cost of freight, particularly for sugar exported to Europe, was significantly higher, impacting our profitability. We also continued to be impacted by a serious drought, thus creating an almost perfect storm of events. Despite this tough environment, our operational performance was quite robust, thanks to the exceptional efforts of our management team to keep all our clusters going. On top of this, there were several notable wins, including the financial compensation we are now getting for *bagasse*, which has contributed to 2021 being a profitable year.

Mauritius was hit by Omicron almost immediately, which barred South African, French and Reunion Island tourists in the last quarter of the year, impacting foreign currency flows into the country. These countries have traditionally been major contributors to Mauritian tourism, so this has been a disaster for the country. Fortunately, the Government-funded wage assistance scheme helped to keep companies alive.

Our first concern has been for the safety and protection of our employees, which was reinforced during the year. Despite the various disruptions in our operations, we have had no layoffs of employees due to the Covid-19 crisis and we have also supported the community at large through the work and efforts of Terra Foundation.

We did not make any significant changes in our business strategy and kept it very much along the lines of what was already in place, adjusting it to the prevailing circumstances. Each of our four clusters had unique operational and market challenges.

OUR DIVERSIFICATION ENABLES RESILIENCE

This is the sixth consecutive year in which Terra has been implementing its strategy of optimising value from the Group's core assets across the sugar value-chain, and delivering 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. The diversification of our operations have enabled us to withstand the operational and market challenges, with improved financial results again generated by the Cane cluster; overall, operations have remained profitable in all four clusters.

The main performance highlight for this year was in the **Cane** cluster due to a combination of improved world prices on sugar, especially for specialty sugars, and significant gains in productivity through operational excellence, leading to cost reductions. Together with the compensation we are now getting for *bagasse*, this has resulted in a profitable year for the cluster despite a drought at the beginning of the year. The bold decision from Government to remunerate *bagasse*, an important cane by-product, with its fair price, represents a substantial economic boost for us and an issue that we have been campaigning on for a long time. The agreed remuneration makes all the difference between being profitable or not.

The major challenge this year has been the ongoing drought, resulting in lower sugar cane input to the factory. There were also logistical challenges with getting spare parts at a crucial time for factory maintenance. The cost of transporting sugar to our markets increased and we managed this as much as we could by opting for more affordable shipping lines. Our strategy to produce specialty sugars that carry a premium has kept us in a good position and our sugar products remain very much in demand, despite the competition globally.

Our overseas associate in Côte d'Ivoire, Sucrivoire, is still very much in the consolidation and expansion phase and we sense significant opportunities there. We remain hopeful that we will be able to work through the ongoing challenges and expect significant contributions from this investment in the coming years.

Our **Brands** cluster has shown huge resilience in a competitive environment with a lot more competitors selling spirits.

The results overall have been very encouraging despite the lower uptake from the hospitality sector. Sales have improved but unfortunately, not to the degree which we had hoped, and we also had some challenges in the reduced quantities of molasses from the sugar factory. Due to changes in ownership, we lost some brands in the snacking business, which was a fairly significant part of our portfolio, and the management team has been proactive in finding new products. Overall, we have seen great performance from Brands in a tough environment.

With the increase in our shareholding at distillery level, Terra now has greater control on these operations, which remain profitable, and this contributes to our overall cluster performance.

Chairman's Message (cont'd)

After a difficult year in 2020, our **Power** cluster returned to a production level, in line with expectations. This remains an exceptionally well-run operation, and the most competitive in terms of price and reliability amongst independent producers. Despite the very good performance this year, the prevailing contractual terms and conditions with CEB place us in a very unfavourable position, regarding raw material price increases, particularly for coal, and the cluster had to recognise an impairment of the plant and related equipment. With the substantial surge of coal prices following the outbreak of war in Ukraine, Terragen had no other option but to declare Force Majeure under its contract with CEB. The parties are currently engaged in a mediation process to try finding a workable and mutually acceptable solution to this situation.

In our **Property and Leisure** cluster we kept to our overall strategy which has been well defined to increase and provide a quality environment for people living and working in Beau Plan. Despite the huge difficulties faced by the construction sector, we have managed to keep on schedule for most of our projects, except for our retail centre Mahogany Shopping Promenade where we experienced a slight delay in the opening. We re-assessed the pace at which to deliver on some of the developments and adjusted them to cater for certain changes in legislations. All projects have been in huge demand and were sold out; we are seeing an attractive blend of sales and yielding assets for a sustainable performance. The infrastructure being implemented is of a high standard, thereby paving the way towards an even better future. We are expecting significant contributions from this cluster in the coming years.

Overall, given the commendable financial performance, we have increased the dividend paid to our shareholders back to the pre-pandemic level, with expected improvements ahead.

The most affected area of our operations was *L'Aventure du Sucre* given the restrictions on the number of people able to attend events due to Covid-19.

Our efforts to divest in non-core activities remained ongoing but have taken longer than anticipated due to the current context.

A key achievement last year was an important restructuring of our balance sheet, securing long-term finance needs at competitive rates for long-term projects. This put us on a very solid financial footing to achieve our growth targets this year.

