ANNUAL REPORT

SOCFIN

2019

Disclaimer: This document is an English translation of the official French version. In case of divergence, the official French version prevails.

Table of contents

Group Profile

1. Overview of the Group

Société Financière des Caoutchoucs, abbreviated "Socfin" is a Luxembourgish entity (the “Company”), with registered office at 4, avenue Guillaume, L-1650 Luxembourg. It was incorporated on 5th December 1959 and is listed on the Luxembourg Stock Exchange.

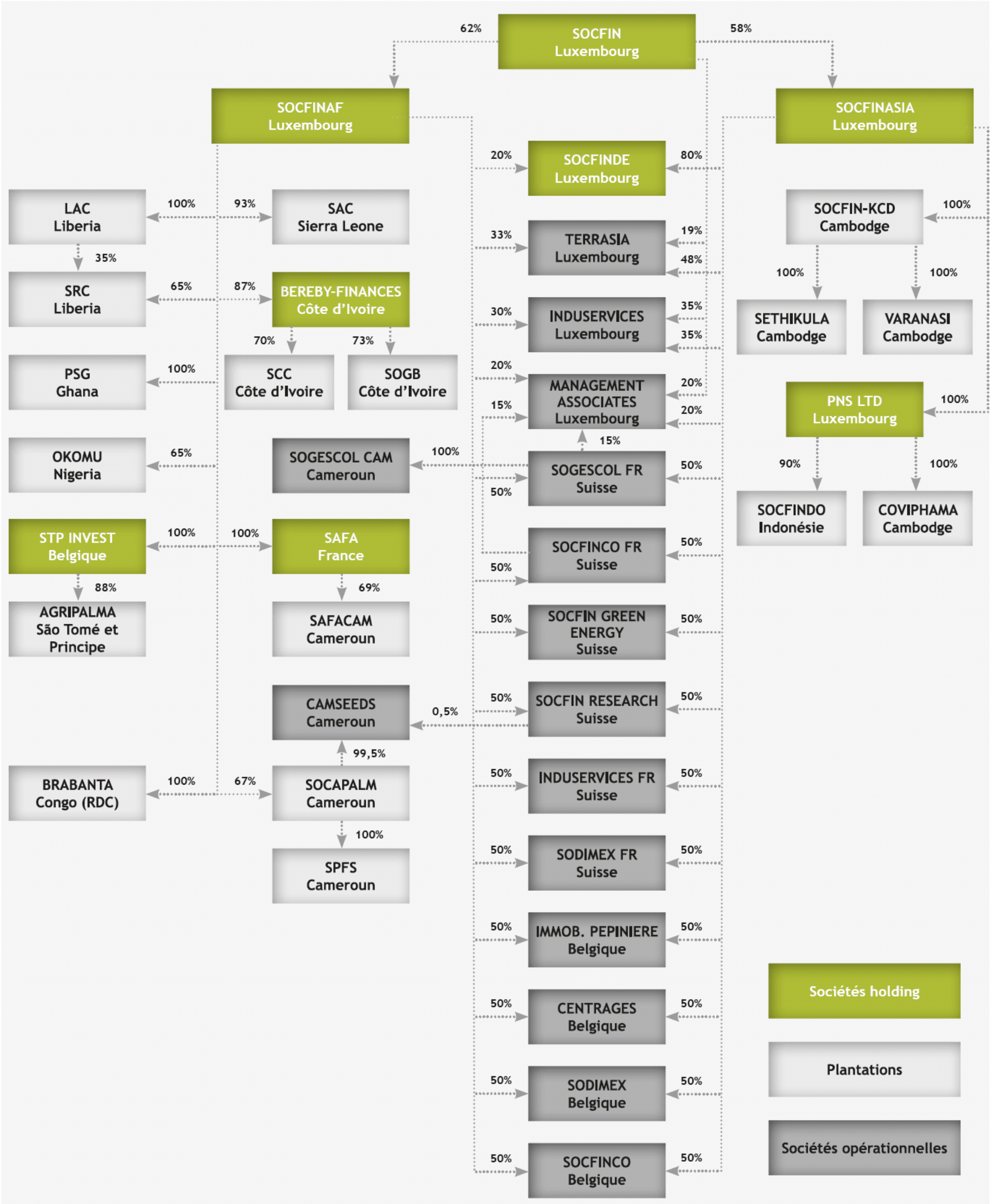
The principal activity of Socfin S.A. is to manage a portfolio of shares mainly focused on the exploitation of more than 193 000 hectares of tropical palm oil plantations and rubber trees located in Africa and Southeast Asia. Socfin employs 34 916 people and achieved a consolidated revenue of EUR 592.9 million in 2019.

2. History

- **05/12/1959** Constitution of the Société Financière Luxembourgeoise, abbreviated as "Socfinal" in the form of a holding company
- **09/06/1960** The Socfinal shares have been listed on the Luxembourg Stock Exchange.
- **31/12/1960** Since its formation, Socfinal has invested, among others, in: Société Financière des Caoutchoucs "Socfin" S.A. (Belgium); Plantations Nord-Sumatra (Belgium); Selangor Plantations Company Berhad (Malaysia); Sennah Rubber Company Ltd (England) and various societies of Congolese equatorial cultures.
- **31/12/1965** The portfolio includes new investments in Indonesia: Société de Cultures Asahan S.A. ; Société de Cultures Batangara S.A; Huileries de Deli S.A. and Société de Cultures Sungei Liput S.A.
- **31/12/1971** Socfinal invests in the Compagnie Internationale de Cultures "Intercultures" S.A., a Luxembourg company listed on the Luxembourg Stock Exchange; Socfin Industrial Development "Socfinde" S.A. (Luxembourg) and in Compagnie du Cambodge (France).
- **31/12/1972** Socfinal participates in the formation of Socfinasia S.A. (Luxembourg) in exchange for the shares of Indonesian companies Asahan, Batangara, Huileries de Deli and Sungei Liput. Socfinasia S.A. will be listed on the Luxembourg Stock Exchange in 1973.
- **31/12/1975** Disposal of Socfin (Belgium) shares from the portfolio.
- **31/12/1980** Acquisition of Selangor Holding S.A. shares, a Luxembourg company listed on the Luxembourg Stock Exchange.
- **31/12/1994** Socfinal invests 60% in the capital of SOGB (Ivory Coast) following the privatization of this Ivorian plantation. This participation will be transferred to Intercultures.
- **31/12/1999** Sale of holdings Selangor Holding and Plantations Nord-Sumatra S.A.
- **31/12/2000** Sale of Sennah Rubber Company Ltd shares following the public tender on these shares.
- **15/11/2006** Following the distribution of Intercultures shares by Socfinasia S.A. (spin-off), Socfinal directly holds, on one side Socfinasia S.A. (Asia) and on the other Intercultures (Africa).
- **30/06/2008** Constitution of Management Associates (Luxembourg).

- **10/01/2011** Extraordinary General Meeting which ratified to abandon the holding 29 status and the change of the name to Société Financière des Caoutchoucs, abbreviated "Socfin". Change of the name of Intercultures to Socfinaf S.A.
- **01/06/2011** Share split by 20
- **29/08/2014** Socfin exchanged 9% of Socfinaf S.A. shares against 100% of the shares of the company incorporated under French law, Société Anonyme Forestière and Agricole SAFA. The latter owns 68.93% of Safacam S.A., a Cameroon plantation company that exploits 5 400 hectares of palm oil trees and 4 400 hectares of rubber trees. Following this exchange, Socfin still holds 55.08% of Socfinaf S.A.
- **31/12/2014** The SAFA participation was brought to Socfinaf S.A. through a capital increase by contribution in kind. Socfin holds 56.48% of the capital of Socfinasia S.A. and 58.79% of the capital of Socfinaf S.A

3. Group Structure



4. Information on the holdings of Socfin

Portfolio	Number of shares	Direct %
1) Listed Shares		
Luxembourg		
Socfinasia S.A.	11 326 679	57.81%
Socfinaf S.A.	11 058 510	62.00%
2) Non-listed Shares		
Luxembourg		
Terrasia S.A.	1 891	18.91%
Induservices S.A.	3 500	35.00%
Management Associates S.A.	2 000	20.00%

The following pages contain a summary of the activity and comments on the financial information for the past two financial years of the main companies in which Socfin holds a direct or indirect participation.

Unless indicated otherwise, equity includes capital, reserves and the results brought forward before allocation of current year results.

Corporate data refers to consolidated data.

The balance sheets are presented in the functional currency of the respective company.

SOCFINASIA S.A.

SOCFINASIA S.A. is a Luxembourgish entity which holds stakes in companies that operate directly or indirectly in South-East Asia in the rubber and palm-oil sectors.

Share Capital: EUR 24 492 825.

The profit for the year ended 31st December 2019 amounts to EUR 17 435 868. The Board of Directors have proposed to the Annual General Meeting on 26th May 2020 the payment of a dividend of EUR 0.50 per share. EUR 0.30 has already been paid at the end of 2019 as an interim payment for the financial year 2019.

Key figures (thousands of EUR)

As of 31st December	*2019*	*2018*
Fixed assets	314 805	315 653
Current assets	96 084	95 174
Equity (*)	406 646	406 627
Borrowings, provisions and third parties	4 242	4 200
Profit for the year	17 436	24 836
Distributions	17 417	19 594
Share price (Euro)	16.30	12.60
Dividend per share (Euro)	0.80	0.90
Dividend / market capitalisation (%)	4.91	7.14
Socfin's stake (%)	57.81	57.79

(*) Before allocation of the final dividend but considering the interim dividends.

SOCFINAF S.A.

SOCFINAF S.A. is a Luxembourgish entity holding stakes in companies that operate directly or indirectly in tropical Africa, mainly in the rubber and palm oil sectors.

Share Capital: EUR 35 673 300.

The profit for the year ended 31st December 2019 amounts to EUR 21 577 357. The Board of Directors proposed to the Annual General Meeting of 26th May 2020 not to pay any dividend for the financial year 2019.

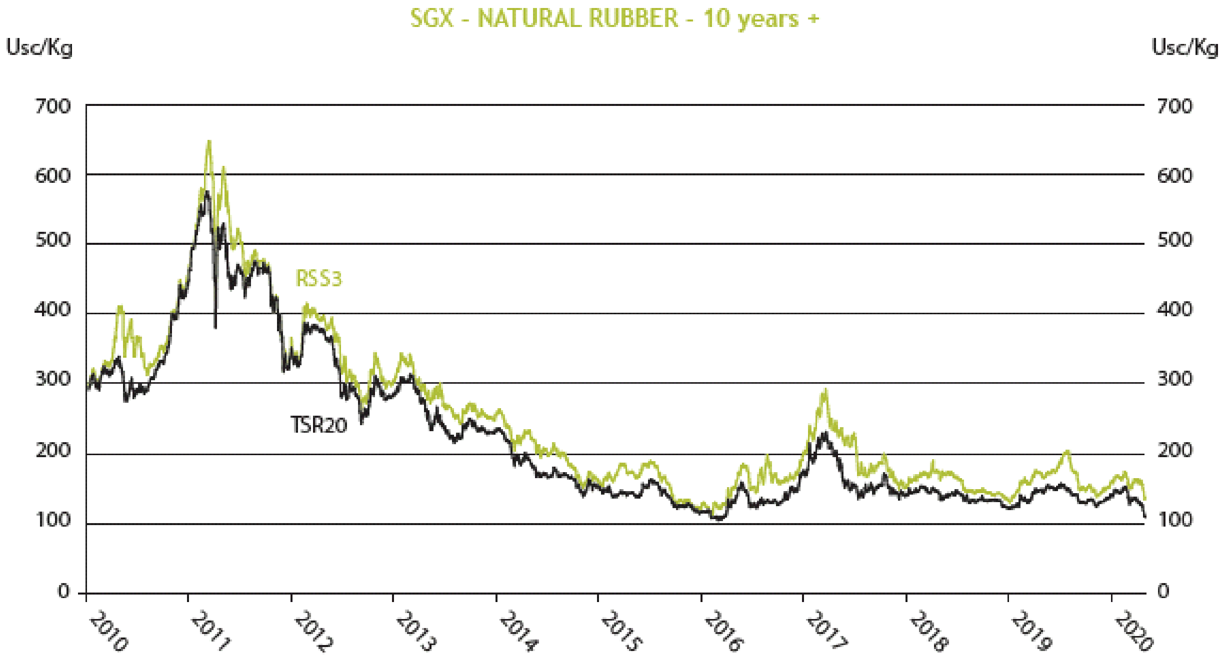
Key figures (thousands of EUR)

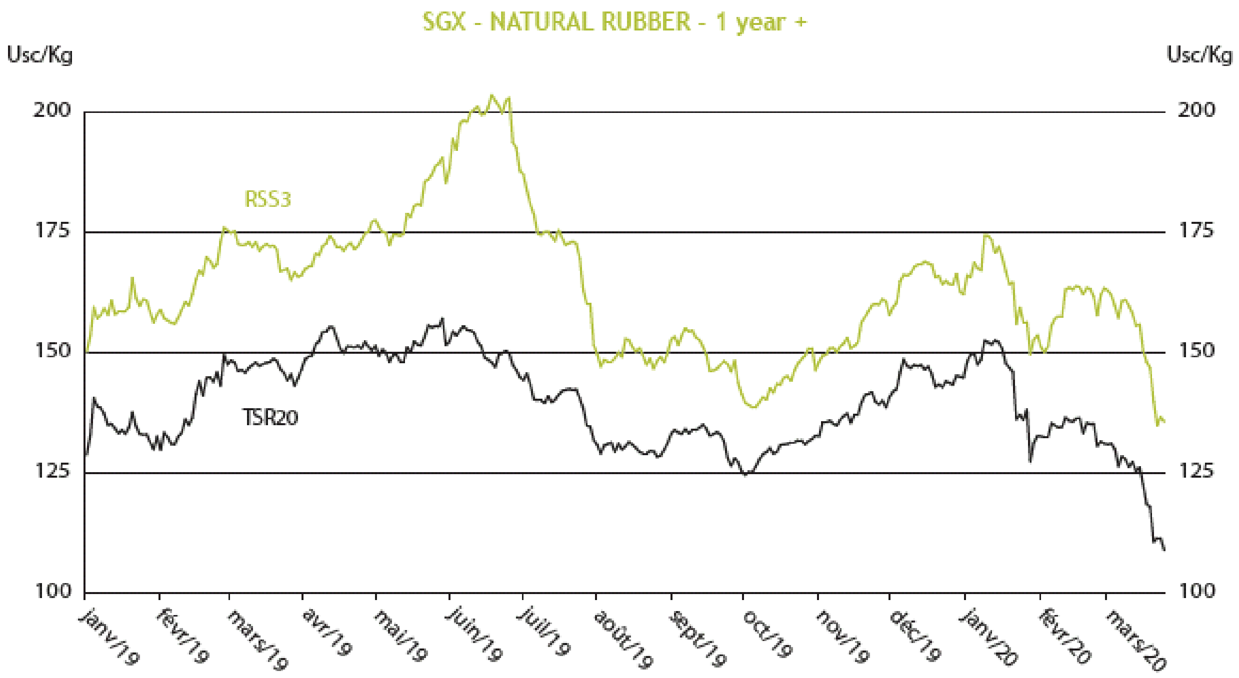
As of 31st December	***2019***	***2018***
Fixed assets	543 124	539 555
Current assets	5 346	1 033
Equity (*)	280 947	259 369
Borrowings, provisions and third parties	267 524	281 219
Profit for the year	21 577	20 284
Distributions	0	1 982
Share price (Euro)	12.00	11.40
Dividend per share (Euro)	0	0.10
Dividend / market capitalisation (%)	0	0.88
Socfin's stake (%)	62.00	59.97

(*) Before allocation of the final dividend but considering interim dividends.

International market for rubber and palm oil

1. Rubber





The International Market in 2019

The average price of natural rubber (TSR20 1st position on SGX) was USD 1 406 per ton FOB Singapore in 2019 against USD 1 365 per ton in 2018.

Converted in Euro, the average rate in 2019 is EUR 1 256 per ton against EUR 1 155 per ton in 2018, or an increase of EUR 101 per ton.

After ending the year 2018 in decline to a level close to USD 1 250 per ton, mainly due to pressure from global stock levels, particularly in China, natural rubber prices started to rise again during the first half of 2019.

They evolved around USD 1 500 per ton during the months of April, May and June. Several factors influenced natural rubber prices upwards during the first half of the year, including the start of the winter season for the producing countries and the hope of a positive outcome to the trade dispute between the United States and China.

At the same time, Thailand, Indonesia and Malaysia jointly announced their 6th plan to reduce their rubber exports by 240 000 tons. The rise in oil prices also had a positive impact.

The highest level of the year was reached at the end of May at USD 1 570 per ton, level which had not been attained since September 2017.

In an uncertain macroeconomic context with renewed tensions in Sino-American trade, a continued sustained world production of natural rubber, a slowdown in Chinese growth and a declining automotive sector, prices trend resumed downwards from July onwards. This trend was confirmed during August, September and October, a period during which natural rubber prices regularly moved below the USD 1 300 per ton FOB Singapore.

The lowest level of the year was reached at the beginning of October at USD 1 244 per ton.

The market recovered at the end of the year following concerns linked to the development of a rubber tree disease affecting several Asian producing countries. At the same time, the prospect of a solution to the trade dispute between the United States and China also gave support to natural rubber prices.

Whereas the market expected world natural rubber production to exceed the 14 million tons threshold for the first time in 2019, the IRSG (International Rubber Study Group) now estimates 2019 production at 13.64 million tons, down on the 2018 figure of 13.89 million tons. The IRSG also estimates that world consumption in 2019 will remain stable at around 13.72 million tons compared to 13.76 million tons in 2018.

The prices of the TSR20 1st FOB Singapore ended the year at USD 1 451 per ton.

