



# TERRASOL

**CHAIRMAN'S REPORT 2022**

---

# CHAIRMAN'S

## REPORT

*Terrasan Group Limited celebrates 60 years in business in 2023, a great milestone indeed. We are proud to have come so far and look ahead with great anticipation to a reimagined future. The 2022 financial year was pleasing and provided the company with an opportunity to start aligning its structure and activities for a new growth phase that we believe will hold good promises and returns.*

2022 will be a year that is remembered for the war in Ukraine, rising inflation and interest rates, sky rocketing energy and food prices, and general turmoil in the global economy. It is fair to state that the year was characterised by and will be remembered for a series of unprecedented challenges. These included continued levels of Covid-19 restrictions, constant load shedding and disrupted global and local supply chains. These macro-economic and domestic developments presented the business with some black swan events and had profound impact on the markets that we operate in and our business and operational environments in general.

Despite all these challenges that we experienced, 2022 was a record year in terms of revenue and profit for the Terrasan Group. We delivered our best financial performance in History whilst staying true to our values and continuing to build a strong, durable foundation for long-term growth.

The Board and management committed to implement the Group's Profitable Growth strategy with a solid focus on creating sustainable value for our valued shareholders. A critical review of the Terrasan Group Balance Sheet was conducted during July 2021. Our business has a strong balance sheet with assets of more than R1.3 billion. However, in an effort to improve the Group's debt/equity ratio, Project Phoenix was introduced. The objectives of the project are to de-risk, de-leverage and right-size our balance sheet. The main actions included the divestment of non-core assets, divestment of non-core and loss-making operations whilst focusing on our remaining operations to deliver the best possible results during challenging times. I believe that this report and our results show that the strategy has worked, and the excellent results speak for themselves.

### DIVIDEND

Based on the Group's results for 2022, the directors declared a final dividend of 100 cents per share on 8 August 2023 for payment to shareholders registered on 16 August 2023. The dividend was paid on 30 August 2023.

### NEW APPOINTMENTS

Ms Lynn Boshoff was appointed as Chief Executive Officer for the Saldanha Group business with effect from 1 June 2022. Lynn is an experienced Chartered Accountant who has worked in a diverse set of industries during her career. During 2011, she was appointed as the Financial Director of the Saldanha Group and has subsequently been the acting CEO of the Group since January 2020.

Ms Faiza Coenraad was appointed as Group Chief Financial Officer for Terrasan Group with effect from 1 January 2023. Faiza has been with the Group since April 2019 as Group Compliance and Financial Manager. She holds a BAcc Hons degree from the University of Stellenbosch and is a registered Chartered Accountant with the South African Institute of Chartered Accountants since 2005. We wish both Lynn and Faiza the very best in their new roles.

### OUTLOOK

Our management remains positive and confident irrespective of the challenges we are faced with. We are cautiously optimistic that we will deliver results in excess of the past financial year, barring any black swan events. We continue to make investments in sustainability and reducing the impact of load shedding and other service interruptions on the Group's operations. Playing our role in mitigating the devastating impacts of climate change is not optional.

---

The Group will continue to create sustainable shareholder value through expediting its long-term Profitable growth strategy under the oversight of the Board.

## OUR BOARD

I believe in the strength of our Board, with each member bringing their own specialist knowledge and experience to proceedings, and all directors demonstrating the independence of mind that brings constructive challenge to the Board's decision-making process.

I believe that Terrasan is a well-run, resilient company with the underlying culture, assets and ambition to continue growing and to deliver good results and prosperity for our Group.

## COMMITTEE GOVERNANCE

Each Board Committee Chair presents a report on the activities of their Committee during 2022. The effective and efficient operation of the Committees and their interaction with the Board are vital to ensure that all matters receive the necessary attention in a timely manner. I am grateful to the members and the Chairs of those Committees, in particular for their commitment and the work that they do throughout the year in this regard.

## ACKNOWLEDGEMENTS

To our clients and stakeholders, we appreciate your continued support and confidence in our business. Thank you to my colleagues on the Board for their valuable contribution, support and insight that plays a vital role in our growth and our long-term strategy.

I am incredibly grateful for the hard work and determination of our employees and senior management team for their efforts and continued commitment and for the way they have risen to the challenges of the past year.

I would also like to express my appreciation to our shareholders for entrusting us with the leadership of this great company and for your continued support.



## MR S SUBRAMONEY

Chairman of the Board

24 October 2023