MAINTAINING OVERSIGHT THROUGH AN EFFECTIVE BOARD

It is with great sadness to report that we lost two of our colleagues during the year, one a Board member, and the other a member of the management team, both significant contributors to the Group. Alain Vallet was an outstanding Board member, always contributing with a wisdom acquired over the several years he was with us. He had also been heading Grays for many years and worked there for decades, shaping Grays in many ways, and leaving behind a diversified and profitable organisation. He will be sorely missed as a Board member and as a friend. He was a fantastic gentleman.

As a result of a long battle with cancer, we also lost our factory manager from Terra Milling, Ajay Parsan. Ajay was one of the architects in the significant gains in productivity that our sugar operations was able to achieve over the last five years. He was a hugely respected member of the management team and will be sorely missed.

Despite the challenges in the operating environment, there have been many achievements at Board level in our 2021 financial year. We reviewed our Board Committee Charters to bring them in line with new guidelines and regulations following an exercise on charters, committees, and responsibilities. We reviewed and updated our Code of Ethics and produced several new documents on good governance, all published on the Terra website. Terra launched its e-learning platform this year and one of the first modules was on the revamped Code of Ethics. We will be regularly launching a new module on the platform.

The risk assessment exercise that was started in 2020, was fully implemented in 2021, including the development of risk heat maps for each cluster illustrating financial and non-financial risks.

With the initial support of Ernst &Young (EY), we have moved away from one central risk function to a more diversified approach, empowering each head of cluster to take responsibility for the management of inherent and residual risks. This has led to some interesting debates amongst the teams. Living in such a dynamic environment, where we are confronted with risks such as cybersecurity, each cluster taking on its own priority of these risks ultimately ensures better accountability.

OUTLOOK TOWARDS AN UNCERTAIN FUTURE

As of today, we can forecast a very challenging year ahead for Mauritius. Covid-19 remains rampant, albeit with less severe cases, and the logistics and supply chain issues faced in 2021 are likely to continue. With the current geopolitical tensions, particularly the war in Ukraine, we are already seeing a significant increase in petrol, coal and oil prices, creating major inflationary pressures on the world economy and on the economy of Mauritius. In the year ahead we expect to see a rise in interest rates, which will affect profitability and our cash flow, despite the Group not being highly geared. With such an uncertain future, it is difficult to forecast performance and we can only respond through the consistent implementation of our current business strategy. We lived through a very strange and difficult year in 2021, hoping for a major recovery in 2022, and with the prevailing global climate, there is no visibility on how long this could take.

I am confident that we have the right management structure, pool of talent, people, attitude, and the right competencies, to attain both our financial and non-financial objectives. In our Property and Leisure cluster our vision is to make Beau Plan a real showpiece of how to create an integrated living space and we have the right team to do it. Going forward, the extent and speed at which we will roll out our property projects will depend on the local and international environments. Our Cane cluster is as competitive as any other producer on the island, if not better, and in our Brands cluster the results speak for themselves. Our team is doing a great job and we are well placed in that sector. Similarly, for electricity production, we have French partners who are world class in managing operations.

We will maintain a close working relationship with the Government to find a solution for electricity supply, which remains a real challenge. Working with Government on an almost daily basis through our various clusters, has meant that we have developed very constructive means of engagement. A major success this year for our Property and Leisure cluster has been the win-win conclusion of land-swaps with Government for future developments.

We are going to remain extremely prudent in the light of what is being thrown at us. In terms of our risk profile – we will not become more risk-prone; rather we will remain prudent in the way we operate and how we finance operations. We will continue our association with the best partners and contractors across the various businesses and remain agile to respond to any logistics and supply chain problems. Cash flow will remain a key focus and all our cost containment exercises will be reinforced. We will not shy away from opportunities when they arise as it is during these tough times that some of the most important opportunities emerge. We will continue refining our strategy, continue identifying growth projects, and balancing this with our risk profile.

APPRECIATION

This was a very tough year, and all merit should go to our extremely competent management team and dedicated employees for wavering these storms with a very cool head. We never witnessed any panicking, and projects were delivered on schedule and as forecasted.

I wish to thank all members of the Board of Directors for their continuous support over 2021, their availability and willingness to engage in great discussions, not always in total agreement, but with a sense of respect for the different views held. I wish to extend, on my behalf and on Terra's behalf, a special thank you to Margaret Wong Ping Lun, who will be retiring upon closure of the Annual Meeting, for her relentless support at Board level. She has been a competent and hard-working Chair of the Audit and Risk Committee and we thank her for her contribution during these difficult times.

I also wish to extend my deep appreciation to all Terra's business partners and stakeholders, including especially those within the Government of Mauritius, for their proactive collaboration throughout the year. Our shareholders have supported us throughout, and we saw the share price go up significantly in 2021. We are glad that we have been able to come back to an appropriate level of dividend payment and that the markets are appreciative of our efforts.

Times are tough, but we are far from pessimistic. We are continuously strengthening and adjusting our Group activities and leaving no stone unturned to get the company on an even stronger footing.

Alain Rey
Chairman of the Board

07 September 2022

Managing Director's Message

Is it the end of Covid? Is it the start of a new cold war? We are in the middle of unpredictable times, and both will have a significant impact on Terra's future.

In 2020 the Group stood at a net loss after tax of MUR 210.4 million, while the company posted a profit after tax of MUR 131.5 million. In that difficult year we improved our resilience, therefore enabling us to navigate through these unprecedented times. In 2021 we are posting much better results, with a Group profit after tax of MUR 316.7 million (against a loss of MUR 210.4 million in 2020). The results would have been even better without the impairment on Terragen due to the unprecedented increases in prices of coal.