Outlook 2020

The prices of natural rubber experienced an upward turn since beginning of the year and has briefly come over USD 1 500 per ton by mid-January. The announcement of a first trade agreement between China and the United States and the approach of the winter season gave the market renewed confidence.

The rise in prices suddenly came to end following the emergence of the Coronavirus just before the Chinese New Year. Since then, the Covid-19 outbreak has taken on a global dimension, causing the financial markets to fall, raising fears of a slowdown in global economic growth.

Raw material prices have obviously not been spared. The TSR20 1st FOB Singapore position on SGX went from USD 1 520 per ton in mid-January to USD 1 100 per ton during the month of March.

All sectors linked to the automotive industry are suffering the full impact of the crisis. Car and tyre manufacturers are halting and/or sharply reducing production at their factories in Europe, North and South America and elsewhere in the world.

It seems that China, after having been the epicentre of the virus, is gradually recovering its production since the end of February. However, the level of production is far from returning back to normal, given the disruptions in supply chains.

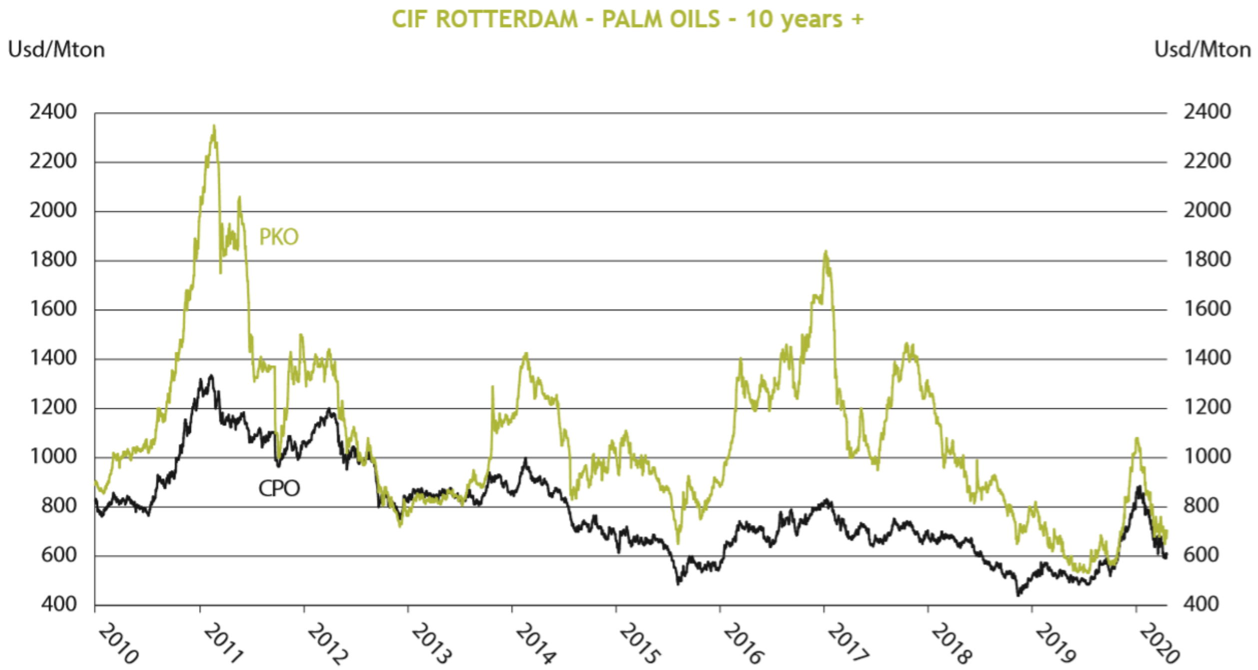
The impact of Covid-19 on world consumption of natural rubber will be profound in the coming months.

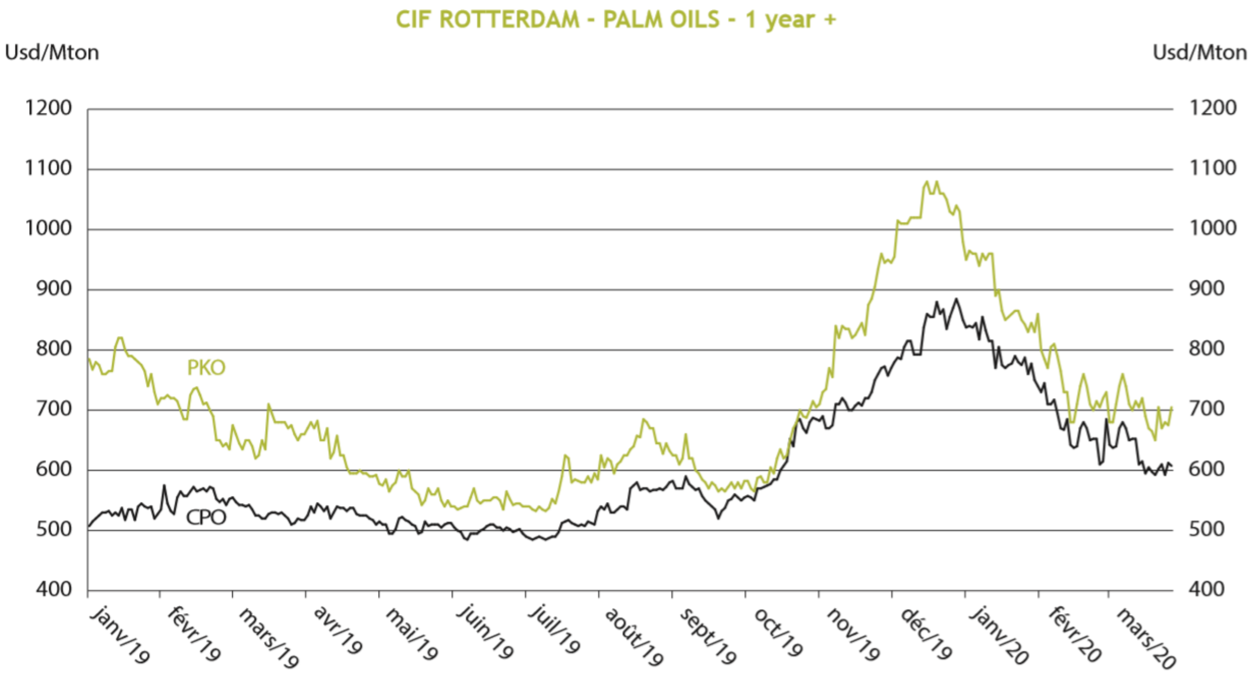
The evolution of world natural rubber production is also uncertain. The low-price levels over the last 5 years did not encourage small planters to bleed and maintain their plantation. The recent fall in prices will only worsen this situation. In addition, the development of Covid-19 in some producing regions could also have an impact on world natural rubber production.

The coming months are likely to be complicated particularly in terms of demand.

The TSR20 1st position FOB Singapore on SGX quoted on 27th March 2020 was USD 1 070 per ton, a level which had never been attained since February 2016.

2. Palm Oil





World palm oil production in millions of tons
(source: Oil World)

	2020 (*)	2019 (*)	2018	2017	2016	2015	2005	1995
Indonesia	44.7	43.3	41.6	36.8	32.4	33.4	14.1	4.2
Malaysia	19.9	20.0	19.5	19.9	17.3	20.0	15.0	7.8
Others	12.8	12.4	11.9	11.2	9.5	9.1	4.8	3.2
TOTAL	*77.4*	*75.7*	*73.0*	*67.9*	*59.2*	*62.5*	*33.9*	*15.2*

(*) Estimation.

Production of main oils in millions of tons
(source: Oil World)

	Oct 2019 to Sept 2020 (*)	2019 (*)	2018	2017	2016	2015	2005	1995
Palm	76.3	75.7	73.0	67.9	59.2	62.5	33.9	15.2
Soy	57.6	56.6	56.8	53.9	52.0	48.8	33.6	20.2
Rapeseed	25.0	25.1	25.6	25.4	25.3	26.3	16.2	10.8
Sunflower	20.9	20.5	19.0	19.0	16.5	15.1	9.7	8.7
Cotton	4.7	4.6	4.7	4.2	4.1	4.7	5.0	3.9
Peanut	3.9	3.7	4.0	4.2	3.8	3.7	4.5	4.3
Palm Kernel	8.2	8.0	7.7	7.2	6.3	6.8	4.0	2.0
Coconut	2.7	2.9	2.9	2.4	2.6	2.9	3.2	3.3
TOTAL	*199.3*	*197.1*	*193.7*	*184.2*	*169.8*	*170.8*	*110.1*	*68.4*

(*) Estimation.

The International Market 2019

The average price of CIF Rotterdam crude palm oil in 2019 is USD 566 per ton against USD 598 per ton in 2018.This is the lowest annual average price since 2016.

World prices slumped in 2018 as a result of a robust supply on the market. While traded at levels close to USD 700 per ton at the beginning of the year, crude palm oil prices fell in the second half to USD 500 per ton CIF Rotterdam, in an uncertain macroeconomic context, marked by historically high global stock levels.

At the beginning of 2019, the slowdown in production and the increase in consumption in India and China led to a drop in stocks, which allowed a brief recovery in palm oil prices, which reached USD 570 per ton CIF Rotterdam in mid-February. At the same time, the rise in oil prices encouraged an increase in palm oil consumption for biodiesel production in Indonesia in particular.

However, despite this encouraging news, negative sentiment dominated the markets and palm oil prices CIF Rotterdam fell below USD 500 ton on several occasions during May, June and July.

World vegetable oil stocks remained at high levels and the decline in palm oil stocks was considered insufficient to justify a sustained recovery in prices. At the same time, the uncertainties related to the outcome of the trade war between the United States and China caused major disruptions in most commodity markets. Soybean prices, which were particularly affected, fell to levels not seen since the financial crisis of 2008, dragging palm oil prices down in their wake.

Palm oil prices started to rise again in August and rose sharply throughout the last quarter to close 2019 at around USD 850 per ton CIF Rotterdam, an increase of almost 70% in 5 months.

This rise in prices is largely linked to the announcements made by Malaysia and Indonesia to increase their consumption of palm oil for the manufacturing of biodiesel as from 2020 (B20 in Malaysia and B30 in Indonesia). These announcements sent a very strong signal to the market and coincided with a slowdown in supply in the producing countries. Fewer fertilisers due to prolonged low prices and dry weather caused by a possible return of the El Niño climate phenomenon have raised fears of a possible drop in production in the coming months and, consequently, a significant drop in stock levels.

The Sino-American trade war also had an impact on the palm oil market in the last quarter. China, deprived of American soybeans, began to buy more palm oil, with Beijing exempting this product from quotas to facilitate imports before the Chinese New Year.

At the end of the year 2019, CIF Rotterdam crude palm oil prices were around USD 850 per ton.

Outlook 2020

The rise in prices came to a halt in mid-January. Palm oil has since entered a downward spiral caused by two major causes:

- The announcement by India, the world's largest palm oil importer, to boycott palm oil imports from Malaysia. This decision comes in retaliation for the Malaysian government's criticism to Indian government's action in the Kashmir region.
- Concerns about the spread of the Coronavirus in China and the rest of the world. Indeed, the risk of a slowdown in world growth, and more particularly in Chinese growth, the world's second largest importer of palm oil, is weighing heavily on prices.

On 28th January, palm oil plunged 10% on the Kuala Lumpur Stock Exchange, posting its biggest single day drop in nearly 11 years. Trapped in a downward whirlwind throughout February, palm oil fell back under the USD 700 per ton CIF Rotterdam threshold.

However, and excluding the "Coronavirus" factor, the fundamentals for palm oil remain solid.

According to Oil World, world palm oil production, after having increased by almost 9 million tons in 2017, then by 5 million tons in 2018, would only have increased by 2.7 million tons in 2019. Oil World estimated before the Covid-19 crisis that the increase in palm production in 2020 would be less than 2 million tons.

We are indeed seeing a slowdown in the increase in production in the two main producing countries, Indonesia and Malaysia (85% of world production) which have less available land to produce and sometimes face problems of labour availability. In addition, the severe drop in palm oil prices over the last two years has led to a reduction in the use of fertilizers in village plantations, which is likely to reduce yields.

In 2020, world palm oil production is expected to reach 77 million tons, of which nearly 45 million tons will be produced in Indonesia.

Palm oil production therefore continues to increase but in proportions that may be insufficient to meet the growth in global demand. The latter remains particularly sustained thanks to the increase in world population and the continuing rise in demand for vegetable oil in developing countries.

The expected decline in stocks should therefore logically favour a rebound in palm oil prices. However, this will depend heavily on the evolution of the Coronavirus crisis in the coming months. From China, the epidemic is now spreading to the rest of the world, impacting the entire global economy in its wake. With nearly a third of the world's population in lockdown and entire sectors of the economy shut down, demand for palm oil could slow down in the coming months. Production could also be impacted if the contagion spreads to producing countries, which seems to be the case with the recent closure of some plantations in Malaysia.

Oil prices have also collapsed in recent weeks. Brent crude oil, which was trading at around USD 70 per barrel at the beginning of January, is now trading below USD 30 per barrel. The fall in oil prices could lead to a sharp drop in biodiesel production worldwide and thwart plans by the Malaysian and Indonesian governments who were betting on a significant increase of palm oil use for the making of biodiesel.

In 2019, it is estimated that biodiesel will account for a global demand for palm oil estimated at more than 17.5 million tons or about 23% of global production, of which more than 4 million tons for Europe (EU28).

The price of crude palm oil CIF Rotterdam quoted on 27th March 2020 was around USD 620 per ton.

Environment and Social Responsibility

On 22nd March 2017, the Group adopted its new policy on corporate responsibility. It is based on the four principles of responsible development, improvement of management practices, respect for human rights and transparency.

An implementation plan for this policy has been defined and executed throughout the 2019 financial year.
The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("Sustainable Development Report").
The corporate responsibility policy, the dashboard and the annual sustainable development report are available on the Group's website.

The annual sustainability report is also available from the Company's head office upon request.

Key figures

1. Activity Indicators

Area (hectares)		*Rubber*		*Palm*
As at 31st December 2019				
Immature (by year of planting)				
2019		1 528		2 065
2018		2 404		5 274
2017		1 989		3 437
2016		1 648		0
2015		2 853		0
2014		4 105		0
2013		1 810		0
2012		1 056		0
2011		568		0
Total immature		**17 962**		**10 777**
Young	(from 8 to 11 years)	22 825	(from 4 to 7 years)	48 950
Matured	(from 12 to 22 years)	13 717	(from 8 to 18 years)	32 692
Old	(above 22 years)	8 686	(above 18 years)	37 248
Total in production		**45 229**		**118 891**
TOTAL		**63 190**		**129 667**

Area (hectares)	*2019*	*2018*	*2017*	*2016*	*2015*
Palm	129 667	130 575	128 188	124 595	120 780
Rubber	63 190	63 726	63 885	64 797	65 987
TOTAL	**192 857**	**194 301**	**192 073**	**189 392**	**186 767**

Production	*2019*	*2018*	*2017*	*2016*	*2015*
Palm Oil (tons)					
Own production	434 013	426 227	407 741	356 012	362 574
Third party purchases	34 428	30 554	24 730	20 798	25 083
Rubber (tons)					
Own production	68 873	62 895	63 374	58 595	63 566
Third party purchases	94 102	81 950	66 297	65 050	58 543
Seeds (thousands)					
Own production	6 308	14 875	14 149	16 064	22 487

Turnover (millions EUR)	*2019*	*2018*	*2017*	*2016*	*2015*
Palm	308.5	306.0	315.2	281.8	264.9
Rubber	200.8	166.9	191.8	148.6	154.3
Other agricultural products	3.8	9.4	8.5	10.6	14.0
Trading activities	72.9	56.6	100.8	68.8	66.6
Other	6.8	6.9	9.4	7.5	9.7
TOTAL	**592.9**	**545.8**	**625.8**	**517.3**	**509.5**

Staff	*2019*	*2018*	*2017*	*2016*	*2015*
Average workforce	34 916	33 780	31 312	30 608	32 258

2. Key figures in the consolidated income statement

(millions EUR)	*2019*	*2018*	*2017*	*2016*	*2015*
Turnover	593	546	626	517	509
Operating income	80	91	132	78	56
Result of the year attributable to the Group	8	16	26	11	5
EBITDA *	152	153	198	144	150
Operating cash flow	93	87	172	99	167
Free cash flow **	20	-20	70	13	22

* EBITDA = Earnings before interest, taxes, depreciation and amortization
** Free Cash Flow = Cash flow from operating activities + cash flow from investing activities.

3. Key figures in the consolidated statement of financial position

(millions EUR)	*2019*	*2018*	*2017*	*2016*	*2015*
Bearer biological assets	515	508	480	504	483
Other non-current assets	359	354	331	353	375
Current assets	227	209	228	277	245
Total equity	644	646	624	662	688
Non-current liabilities	228	162	183	242	174
Current liabilities	229	263	232	230	242

Stock market data

(EUR)	*2019*	*2018*	*2017*	*2016*	*2015*
Number of shares	14 159 720	14 159 720	14 159 720	14 159 720	14 240 000
Equity attributable to the Group	319 647 671	318 550 859	304 236 433	327 128 087	337 451 535
Consolidated net earnings per share attributable to the Group	0.58	1.14	1.81	0.81	0.36
Dividend per share	0.55	0.55	0.60	0.60	0.60
Share price					
Minimum	23.20	23.80	23.31	21.16	24.31
Maximum	29.00	30.40	32.50	26.13	34.00
Closing	26.60	28.00	31.00	24.23	24.31
Market capitalization*	376 648 552	396 472 160	438 951 320	343 019 217	346 174 400
Dividend paid/consolidated net profit	94.83%	48.25%	33.15%	74.07%	166.67%
Dividends/market capitalization	2.07%	1.96%	1.94%	2.48%	2.46%
Market price/earnings per share	45.86	24.56	17.13	29.91	67.53

* Market capitalization is the product of the number of shares multiplied by the closing market price.

