

TERRA MAURICIA LTD

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

GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

GROUP ABRIDGED AUDITED STATEMENTS OF FINANCIAL POSITION

	THE GROUP		RESTATED THE GROUP	
	2020	2019	2020	2019
	MUR'M	MUR'M	MUR'M	MUR'M
ASSETS				
Non-current assets	17,252.5	16,664.6		
Current assets	3,232.5	3,463.0		
Non-current asset classified as held for sale	291.5	580.7		
Total assets	20,776.5	20,708.3		
EQUITY AND LIABILITIES				
Capital and reserves				
Owners' interest of the Company	13,593.5	14,164.3		
Non-controlling interests	975.4	1,019.9		
Total equity	14,568.9	15,184.2		
Non-current liabilities	3,796.1	1,109.8		
Current liabilities	2,411.5	4,414.3		
Total equity and liabilities	20,776.5	20,708.3		

GROUP ABRIDGED AUDITED STATEMENTS OF PROFIT OR LOSS

	THE GROUP		RESTATED THE GROUP	
	2020	2019	2020	2019
	MUR'M	MUR'M	MUR'M	MUR'M
Turnover	4,752.2	5,047.3		
Profit before finance costs, impairment and share of results of associates	220.2	437.9		
Fair value (loss)/gain on non-current assets classified as held for sale	(314.0)	77.1		
Net finance costs	(161.7)	(118.0)		
Share of results of associates	249.2	236.8		
Impairment of associates	(181.8)	(120.1)		
(Loss)/profit before taxation	(188.1)	513.7		
Taxation	(22.3)	(67.1)		
(Loss)/profit for the year	(210.4)	446.6		
(Loss)/profit attributable to:				
Owners of the Company	(268.9)	328.7		
Non-controlling interests	58.5	117.9		
	(210.4)	446.6		

DATA PER SHARE

	2020	2019
	MUR	MUR
BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE - MUR	(1.18)	1.44
NET ASSETS PER SHARE - MUR	59.74	62.25
NUMBER OF ORDINARY SHARES IN ISSUE	227,545,624	227,545,624

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

	2020	2019
	MUR'M	MUR'M
(Loss)/profit for the year	(210.4)	446.6
Other comprehensive income for the year	(191.6)	1,082.2
Total comprehensive income for the year net of tax	(402.0)	1,528.8
Total comprehensive income attributable to:		
Owners of the Company	(434.5)	1,374.7
Non-controlling interests	32.5	154.1
	(402.0)	1,528.8

GROUP ABRIDGED AUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the company					
	Stated Capital	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2020	11,976.0	1,416.0	641.7	14,033.7	1,019.9	15,053.6
- As previously stated	-	64.7	65.9	130.6	-	130.6
- Effect of prior year adjustments	-	-	-	-	-	-
- As restated	11,976.0	1,480.7	707.6	14,164.3	1,019.9	15,184.2
Loss for the year	-	-	(268.9)	(268.9)	58.5	(210.4)
Other comprehensive income for the year	-	(165.6)	-	(165.6)	(26.0)	(191.6)
Release on disposal of land	-	(15.0)	15.0	-	-	-
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	(1.4)	(1.4)	(0.2)	(1.6)
Other movements	-	7.7	(12.9)	(5.2)	-	(5.2)
Dividends	-	-	(129.7)	(129.7)	(76.8)	(206.5)
Balance at December 31, 2020	11,976.0	1,307.8	309.7	13,593.5	975.4	14,568.9
At January 1, 2019	11,976.0	427.4	605.3	13,008.7	983.5	13,992.2
Profit for the year	-	-	328.7	328.7	117.9	446.6
Other comprehensive income for the year	-	1,046.0	-	1,046.0	36.2	1,082.2
Transfers through other comprehensive income	-	7.5	(7.5)	-	-	-
Release on disposal of land	-	(2.3)	2.3	-	-	-
Other movements	-	2.1	(27.8)	(25.7)	(2.4)	(28.1)
Dividends	-	-	(193.4)	(193.4)	(115.3)	(308.7)
Balance at December 31, 2019	11,976.0	1,480.7	707.6	14,164.3	1,019.9	15,184.2