Our strategy to stay focused and to be amongst the leaders in our field has paid off. In parallel, we continued to review our investment portfolio with a view to streamlining it further and concentrating on strategic investments.

The effect of the Covid-19 pandemic on a small economy like Mauritius has been significant. The closure of borders had a large impact on the tourism industry, which accounts for some 20% of our GDP in a normal year. The lack of revenue, especially foreign currency revenue generated by tourists, seriously affected our economy, with the Mauritian Rupee depreciating against other currencies. In parallel, commodity prices increased sharply over the year, with freight costs up at unprecedented levels. Mauritius being far from its import and export markets was particularly affected both by inflation and the ocean freight issues. This not only relates to higher costs, but also to port efficiency and the availability of fewer shipping lines, which is affecting the country and in turn the activities of Terra.

The Ukraine war will put further pressure on commodity prices, which will in turn impact our activities. On one side, the erosion of the Mauritian Rupee will help our export-orientated companies. Our Cane cluster has benefited from this depreciation, but also from the fact that *bagasse* is now remunerated at a better price, combined with improved global sugar prices. As a result, the price of sugar ex-Syndicate increased from MUR 14,000 in 2020 to MUR 16,765 in 2021. Total revenue including *bagasse* and molasses has increased from MUR 15,600 per tonne in 2020 to MUR 22,000 per tonne in 2021. This could have been even better had freight costs not increased substantially.

On the other side, our Power cluster posted a loss of MUR 384.4 million due to an impairment of our assets given unprecedented increases in coal prices. The coal price is a major concern for Terragen, as revenues and profits are directly linked to it. Our current indexation formula is not adapted to the price of coal reaching certain levels. Over the last 20 years, the price of coal per tonne has oscillated between USD 50 and USD 120; with the Covid-19 crisis combined with the Ukraine war, the price has now reached more than USD 400 per tonne, which was totally unforeseen. We are currently in a mediation process with CEB to try to find a solution to this situation.

Our Brands cluster performed well in 2021. The local demand was sustained and the opening of our borders in the last three months of the year brought a breath of fresh air. We also acquired, in early 2022, the minority 33% stake in Grays Distilling shares to become the sole owner.

Our Property and Leisure cluster exceeded its forecast and posted a profit of MUR 92.3 million in 2021 (compared to a profit of MUR 20.5 million in 2020). Projects have been in good demand and were sold out. Despite the huge difficulties faced by the construction sector, we have managed to keep on schedule the implementation of most of our projects.

In my message to shareholders last year, I highlighted that our strategy would need to be constantly reviewed as we navigate in such unpredictable times. Our compelling three-year strategic plans that provide a clear vision for the Group to deliver long-term value, were adapted to the prevailing Covid-19 context. The agility of each of our clusters, facilitated by the restructuring that took place a few years ago and supported by the strong teams in place, showed the alignment across the executive team and Directors during this tough year, and how well these structures continued to work.

CANE: IMPROVED PROFITS DESPITE BEING A DROUGHT YEAR

This is the second year that the north of the island has been experiencing a drought, resulting in reduced sugar production in 2021, following an already tough year in 2020.

On the positive side, higher world sugar prices have helped the Cane cluster to post a profit of MUR 105.3 million for the year, compared to MUR 40.3 million in 2020.

Managing Director's Message (cont'd)

The sugar industry is now at a crossroad. The World Bank report on the future of the industry has been approved by Government and has clearly pointed out the importance of taking bold steps to revive our sector. Covid-19 has also shed some light over how critical our industry is to the economy of Mauritius. The Government has already announced better *bagasse* prices and the construction of a modern storage facility to improve competitiveness. These bold measures will hopefully put an end to the decline in sugar production in Mauritius. The Government has set a target of going back to 400,000 tonnes of sugar production per year. As a country, our production has reached a dramatical low level of 255,000 tonnes.

Our Côte d'Ivoire operations faced a difficult year in 2021 partly due to climatic conditions and increased costs. We expect 2022 to be another challenging year. Our key focus is to increase production of sugar from 91,000 tonnes to 120,000 tonnes in 2024 to satisfy local demand and at the same time reduce the cost of production.

BRANDS: IMPROVED RESULTS

We obtained better results in our Brands cluster in 2021 due to strong local demand and the opening of borders. All our top brands performed well and the efforts on cost cutting in 2020 bore fruit in 2021. We also became the sole shareholder of Grays Distilling in early 2022.

This is the second year of a short sugar crop and with decreased molasses volumes, this impacted performance at the distillery, leading to a decrease in profitability. Nevertheless, with the new fermentation house that became operational in the second half of the year we have automated a lot of processes, which has improved efficiency in the production of alcohol. Our main concern remains a much-needed improvement in volumes of sugar cane.

Major supply chain issues in Mauritius over the past 12 months – including the lack of service lines coming to the island and containers taking three times longer to get here, as well as poorer efficiency of the port – presented significant logistical problems for Grays. This impacted on the import of finished goods and raw materials, as well as the export of finished products. Despite this, we still had a fair performance.

POWER: COAL INDEXATION

The extension of our Power Purchase Agreement (PPA) with the CEB, signed in 2020 for five years, ends in June 2025. This extension unfortunately, does not incorporate a full pass-through formula or coal.