Highlights of the year

- Acquisition of 2 500 shares of Socfinasia S.A. to increase the holding percentage to 57.81%.
- Acquisition of 2.02% of Socfinaf S.A. to increase the holding percentage to 62%.

Corporate governance statement

1. Introduction

Socfin pays close attention to the evolution of the ten principles of corporate governance of the Luxembourg Stock Exchange. It commits to provide the necessary explanations for a comprehensive understanding on how the Company functions.

Corporate governance is a set of principles and rules whose main objective is to contribute to long-term value creation. It allows the Board to promote the interests of the Company and its shareholders while putting in place effective control systems, management of risks and conflicts of interests.

2. Corporate Governance Chart

The Board of Directors adopted the corporate governance charter on 21st November 2018. It is available on the Group's website.

3. Board of Directors

Composition of the Board of DIrectors

Name	Nationality	Year of Birth	Position	First nomination	Term of Office
Mr. Hubert Fabri	Belgian	1952	Chairman [(a)]	AGO 1981	AGO 2022
Mr. Vincent Bolloré	French	1952	Director [(a)]	AGE 1990	AGO 2025
Bolloré Participations represented by M. Cédric de Bailliencourt	French	1969	Director [(a)]	AGO 1997	AGO 2021
Administration and Finance Corporation « AFICO » Represented by M. Luc Boedt	Belgian	1955	Director [(b)]	AGO 2014	AGO 2023
Mr. Philippe de Traux	Belgian	1951	Director [(b)] and General Secretary	AGO 1998	AGO 2024
Mr. François Fabri	Belgian	1984	Director [(b)]	AGO 2014	AGO 2020

[(a)] Non-Executive Dependent Director
[(b)] Executive Dependent Director

The term served as director by Mr. François Fabri expires at the end of the Annual General Meeting of 26th May 2020. It will be proposed at this meeting to renew his mandate.

In addition, following the resignation of Bolloré Participations, it will be proposed at the General Meeting to appoint Mr. Philippe Fabri as Executive-Director of the Company.

Other mandates held by the directors in listed companies

Hubert Fabri
Chairman

Positions and offices held in Luxembourg companies

- Chairman and director of the Board of Directors of Société Financière des Caoutchoucs "Socfin", Socfinaf and Socfinasia.

Offices and positions held in foreign companies

- Chairman and Director of the Board of Directors of Palmeraies de Mopoli;
- Vice-Chairman of Société des Caoutchoucs du Grand Bereby "SOGB";
- Vice-Chairman and member of the Supervisory Board of Compagnie du Cambodge;
- Director of Bolloré, Financière Moncey, Okomu Oil Palm Company, S.A.F.A. Cameroon "Safacam", Société Industrielle et Financière de l'Artois and La Forestière Equatoriale;
- Permanent representative of Administration and Finance Corporation "AFICO" at the Board of Société Camerounaise de Palmeraies "Socapalm".

Vincent Bolloré
Director

Positions and offices held in Luxembourg companies
Director of Société Financière des Caoutchoucs "Socfin", Socfinaf and Socfinasia.

Offices and positions held in foreign companies

- Chairman and CEO of Bolloré;
- Chairman of the Board of Directors (Separate Management) of Financière de l'Odet and Blue Solutions;
- Vice-Chairman of Société des Caoutchoucs du Grand Bereby "SOGB";
- Member of the Supervisory Board of Vivendi;
- Director of Bolloré, Financière Moncey, Financière de l'Odet and Blue Solutions ;
- Permanent representative of Bolloré Participations on the Boards of Directors of the Société Industrielle et Financière de l'Artois, S.A.F.A. Cameroon "Safacam", Société des Caoutchoucs du Grand Bereby "SOGB" and Société Camerounaise de Palmeraies "Socapalm";
- Permanent representative of Bolloré Participations on the Supervisory Board of Compagnie du Cambodge.

Bolloré Participations
Director

Positions and offices held in Luxembourg companies

- Director of Société Financière des Caoutchoucs "Socfin", Socfinaf and Socfinasia.

Positions and offices held in foreign companies

- Member of the Supervisory Board of Compagnie du Cambodge;
- Director of Bolloré, Compagnie des Tramways de Rouen, Financière de l'Odet, Société des Chemins de Fer et Tramways du Var et du Gard, Société des Caoutchoucs du Grand Bereby "SOGB", Société Industrielle et Financière de Artois, S.A.F.A. Cameroon "Safacam" and Société Camerounaise de Palmeraies "Socapalm".

Administration and Finance Corporation « AFICO »
Director

Positions and offices held in Luxembourg companies
- Director of Société Financière des Caoutchoucs "Socfin", Socfinaf and Socfinasia.

Offices and positions held in foreign companies
- Director of Palmeraies de Mopoli, Société des Caoutchoucs du Grand Bereby « SOGB », Société Industrielle et Financière de l'Artois and Société Camerounaise de Palmeraies « Socapalm ».

Philippe de Traux
Director

Positions and offices held in Luxembourg companies
- Director and General Secretary of Société Financière des Caoutchoucs "Socfin", Socfinaf and Socfinasia.

Positions and offices held in foreign companies
- Director of Palmeraies de Mopoli, Okomu Oil Palm Company, Société des Caoutchoucs du Grand Bereby « SOGB » and Société Camerounaise de Palmeraies « Socapalm » ;
- Permanent representative of Administration and Finance Corporation « AFICO » on the Board of Société Industrielle et Financière de l'Artois ;
- Permanent representative of Société Anonyme Forestière et Agricole « SAFA » on the board of S.A.F.A. Cameroun « Safacam ».

François Fabri
Administrator

Positions and offices held in Luxembourg companies
- Director of Société Financière des Caoutchoucs "Socfin", Socfinaf and Socfinasia.

Positions and offices held in foreign companies
- Permanent Representative of Administration and Finance Corporation "AFICO" on the Board of Société des Caoutchoucs du Grand Bereby "SOGB";
- Director of S.A.F.A. Cameroon "Safacam" and Société Camerounaise de Palmeraies "Socapalm".

Appointments of Directors

The Board of Directors proposes the appointment of the Directors at the Annual General Meeting of shareholders.

In the event of a vacancy due to death or following the resignation of one or more Directors, the remaining Directors will proceed to temporary co-optations. These co-optations will be subject to the approval of the Annual General Meeting at its next meeting. The director appointed to replace another will complete the term of his predecessor.

Role and powers of the Board of Directors

The Board of Directors is the body which is responsible for the management of the Company and the control of day-to-day management. It acts in the interest of the Company.

The Board of Directors ensures that all financial and human resources are available and ensures that all the necessary structures are in place to achieve its objectives and ensure long-term value creation.

The Company's by-laws confer on the Board of Directors the power to perform all acts necessary to achieve the corporate purpose.

Activity report of the meetings of the Board of Directors

Number of annual meetings

At least two for the end and mid-year evaluations. During the 2018 financial year, the Board of Directors met 6 times.

Points generally discussed
Periodic accounting situations;
Portfolio movements;
Inventory and valuation of the portfolio;
Evolution of significant holdings;
Management report;
Investment projects;
Corporate, social and environmental responsibility.

Average attendance rate of Directors
- 2019: 92%
- 2018: 97%
- 2017: 96%
- 2016: 97%
- 2015: 100%

4. Committees of the Board of Directors

4.1. Audit Committee

Le Comité est composé de deux membres. Le mandat est d'une durée d'un an et les membres sont The Committee is composed of two members. The term of service is for one year and the members are eligible for re-election.

At its meeting of 18th March 2020, the Board of Directors renewed the mandates of Mr. Hubert Fabri and Mr. Vincent Bolloré as members of the Audit Committee.

The Audit Committee will assist the Board of Directors in its supervisory function and decide on matters relating to financial information for shareholders and third parties, the audit process, risk analysis and control.

The Audit Committee shall meet twice a year.

4.2. Appointment and Remuneration Committee

The remuneration of the operational management of Socfinaf S.A is set by the principal shareholders. The Board of Directors does not consider it necessary to set up a Remuneration Committee. Similarly, for practical reasons and due to the size of the Company, the Board of Directors has not chosen to set up Nomination Committee.

5. Remunerations

The remuneration allocated to the members of the Board of Directors of Socfin for the financial year 2019 amounts to EUR 6 963 195 compared to EUR 9 873 697 for the financial year 2018. The Directors of Socfin did not receive any other payment in shares (stock options).

6. Shareholding Status

Shareholder	Number of Shares held = Number of Voting Rights (*)	Percentage holding	Date of notification
Geselfina S.A. FL-9490 Vaduz		24.25	02/01/2017
AFICO S.A. L-1650 Luxembourg	2 596 352	18.33	02/01/2017
Twosun Fin. Establishment CH-1201 Geneva		11.65	02/01/2017
Hubert Fabri	1 000	0.01	02/01/2017
Total Hubert Fabri interests (direct and indirect)		54.24	
Bolloré Participations S.A. F-29500 Ergué Gaberic	50	0.007	10/03/2008
Bolloré F-29500 Ergué Gaberic	120 338	16.901	10/03/2008
Compagnie du Cambodge F-92800 Puteaux	82 111	11.532	10/03/2008
Technifin CH-1705 Fribourg	56 000	7.865	10/03/2008
Plantations des Terres Rouges L-1724 Luxembourg	13 404	1.883	10/03/2008
Compagnie des Glénans F-29500 Ergué Gaberic	4 000	0.562	10/03/2008
Total Bolloré interests (direct and indirect)	275 903	38.750	

(*) All notifications filed before 1st July 2011, the effective date of the share split by 20, relate to the previous number of shares and the previous number of voting rights, that is 712 000.

7. Financial Calendar

26th May 2020	Annual General Meeting at noon
10th June 2020	Payment of the balance of dividend for 2019 (coupon number 78)
End of September 2020	Consolidated and holding company half yearly results as at 30th June 2020
Mid-November 2020	Interim statement of the Board for Q3 2020
End of March 2021	Annual results of the holding company as at 31st December 2020
Mid-April 2021	Consolidated Annual Results as at 31st December 2020
Mid-May 2021	Interim statement of the Board for Q1 2021
25th May 2021	Ordinary Annual General Meeting at noon

The results of the Company are published on the website of the Luxembourg Stock Exchange www.bourse.lu under the heading "OAM" and on the website of the Company www.socfin.com.

8. External Audit

Independent statutory auditor (Réviseur d'entreprises agréé)
C - CLERC S.A.
1 rue Pletzer
L-8080 Bertrange.

In 2019, the audit fees amount to EUR 549,488, VAT included.

The audit fees include all fees paid to the independent statutory auditor of the Group (C-Clerc S.A., member of Crowe Global network) as well as those paid to member firms within their network for the year. No consulting work or other non-audit services have been performed by those companies in 2019 or in 2018.

The mandate of the independent statutory auditor C-CLERC expires this year. The audit committee should receive some other proposals and will submit their recommendation to the Annual General Meeting of 26th May 2020.

9. Corporate, social and environmental responsibility

On 22nd March 2017, the Group adopted its new responsible management policy. It is based on the four principles of responsible development, improvement of management practices, respect for human rights and transparency.

An implementation plan for this policy has been defined and executed throughout the 2019 financial year. The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("Sustainable Development Report"). The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

10. Other information

Pursuant to the Regulation 2016/347 of the European Commission of 10th March 2016 specifying the modalities for updating insider lists, a list of insiders has been drawn up and is kept continuously up to date. The persons concerned have been informed of their inclusion on this list.

Statement of compliance

Mr. Philippe de Traux, Director and Mr. Daniel Haas, Chief Financial Officer, indicate that, to their knowledge:

(a) the financial statements prepared in accordance with the applicable body of accounting standards provide a true and fair view of the assets and liabilities, the financial position and the profits or losses attributable to the Group and all of the entities included in consolidation and;

(b) the management report presents fairly the evolution and results of the Company, the financial position of the Group and all the entities included in the consolidation and a description of the main risks and uncertainties they face.

Consolidated management report

Directors' report on the consolidated financial statements

presented by the Board of Directors to the
Ordinary Annual General Meeting of the Shareholders of 26th May 2020

Ladies and Gentlemen,

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31st December 2019 comprise the financial statements of Socfin, all subsidiaries and direct and indirect associate companies, the details of which are given in Note 2 of the Notes to the consolidated financial statements.

As indicated in Note 1 of the notes to the consolidated financial statements, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards or IFRS as adopted by the European Union. Socfinaf S.A. (the Group) adopted IFRS standards for the first time in 2005 and all the standards applicable to the Group as of 31 December 2019 have been implemented.

Consolidated results

For the 2019 financial year, the result attributable to the Group of the parent company amounted to EUR 8.2 million compared to EUR 16.1 million in 2018. This resulted in net earnings of EUR 0.58 per share against EUR 1.14 in 2018.

Consolidated revenue at 31st December 2019 amounted to EUR 592.9 million compared to EUR 545.8 million in 2018 (EUR +47.1 million). This change in revenue is mainly due to increase in the quantities sold.

Operating income amounted to EUR 80 million compared to EUR 90.7 million at 31st December 2018.

Other financial income decreased to EUR 5.9 million compared to EUR 8.6 million at 31st December 2018. They mainly consisted of foreign exchange gains of EUR 4.9 million.

Financial expenses amounted to EUR 19.9 million compared to EUR 18.5 million at 31st December 2018. They mainly consist of interest expense of EUR 11.3 million and foreign exchange losses of EUR 6.6 million.

The tax expense has increased. Income taxes amounted to EUR 35.7 million compared to EUR 33.6 million in 2018. Deferred income tax amounted to EUR 0.7 million compared to EUR 0.2 million in 2018.

Consolidated statement of financial position

The assets of Socfin consist of:

- non-current assets of EUR 874.1 million compared to EUR 862.5 million as of 31st December 2018; an increase of EUR 11.6 million mainly due to the accounting of EUR 10.9 million of right-of-use asset upon the adoption of IFRS 16, increase in biological assets of EUR 6.8 million and the decrease of the net amount of other tangible assets for EUR -8.7 million;
- current assets amounting to EUR 227.1 million compared with EUR 209.1 million at 31st December 2018.

Shareholders’ equity amounted to EUR 319.6 million compared to EUR 318.6 million at 31st December 2018. The increase in shareholders' equity of EUR 1 million was mainly due to the profit for the year (EUR 8.2 million), the allocation of the net results (EUR -7.8 million, balance from 2018 and interim dividends for 2019 included).

On the basis of the consolidated shareholders' equity, the net value per share before distribution of dividend is EUR 22.57 against EUR 22.50 the previous year. At 31st December 2019, the share price stands at EUR 26.60.

Current and non-current liabilities increased to EUR 457.4 million compared to EUR 425.4 million the previous year. The difference is mainly due to the accounting of EUR 13.3 million of leases liabilities generated upon implementation of IFRS 16, and the variation of EUR 17.9 million in net borrowing.

Consolidated cash flow

At 31st December 2019, net cash flow amounts to EUR 45.7 million, an increase of EUR 24.7 million for the year (compared to a decrease of EUR 53.8 million in the previous financial year).

Net cash flow from operating activities amounts to EUR 93 million in financial year 2019 (EUR 87.1 million in 2018) and cash flow from operations amounts to EUR 134.7 million compared to EUR 141.3 million in the previous financial year.

Cash flow from investing activities amounts to EUR 73.4 million (compared to EUR 107.5 million in 2018).

Cash flow from financing activities amounts to EUR 4.5 million (compared to EUR 33.9 million in 2018). It relates primarily to an increase in net borrowing of EUR 47.7 million, offset by the payment of dividends of EUR 30.7 million.

At 31st December 2019, EBITDA amounts to EUR 151.5 million compared to EUR 152.8 million at 31 December 2018.

OUTLOOK 2020

The results for the next financial year will depend, to a large extent, on factors which are external to the Group management, namely the political and economic conditions in the countries where the subsidiaries are established, the changes in the price of rubber and palm oil, and the price of the Indonesian rupiah and the US dollar against the Euro. The Group, for its part, pursues its policy of keeping cost prices as low as possible and improving its production capacity.

POLITICAL AND ECONOMIC ENVIRONMENT

The Company holds interests in subsidiaries which operate indirectly in Africa and Southeast Asia.

Given the economic and political instability in some of these countries, these holdings present a risk in terms of exposure to political and economic changes.

EVENTS AFTER THE CLOSING DATE

The Covid-19 epidemic began in China in December 2019 and spread to the rest of the world from January 2020 and raised to “pandemic” status on 11th March 2020 by the WHO. At the balance sheet date, the epidemic had no impact on the Group's activities.

The Covid-19 epidemic, which took a global dimension, caused the financial markets to fall dramatically from mid-February onwards, raising fears of a slowdown in global economic growth.

Raw material prices were obviously not spared. Thus, the TSR20 1st position FOB Singapore on SGX quoted on 27th March 2020 at USD 1 070 per ton, against USD 1 451 per ton on 31st December 2019. Similarly, the price of crude palm oil CIF Rotterdam closed on 27th March 2020 at around USD 620 per ton, against USD 850 per ton on 31st December 2019.

The Covid-19 crisis has strongly affected sectors linked to the Chinese economy, particularly groups operating in the automotive industry, already in slowdown. In addition, tyre manufacturers are in the process of halting and/or drastically reducing production at most of their factories in Europe, North America, South America and elsewhere in the world.

We expect a sharp decline in rubber demand from tyre manufacturers from April onwards.

Slower growth in China and the recent lockdown in India, the two major palm oil importers, and falling oil prices are also weighing heavily on current crude palm oil prices.

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 40% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price.

CORPORATE GOVERNANCE

The Board of Directors implements the corporate governance rules applicable in the Grand Duchy of Luxembourg in the Group's financial structure and reports.

GENERAL INTERNAL CONTROL SYSTEM ADAPTED TO THE GROUP'S SPECIFIC ACTIVITIES

Segregation of functions

The segregation of operational, commercial and financial functions implemented at each level of the Group reinforces the independence of internal control.