GROUP ABRIDGED AUDITED STATEMENTS OF CASH FLOWS

	THE GROUP		RESTATED THE GROUP	
	2020	2019	2020	2019
	MUR'M	MUR'M	MUR'M	MUR'M
Net cash from operating activities	840.0	127.3		
Net cash used in investing activities	(1,004.9)	(523.7)		
Net cash from financing activities	146.2	491.5		
(Decrease)/increase in cash and cash equivalents	(18.7)	95.1		

MOVEMENT IN CASH AND CASH EQUIVALENTS

	2020	2019
	MUR'M	MUR'M
At January 1,	451.6	356.5
(Decrease)/increase	(18.7)	95.1
At December 31,	432.9	451.6

NOTES

1: The Group abridged audited financial statements for the year ended December 31, 2020 have been prepared in line with International Financial Reporting Standards, except for the adoption of the relevant amendments to published Standards, Standards and interpretations issued, now effective.

2: AUDITORS' REPORT

The Group abridged audited financial statements for the year ended December 31, 2020 have been extracted from the annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Act 2001 and the Financial Reporting Act. The independent auditors' report for the consolidated financial statements was issued with an 'except for' qualification.

Basis for Qualified Opinion

Consolidated financial statements

The Group has an associate, Sucrivoire S.A, ('the Associate'), whose operations are in Côte d'Ivoire. The Associate is accounted for using the equity method. For the year ended December 31, 2020, the share of the net assets of the Associate was MUR 861.4 M (representing 27.9% of total investment in Associates and 4.1% of total assets), and the share of profit from this Associate was MUR 46.4 M. The auditors were unable to obtain sufficient appropriate audit evidence regarding the financial information of the Associate. This matter was similarly qualified for the year ended December 31, 2019. For this reason, the auditors' opinion for the current year financial statements is also modified as a result of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures. Additionally, the reported prior year share of the net assets and share of profits were restated. The auditors were unable to obtain sufficient audit evidence on the adjustment of the share of net assets of the Associate, for the same reasons set out above.

3: SEGMENT INFORMATION

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

THE GROUP

2020

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

THE GROUP

2019 - Restated

	CANE MUR'M	POWER MUR'M	BRANDS MUR'M	PROPERTY & LEISURE MUR'M	OTHERS MUR'M	GROUP TOTAL MUR'M
External revenues	1,026.4	1,294.7	2,288.5	214.0	223.7	5,047.3
Segment (loss)/profit after finance costs	(151.6)	186.4	144.7	250.6	(110.2)	319.9
Fair value gain on non-current assets classified as held for sale	-	-	-	-	77.1	77.1
Share of results of associates	(63.1)	(2.6)	35.2	18.6	248.7	236.8
Impairment of associates	-	-	(18.3)	-	(101.8)	(120.1)
(Loss)/profit before taxation	(214.7)	183.8	161.6	269.2	113.8	513.7
Taxation	10.8	(23.4)	(25.9)	(0.5)	(28.1)	(67.1)
Net (loss)/profit	(203.9)	160.4	135.7	268.7	85.7	446.6

Total assets

	December 31, 2020	December 31, 2019
December 31, 2020	8,273.2	1,769.9
December 31, 2019	8,205.6	1,823.7

Year ended December 31, 2020

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

Year ended December 31, 2019

	CANE MUR'M	POWER MUR'M	BRANDS MUR'M	PROPERTY & LEISURE MUR'M	OTHERS MUR'M	TOTAL MUR'M
Sale of goods	969.3	-	2,273.6	-	209.3	3,452.2
Sale of electricity	-	1,294.7	14.9	-	-	1,309.6
Sale of properties	-	-	-	33.6	-	33.6
Revenue from services	57.1	-	-	180.4	10.8	248.3
Dividend income	-	-	-	-	3.6	3.6
	1,026.4	1,294.7	2,288.5	214.0	223.7	5,047.3

COMMENTS ON GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

GROUP RESULTS

Group turnover for 2020 decreased by MUR 295.1M, to MUR 4.8 B from MUR 5.1 B in 2019. Despite the Covid-19 pandemic, all Group clusters except the "others" cluster were resilient in 2020. The pandemic had a negative impact mainly on the Brands and Property & Leisure clusters as a direct consequence of the closure of our borders. The Group's financial performance includes unrealised impairment losses of MUR 495.8 M on investments and MUR 22.3 M on goodwill. These impairments had a very substantial impact on overall profitability and Group losses for the year stood at MUR 210.4 M. (as compared to a restated Profit of MUR 446.6 M in 2019).