The imbalance of the coal element in the price sold to the CEB has and will cause great prejudice to Terragen in the face of commodity price increases. Coal price per tonne moved above USD 400 in March 2022, against an average price of USD 75 over the last 20 years.

In the circumstances, Terragen had no other option but to declare Force Majeure under the PPA with CEB and suspended its operations on 29 April 2022. Operations resumed at the beginning of the crop season, on 27 June 2022, using *bagasse* to generate electricity, and the parties are currently engaged in a mediation process to seek a workable solution.

In parallel, the Government has set an ambitious goal of producing 60% of its energy from renewable sources by 2030 and we have submitted a plan to phase out coal by then. The CEB has 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 now waiting for the authorities to engage in the process. We are also awaiting the biomass framework to be enacted to better understand how all renewable sources will be remunerated in the future.

PROPERTY AND LEISURE: WE CONTINUE TO DEVELOP AND INVEST FOR THE FUTURE

Our Property and Leisure cluster continued to be impacted by Covid-19, with a second lockdown at the beginning of the year stopping construction operations, delaying the opening of our retail centre Mahogany Shopping Promenade to 24 June 2021. The launch nevertheless, went very well, with 200,000 visitors on average per month, exceeding our initial plans.

The cluster posted a profit of MUR 92.3 million due to higher revenues on land sales, improved sales of non-strategic land, duplex, apartments, and better than expected performance at Mahogany Shopping Promenade.

We saw the successful sale of all our projects, three outside the Smart City and the launch of two projects within the Smart City.

The financial performance of *L'Aventure du Sucre* improved with reduced losses of MUR 10 million (compared to losses of MUR 20 million in 2020).

INVESTMENTS

Our associate in the insurance industry, Swan General Ltd, remained resilient during the year and net profits attributable to Terra amounted to MUR 254.0 million (MUR 213.1 million in 2020). We acquired part of the shares of Grinaker LTA in Rehm-Grinaker Construction Ltd, and the latter was considered as a subsidiary as of July 2021. Our investments performed much better in 2021 with less impairments, and our strategy of divesting our non-core assets and activities is going well.

OUTLOOK

The year ahead will be focused on getting through these unpredictable times. I am confident that we have the right teams in place to achieve this objective. We are expecting better results in 2022.

The real estate cluster will post better results, with major sales in apartments and serviced plots. Construction of the 10,000 square meter business park has begun, and we will continue to tailor our offering at our Mahagony Shopping Promenade, that started well in 2021 with a strong base of visitors. Our strategic move to create a vibrant Smart City in Beau Plan will reap benefits in the coming years.

In terms of Brands, given the very high prevailing inflation we will be taking a cautious approach on local demand as this will likely decline. We hope that with the opening of borders and tourists coming in, this will mitigate any loss in local demand.

We are cautiously optimistic in terms of our Cane cluster; we hope that we have seen the end of the droughts from the last two years, and with a normal crop year we can post better results in 2022. Terragri will benefit both from better world sugar prices and its improved efficiency. We need to look to the future to sustain the sugar industry. With our 100% specialty sugars, the volume of cane will be critical for the future. The MSS has also asked for better protection of the Mauritian market, which will bring additional revenues.

Terragen and our contract with the CEB remains the most pressing concern, especially in the face of increasing commodity input prices.

As announced in the National Budget Speech in June 2021, the long-awaited pricing for *bagasse* (MUR 3,300 per tonne of sugar) was effective as from the 2021 crop season. This provided a new boost to the industry that continues to contribute positively to the national economy.

A good biomass framework that incentivises all producers to plant more is very much needed, and we will work together with the authorities to make this happen. We are grateful to the Minster of Agriculture for acting promptly and swiftly to the recommendations of the World Bank report. Terra being a major player in the sugar industry will give its full support to revive the industry and work closely with authorities. We are still at a critical crossroad and many more bold steps and actions will be needed to achieve the production of 400,000 tonnes of sugar per year.

ACKNOWLEDGEMENTS

During these difficult times we required agility within amongst our workforce, with many employees facing challenging circumstances when working remotely.

I wish to express my appreciation and gratitude to my colleagues on the executive and the management teams in each of the clusters, as well as to Terra's employees at all levels in the Group, for their resilience and unflinching commitment in these difficult and unusual times. The results have shown that Terra has a highly professional team, and we can build on this for the future. I would also like to thank my colleagues on the Board for providing valuable advice and oversight, and for taking important decisions on investments for the future. The Board members have provided incredible support amidst the Covid-19 crisis and shown us that they have full confidence in our business strategy and its implementation.

The fact that we have been able to generate profits during this tough period is commendable.

I would also like to thank all the authorities with which we engage, through our various business clusters. We have better working relationships today and we sincerely hope that this will continue.

I am more confident than ever that we have the right structure, people, know-how and business plans in place to capitalise on our expertise and create long-term value for our shareholders and other stakeholders.

We will continue to adapt, to be agile and to ride the storm(s)!