These different functions ensure the completeness and reliability of the information which is within their areas of responsibility. They provide regular updates of the completeness of information to local managers and to the Group’s headquarters (agricultural and industrial production, trade, human resources, finance, etc)

Autonomy and accountability of subsidiaries

The operational entities enjoy a large degree of autonomy in their management due to geographical distances. They are, in particular, responsible for the implementation of an internal control system adapted to the nature and extent of their activity, the optimisation of their operations and financial performances, the protection of their assets and management of their risks.

This autonomy makes it possible for the entities to be more accountable and to ensure the adequacy between their practices and the legal framework of their host country.

Centralised control

The Human Resources Management policy of the top management of the entities within the Group is centralized at the Group's headquarters. It contributes to the smooth running of an effective internal control system through the independence of recruitment, the harmonization of the segregated functions, annual evaluations and training programs.
The operational, commercial and financial functions centrally define a set of standard reports which ensure the homogeneity of the presentation of information originating from the subsidiaries.

Treasury reporting process

The treasury department organises, supervises and controls the reporting of daily information and weekly indicators of the subsidiaries and, in particular, the cash flow position, the evolution of net debt and the expenses related to the investments.

Financial reporting process

The financial department organises, supervises and controls the reporting of monthly accounting, budgetary and financial information and distributes condensed reports for use by the Group's operational management.
Twice per year, it includes this information in the long-term development plan of the subsidiaries. It also ensures the implementation of the financial decisions taken by the Board of Directors of the subsidiaries.

Preparation of consolidated accounts

The consolidated financial statements are prepared on a half-yearly basis. They are audited annually by the external auditors as part of a financial audit of subsidiaries, which covers both the statutory accounts of the entities in the scope of consolidation and the consolidated financial statements.

Once approved by the Board of Directors, they are published.

The consolidation department of the Group guarantees homogeneity and treatment monitoring for all companies within the scope of consolidation. It strictly adheres to the accounting standards in force relating to consolidation operations. It uses a standard consolidation tool to ensure the secure processing of information feedback from subsidiaries, the transparency and relevance of automatic consolidation processes and the consistency of presentation of accounting aggregates in the annual report. Lastly, due to the complexity of the accounting standards in force and the many specificities related to their implementation, the consolidation service centralises the adjustments specific to the valuation rules applicable to the consolidated financial statements.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

The Group has published its responsible management policy in 2017. This complements the Group's sustainable development commitments formalised in 2012.

An annual report on these aspects (Sustainable Development Report) is available to shareholders on the Group's website or upon request at the Company's registered office.

The Board of Directors

Auditor’s report on the consolidated financial statements

To the Shareholders
Société Financière des Caoutchoucs
Abbreviated, **Socfin**
4, Avenue Guillaume
L - 1650 Luxembourg

REPORT OF THE *RÉVISEUR D’ENTREPRISES AGRÉÉ*

Audit report of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Société Financière des Caoutchoucs « SOCFIN » and its subsidiaries (the "Group") including the consolidated statement of financial position as at 31st December 2019 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the Group's consolidated financial position as at 31st December 2019, as well as its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we would like to draw your attention to the following points:

Note 1.13 to the consolidated financial statements describes that the Group has adopted IFRS 16 "Leases" as of 1st January 2019 using the modified retrospective transition approach.

According to note 37, the scope of consolidation includes investments whose operating companies are located in various countries in Africa and Southeast Asia and which are exposed to risks of political and economic fluctuations.

Basis of opinion

We conducted our audit in accordance with the Regulation (EU) N ° 537/2014, the law of 23rd July 2016 relating to the audit profession (the law of 23rd July 2016) and the international auditing standards (ISA) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF). The responsibilities incumbent on us under these regulations, laws and standards are more fully described in the section entitled "Auditors’ Responsibilities " for the audit of the consolidated financial statements of this report. We are also independent from the Group in accordance with the code of ethics of professional accountants – the International Standards of Accounting Ethics (the IESBA Code) as adopted for Luxembourg by the CSSF as well as the rules of professional conduct which apply to the audit of the consolidated financial statements and we have fulfilled the other responsibilities imposed on us under these rules.

We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

The key audit questions are those matters that, in our professional judgment, have been the most significant in the audit of the consolidated financial statements for the period. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole and for the purpose of forming our opinion thereon, and we do not express a separate opinion on these matters.

The key issues for the audit of the Group's consolidated financial statements at 31st December 2019 are as follows:

Impairment losses on biological assets

Risk identified

At 31st December 2019, the value of the Group's biological production assets amounted to EUR 515 million for a total balance sheet of value EUR 1 101 million.

The Group has biological assets in Africa and Asia. These bearer biological assets, mainly consisting of oil palm and rubber plantations, are valued according to the principles defined in IAS 16 "Property, plant and equipment".

Biological assets are recorded at acquisition cost less accumulated amortization and any impairment losses.

Note 25 "Impairment of assets" in the notes to the consolidated financial statements describes the methods used by the Group to verify whether there is an indication of impairment at the end of the reporting period and when an impairment occurs, the methods for determining the recoverable value of the biological assets on the basis of which an impairment loss may be recognized.

The impairment loss index adopted by the Group is a decline in prices of natural rubber (TSR20 first position on SGX) and crude palm oil (CIF Rotterdam) at the closing date of more than 15% compared to an average of values over 5 years.

The Group also studies the prices observed on local markets, considering that a fall in these prices at the closing date of more than 15% compared to an average of values over 5 years constitutes an indication of loss of value.

In addition to these external factors, the Group considers the following factors:

- Internal performance indicators;
- Conditions of the local market;
- Physical indicators of loss of value;
- Significant change in plantation, which could have a material impact on their future cash flows.

The recoverable amount is the higher of value in use and market value. Value in use is determined by reference to discounted net future cash flows and involves significant management judgment, particularly in the preparation of forecasts and the choice of discount rates.

We considered that the value of the biological assets is a key point of the audit due to their significant amount in the consolidated statement of financial position and because the assessment of the existence of a loss of the value and, if applicable, the determination of the recoverable value of the assets, is judgmental.

Audit response provided

To address this risk, we performed the following work:

- Assess the compliance of the methodology applied by the Group with the provisions of IAS 36 "Impairment of Assets";

- Perform a critical analysis of the methods used to implement this methodology, paying particular attention to any indications of impairment;

- Review the work of the auditors of the significant subsidiaries in order to identify any indications of impairment;

- Carry out on-site visits to the plantation of the significant subsidiaries;

- Conduct an audit of the data used by the Group to identify any existence of impairment indicators by comparing them with other sources and reviewing the internal performance indicators of the Group's subsidiaries by comparing them with comparable companies

- Examine, in the case of the occurrence of an impairment loss, the relevance of the model used to determine the recoverable amount of the biological assets and ensure the reasonableness of the possible impairment loss recognized;

- Analyse the consistency of the cash flow projections used to calculate value-in-use;

- Reconcile the main data applied in the model with the information received from the local auditors;

- Assess the reasonableness of the main assumptions, including discount rates, based on active market data available to the entity at the measurement date, and comparable data;

- Testing the arithmetical accuracy of the value-in-use calculation performed by management.

- Verify the appropriateness of the information presented in Note 7 "Biological assets" and Note 25 "Impairment of assets" in the notes to the consolidated financial statements.

Other information

Responsibility for other information rests with the Board of Directors. Other information consists of the information presented in the annual report including the management reports and the corporate governance statement but does not include the financial statements and our Independent Auditor's report on these financial statements.

Our opinion on the consolidated financial statements does not extend to other information and we do not express any form of assurance on such information.

With respect to our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, assess whether there is a material inconsistency between it and the consolidated financial statements or our knowledge of the during the audit, or if the other information otherwise appears to contain a significant anomaly. If, based on our work, we conclude that there is a significant discrepancy in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union as well as the internal control that it considers necessary to enable the establishment of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of the Board of Directors to evaluate the Group's ability to continue as a going concern, to communicate, as the case may be, the issues relating to the continuity of operations. and to apply the accounting principle of going concern, unless the Board of Directors intends to liquidate the Group or cease its activity or if no other realistic solution is offered to it.

Responsibilities of the auditors for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No. 537/2014, with the law dated 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 based on these consolidated financial statements

In the context of an audit conducted in accordance with Regulation (EU) No 537/2014, the law of 23rd July 2016 and ISAs as adopted for Luxembourg by the CSSF, we exercise our professional judgment and exercise due diligence. critical mind throughout this audit. In addition:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, the design and implementation of audit procedures in response to such risks, and the gathering of financial information sufficient and appropriate evidence to support our opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from an error, since the fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumventing internal control;

- We gain an understanding of the internal control elements relevant to the audit in order to design audit procedures appropriate to the circumstances and not to express an opinion on the effectiveness of the Group's internal control;

- We assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the Board of Directors, as well as the related information provided by the latter;

- We draw a conclusion as to the appropriateness of the Board of Directors' use of the going concern accounting principle and, depending on the audit evidence obtained, whether or not there is significant uncertainty related to events or situations that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw the attention of readers of our report to the information provided in the consolidated financial statements about this uncertainty or, if this information is not adequate to express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our report. However, future events or situations could lead the Group to cease operations;

- We evaluate the overall presentation, the form and content of the consolidated financial statements, including the information provided in the notes, and assess whether the consolidated financial statements represent the underlying transactions and events in a manner that is appropriate a faithful image;

- We obtain sufficient appropriate audit evidence concerning the financial information of the Group's entities and businesses to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and execution of the Group audit, and assume full responsibility for our audit opinion.

We communicate to corporate governance officials, in particular, the scope and expected timing of the audit work and our significant findings, including any significant internal control deficiencies we may have identified during our audit.

We also provide corporate governance officials with a statement that we have complied with the relevant rules of professional conduct regarding independence and disclose to them all relationships and other factors that may reasonably be expected to affect the Company's independence. our independence and related safeguards where applicable.

Among the questions communicated to corporate governance officials, we determine which were the most important in the audit of the consolidated financial statements of the period considered: these are the key questions of the audit. We describe these issues in our report unless legal or regulatory provisions prevent them from being published.

Report on other legal and regulatory requirements

We were appointed as independent statutory auditor by the Annual General Meeting on 31st May 2017 and the total duration of our mission without interruption, including reappointment and previous renewals, is 5 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The information required by article 68bis paragraph (1) letters c) and d) of the amended law of 19th December 2002 concerning the commercial and companies register and the accounting and annual accounts of the companies included in the consolidated management report and presented on pages 30 to 31 and in the Company’s management report and presented on pages 116 to 117 are consistent with the consolidated financial statements and have been prepared in accordance with applicable legal requirements.

We confirm that our audit opinion is in accordance with the content of the supplementary report to the Audit Committee or the equivalent body.

We confirm that we have not provided any prohibited non-audit services as referred to in Regulation (EU) No 537/2014 and that we have remained independent from the Group during the audit.

Bertrange, 9th April 2020

C-CLERC S.A.
Cabinet de revision agréé

Mariateresa Di Martino
Réviseur d’entreprises agréé

Consolidated Financial Statements

1. Consolidated statement of financial position

ASSETS	*Note*	*31/12/2019 EUR*	*31/12/2018 EUR*
Non-Current Assets			
Goodwill	3	4 951 057	4 951 057
Right-of-use assets	4	10 934 472	0
Intangible assets	5	4 034 412	3 761 830
Property, plant and equipment	6	312 342 403	320 995 026
Biological assets	7	515 251 088	508 460 019
Investment properties	8	4 223 095	4 505 864
Financial assets at fair value through other comprehensive income	10	896 015	929 476
Long-term advances		4 577 585	4 473 170
Deferred tax assets	11	15 119 822	14 240 147
Other non-current assets		1 749 253	160 671
		874 079 202	***862 477 260***
Current Assets			
Inventories	12	98 099 755	86 580 724
Trade receivables	13	46 847 599	31 418 502
Other receivables	14	13 117 000	16 260 532
Current tax assets	15	13 014 084	14 878 461
Cash and cash equivalent	16	56 069 031	59 941 616
		227 147 469	***209 079 835***
TOTAL ASSETS		***1 101 226 671***	***1 071 557 095***

EQUITY AND LIABILITIES	*Note*	*31/12/2019 EUR*	*31/12/2018 EUR*
Equity attributable to the owners of the Parent			
Share capital	17	24 779 510	24 779 510
Share premium	17	501 847	501 847
Legal reserve	18	2 477 951	2 492 000
Consolidated reserves		375 175 037	366 089 726
Translation reserves		-91 472 394	-91 405 853
Profit for the year		8 185 721	16 093 629
		319 647 672	***318 550 859***
Non-controlling interests	9	324 228 591	327 637 345
Total Equity		***643 876 263***	***646 188 204***
Non-Current Liabilities			
Deferred tax liabilities	11	9 079 416	9 890 639
Employee Benefits Obligations	19	50 524 301	45 112 202
Long term debt, net of current portion	20	148 727 610	99 607 945
Long term lease liabilities	4, 20	11 958 683	0
Other payables	21	8 001 208	7 739 836
		228 291 218	***162 350 622***
Current Liabilities			
Short term debt and current portion of long term debt	20	84 417 308	115 626 333
Short term lease liabilities	4, 20	1 381 083	0
Trade payables		41 943 416	43 798 788
Current tax liabilities	15	22 182 525	23 999 047
Provisions		1 145 768	2 958 980
Other payables	21	77 989 090	76 635 121
		229 059 190	***263 018 269***
TOTAL EQUITY AND LIABILITIES		***1 101 226 671***	***1 071 557 095***

2. Consolidated income statement

	Note	2019	2018
		EUR	EUR
Revenue	34	592 882 514	545 811 274
Work performed by entity and capitalized		23 867 471	39 183 092
Change in inventories of finished products and work in progress		-7 954 767	10 779 215
Other operational income		17 326 081	12 806 180
Raw materials and consumables used		-213 519 282	-194 669 801
Other expenses		-102 038 716	-98 177 915
Staff costs	23	-128 489 140	-120 668 413
Depreciation and impairment expense	24	-63 775 734	-59 317 598
Other operating expenses		-38 347 515	-45 043 590
Operating profit		***79 950 912***	***90 702 444***
Other financial income	26	5 895 571	8 556 605
Gain on disposals		1 141 473	63 427
Impairment on disposals of assets		-720 555	-735 788
Financial expenses	27	-19 883 622	-18 515 497
Profit before taxes		***66 383 779***	***80 071 191***
Income tax expense	28	-35 690 288	-33 571 809
Deferred income / tax expense	28	669 327	219 651
Profit for the period		***31 362 818***	***46 719 033***
Profit attributable to non-controlling interests		***23 177 097***	***30 625 404***
Profit attributable to the owners of the Parent		***8 185 721***	***16 093 629***
Basic earnings per share undiluted	29	***0.58***	***1.14***
Number of Socfin shares		**14 159 720**	**14 159 720**
Basic earnings per share		0.58	1.14
Diluted earnings per share		0.58	1.14

3. Consolidated statement of other comprehensive income

	Note	2019 EUR	2018 EUR
Profit of the year		***31 362 818***	***46 719 033***
Other comprehensive income			
Actuarial losses and gains	19	-255 569	553 741
Deferred tax on actuarial losses and gains		45 820	-98 377
Fair value changes of securities measured at fair value through other comprehensive income, before taxes	10	-33 461	-68 324
Deferred tax on fair value changes of securities measured at fair value through other comprehensive income		9 062	18 503
Subtotal of items that cannot be reclassified to profit or loss		*-234 148*	*405 543*
Fair value changes of financial instruments of subsidiaries, before taxes		-7 831	475 545
Deferred tax on fair value changes of financial instruments of subsidiaries		2 121	-128 778
Gains (losses) on exchange differences on translation of subsidiaries		2 523 185	11 396 571
Subtotal of items eligible for reclassification to profit or loss		*2 517 475*	*11 743 338*
Total Other Comprehensive Income		***2 283 327***	***12 148 881***
Comprehensive income		***33 646 145***	***58 867 914***
Comprehensive income attributable to non-controlling interests		***25 278 681***	***37 051 312***
Comprehensive income attributable to the owners of the Parent		***8 367 464***	***21 816 602***

4. Consolidated statement of cash flows

	Note	2019 EUR	2018 EUR
Operating activities			
Profit attributable to the owners of the Parent		8 185 721	16 093 629
Profit attributable to non-controlling shareholders		23 177 097	30 625 407
Fair value of agricultural production	12	2 898 149	-164 078
Other adjustments having no impact on cash position (IFRS and others)		-2 857 634	-1 565 348
Depreciation, amortization and provisions and allowances		68 694 357	62 322 034
Net loss on disposals of assets		-420 918	657 787
Income tax expense	28	35 020 961	33 352 158
Cash flow from operating activities		***134 697 733***	***141 321 589***
Interest received		***10 947 426***	***8 492 199***
Income tax paid		***-35 690 288***	***-33 571 809***
Change in inventory		409 050	-15 221 000
Change in trade and other receivables		-10 559 321	5 604 408
Change in trade and other payables		-8 405 115	-13 399 323
Accruals and prepayments		1 577 556	-6 113 757
Change in working capital requirement		***-16 977 830***	***-29 129 672***
Net cash from operating activities		***92 977 041***	***87 112 307***
Investing activities			
Acquisition of additional interests in subsidiaries		-3 918 957	-4 767 166
Acquisitions / disposals of intangible assets		-394 757	-622 222
Acquisitions of property, plant and equipment		-70 909 977	-106 061 737
Disposals of property, plant and equipment		580 450	4 167 522
Acquisitions / disposals of financial fixed assets		1 271 990	-219 660
Net cash flows from investing activities		***-73 371 251***	***-107 503 263***
Financing activities			
Dividends paid to the owners of the Parent		-7 787 846	-7 787 846
Dividends paid to non-controlling shareholders		-22 960 936	-24 792 806
Proceeds from borrowings		83 992 571	55 550 854
Repayment of borrowings		-36 251 125	-48 376 701
Repayment of lease liabilities		-1 591 544	0
Interest paid		-10 947 426	-8 492 199
Net cash flows from financing activities		***4 453 694***	***-33 898 698***
Effect of exchange rate change		597 669	518 620
Net cash flow		***24 657 153***	***-53 771 034***
Cash and cash equivalent on 1st January	16	21 000 735	74 771 769
Cash and cash equivalent on 31st December	16	45 657 888	21 000 735
Net increase/(decrease) in cash and cash equivalents		***24 657 153***	***-53 771 034***
EBITA	36	***151 543 231***	***152 818 943***