The Group's net assets for 2019 have been restated favourably by MUR 130.6 M to reflect our share of adjustment arising in Sucrivoire 2019 audited results which were communicated to us after the approval of Terra Mauricia 2019 audited financial statements. Net Asset per share at 31 December 2020 was MUR 59.74 (2019 restated is MUR 62.25). Owners' interest decreased by 4.0% to reach MUR 13.6 B.

Audit opinion

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

Sucrivoire S.A's financial statements for the period under review are audited by qualified auditors in Côte d'Ivoire. Our Group auditor, BDO, did not consider having received sufficient comfort on time from the auditors of Sucrivoire S.A. and accordingly deemed it appropriate to qualify our 2020 audit report.

Sucrivoire S.A's share of net assets as at 31 December 2020 was MUR 861.4 M. Of note, the net asset value of Sucrivoire S.A. represents only 2.2% of Terra Mauricia's total assets which are worth MUR 20.8 B.

CANE

In light of continuous improvement in operational efficiency and cost of production coupled with an increase in sugar price of MUR 2,616 per tonne for the 2020 crop, local sugar operations managed to nearly break even. Our associate in Côte d'Ivoire had a better crop in 2020, which resulted in a profit of MUR 46.4 M (restated 2019: losses stood at MUR 63.1 M). The above resulted in the cane cluster posting an overall profit of MUR 40.3 M (2019 restated losses MUR 203.9 M).

POWER

The profit for the year for this cluster decreased by MUR 124.6 M to MUR 35.8 M (2019: MUR 160.4 M), mainly due to revised tariffs following the coming into effect of a new offtake agreement with the CEB on the one hand and to losses incurred by an associate company within the cluster.

BRANDS

The decrease in profitability of MUR 33.5 M to MUR 102.2 M, is mainly attributable to Grays Inc reduced sales to the hospitality sector which was closed for most of the trading period in 2020 following the outbreak

of the Covid-19 pandemic. The impact of this loss was however mitigated to a certain extent by improved results of Grays Distilling.

PROPERTY AND LEISURE

This cluster was also significantly impacted by the Covid-19 pandemic and recorded lower revenues from land sales, property rentals, consultancy fees, and from the leisure division whose activities have been very adversely affected by a drastic fall in tourists' arrivals. The cluster managed to record an after-tax profit of MUR 20.5 M compared to MUR 268.7 M in 2019. The opening of the Mahogany Shopping Promenade in Beau Plan had to be delayed by eight months.

OTHERS

This segment incurred losses of MUR 409.2 M compared to a profit of MUR 85.7 M in 2019 after recording impairment losses of certain associates and a fair value loss of MUR 314.0 M.

OUTLOOK

Following the outbreak of the Covid-19 pandemic in 2020, the global growth has contracted by 3.5 % in 2020 and is projected to rebound by 5.5 % this year according to the IMF. Locally, assuming some recovery in the tourism sector, the Mauritian economy GDP is forecasted to grow by 5% this year.

The major challenge going forward remains in the country's ability to adapt to the evolution of the new Covid variants, which are still emerging. The vaccination program locally and abroad is progressing and hopefully we will soon attain an acceptable level of collective immunity.

Most clusters, including main associates, are expected to post improved results for the financial year 2021. We are experiencing good demand for the property projects that we are launching at Beau Plan and other sites. The opening of the Mahogany Shopping Promenade has been successful, and we are starting construction of a 10,000 square meters Office Park next to the Mahogany Shopping Promenade. As announced in the National Budget speech in June 2021, a biomass framework will be set up to enable the remuneration of bagasse which will contribute towards the improvement of the sugar price for the crop 2021 and contribute towards the sustainability of the sugar-cane industry. Sugar operations in Côte d'Ivoire resumed, with a return to profitability in 2020 and an increase of 30% in production over the next five years is planned to cater for local demand. Terragen finalised its offtake agreement with the CEB last year to pursue its operations over the next five years and is working on a Hybrid power plant project to produce more energy from renewable sources.

The Group balance sheet remains strong, with owner's interest at MUR 13.6 B and group gearing remaining low at 22.4%.

By order of the Board of Directors
Terra Services Ltd
Secretary
July 14, 2021

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