Nicolas Maigrot
Managing Director

07 September 2022

Financial Review

Group turnover for 2021 increased by MUR 1,471.6 million, to MUR 6.2 billion, while Group profits for the year stood at MUR 316.7 million, an increase of MUR 527.1 million from the loss of MUR 210.4 million in 2020. All Group clusters posted improved results other than the Power cluster which, despite good operational performance in 2021, had to book a substantial impairment of MUR 535.9 million caused by unprecedented increases in coal prices. Overall Group results were negatively impacted by total non-recurring items of MUR 396.7 million, made up of total impairment of MUR 536.3 million, but mitigated by net favourable fair value movement on investments of MUR 99.8 million and profit on disposal of an associate for MUR 39.8 million.

Net Asset per share at 31 December 2021 was MUR 62.2, up from MUR 59.7 in 2020. The Group's balance sheet remains strong, with owners' interest at MUR 14.2 billion and Group gearing remaining at the reasonable level of 22.8%. The financial position allows us to pursue our investment strategy, and to remain resilient.

AUDIT OPINION

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

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

Sucrivoire's share of net assets as at 31 December 2021 was MUR 713.2 million, representing 3.2% of Terra Mauricia's total assets, which are worth MUR 22.3 billion.

GROUP PROFITABILITY IMPACTED BY IMPAIRMENT ON POWER PLANT

Group profitability was impacted by impairment losses on Terragen and Sucrivoire's unfavourable variance on standing crop.

Gross profit for the Group increased by 29.9% to MUR 1.4 billion, while Group normalised EBIT increased by MUR 315.8 million to MUR 622.5 million. This increase is mainly attributable to improved profitability derived from most of the clusters.

Our local sugar operations recorded a profit of MUR 235.3 million, driven by continuous improvements in operational efficiency and cost of production, coupled with an increase in sugar price of MUR 2,703 per tonne for the 2021 crop, which reached MUR 16,765 per tonne. Our associate in Côte d'Ivoire had a subdued crop in 2021 and recorded an unfavourable variance on standing crop, which resulted in a loss of MUR 130.0 million (2020: profit of MUR 46.4 million). This contributed to the Cane cluster posting an overall profit of MUR 105.3 million, compared to MUR 40.3 million in 2020.

Despite good operational results, including an 18% increase in electricity generation year-on-year, the best record in Terragen's history, the Power cluster had to recognise an impairment of the plant and related equipment, for an amount of MUR 535.9 million. This impairment was a result of the unprecedented increases in coal prices and the uncertainties of the current economic environment leading to a reassessment of the carrying value of the plant at reporting date. The cluster therefore posted losses of MUR 384.4 million, compared to profits of MUR 35.8 million in 2020.

Brands increased its profitability from MUR 102.2 million to MUR 136.5 million, mainly attributable to Grays Inc.'s resumption of sales to the hospitality sector, which had been closed for most of the previous trading period, following the outburst of the Covid-19 pandemic.

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

At Group level, finance costs for the year stood at MUR 159.2 million, down from MUR 173.0 million, mainly because of lower losses in foreign exchange. The share of profits from associates increased by MUR 41.3 million to reach MUR 290.5 million.

Group profits for the year amounted to MUR 316.7 million, while profit attributable to equity holders of the Company amounted to MUR 462.3 million in 2021 due to more profits generated in entities where the Group holds a bigger stake, compared to losses of MUR 268.9 million in 2020. Consequently, earnings per share of MUR 2.03 were recorded compared to a loss per share of MUR 1.18 last year.

	2021 MUR' M	2020 MUR' M	CHANGE %
Revenue	**6,223.8**	4,752.2	31.0%
Profit / (loss) before finance costs (EBIT)	**164.1**	(93.8)	274.9%
Adjusted for:			
Fair value gain / (loss) on non-current asset held for sale	**(77.0)**	314.0	(124.5%)
Impairment loss on financial assets	**59.5**	64.2	7.3%
Impairment loss on non-financial assets	**536.3**	22.3	2,304.9%
Reversal of impairment loss on financial asset	**(60.4)**	-	100.0%
Normalised EBIT	**622.5**	306.7	103.0%
Profit / (loss) after tax	**316.7**	(210.4)	250.5%
Earnings / (loss) per share (EPS)*	**2.03**	(1.18)	272.0%
Net asset value per share (NAV)*	**62.2**	59.7	4.2%
Gearing**	**0.228 : 1**	0.223 : 1	
Dividend per share*	**0.85**	0.57	49.1%

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

STRONG BALANCE SHEET MAINTAINED, AND INCREASED DIVIDENDS PAID

The Group invested an additional MUR 250.3 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 increased by MUR 671.7 million to MUR 4.3 billion, and our total assets reached MUR 22.3 billion, almost on par with last year.

Owners' interest increased by MUR 565.9 million to MUR 14.2 billion, mainly due to profits realised and higher reserves on investments.

Group net debt amounted to MUR 3.7 billion, an increase of 5.2 % over last year. Net debt to equity is at 24.0% and remains low in terms of the overall Group's borrowing capacity.

Net asset value increased by MUR 2.50 per share to MUR 62.2 per share. Market capitalisation of the Group was at MUR 7.0 billion as at 31 December 2021. The Company paid a dividend of MUR 85 cents 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 507.7 million, while net cash used in investing activities stood at MUR 462.9 million. The investments were mainly in property, plant, and equipment (MUR 250.3 million), purchase of investments properties (MUR 375.4 million), and intangible assets acquired (MUR 3.4 million).