5. Consolidated statement of changes in equity

EUR	*Share capital*	*Share premium*	*Legal reserve*	*Translation reserve*	*Consolidated reserves*	*Equity attributable to the owners of the parent*	*Non-controlling interests*	*TOTAL EQUITY*
Balance at 1st January 2018	***24 920 000***	***501 847***	***2 492 000***	***-96 465 003***	***372 787 589***	***304 236 433***	***319 708 181***	***623 944 614***
Profit/(loss) of the period					16 093 629	***16 093 629***	30 625 404	***46 719 033***
Actuarial losses and gains					346 523	***346 523***	108 841	***455 364***
Change in fair value of financial instruments					346 767	***346 767***	0	***346 767***
Change in fair value of securities at fair value through other comprehensive income					-29 466	***-29 466***	-20 355	***-49 821***
Foreign currency translation adjustments				5 059 150	0	***5 059 150***	6 337 422	***11 396 572***
Other comprehensive income				***5 059 150***	***16 757 453***	***21 816 603***	***37 051 312***	***58 867 915***
Cancellation of shares	-140 490				165 619	***25 129***	0	***25 129***
Dividends					-7 079 860	***-7 079 860***	-20 095 186	***-27 175 046***
Interim dividends					-707 986	***-707 986***	-4 697 620	***-5 405 606***
Other movements					260 540	***260 540***	-4 329 342	***-4 068 802***
Transactions with shareholders	***-140 490***				***-7 361 687***	***-7 502 177***	***-29 122 148***	***-36 624 325***
Balance at 31st December 2018	***24 779 510***	***501 847***	***2 492 000***	***-91 405 853***	***382 183 355***	***318 550 859***	***327 637 345***	***646 188 204***

EUR	*Share*	*Share*	*Legal*	*Translation*	*Consolidated*	*Equity attributable to the owners of*	*Non-controlling*	*TOTAL*

	capital	premium	reserve	reserve	reserves	the parent	interests	EQUITY
Balance at 1st January 2019	***24 779 510***	***501 847***	***2 492 000***	***-91 405 853***	***382 183 355***	***318 550 859***	***327 637 345***	***646 188 204***
Impact of the adoption of IFRS 16 : Leases (Note 4)					-795 665	***-795 665***	-904 120	***-1 699 785***
Adjusted balance at 1st January 2019	24 779 510	501 847	2 492 000	-91 405 853	381 387 690	317 755 194	326 733 225	644 488 419
Profit/(loss) for the period					8 185 721	***8 185 721***	23 177 097	***31 362 818***
Actuarial losses and gains					-187 192	***-187 192***	-22 557	***-209 749***
Change in fair value of financial instruments					-5 710	***-5 710***	0	***-5 710***
Changes in fair value of securities at fair value through Other comprehensive income					-14 296	***-14 296***	-10 103	***-24 399***
Foreign currency translation adjustments				388 941	0	***388 941***	2 134 244	***2 523 185***
Transfer between reserves			-14 049		14 049	***0***	0	***0***
Other comprehensive income			***-14 049***	***388 941***	***7 992 572***	***8 367 464***	***25 278 681***	***33 646 145***
Dividends					-7 079 860	***-7 079 860***	-20 800 888	***-27 880 748***
Interim dividends					-707 986	***-707 986***	-2 160 047	***-2 868 033***
Other movements				-455 482	1 768 342	***1 312 860***	-4 822 380	***-3 509 520***
Transactions with shareholders				***-455 482***	***-6 019 504***	***-6 474 986***	***-27 783 315***	***-34 258 301***
Balance at 31st December 2019	***24 779 510***	***501 847***	***2 477 951***	***-91 472 394***	***383 360 758***	***319 647 672***	***324 228 591***	***643 876 263***

	2019	2018
Dividends and interim dividends distributed during the period	7 787 846	7 787 846
Number of shares	14 159 720	14 159 720
Dividend per share distributed during the period	***0.55***	***0.55***

6. Notes to the consolidated financial statements

Note 1. Overview and accounting policies

1.1. Overview

The Société Financière des Caoutchoucs, abbreviated Socfin ("the Company") was incorporated on 5th December 1959. Its corporate purpose qualifies it as a soparfi since the Annual General Meeting of 10th January 2011. The registered office is established at 4, avenue Guillaume, L-1650 in Luxembourg.

The main activity of the Company and its subsidiaries (the "Group") is the management of a portfolio of interests mainly focused on the operation of tropical palm oil and rubber plantations in Africa and Southeast of Asia.

The Company is listed on the Luxembourg Stock Exchange and is registered in the commercial register under number B 5937.

1.2. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

On 18th March 2020, the Board of Directors approved the consolidated financial statements.

New standards or amendments as adopted by the European Union and applicable on 1st January 2019 that are currently effective:

- IFRS 16 "Leases":

On 1st January 2019, the new IFRS 16 "Leases" replaced IAS 17 "Leases". This new standard indicates how to recognize, measure and present leases and related information to be provided. The standard provides a single accounting model for lessees, requiring the recognition of right-of-use asset and a financial debt for all leases, except those with a contract term of 12 months or less or whose underlying asset has a low value. The Group applied the modified retrospective transition approach and did not consequently restate comparative data.

The impact of this new standard is detailed in Note 1.13 and in Note 4.

As of 1st January 2019, the Group adopted the following amendments without any material impact on the Group's consolidated financial statements:

- Interpretation of IFRIC 23 "Uncertainty over Income Tax Treatments":
  On 7th June 2017, the IASB issued this interpretation which clarifies the application of the provisions of IAS 12 "Income Taxes" regarding the recognition and measurement of income taxes when an uncertainty exists.

- Amendments to IFRS 9 "Financial Instruments":
  On 12th December 2017, the IASB published an amendment to IFRS 9 entitled “Prepayment features with negative compensation” to deal with the frequent case of instruments containing an prepayment clause when the exercise of this clause results in repayment less than the sum of the principal and the interest still due. This amendment modifies the existing IFRS 9 requirements for termination rights to allow for an amortized cost valuation (or, depending on the business model used, at fair value through other comprehensive income) even in the case of negative compensation payments.

- Amendments to IAS 28 “Investments in Associates" :
  On 12th October 2017, the IASB published an amendment to IAS 28 to clarify that an entity shall apply IFRS 9 "Financial Instruments" to long-term interests in an associate or joint venture that, in fact, form part of its net investment in the associate or joint venture, but to which the equity method is not applied.

- Amendments to IAS 19 “Employee Benefits” :
  On 7th February 2018, the IASB published an amendment to IAS 19 entitled “Amendment, Curtailment or Liquidation of a Plan" which clarifies that when a plan is amended, curtailed or liquidated, an entity shall recognize and measure past service cost or gain or loss on liquidation without taking into account the effect of the asset ceiling. The entity shall then determine the effect of the asset ceiling after plan amendment, curtailment or wind-up and account for any change in that effect.

- Annual Improvements to IFRSs: 2015-2017 cycle :
  On 12th December 2017, the IASB published the Annual Improvements to IFRS: 2015-2017 Cycle which contains amendments to four IFRSs as part of the IASB's annual improvements process:

  - IFRS 3 "Business Combinations" specifies that when an entity obtains control of a joint venture, it must re-evaluate its interests previously held in that enterprise.
  - IFRS 11 "Joint Arrangements" states that when an entity obtains joint control of a joint venture, it does not have to re-evaluate its interests previously held in that enterprise.
  - IAS 12 “Income taxes” specifies that an entity must recognize the tax consequences of dividends in profit or loss, in other comprehensive income or in equity, where the entity had initially recognized these transactions or events.
  - IAS 23 "Borrowing Costs" specifies that, if a contracted loan remains due once the related asset is ready for its intended use or sale, then such borrowing must be treated as borrowed funds in a manner that is for the purpose of calculating the capitalization rate of general loans.

New IFRS standards and amendments applicable from 2020:

- “Conceptual Financial Reporting Framework”:
  On 29th March 2018, the IASB published its revised “Conceptual Financial Reporting Framework”, which contains revised definitions of an asset and a liability, as well as new guidance on the measurement, derecognition, presentation and the information to be provided. The Group does not expect that the adoption of this amendment will have a material impact on its consolidated financial statements.

- Amendments to IAS 1 “Presentation of financial statements” and to IAS 8 “Accounting methods, changes in accounting estimates and errors”:
  On 31st October 2018, the IASB published amendments to IAS 1 “Presentation of financial statements” and to IAS 8 in order to clarify the definition of “significant” and to harmonize the definitions given in the Conceptual Framework for Financial Reporting and in the standards themselves. The Group does not expect that the adoption of these amendments will have a material impact on its consolidated financial statements.

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial instruments: recognition and measurement" and IFRS 7 "Financial Instruments: Disclosures":
  On 26th September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 as part of the benchmark interest rate reform as a first step in addressing the potential impact of the reform of interbank offered rates "IORP" on financial reporting. The amendments apply to fiscal years beginning on or after 1st January 2020; early application is permitted. The Group does not expect that the adoption of these amendments will have a material impact on its consolidated financial statements as it mitigates the potential effects of the uncertainty due to the reform of the "TIO" interest rate benchmark.

New IFRS standards, amendments and interpretations not yet endorsed by the European Union:

On 18th May 2017, the IASB issued IFRS 17 "Insurance Contracts", which establishes principles for the recognition, measurement and presentation of contracts. Under IFRS 17, insurance performance should be measured at its current execution value and provide a more consistent measurement and presentation method for all insurance contracts. IFRS 17 replaces IFRS 4 “Insurance contracts” and its interpretations. It is effective as of 1st January 2022 and early adoption is permitted if IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" have been applied. The Group does not expect that the adoption of this interpretation will have a material impact on its consolidated financial statements.

On 22nd October 2018, the IASB published amendments to IFRS 3 “Business Combinations”, relating to the definition of a business, which aim to resolve the difficulties encountered by businesses in determining whether they have acquired a business or a group of assets. The Group does not expect that the adoption of these amendments, which will come into effect for financial years beginning on or after 1st January 2020, will have a material impact on its consolidated financial statements.

On 23rd January 2020, the IASB published amendments to IAS 1 "Presentation of Financial Statements" on the classification of liabilities as current and non-current in order to establish a more general approach to the classification of liabilities under IAS 1, based on an analysis of contracts existing at the balance sheet date. The amendments include clarification of the requirements for classifying liabilities that a company could settle by converting them into equity

The Group does not plan to early adopt the new accounting standards, modifications and interpretations.

1.3. Presentation of consolidated financial statements

The consolidated financial statements are presented in Euros (EUR or €).
They are prepared on the basis of historical cost with the exception of the following assets:

- Biological assets (IAS 2, IAS 41), derivative instruments and securities measured at fair value through other comprehensive income are recognized at fair value;
- property, plant and equipment acquired as part of a business combination (IFRS 3) are measured initially at their fair value at the date of acquisition.

The accounting principles and rules are applied in a consistent and permanent way in the Group. The consolidated financial statements are prepared for the accounting year ending 31st December 2018 and are presented before allocation of the parent company's income to the Annual Meeting of Shareholders

1.4. Consolidation principles

The consolidated financial statements include the financial statements of the parent company Socfinaf as well as those of the companies controlled by the parent ("subsidiaries") and those of the companies in which Socfinaf has exercised significant influence ("associates"), all of which constitute the Group ".

All companies included in the scope of consolidation as of 31st December 2019 close their accounts on 31st December.

Subsidiaries

In accordance with IFRS 10, an investor has control when three conditions are fulfilled:
1) he holds power over the entity;
2) he is entitled to or is exposed to variable returns from its involvement;
3) It has the ability to use its power over the entity to affect returns.

Currently, the Group holds the majority of the voting rights in the entities.

Income from subsidiaries acquired or sold during the year is included in the consolidated income statement, respectively, from the date of acquisition to the date of disposal.

Where appropriate, restatements are made to the financial statements of the subsidiaries to align the accounting principles used with those of other companies in the scope of consolidation.

All intra-group balances and transactions are eliminated upon consolidation.

The list of subsidiaries of the Group is presented in Note 2.

1.5. Changes in Accounting Policies, Errors and Changes in Estimates

A change in accounting policy is applied only if it meets the requirements of a standard or interpretation or permits more reliable and relevant information. Changes in accounting policies are accounted for retrospectively, except in the case of transitional provisions specific to the standard or interpretation. An error, when discovered, is also adjusted retrospectively.

Uncertainties inherent in the activity require the use of estimates when preparing financial statements. The estimates are based on judgments intended to give a reasonable assessment of the latest reliable information available. An estimate is revised to reflect changes in circumstances, new information available and the effects of experience.

1.6. Goodwill

Goodwill is the difference on the date of acquisition between the fair value of the elements given in exchange for taking control, the value of minority interests, the fair value of previous equity investments and the fair value of assets, identifiable liabilities and contingent liabilities of the acquiree.

When disposing of a subsidiary or an associated enterprise, the residual amount of goodwill attributable to the subsidiary is included in the calculation of the result of disposal.

1.7. Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of identifiable assets and liabilities and the contingent liabilities of a subsidiary or associate on the cost of acquisition on the acquisition date.

To the extent that negative goodwill remains after considering and reassessing the fair value of identifiable assets and liabilities and contingent liabilities of a subsidiary or associate, it is recognized directly as a product in the income statement.

1.8. Foreign currency conversion

In the financial statements of Socfin and of each subsidiary or associated company, transactions in foreign currency are recorded, upon initial recognition, in the reference currency of the company concerned by applying the exchange rate in force on the transaction date. At closing, monetary assets and liabilities denominated in foreign currencies are converted on the last day of the year. Gains and losses arising from the realization or translation of monetary items denominated in foreign currencies are recorded in the income statement for the year.

To hedge its exposure to certain foreign exchange risks, the Group uses forward exchange contracts. These financial instruments do not qualify for hedge accounting. They are classified in other instruments (see Note 1.18).

On consolidation, the assets and liabilities of companies whose accounts are held in a currency other than the euro are translated into euros at the exchange rate prevailing on the closing date. Income and expenses are converted into euros at the average exchange rate for the year. Any exchange differences are classified as equity under "Translation differences". In the event of a disposal, the translation differences relating to the company concerned are recognized in the income statement for the year in which the sale took place.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The following exchange rates have been used for the conversion of the consolidated annual accounts:

1 euro equals to :	*Closing rate*		*Average Rate*	
	2019	*2018*	*2019*	*2018*
CFA franc	655.957	655.957	655.957	655.957
Ghanaian cedi	6.2166	5.5189	5.8724	5.4185
Indonesian rupiah	15 615	16 581	15 815	16 804
Cambodian riel	4 578	4 601	4 539	4 765
Nigerian naira	344.26	350.76	342.76	360.14
Dobra of São Tomé	24.50	24.50	24.50	24.50
Congolese franc	1 879	1 873	1 845	1 914
American dollar	1.1234	1.1450	1.1192	1.1782

1.9. Intangible assets

Intangible assets are stated at their acquisition cost less accumulated depreciation and any impairment losses.

Amortisation is applied on a straight-line basis based on an estimate of the useful life of the asset in question. Intangible assets are not subject to revaluation. When the recoverable value of an asset is lower than its book value, the latter is reduced to reflect this loss in value.

The estimated useful lives are as follows:

Patents	3 to 5 years old
Other intangible assets	3 to 5 years old
Software	3 to 5 years old
Concessions	Length of the concessions

Amortisation starts from the date of bringing the asset into use.

1.10. Property, plant and equipment

Tangible fixed assets are recorded at their acquisition cost less accumulated amortisation and any impairment losses.

Property, plant and equipment in progress is carried at cost less any identified impairment.

Depreciation is applied on a straight-line basis based on an estimate of the useful life for each significant component of the asset in question. When the recoverable value of an asset is lower than its book value, the latter is reduced to reflect this loss in value.

The estimated useful lives are as follows:

Buildings	20 to 50 years
Technical installations	3 to 20 years
Furniture, vehicles and others	3 to 10 years

Depreciation starts from the date that the assets are brought into use.

Land is not subject to depreciation.

1.11. Investment properties

Investment properties are real estate (land and buildings or part of buildings) held for rental or capital appreciation.

Investment properties are recorded at cost less accumulated depreciation and any impairment charges.

Depreciation is determined on a straight-line basis over the useful life of the asset. The depreciation period for investment properties is set at 50 years.

1.12. Bearer biological assets

The Group has biological assets in Africa and Asia. These biological assets, mainly consisting of palm oil and rubber plantations, are valued according to the principles defined in IAS 16 "Tangible fixed assets".

Biological assets at the time of harvest, in particular for palm bunches, palm oil and rubber, is evaluated according to the principles defined by IAS 41 "Agriculture".

Bearer biological assets

Producer biological assets are recorded at acquisition cost, less accumulated amortization and any impairment losses.

Depreciation is applied according to the straight-line method based on an estimate of the useful life. When the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to reflect that impairment.

The estimated useful lives are as follows:

Bearer plants – Palm	20 to 26 years
Bearer plants - Rubber	20 to 33 years

Depreciation start date is the date of transfer of biological assets in production (maturity). This transfer takes place in the fourth year after palm oil tree planting and in the seventh year after rubber tree planting. For each entity, the operating period can be adapted according to the particular circumstances.