Terra also applied funds towards equity investments in Inside Equity Fund (MUR 50.1 million), United Docks (MUR 28.8 million), Thermal Valorisation (MUR 19.5 million), Swan Life (MUR 10.9 million), Rehm Grinaker (MUR 18.7 million) and made a deposit on investments of MUR 82.9 million.

Cash inflows were mainly derived from proceeds realised on the sale of land (MUR 190.7 million) and fixed assets (MUR 15.9 million). Other cash inflows consisted of proceeds on sale of investment properties (MUR 63.7 million), proceeds on sale of investments (MUR 94.6 million), interest received and minor other proceeds of (MUR 12.2 million).

Financial Review (cont'd)

SALIENT CASH FLOW MOVEMENTS (CONT'D)

The net cash used in financing activities amounted to MUR 35.0 million; this consisted mainly of funds raised from financial institutions (MUR 184.7 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 219.7 million, compared to MUR 206.5 million last year.

After taking into consideration the above transactions, overall cash and cash equivalents increased by MUR 9.8 million and stood at MUR 472.4 million.

OUTLOOK FOR 2022

The IMF is projecting a real GDP growth of 6.1% in 2022 for Mauritius. Following a sharp contraction due to the pandemic, the Mauritian economy is gradually recovering with many economic sectors reaching pre-pandemic levels. Economic recovery is expected to continue to be driven essentially by the tourism sector with tourist arrivals projected to reach around 800,000 in 2022 (60% of pre-pandemic levels). With the deterioration in global economic conditions, there is however some degree of uncertainty surrounding our growth outlook.

Annual inflation is expected to rise to 11.4% in 2022 as Mauritius continues to be impacted by surging commodity prices worldwide, supply chain disruptions and depreciation of the rupee.

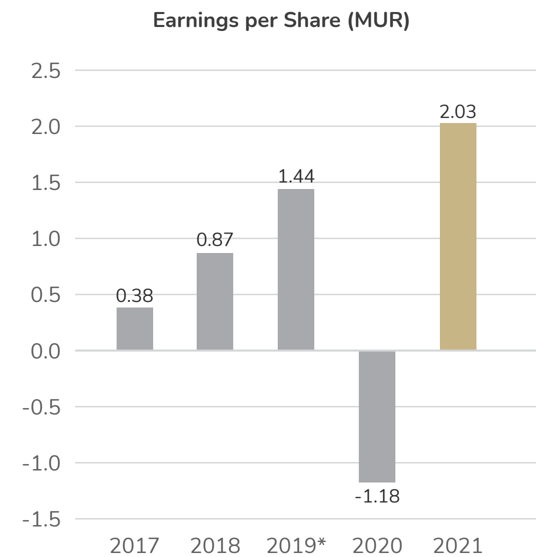
Most clusters, including our main associates, are expected to post improved results for the financial year 2022. The demand for the property projects that we are launching at Beau Plan and on other sites remains encouraging. The Mahogany Shopping Promenade is performing satisfactorily, and the construction of a 10,000 square meters Office Park next to the Mahogany Shopping Promenade is progressing well and is scheduled to be completed in the first quarter of 2023. As announced in the National Budget speech in June 2021, the remuneration of *bagasse* has been implemented and contributes towards the sustainability of the sugar cane industry. Sugar operations in Côte d'Ivoire were hampered by a drought and disease in cane fields which caused a dropped in sugar production. The focus remains on increasing production and upgrading the sugar milling facilities over the next five years, as planned to cater for local demand. Terragen remains a reliable energy producer in Mauritius and is presently studying how best to address the recent hikes in coal prices and the uncertainties caused by the conflict between Russia and Ukraine, which has exacerbated the matter, causing the price of coal to reach record high levels. In the circumstances, Terragen had no other option but to declare Force Majeure under the Power Purchase Agreement with CEB and the parties are currently engaged in a mediation process to seek a workable solution.

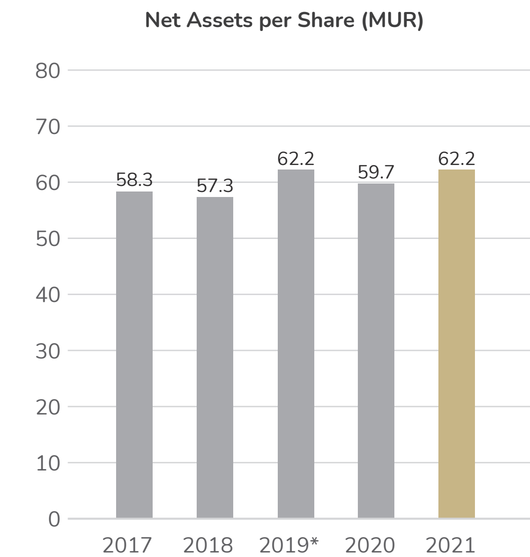
Terra will pursue its strategy of investing in, and improving the efficiency of, its core activities including built-up projects and the relating infrastructure of the zones under development. Our efforts and attention remain dedicated to improving our EBITDA margin and the overall Group return on equity, and to improve free cash flow generated from operations.

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.