Agricultural production

Agricultural production at harvest is valued at fair value less estimated costs necessary to complete the sale.

There are no observable data for agricultural production (palm diets, latex). The World Bank publishes price forecasts for dry rubber (finished product). These forecasts are based on the RSS3 grade (smoked sheet) that is not produced by the Group. Lastly, and even more so, there are no observable prospective data relating to the Group's agricultural production. The price of a standard product in a global market is not sufficiently representative of the economic reality in which the various entities of the Group intervene. This price cannot be used as a reference for valuation.

As a result, each entity determines the fair value of agricultural production based on actual market prices obtained over the past year.

The Group does not evaluate standing agricultural production (before harvest). In fact, by nature this notion is not applicable to the rubber tree whose agricultural production (latex) is located inside the tree itself. The Group also considers that the harvesting of palms cannot be reliably assessed with sufficient certainty without incurring costs disproportionate to the usefulness of the information collected.

The change in fair value is included in income in the period in which it occurs.

1.13. Leases

The Group has adopted IFRS 16 "Leases" retrospectively from 1st January 2019, without restatement of comparative figures as permitted by the transition provisions of the standard. Reclassifications and adjustments arising from the new leasing rules have been recognized at the opening of the period starting on 1st January 2019.

Following the adoption of IFRS 16, the Group has recognized in the statement of financial position right-of-use assets and lease liabilities for leases that were previously treated as operating leases under the principles of IAS 17. Lease liabilities were measured at the value of the remaining lease payments discounted at the incremental borrowing rate at 1st January 2019.

The right-of-use assets have been measured on a retrospective basis as if the new rules had always been applied.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- use of a single discount rate for contracts with similar characteristics;
- non-recognition of right-of-use assets and lease liabilities for leases with a remaining lease term of less than 12 months on 1st January 2019. The corresponding expenses have been recognized with the expenses related to short-term leases;
- exclusion of initial direct costs for the initial valuation of rights-of-use of assets;
- non-separation of the non-leasing component in vehicles leases.

The change in accounting policy impacted the following items in the statement of financial position on 1st January 2019:

- property, plant and equipment: decrease by EUR 0.3 million
- rights of use of assets: increase by 11.9 million euros
- deferred tax assets: increase by EUR 0.7 million
- borrowings: decrease by EUR 0.3 million
- lease labilities: increase by EUR 14.3 million.

The net impact on retained earnings at 1st January 2019 was a decrease of EUR 1.7 million.

For leases previously treated as finance leases, the right-of-use assets and the lease liability were recognized on 1st January 2019 at their carrying amount measured in accordance with IAS 17 immediately prior to that date.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and recognizes any impairment loss as described in note 25: Impairment of assets.

Accounting policy applicable before 1st January 2019

Leases are classified as finance leases when the terms of the lease transfer to the lessee substantially all the risks and rewards of ownership.

Assets held under finance leases are recognized as Group assets at the lower of the discounted value of the minimum lease payments and their fair value at the inception date of the lease. The corresponding debt to the lessor is recorded in the statement of financial position for the same amount as a lease obligation. Financial expenses, which represent the difference between the total commitments of the contract and the fair value of the property acquired, are spread over the different periods covered by the lease in order to obtain a constant periodic interest rate on the outstanding liabilities balance for each accounting year.

Rent expense under an operating lease is recognized as an expense in the income statement on a straight-line basis over the life of the related lease.

1.14. Impairment of assets

Goodwill is not amortized but is tested for impairment at least once a year and whenever there is an indication of impairment.

In addition, at each reporting date, the Group reviews the carrying amounts of its intangible and tangible assets, including its organic producing assets, in order to assess whether there is any indication that its assets may have lost value. If there is such an index, the recoverable amount of the asset is estimated to determine, if applicable, the amount of the loss or impairment. The recoverable amount is the higher of the fair value less costs to sell the asset and the value in use.

The fair value of property, plant and equipment and intangible assets is the present value of estimated future cash flows expected from the use of an asset or cash-generating unit. When it is not possible to estimate the recoverable amount of an isolated asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognized as expenses in the income statement.

When an impairment loss recognized in a prior period no longer exists or needs to be written down, the carrying amount of the asset (cash-generating unit) is increased to the extent of the revised estimate of its recoverable amount. However, this increased carrying amount may not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in income in the income statement.

An impairment loss recorded on goodwill cannot be subsequently reversed.

1.15. Inventories

Inventories are recorded at their lowest cost and net realizable value. Cost includes direct material costs and, if applicable, direct labour costs and directly attributable overhead costs.

Where specific identification is not possible, the cost is determined on the basis of the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to complete the sale (primarily selling expenses).

Impairment or loss on inventory to net realizable value is recognized as an expense in the period in which the impairment or loss occurred.

As explained in Note 1.12. Biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.16. Trade receivables

Trade receivables are valued at their nominal value and do not bear interest. Following the amendments to IFRS 9 "Financial Instruments", the Group applies a simplified approach and records a provision for expected losses over the life of the receivables. This provision for losses is an amount that the Group considers a reliable estimate of the inability of its customers to make the required payments.

1.17. Cash and cash equivalents

This item includes cash, demand deposits, short-term deposits of less than 3 months, as well as investments easily convertible into a known amount of cash and which are subject to a negligible risk of change in value.

1.18. Financial instruments

Financial assets and liabilities are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments derivatives
Financial instruments derivatives are measured at fair value at each reporting date.
The accounting treatment depends on the qualification of the instrument concerned:

- *Hedging instruments:*

The Group refers to certain hedging instruments, including foreign exchange risk and interest rate risk derivatives, as cash flow hedges. Foreign currency hedges related to firm commitments are accounted for as cash flow hedges.

At the inception of the hedging relationship, the entity prepares documentation describing the relationship between the hedging instrument and the hedged item as well as its risk management objectives and strategy for performing various hedging transactions. In addition, when the hedge is created and regularly thereafter, the Group indicates whether the hedging instrument is highly effective in offsetting changes in the fair value or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges and qualify for such designation is recognized in other comprehensive income and accumulated in the hedging reserve. cash flow. The gain or loss related to the ineffective portion is recognized immediately in profit or loss, in other gains and losses.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to net income in the periods in which the hedged item affects net income, to the same account as the recognized hedged item. However, if a hedged forecast transaction results in the recognition of a non-financial asset or liability, the gains and losses that were previously recognized in other comprehensive income and accumulated in equity are taken out of equity to be recognized in equity. taken into account in the initial measurement of the cost of the non-financial asset or liability.

For the periods under review, the hedging instruments were used by the Group up to January 2019.

- *Other instruments:*

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement when they occur.

For the periods under review, forward exchange contracts were used by the Group.

Loans

Loans bearing interest are recorded for the amounts given, net of direct costs of issue. Financial income is added to the carrying amount of the instrument to the extent that it is not received in the period in which it occurs. Interest is calculated using the effective interest rate method.

Interest-bearing borrowings and overdrafts are recorded for amounts received, net of direct issue costs. Financial expenses are accounted for using the relevant accounting method and are added to the carrying amount of the instrument to the extent that they are unpaid in the year in which they occur.

The carrying amount is a reasonable approximation of fair value in the case of financial instruments such as borrowings and debts with short-term financial institutions.

The fair value measurement of borrowings and debts with financial institutions, other than in the short term, depends both on the specifics of the loans and on current market conditions. The fair value was calculated by discounting the expected future cash flows at the re-estimated interest rates prevailing at the balance sheet date over the remaining term of repayment of the loans.

The majority of long-term loans and debts with financial institutions come from institutions located in Europe, which is why the Group relied on the evolution of the interest rate of the European Central Bank adjusted for the specific risk inherent in each financial instrument, as a reasonable benchmark for estimating the fair value of such borrowings.

Equity instruments

Equity instruments are recognized for the amounts received, net of direct costs generated by the issue.

Securities available for sale

This item includes shares held by the Group in companies in which it does not exercise control or significant influence or in unconsolidated companies.

Upon initial recognition, these assets are recognized at fair value, which is generally at their acquisition cost.

In accordance with the transitional provisions in IFRS 9, the Group has chosen to show securities that are available for sale as financial assets at fair value through comprehensive income, as these investments are held as strategic investments in long term that should not be sold in the short term.

For equities of listed companies, the fair value is the market value at the closing date (Level 1). For unlisted securities, the fair value is determined on the basis of revalued net assets (Level 3).

At each reporting date, the Group reviews the carrying amounts of its securities in order to assess whether there is any indication that they may have lost value. No profit or loss related to these instruments can be reclassified to income even at the time of derecognition.

The impairment criteria applied by the Group, for unlisted securities, are a 40% depreciation compared to the acquisition cost and a loss recognized over a period of more than one year. For listed securities, a definitive impairment loss is recognized in profit or loss if the closing market price is more than 30% lower than its acquisition cost over a period of more than one year.

Other financial assets and liabilities
Other financial assets and liabilities are recorded at their acquisition cost. The fair value of other financial assets and liabilities is estimated to be close to the carrying amount.

The receivables are valued at their nominal value (historical cost) less any write-downs covering amounts considered as non-recoverable if the Group deems it necessary. Depreciation of assets is recognized in the income statement under "Other operating income/expenses". There is no consolidated Group policy on value adjustments. The Board of Directors of each subsidiary evaluates the receivables individually. Value adjustments are determined taking into account the local economic reality of each country. They are reviewed at the reception of new events and at least annually.

1.19. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event which will probably lead to an outflow of economic benefits that can be reasonably estimated.

Restructuring provisions are recognized when the Group has a formal and detailed plan for the restructuring that has been notified to the affected parties.

1.20. Pension obligations

Definition of contribution plans
These plans designate the post-employment benefit plans under which the Group pays defined contributions to external insurance companies for certain categories of employees. Payments made under these pension plans are recognized in the income statement in the year in which they are due.

As these plans do not generate future commitments for the Group, they do not give rise to provisions.

Benefit plans defined
These plans refer to post-employment benefit plans that provide additional income to certain categories of employees for services rendered during the year and prior years.

This guarantee of additional resources is a future benefit for the Group for which a commitment is calculated by independent actuaries at the end of each financial year.

The actuarial assumptions used to determine the liabilities vary according to the economic conditions prevailing in the country in which the plan is located.

The discount rates applicable to discount post-employment benefit obligations should be determined by reference to the market yields on high quality corporate bonds that are appropriate to the estimated timing of benefit payments at the balance sheet date. .

The Group considers that there is no active market for high-quality corporate bonds or government bonds corresponding to the terms of the employee benefits in the countries concerned. In the absence of available and reliable data, since the end of December 2014, the Group decided to calculate discount rates using an economic approach that better reflects the value of money and the timing of benefit payments.

The cost of corresponding commitments is determined using the projected unit credit method, with a discounted value calculation at the balance sheet date in accordance with the principles of IAS 19 "Employee Benefits".

The revised version of IAS 19 requires all changes in the amount of defined benefit pension obligations to be recognized as they occur.

Remeasurements of defined benefit pension obligations, including actuarial gains and losses, should be recognized immediately in "Other comprehensive income".

The costs of services rendered during the period, past service costs (plan amendment) and net interest are recognized as an expense immediately.

The amount recognized in the statement of financial position is the present value of the pension obligations of the defined benefit plans adjusted for actuarial gains and losses and less the fair value of plan assets.

1.21. Revenue recognition

The Group's revenues derive from the performance obligation of transferring control of products under arrangements. According to these arrangements, the transfer of control and the fulfilment of the performance obligation occur at the same time.

The point of control of the asset by the customer depends on when the goods are made available to the carrier or when the buyer takes possession of the goods, depending on the delivery conditions. With regards to the Group's activities, the recognition criteria are generally met:
(a) for export sales, where the products are made available to the carrier;
(b) for local sales, depending on the delivery conditions, either when the goods leave the premises or when the customer takes possession of the goods.
This is the moment when the Group has fulfilled its performance obligations.
Revenues are valued at the transaction price of the consideration received or receivable, which the Company expects to be entitled to.

The selling price is determined at the market price and in a few cases the selling price is contractually determined on a provisional basis, based on a reliable estimate of the selling price. In the latter case, price adjustments can then take place depending on the movements between the reference price and the final price.

Interest income is recognized on a straight-line basis, depending on the outstanding amount of principal and the applicable interest rate.

1.22. Borrowing costs

Borrowing costs, that are directly attributable to the acquisition, construction or production of a qualifying asset, that require a long period of preparation, must be capitalized in the cost of an asset. However, there is an exception for borrowing costs that are related to the acquisition, construction or production of a qualifying asset measured at fair value. These are recognized in the income statement.

Other borrowing costs are recorded in the income statement in the period in which they are incurred.

1.23. Taxes

Current tax is the amount of tax payable or recoverable on the profit or loss of a financial year.

Temporary differences between the book values of assets and liabilities and their tax bases give rise to the recognition of a deferred tax using the tax rates whose application is provided for when reversing the temporary differences, as adopted on the closing date.

Deferred taxes are recognized for all temporary differences unless the deferred tax is generated by goodwill or by the initial recognition of an asset or a liability that is not acquired through a business combination and does not affect the accounting profit or the taxable profit on the transaction date.

A deferred tax liability is recognized for all taxable temporary differences related to investments in subsidiaries and associates, unless the date on which the temporary difference will be reversed can be checked and it is likely that it will not reverse in the foreseeable future.

A deferred tax asset is recognized to carry forward unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available on which these unused tax losses and tax credits can be charged.

Deferred tax is recognized in the income statement unless it relates to items that have been directly recognized, either in equity or in other comprehensive income.

1.24. Non-current assets held for sale and discontinued operations

These assets include cash-generating units that have been sold or are being held for sale.

Assets and liabilities held for sale are presented separately from other assets and liabilities in the statement of financial position and are measured at the lower of their net book value and fair value net of disposal costs.

The result of discontinued operations is presented on a separate line in the income statement.

1.25. Business combinations

IFRS 3 "Business Combinations" provides the accounting basis for recognizing business combinations and changes in interests in subsidiaries after obtaining control.

This standard makes it possible, at each grouping, to opt for the recognition of a positive goodwill (corresponding to majority and minority interests) or a partial positive goodwill (based on the percentage of vested interests).

The accounting treatment of this difference is described in points 1.6 and 1.7.

Changes in interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

1.26. Segment information

IFRS 8 "Operating Segments" requires operating segments to be identified based on the internal reporting analysed by the entity's chief operating decision-maker to assess performance and make resource decisions for the segments.

The identification of these operational sectors follows from the information analysed by the Management which is based on the geographic distribution of political and economic risks and on the analysis of individual social accounts at historical cost.

1.27. Use of estimates

For the preparation of consolidated financial statements in accordance with IFRS, Group Management has had to make assumptions based on its best estimates that affect the carrying amount of assets and liabilities, information on assets and liabilities. contingent liabilities and the carrying amount of income and expenses recorded during the period. Depending on the evolution of these assumptions or different economic conditions, the amounts that will appear in the Group's future consolidated financial statements may differ from current estimates. Significant accounting policies, for which the Group has made estimates, mainly concern the application of IAS 19 (Note 19), IAS 2 / IAS 41 (Notes 7 and 12), IAS 16 (Note 6), IAS 36 (Notes 6, 7 and 25), IFRS 9 (Note 22) and IFRS 16 (Note 4).

In the absence of observable data within the scope of IFRS 13, the Group makes use of a model developed to assess the fair value of agricultural production based on local production costs and conditions and local sales.

This method is inherently more volatile than assessment at historical cost.

Note 2. Subsidiaries and associates

	% Group Interest 2019	% Group Control 2019	Consolidation Method (*) 2019	% Group Interest 2018	% Group Control 2018	Consolidation Method (*) 2018
AFRICA						
Rubber and palm						
SOGB S.A.	39.49	73.16	FI	38.20	73.16	FI
PLANTATIONS SOCFINAF GHANA « PSG » LTD	62.00	100.00	FI	59.97	100.00	FI
OKOMU OIL PALM COMPANY PLC	40.28	64.97	FI	39.65	66.12	FI
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN « SAFACAM » S.A.	42.81	69.05	FI	41.41	69.05	FI
SOCIETE CAMEROUNAISES DE PALMERAIES « SOCAPALM » S.A.	41.82	67.46	FI	40.46	67.46	FI
Rubber						
LIBERIAN AGRICULTURAL COMPANY « LAC »	62.00	100.00	FI	59.97	100.00	FI
SALALA RUBBER CORPORATION « SRC »	62.00	100.00	FI	59.97	100.00	FI
SUD COMOË CAOUTCHOUC « SCC »	37.79	70.01	FI	36.55	70.01	FI
Palm						
SOCFIN AGRICULTURAL COMPANY « SAC » LTD	57.66	93.00	FI	55.77	93.00	FI
SOCIETE DES PALMERAIES DE LA FERME SUISSE « SPFS »	41.82	100.00	FI	40.46	100.00	FI
AGRIPALMA LDA	54.56	88.00	FI	52.78	88.00	FI
BRABANTA S.A.	62.07	100.00	FI	60.05	100.00	FI
Other activities						
BEREBY-FINANCES « BEFIN » S.A.	53.98	87.06	FI	52.21	87.06	FI
CAMSEEDS S.A.	41.91	100.00	FI	40.54	100.00	FI
ASIA						
Rubber and Palm						
PT SOCFIN INDONESIA « SOCFINDO »	52.03	90.00	FI	52.01	90.00	FI
Rubber						
SETHIKULA CO LTD	57.81	100.00	FI	57.79	100.00	FI
SOCFIN-KCD CO LTD	57.81	100.00	FI	57.79	100.00	FI
VARANASI CO LTD	57.81	100.00	FI	57.79	100.00	FI
COVIPHAMA CO LTD	57.81	100.00	FI	57.79	100.00	FI

	% Group Interest 2019	% Group Control 2019	Consolidation Method (*) 2019	% Group Interest 2018	% Group Control 2018	Consolidation Method (*) 2018
EUROPE						
Other Activities						
CENTRAGES S.A.	59.90	100.00	FI	58.88	100.00	FI
IMMOBILIERE DE LA PEPINIERE S.A.	59.90	100.00	FI	58.88	100.00	FI
INDUSERVICES S.A.	73.83	100.00	FI	73.22	100.00	FI
INDUSERVICES FR S.A.	59.90	100.00	FI	58.88	100.00	FI
MANAGEMENT ASSOCIATES S.A.	61.93	90.00	FI	61.22	90.00	FI
PLANTATION NORD-SUMATRA LTD « PNS Ltd » S.A.	57.81	100.00	FI	57.79	100.00	FI
SOCIETE ANONYME FORESTIERE AGRICOLE « SAFA »	62.00	100.00	FI	59.97	100.00	FI
SOCFIN RESEARCH S.A.	59.90	100.00	FI	58.88	100.00	FI
SOCFIN GREEN ENERGY S.A.	59.90	100.00	FI	58.88	100.00	FI
SOCFINAF S.A.	62.00	62.00	FI	59.97	59.97	FI
SOCFINASIA S.A.	57.81	57.81	FI	57.79	57.79	FI
SOCFINCO S.A.	59.90	100.00	FI	58.88	100.00	FI
SOCFINCO FR S.A.	59.90	100.00	FI	58.88	100.00	FI
SOCFINDE S.A.	58.60	99.92	FI	58.18	99.92	FI
SODIMEX S.A.	59.90	100.00	FI	58.88	100.00	FI
SODIMEX FR S.A.	59.90	100.00	FI	58.88	100.00	FI
SOGESCOL CAMEROUN « SOGESCOL CAM » S.A.R.L.	59.90	100.00	FI	58.88	100.00	FI
SOGESCOL FR S.A.	59.90	100.00	FI	58.88	100.00	FI
STP INVEST S.A.	62.00	100.00	FI	59.97	100.00	FI
TERRASIA S.A.	67.18	100.00	FI	66.50	100.00	FI

(*) Consolidation Method : FI : Full integration

List of subsidiaries and associates

* AGRIPALMA LDA is a company located on the island of São Tomé and Principe specialized in the production of palm oil.