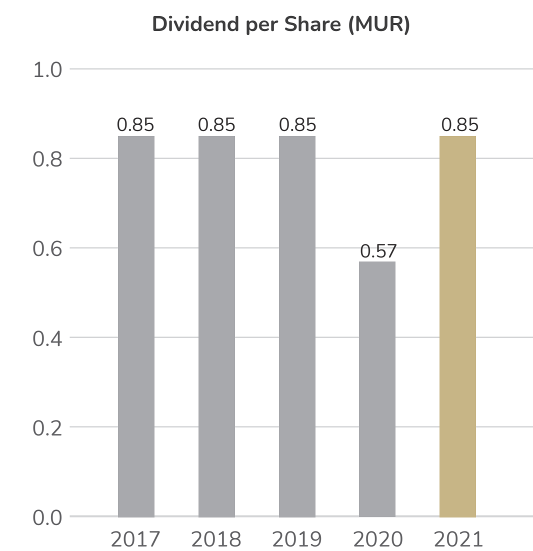
Henri Harel
Group Chief Finance Officer

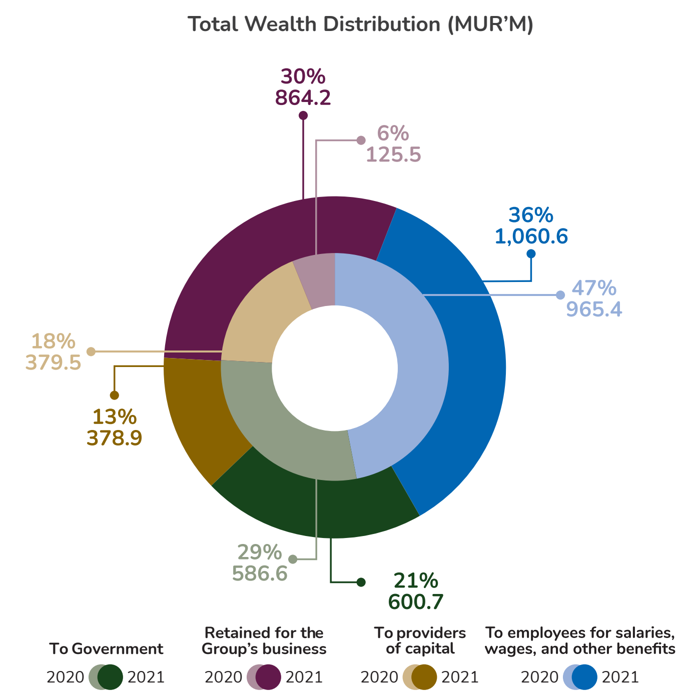
07 September 2022





The 2019 figures have been restated





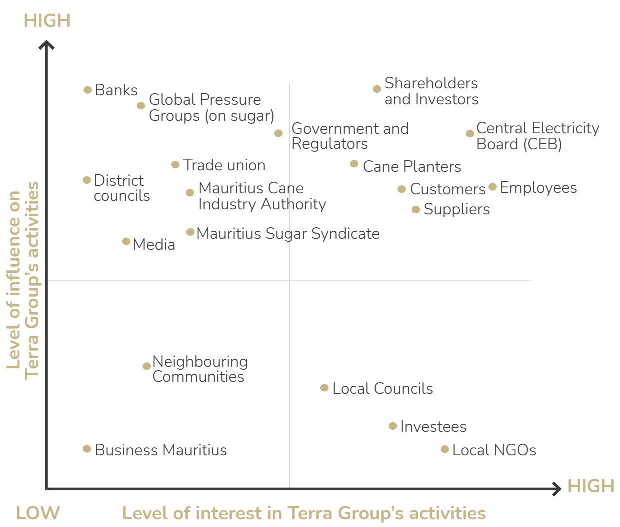
Our Stakeholder Relationships

Our ability to deliver value depends ultimately on the contribution and activities of a range of different stakeholders, and on the nature and quality of the relationship that we have with these stakeholders at both a Group and individual cluster level. There are many various stakeholders who have an interest in, and who can exert some influence over our decisions and activities. The nature and impact of these different stakeholder relationships vary significantly between each of our clusters.

In the diagram below, we briefly outline those stakeholder groups that we believe have the most substantive impact on the ability of Terra, as a whole, to create value over the short, medium and long-term. We have prioritised these stakeholders, informed by our assessment of their level of interest and dependency on our activities, and by the extent to which they can influence the development and execution of our strategy.

In the accompanying tables we briefly review the 'value contribution' of each stakeholder group to Terra, summarise how we engage with that group, identify their priority interests relating to our activities, and provide our assessment of the quality of our current engagement activities with that stakeholder group. Additional context on these stakeholder relations is provided in each cluster review.

Terra's stakeholders map



	VALUE CONTRIBUTION	HOW WE ENGAGE	KEY STAKEHOLDER INTERESTS	
EMPLOYEES	The skills, experience, productivity and enthusiasm of our employees is the foundation of Terra's ability to deliver value.	In addition to internal newsletters and website, we have periodic management/employee meetings, individual personal interactions and training. We run surveys every two years with our employees to assess the levels of employee engagement and remuneration. No surveys were undertaken in 2021 due to Covid-19 but are planned for 2022. In two clusters (Property and Leisure and Cane) we have continued to embed culture engagement journeys, instilling certain values into their operations to co-create a working culture. In our Cane cluster we negotiate with trade unions upon expiry of the collective agreements in place, generally every three years.	• Competitive remuneration • Opportunities for personal development and upskilling • Clear career paths • 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 ****
SHAREHOLDERS AND INVESTORS	Shareholders and investors provide the financial capital needed to sustain and grow the business. An overview of the shareholding ownership structure is provided on page 99.	We communicate through our website, annual integrated report and annual general meeting regarding our performance and strategy. Announcements and communiqués are regularly issued through the Stock Exchange. Certain members of the executive team also meet personally with individual investors. The Chairman and four other members of the Board are also members of the Board of the main shareholder.	• 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	Quality of our current engagement ***
GOVERNMENT AND REGULATORS	Government and regulators provide us with necessary operating licences, and with the regulatory and policy framework that is critical to value creation. They inform what we can do, how we do it, and where we can operate.	We seek to maintain positive relationships with Government through: • Direct personal engagement on specific issues; • Mauritius Cane Industry Authority (MCIA) representative (Control Board) permanently on site (in sugar factory); • A specialised team in Property and Leisure cluster • Participation in public forums; • Submissions on draft regulations; • Engagement through industry bodies; and • Collaboration on national development plans.	• Ensuring regulatory compliance • Protecting consumer interests • Contribution to the tax base • Promoting opportunities for job creation and economic development • Increased production of sugar • Corporate Social Responsibility • Climate change mitigation / green energy • Flood mitigation • Independent sources of electricity and water (property development)	Quality of our current engagement ***
INDUSTRY ORGANISATIONS	Engaging with these organisations is key to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.	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. The presidency of the MSS is shared on a rotational basis amongst the Managing Directors of the sugar companies and we engage with the MSS on a weekly basis. 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 private sector • Sustainability	Quality of our current engagement *****
SUPPLIERS / SERVICE PROVIDERS	Maintaining positive supplier relationships, based on mutual respect, enables us to provide our products, and deliver our customer value proposition efficiently and effectively.	We engage regularly with key suppliers and service providers across our clusters to ensure a mutually beneficial relationship, particularly in relation to the provision of critical products, raw materials and services.	• Timely payment and fair terms • Realising joint opportunities for growth • Fair negotiations in relation to increasing cost of materials	Quality of our current engagement ****
CUSTOMERS	Meeting the needs of our customers – through the specific 'customer value proposition' for each cluster – is the basis for all other values we create. We have a diversity of customers, from wholesale and retail operations to individual consumers across a range of income groups and countries.	The nature of our engagement varies across clusters and customer type. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements, as well as broader customer surveys and research. In-house communication and other strategic teams ensure we remain connected to customers and are quick to respond.	• Quality product and service • Appropriate price • Continuity of supply • Relevant product information • Partner relationships (tenants) • Better rates per square meter (tenants) • Multiple internet providers and mobility (Smart City) • Tailored customer offering (mall) • Energy savings (tenants)	Quality of our current engagement ****
CENTRAL ELECTRICITY BOARD (CEB)	The CEB is our principal client for energy generated at Terragen; we strive to maintain this relationship on a long-term basis by providing a reliable and cost-effective supply of energy, and supporting the Government in its commitment for greener energy.	We maintain a strong and transparent relationship with our client through various communication channels: telephone, meetings, and satisfaction surveys.	• The reliable and cost-effective supply of energy • Open communication on plant performance • Increase the share of renewable energy in the energy mix of the country	Quality of our current engagement ****
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 current price challenges farmers are leaving the sector, and there is low interest in the younger generation.	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 them to be more efficient and help with their harvesting and transport. We also engage regularly with authorities to identify opportunities to appropriately motivate the next generation of planters.	• 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 in regard to efficiency, harvesting and transport	Quality of our current engagement ****
LOCAL COMMUNITIES	These stakeholders provide us with our reputation and societal legitimacy, and are often very valuable partners in highlighting challenges to be addressed and finding solutions, including investments in projects.	We communicate and engage directly with neighbouring communities through Terra Foundation and our individual business units to promote community development at both a regional and national level and ensure good communications regarding environmental issues. We also publish and distribute a newspaper to provide information about developments in Beau Plan. Our national campaign to stop criminal fire burning was launched in 2021 working in collaboration with the Commissioner of Police and the Fire Brigade. The campaign aimed to address misinformation and inform the public that most fires are criminal. It also focused on the environmental impact of fires, the danger to the public and the impact on the economy.	• 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	Quality of our current engagement ****

*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 often at an individual rather than organisational level.

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

****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 governance processes with links to strategic objectives; in depth response mechanism implemented.

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 in the list below. Cluster-level risks are shown in their respective operational review.

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 newly designated 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 102 to 106.

The main residual risks at Group level as at 31 December 2021 are summarised in the list below. Residual risks relate to risks that remain after risk mitigating activities have taken place.

	RISK	CONTRIBUTING FACTORS	RISK MITIGATING ACTIVITIES	YEAR ON YEAR TREND
R1	Unexpected 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. • Continue to be a reliable and very competitive supplier of electricity to CEB.	New
R2	The risk that the Group is exposed to the consequences of an economic downturn and decline in consumer spending.	• Erosion of purchasing power of local buyers. • Lack of visibility over timing and speed of recovery from pandemic. • Disruption in the supply of imported items. • Loss of sales from the tourism sector. • Loss of tenants due to the impact of the recession. • Increased construction costs.	• Diversified business portfolio helps cushion the impact of a downturn. • Containing capital investment and operational expenses to what is essential. • Some of our businesses are not directly impacted by the pandemic.	Unchanged
R3	The risk that 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	The risk of 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