* BEREBY-FINANCES « BEFIN » S.A. is a holding company under Ivorian law owning the Ivorian companies SOGB S.A. and SCC.

* BRABANTA S.A. is a Congolese company specialized in the production of palm oil.

* CAMSEEDS S.A. is a company under Cameroonian law specialized in research, development and production of seeds (palm).

* CENTRAGES S.A. is a company under Belgian law providing administrative and accounting services and owns three floors of office space in Brussels.

* COVIPHAMA CO LTD is a company under Cambodian law involved in rubberwood.

* IMMOBILIERE DE LA PEPINIERE S.A. is a company under Belgian law with three floors of office space in Brussels.

* INDUSERVICES S.A. is a company under Luxembourg law whose purpose is to provide all administrative services to all companies and organizations, including all services relating to documentation, bookkeeping and register services, as well as all representation, study and consultation activities and assistance.

* INDUSERVICES FR S.A. is a company under Swiss law whose purpose is to provide all administrative services to all companies and organizations, including all services relating to documentation, bookkeeping and register services, as well as all representation, study and consultation activities. and assistance. In addition, it provides all Group companies with access to the common IT platform.

* LIBERIAN AGRICULTURAL COMPANY « LAC » is a company under Liberian law specializing in the production of rubber.

* MANAGEMENT ASSOCIATES S.A. is a company under Luxembourg law active in the transport sector.

* OKOMU OIL PALM COMPANY PLC is a company under Nigerian law specialized in the production of palm and rubber products.

* PLANTATION NORD-SUMATRA LTD “PNS Ltd" S.A. is a holding company under Luxembourg law which holds stakes in PT Socfindo and Coviphama CO LTD.

* SOCFINAF PLANTATIONS GHANA "PSG" LTD is a Ghanaian company specialized in the production of palm and rubber products.

* PT SOCFIN INDONESIA "SOCFINDO" is a company under Indonesian law active in the production of palm oil and rubber.

* SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN « SAFACAM S.A. » is a company under Cameroon law active in the production of palm oil and the cultivation of rubber trees.

* SALALA RUBBER CORPORATION « SRC » is a company under Cameroon law active in the production of palm oil and the cultivation of rubber trees.

* SETHIKULA CO LTD is a company under Cambodian law holding concessions of agricultural land.

* SOCIETE CAMEROUNAISE DE PALMERAIES « SOCAPALM S.A. » is active in Cameroon in the production of palm oil and rubber cultivation.

* SOCFIN AGRICULTURAL COMPANY « SAC » LTD is a company located in Sierra Leone specialized in the production of palm oil.

* SOCFIN CONSULTANT SERVICES « SOCFINCO » S.A. is a company established in Belgium providing technical assistance, agronomic and financial services.

* SOCFIN GREEN ENERGY S.A. is a Swiss company in the realization and maintenance studies of energy production units.

* SOCFIN RESEARCH S.A. is a Swiss research and agricultural project company.

* SOCFIN-KCD CO LTD is a company under Cambodian law active in the production of rubberwood.

* SOCFINAF S.A. is a holding company incorporated under Luxembourg law whose activity is mainly focused on the management of a portfolio of active participations in plantations located in Africa.

* SOCFINASIA S.A. is a holding company under Luxembourg law whose activity is focused on the management of a portfolio of interests involved in plantations located in Southeast Asia.

* SOCFINCO FR S.A. is a Swiss company providing services, studies and management of agro-industrial plantations.

* SOCFINDE S.A. is a finance holding company under Luxembourg law.

* SOCIETE ANONYME FORESTIERE AGRICOLE « SAFA » is a company under French law holding a stake in a plantation in Cameroon, Safacam S.A.

* SOCIETE DES PALMERAIES DE LA FERME SUISSE « SPFS » S.A. is a company incorporated under the Cameroon law in the production and marketing of palm oil.

* SODIMEX S.A. is a Belgian company active in the field of buying and selling equipment for plantations.

* SODIMEX FR S.A. is a Swiss company active in the purchase and sale of equipment for plantations.

* SOGB S.A. is a company under Ivorian law specialized in the production of palm and rubber products.

* SOGESCOL FR S.A. is a Swiss company active in the tropical products trade.

* SOGESCOL CAMEROON "SOGESCOL CAM" S.A R.L. is a company under Cameroonian law active in the trading of palm oil in Cameroon.

* STP INVEST S.A. is a company under Belgian law with a stake in Agripalma LDA.

* SUD COMOË CAOUTCHOUC « SCC » is a company under Ivorian law whose business is the processing and marketing of rubber.

* TERRASIA S.A. is a company under Luxembourg law set up for office ownerships.

* VARANASI CO LTD is a company under Cambodian law holding concession of agricultural land.

Note 3. Goodwill

	2019 EUR	2018 EUR
Fair value at 1st January	***4 951 057***	***4 951 057***
Fair value at 31st December	***4 951 057***	***4 951 057***

Note 4. Leases

The Group leases offices and agricultural land for terms ranging from 1 to 99 years, as well as vehicles and equipment for terms ranging from 1 month to 5 years.

The Group's lease contracts are standard contracts that do not include additional non-leasing components, except for some vehicle lease contracts that include a maintenance service. The Group has used the practical expedient that allows not separating the lease component from the non-lease component for these contracts

Assets and liabilities related to lease contracts are initially measured at the present value of the fixed payments including in-substance fixed payments less any lease incentives receivable.
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

As the implicit interest rate is not known for all the Group's contracts, the incremental borrowing rate was used to discount the lease payments. The incremental borrowing rate is the rate that the lessee would have to pay to borrow, for a similar term and with a similar guarantee, the funds necessary to acquire an asset of similar value to the asset under the right-of-use in a similar economic environment.

In determining the incremental borrowing rate, the Group:

- where possible, uses the most recent financing received by the lessee as a starting point, adjusted to reflect the change in financing conditions since the financing was received;
- uses a build-up approach starting with a risk-free rate adjusted for credit risk for leases for entities with no recent external financing;
- makes lease specific adjustments (such as term, country, currency and collateral).

The discount rates used by the Group range between 2.4% and 19.9%.

Lease payments are allocated between the repayment of the principal amount of the lease liabilities and interest expense. Interest expense is recognized in the income statement for the period over the term of the lease.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense in the income statement on a straight-line basis. Short-term leases are those with a term of 12 months or less. Low value assets consist mainly of IT equipment.

Extension and termination options have been included in the term of certain leases. To this purpose, management takes into account all facts and circumstances that may create an incentive to exercise a renewal option or not to exercise an early termination option.

For land, office and other real estate leases, the most important factors considered are as follows:

- the obligation to pay significant penalties for early termination of a contract;
- the residual value of leasehold improvements at the time the Group has the option to renew a contract;
- the cost of replacing leased assets and the disruption to operating activities that could result from replacement.

Extension options of equipment and vehicles leases have not been included the lease liability, because the Group could replace the assets without significant cost or business disruption.

The amounts recognized in the balance sheet, in 2019, related to leases are as follows:

Right to use assets:

EUR	*Furniture, vehicles and other*	*Buildings*	*Land and concession of agricultural area*	*Total*
Impact of adoption of IFRS 16	**4 763 598**	**4 490 245**	**8 735 515**	**17 989 358**
Additions of the year	467 578	0	38 392	**505 970**
Foreign exchange differences	34 699	3 393	96 013	**134 105**
Gross value at 31st December 2019	***5 265 875***	***4 493 638***	***8 869 920***	***18 629 433***
Impact of adoption of IFRS 16	**-2 499 862**	**-1 191 023**	**-2 370 834**	**-6 061 719**
Depreciation of the year	-1 060 998	-299 484	-219 772	**-1 580 254**
Foreign exchange differences	-19 392	-1 908	-31 688	**-52 988**
Accumulated depreciation at 31st December 2019	***-3 580 252***	***-1 492 415***	***-2 622 294***	***-7 694 961***
Net book value at 31st December 2019	**1 685 623**	**3 001 223**	**6 247 626**	**10 934 472**

Lease liabilities

EUR	*31/12/2019*	*01/01/2019 (*)*
Long-term lease liabilities	11 958 683	12 877 379
Short-term lease liabilities	1 381 083	1 454 756
Total	***13 339 766***	**14 332 135**

(*) The balance at 1st January 2019 relates to the impact of adoption of IFRS 16.

The amounts recognized in the income statement in relation with lease contracts are detailed as follows:

EUR	*2019*
Depreciation of right-of-use assets	1 580 254
Expenses related to short term leases and leases of low-value assets	801 190
Interest expense (included in the financial expenses)	1 060 868
Total	***3 442 312***

Lease commitments under IAS 17:

Commitments for minimum lease payments are payable as follows:

2018

EUR	Within one year	2020	2021	2022	2023	2024 and over	*TOTAL*
Commitments for lease payments	2 635 534	2 156 595	1 672 830	1 075 648	1 033 726	28 893 572	**37 467 905**

Reconciliation of the lease commitments under IAS 17 and the lease liabilities under IFRS 16:

EUR	*01/01/2019*
Lease commitments at 31st December 2018	37 467 905
Discounted using the lessee's incremental borrowing at 1st January 2019	12 759 725
Debt related to finance leases as at 1st January 2019	274 878
Payments related to short term leases	-181 704
Adjustments for differences in the treatment of extension periods	1 479 237
Lease liabilities at 1st January 2019	***14 332 135***
Due within one year	12 877 379
Due later than one year	1 454 756

Information relating to leases where the Group is the lessor is provided in note 8.

Note 5. Intangible assets

EUR	Concessions & patents	Software	Other intangible assets	TOTAL
Cost at 1st January 2018	***2 863 625***	***3 319 818***	***1 954 954***	***8 138 397***
Additions of the year	0	100 963	474 092	575 055
Disposals of the year	-285 019	0	-20 300	-305 319
Reclassifications to other asset classes	0	-271 656	104	-271 552
Foreign currency translation	-110 009	-20 379	2 852	-127 536
Cost at 31st December 2018	***2 468 597***	***3 128 746***	***2 411 702***	***8 009 045***
Accumulated depreciation at 1st January 2018	***-187 639***	***-1 671 323***	***-1 678 293***	***-3 537 255***
Depreciation of the year	-54 641	-134 047	-551 409	-740 097
Depreciation reversals of the year	6 932	0	0	6 932
Foreign currency translation	2 766	23 277	-2 838	23 205
Accumulated depreciation at 31st December 2018	***-232 582***	***-1 782 093***	***-2 232 540***	***-4 247 215***
Net book value at 31st December 2018	***2 236 015***	***1 346 653***	***179 162***	***3 761 830***
Cost at 1st January 2019	***2 468 597***	***3 128 746***	***2 411 702***	***8 009 045***
Additions of the year	0	188 304	363 640	551 944
Disposals of the year	0	-32 382	-223 221	-255 603
Reclassifications to other asset classes	278 087	-1 740	-231 251	45 096
Foreign currency translation	-299 896	90 903	1 272	-207 721
Cost at 31st December 2019	***2 446 788***	***3 373 831***	***2 322 142***	***8 142 761***
Accumulated depreciation at 1st January 2019	***-232 582***	***-1 782 093***	***-2 232 540***	***-4 247 215***
Depreciation of the year	-50 271	-102 156	-157 483	-309 910
Depreciation reversals of the year	0	32 252	66 033	98 285
Reclassifications to other asset classes	0	0	-36 410	-36 410
Foreign currency translation	20 532	-66 716	433 085	386 901
Accumulated depreciation at 31st December 2019	***-262 321***	***-1 918 713***	***-1 927 315***	***-4 108 349***
Net book value at 31st December 2019	***2 184 467***	***1 455 118***	***394 827***	***4 034 412***

Note 6. Property, plant and equipment

EUR	*Land and nurseries*	*Buildings*	*Technical installations*	*Furniture, vehicles and others*	*Work in progress*	*Advances and prepayments*	*TOTAL*
Cost at 1st January 2018	***15 029 354***	***259 709 407***	***139 163 222***	***212 615 273***	***35 310 589***	***5 525 902***	***667 353 747***
Additions of the year	2 476 939	7 194 440	12 090 074	13 267 532	20 045 378	6 856 410	61 930 773
Disposals of the year	-13 173	-418 546	-790 742	-3 634 283	-3 008 025	0	-7 864 769
Reclassifications to other asset classes	-1 682 396	11 843 630	13 792 817	6 339 358	-20 903 408	-10 471 580	-1 081 579
Foreign currency translation	436 922	2 143 322	472 174	2 121 486	609 649	-71 774	5 711 779
Cost at 31st December 2018	***16 247 646***	***280 472 253***	***164 727 545***	***230 709 366***	***32 054 183***	***1 838 958***	***726 049 951***
Accumulated depreciation at 1st January 2018	***-1 255 368***	***-132 490 637***	***-97 777 154***	***-142 534 540***	***0***	***0***	***-374 057 699***
Depreciation of the year	-27 698	-11 594 853	-7 313 037	-14 774 677	0	0	-33 710 265
Depreciation reversals of the year	0	182 294	742 711	2 992 190	0	0	3 917 195
Reclassifications to other asset classes	0	-8 043	1 195	29 773	0	0	22 925
Foreign currency translation	-1 467	-135 881	296 551	-1 386 284	0	0	-1 227 081
Accumulated depreciation at 31st December 2018	***-1 284 533***	***-144 047 120***	***-104 049 734***	***-155 673 538***	***0***	***0***	***-405 054 925***
Net book value at 31st December 2018	***14 963 113***	***136 425 133***	***60 677 811***	***75 035 828***	***32 054 183***	***1 838 958***	***320 995 026***

EUR	Land and nurseries	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and prepayments	TOTAL
Cost at 1st January 2019	***16 247 646***	***280 472 253***	***164 727 545***	***230 709 366***	***32 054 183***	***1 838 958***	***726 049 951***
Additions of the year	1 682 637	1 481 237	4 662 241	6 168 776	27 797 028	190 569	41 982 488
Disposals of the year	0	-124 124	-1 460 235	-4 101 082	0	-243 962	-5 929 403
Reclassifications to other asset classes	-1 288 009	11 608 201	21 587 632	-6 314 733	-40 272 820	-961 025	-15 640 754
Foreign currency translation	169 383	3 619 548	3 737 587	518 941	-463 987	52 231	7 633 703
Other	-272 118	0	0	0	0	0	-272 118
Cost at 31st December 2019	***16 539 539***	***297 057 115***	***193 254 770***	***226 981 268***	***19 114 404***	***876 771***	***753 823 867***
Accumulated depreciation at 1st January 2019	***-1 284 533***	***-144 047 120***	***-104 049 734***	***-155 673 538***	***0***	***0***	***-405 054 925***
Depreciation of the year	-26 437	-12 251 598	-8 828 420	-14 919 161	0	0	-36 025 616
Depreciation reversals of the year	0	90 987	1 371 978	4 084 989	0	0	5 547 954
Reclassifications to other asset classes	0	11 856	-31 808	16 086	0	0	-3 866
Foreign currency translation	21	-2 628 758	-3 035 747	-280 527	0	0	-5 945 011
Accumulated depreciation at 31st December 2019	***-1 310 949***	***-158 824 633***	***-114 573 731***	***-166 772 151***	***0***	***0***	***-441 481 464***
Net book value at 31st December 2019	***15 228 590***	***138 232 482***	***78 681 039***	***60 209 117***	***19 114 404***	***876 771***	***312 342 403***

On 31st December 2019, the Group has technical installations and professional equipment pledged as guarantees for borrowings of the Group for an amount of EUR 16 million. Details of these guarantees are provided in Note 32. In 2019, the Group reclassified spare parts that were presented as tangible assets. A review of spare parts inventories showed that these parts are interchangeable and do not meet the criteria for classification as tangible assets. In 2018, the inventory of spare parts presented as tangible assets amounted to EUR 14.2 million.

Note 7. Biological assets

EUR	*Palm*		*Rubber*		*Others*	*Total*
	Mature	Immature	Mature	Immature		
Cost at 1st January 2018	***294 435 591***	***123 026 098***	***154 797 815***	***124 087 674***	***14 348***	***696 361 526***
Additions of the year	0	26 133 756	135 051	17 808 890	0	44 077 697
Disposals of the year	-4 455 234	-47 832	-2 716 096	-293 347	0	-7 512 509
Reclassifications to other asset classes	24 129 310	-23 984 882	27 049 760	-25 511 792	0	1 682 396
Foreign currency translation	2 368 399	1 408 283	3 271 367	3 064 639	0	10 112 688
Cost at 31st December 2018	***316 478 066***	***126 535 423***	***182 537 897***	***119 156 064***	***14 348***	***744 721 798***
Accumulated depreciation at 1st January 2018	***-102 572 492***	***0***	***-53 228 898***	***0***	***-10 097***	***-155 811 487***
Depreciation of the year	-13 411 407	0	-8 015 815	0	-56	-21 427 278
Depreciation reversals of the year	4 181 637	0	2 473 449	0	0	6 655 086
Foreign currency translation	-12 506	0	-862 256	0	0	-874 762
Accumulated depreciation at 31st December 2018	***-111 814 768***	***0***	***-59 633 520***	***0***	***-10 153***	***-171 458 441***
Accumulated impairment at 1st January 2018	***-17 854 586***	***-4 013 073***	***-8 407 365***	***-30 054 240***	***0***	***-60 329 264***
Impairment of the year	0	-3 111 747	0	0	0	-3 111 747
Reclassifications to other asset classes	-3 798 986	3 798 986	-3 837 058	3 837 058	0	0
Foreign currency translation	-220 534	85 685	-281 987	-945 491	0	-1 362 327
Accumulated impairment at 31st December 2018	***-21 874 106***	***-3 240 149***	***-12 526 410***	***-27 162 673***	***0***	***-64 803 338***
Net book value at 31st December 2018	***182 789 192***	***123 295 274***	***110 377 967***	***91 993 391***	***4 195***	***508 460 019***

EUR	Palm		Rubber		Others	Total
	Mature	Immature	Mature	Immature		
Cost at 1st January 2019	***316 478 066***	***126 535 423***	***182 537 897***	***119 156 064***	***14 348***	***744 721 798***
Additions of the year	0	15 994 990	82 688	12 806 624	0	28 884 302
Disposals of the year	-1 188 888	-4 539	-3 737 761	0	0	-4 931 188
Reclassifications to other asset classes	110 971 561	-110 524 144	18 551 170	-17 395 898	0	1 602 689
Foreign currency translation	505 138	1 502 627	2 360 044	170 062	0	4 537 871
Cost at 31st December 2019	***426 765 877***	***33 504 357***	***199 794 038***	***114 736 852***	***14 348***	***774 815 472***
Accumulated depreciation at 1st January 2019	***-111 814 768***	***0***	***-59 633 520***	***0***	***-10 153***	***-171 458 441***
Depreciation of the year	-16 433 073	0	-9 100 870	0	-56	-25 533 999
Depreciation reversals of the year	810 956	0	3 331 891	0	0	4 142 847
Reclassifications to other asset classes	0	0	-314 681	0	0	-314 681
Foreign currency translation	-1 221 229	0	-839 642	0	0	-2 060 871
Accumulated depreciation at 31st December 2019	***-128 658 114***	***0***	***-66 556 822***	***0***	***-10 209***	***-195 225 145***
Accumulated impairment at 1st January 2019	***-21 874 106***	***-3 240 149***	***-12 526 410***	***-27 162 673***	***0***	***-64 803 338***
Reclassifications to other asset classes	-3 111 747	3 111 747	-9 279 734	9 279 734	0	0
Foreign currency translation	683 408	452	-82 186	-137 575	0	464 099
Accumulated impairment at 31st December 2019	***-24 302 445***	***-127 950***	***-21 888 330***	***-18 020 514***	***0***	***-64 339 239***
Net book value at 31st December 2019	***273 805 318***	***33 376 407***	***111 348 886***	***96 716 338***	***4 139***	***515 251 088***

On 31st December 2019, the Group has biological assets pledged as guarantees for borrowings of the Group for an amount of EUR 21 million. Details of these guarantees are provided in Note 32

Note 8. Investment properties

	EUR
Cost at 1st January 2018	***9 756 595***
Additions of the year	53 266
Cost at 31st December 2018	***9 809 861***
Accumulated depreciation at 1st January 2018	***-4 975 786***
Depreciation of the year	-328 211
Accumulated depreciation at 31st December 2018	***-5 303 997***
Net book value at 31st December 2018	***4 505 864***
Cost at 1st January 2019	***9 809 861***
Additions of the year	43 186
Cost at 31st December 2019	***9 853 047***
Accumulated depreciation at 1st January 2019	***-5 303 997***
Depreciation of the year	-325 955
Accumulated depreciation at 31st December 2019	***-5 629 952***
Net book value at 31st December 2019	***4 223 095***

The leases are in the form of a 9-year renewable lease (first expiry on 14th January 2022). Premises rented of the Champ de Mars building generated rental income of EUR 0.4 million. The direct operating expenses incurred by this property amounted to EUR 0.4 million.

The 1st and 4th floors of the building located at 2, Place du Champ de Mars, in Brussels were revalued by an independent appraiser during the acquisition of Immobilière de la Pépinière SA in December 2006. This value was used as means for the valuation of the building when entering the consolidation scope. The ground floor acquired in 2007 has been valued at its acquisition cost.

As stipulated in the loan agreement, the eventual sale of the property is subject to prior approval of the creditor.

Note 9. Non-wholly owned subsidiaries in which non-controlling interests are significant

Interests of non-controlling interests in the activities of the Group

Name of the subsidiary	Main location	Percentage of equity shares of non-controlling interests		Percentage of voting rights of non-controlling interests	
		2019	*2018*	*2019*	*2018*
Production of palm oil and rubber					
SOGB S.A.	Ivory Coast	61%	62%	27%	27%
OKOMU OIL PALM COMPANY PLC	Nigeria	60%	60%	35%	34%
SAFACAM S.A.	Cameroon	57%	59%	31%	31%
SOCAPALM S.A.	Cameroon	58%	60%	33%	33%
PT SOCFIN INDONESIA « SOCFINDO »	Indonesia	48%	48%	10%	10%
Production of rubber					
LIBERIAN AGRICULTURAL COMPANY « LAC »	Liberia	38%	40%	0%	0%
Investment portfolio management					
SOCFINASIA S.A.	Luxembourg	42%	42%	42%	42%
SOCFINAF S.A.	Luxembourg	38%	40%	38%	41%

Name of the subsidiary	Net income attributed to non-controlling interests in the subsidiary during the financial period		Accumulated non-controlling interests in the subsidiary	
	2019	*2018*	*2019*	*2018*
	EUR	*EUR*	*EUR*	*EUR*
SOGB S.A.	4 043 743	3 927 775	50 263 104	50 091 250
OKOMU OIL PALM COMPANY PLC	9 405 298	11 076 563	52 944 265	50 986 022
SAFACAM S.A.	-553 492	-1 143 022	25 407 721	27 091 009
SOCAPALM S.A.	11 210 910	11 516 071	57 260 486	57 027 293
PT SOCFIN INDONESIA « SOCFINDO »	10 603 748	17 324 541	29 206 357	29 254 668
LIBERIAN AGRICULTURAL COMPANY « LAC »	-428 065	-1 057 126	10 838 946	11 624 442
SOCFINASIA S.A.	-2 080 220	-2 603 235	48 578 871	48 002 791
SOCFINAF S.A.	-3 824 119	-4 879 522	16 681 923	8 036 814
Subsidiaries that hold non-controlling interests that are not significant individually			33 046 918	45 523 057
Non-controlling interests			***324 228 591***	***327 637 345***

Summary financial information concerning subsidiaries whose interests of non-controlling interests are significant for the Group excluding intragroup eliminations

Name of the subsidiary	Current assets	Non-current assets	Current liabilities	Non-Current Liabilities
2018	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	29 862 158	102 016 176	47 916 212	5 636 196
OKOMU OIL PALM COMPANY PLC	25 636 809	83 853 534	14 939 458	13 848 212
SAFACAM S.A.	9 185 570	37 184 996	14 324 658	2 526 579
SOCAPALM S.A.	38 938 367	113 342 597	30 725 327	10 874 480
PT SOCFIN INDONESIA « SOCFINDO »	20 554 537	87 566 584	20 090 790	35 262 891
LIBERIAN AGRICULTURAL COMPANY « LAC »	13 433 094	71 307 000	11 800 622	25 126 811
SOCFINASIA S.A.	95 174 495	315 652 891	4 199 996	0
SOCFINAF S.A.	1 032 913	539 555 046	191 218 646	90 000 000

2019	EUR	EUR	EUR	EUR
SOGB S.A.	31 954 538	101 284 429	35 386 836	17 245 408
OKOMU OIL PALM COMPANY PLC	32 150 890	93 326 564	9 544 570	31 376 618
SAFACAM S.A.	11 686 610	36 458 786	11 669 913	6 597 492
SOCAPALM S.A.	34 831 119	111 676 914	26 308 562	6 476 318
PT SOCFIN INDONESIA « SOCFINDO »	24 211 165	94 725 931	21 271 634	40 794 919
LIBERIAN AGRICULTURAL COMPANY « LAC »	14 959 113	73 743 031	14 259 696	26 945 165
SOCFINASIA S.A.	96 084 016	316 012 891	4 242 376	0
SOCFINAF S.A.	5 097 975	544 673 741	177 523 956	90 000 000

Name of the subsidiary	Revenue from ordinary activities	Net income for the year	Comprehensive income for the year	Dividends paid to non-controlling interests
2018	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	86 439 037	4 539 165	4 539 165	4 242 622
OKOMU OIL PALM COMPANY PLC	56 249 469	18 859 938	18 859 938	2 964 714
SAFACAM S.A.	25 350 850	871 674	871 674	697 030
SOCAPALM S.A.	100 593 943	17 370 413	17 370 413	3 858 690
PT SOCFIN INDONESIA « SOCFINDO »	123 261 894	35 006 776	35 006 776	3 369 229
LIBERIAN AGRICULTURAL COMPANY « LAC »	22 799 416	-1 675 400	-1 675 400	0
SOCFINASIA S.A.	0	24 836 324	24 836 324	7 443 073
SOCFINAF S.A.	0	20 284 043	20 284 043	733 960
2019	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	93 587 546	6 891 236	6 891 236	1 237 431
OKOMU OIL PALM COMPANY PLC	55 044 697	16 255 460	16 255 460	5 191 694
SAFACAM S.A.	26 730 831	1 229 630	1 229 630	270 349
SOCAPALM S.A.	106 416 554	18 667 650	18 667 650	5 084 392
PT SOCFIN INDONESIA « SOCFINDO »	118 230 566	25 502 860	25 502 860	2 467 389
LIBERIAN AGRICULTURAL COMPANY « LAC »	29 750 036	-1 239 328	-1 239 328	0
SOCFINASIA S.A.	0	18 644 261	18 644 261	6 614 065
SOCFINAF S.A.	0	22 878 447	22 878 447	0

Name of the subsidiary	Net cash inflows (outflows) Operating activities	Investing activities	Financing activities	Net cash inflows (outflows)
2018	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	14 476 102	-9 415 761	-19 807 005	-14 746 664
OKOMU OIL PALM COMPANY PLC	22 946 052	-15 879 732	-3 950 086	3 116 234
SAFACAM S.A.	3 384 991	-3 267 162	-3 472 589	-3 354 760
SOCAPALM S.A.	26 962 205	-12 385 574	-9 265 638	5 310 994
PT SOCFIN INDONESIA « SOCFINDO »	33 254 238	-10 925 687	-33 692 285	-11 363 735
LIBERIAN AGRICULTURAL COMPANY « LAC »	-656 151	-6 088 367	6 016 557	-727 961
SOCFINASIA S.A.	3 244 962	-3 878 576	-11 756 556	-12 390 170
SOCFINAF S.A.	31 045 733	-39 872 094	7 665 206	-1 161 154
2019	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	8 980 788	-5 826 748	16 961 067	20 115 106
OKOMU OIL PALM COMPANY PLC	4 442 022	-12 868 510	4 206 880	-4 219 608
SAFACAM S.A.	4 073 545	-2 464 880	7 912 103	9 520 769
SOCAPALM S.A.	38 583 687	-10 086 096	-22 219 464	6 278 127
PT SOCFIN INDONESIA « SOCFINDO »	36 221 468	-10 588 804	-24 673 891	958 773
LIBERIAN AGRICULTURAL COMPANY « LAC »	6 413 193	-3 904 724	-2 121 745	386 724
SOCFINASIA S.A.	11 751 275	-360 000	-11 538 842	-147 567
SOCFINAF S.A.	18 315 867	-4 100 687	-14 331 765	-116 585

The nature and evolution of the risks associated with the interests held by the Group in the subsidiaries remained stable over the financial period compared to the previous year.

Note 10. Financial assets available for sale

	2019	*2018*
	EUR	*EUR*
Fair value as of 1st January	***929 476***	***997 799***
Change in fair value	-33 461	-68 323
Fair value as of 31st December	***896 015***	***929 476***

EUR	*Cost (historical)*		*Fair value*	
	2019	*2018*	*2019*	*2018*
Financial assets at fair value through other comprehensive income	695 180	695 180	896 015	929 476

Note 11. Deferred taxes

**** Components of deferred tax assets***

	2019 EUR	2018 EUR
IAS 2/IAS 41: Agricultural production	-1 863 063	-2 717 534
IAS 12: Tax latencies	3 021 806	3 683 099
IAS 16: Property, plant and equipment	3 611 910	2 922 625
IAS 19: Pension obligations	10 111 981	9 652 443
IAS 21: Translation differences	-61 118	3 711
IAS 37: Provisions for risks and charges	-513 186	-509 003
IAS 38: Formation expenses	1 280 931	1 237 205
IAS 38: Research costs	985 194	1 085 988
IFRS 9: Financial assets measured at fair value through other comprehensive income	44 201	44 201
IFRS 9: Forward exchange contract	-558	0
IFRS 16: Leases	710 137	0
Others	-2 208 413	-1 162 588
Balance at 31st December	***15 119 822***	***14 240 147***

**** Components of deferred tax liabilities***

	2019 EUR	2018 EUR
IAS 2 / IAS 41: Agricultural produce	1 045 026	705 194
IAS 12: Tax latencies	-897 850	-1 034 168
IAS 16: Tangible assets	8 860 185	10 194 730
IAS 19: Pension obligations	-1 215 830	-1 151 461
IAS 21: Translation differences	0	52 068
IAS 37: Provisions for risks and charges	1 013 256	902 257
IAS 38: Intangible assets	-189	-44 648
IFRS 9: Financial assets at fair value through other comprehensive income	38 993	48 054
IFRS 9: Forward exchange contracts	20 852	-13 033
IFRS 9: Fair value of financial instruments	139 064	208 812
IFRS 3: Fair value of buildings	110 170	108 118
Other	-34 261	-85 284
Balance at 31st December	***9 079 416***	***9 890 639***

**** Contingent tax assets and liabilities***

Some of the subsidiaries have accumulated tax losses that are limited or not over time or capital allowances limited or not over time. Due to the instability which may exist in these countries with regards to the evolution of tax legislation or its application, no deferred tax assets have been booked related to these tax latencies.

Brabanta, Salala Rubber Corporation, Socfin Agricultural Company and Immobilière de la Pépinière have unused tax losses which recoverability is uncertain of EUR 21.9 million, EUR 13.8 million, EUR 8.5 and EUR 2.6 million respectively at 31st December 2019.

Socfinaf has unused tax losses of EUR 51.5 million, PNS Ltd of EUR 10.2 million, Socfinasia of EUR 22.04 million and Socfin of EUR 9.7 million.

Okomu and PSG have unused capital allowances as part of investment incentives for EUR 2.5 million and EUR 7.7 million.

No deferred tax assets have been booked in respect of tax latencies.

Note 12. Inventories

**** Carrying value of inventories by category***

	2019	*2018*
	EUR	*EUR*
Raw materials	22 907 990	20 072 062
Consumables	28 915 408	27 601 181
Spare parts	17 967 577	0
Production in progress	9 796 669	11 958 793
Finished products	18 775 630	20 107 084
Down-payments and orders in progress	4 853 418	8 502 776
Gross amount before impairment as at 31st December	***103 216 692***	***88 241 896***
Inventory write-downs	-5 116 937	-1 661 172
Net amount as at 31st December	***98 099 755***	***86 580 724***

In 2019, the Group reclassified spare parts that were presented as fixed tangible assets. A review of spare parts inventories showed that these parts are interchangeable and do not meet the criteria for classification as fixed tangible assets. In 2018, the inventory of spare parts presented as fixed tangible assets amounted to EUR 14.2 million.

**** Reconciliation of inventories***

	2019 EUR	2018 EUR
Situation 1st January	***88 241 896***	***74 228 710***
Change in inventory	16 543 473	13 348 078
Fair value of agricultural products	-2 898 149	164 078
Foreign exchange translation	1 329 472	501 030
Gross amount (before impairment) as at 31st December	***103 216 692***	***88 241 896***
Inventory write-downs	-5 116 937	-1 661 172
Net amount as at 31st December	***98 099 755***	***86 580 724***

The variation in inventories reflects the reclassification of spare parts for EUR 14.2 million in 2019.

**** Quantity of inventory by category***

2018	*Raw materials*	*Production in progress*	*Finished products*
Palm oil (tons)	0	0	16 209
Rubber (tons)	25 471	0	11 473
Others (units)	0	17 333 173	2 761 348
2019	***Raw materials***	***Production in progess***	***Finished products***
Palm oil (tons)	751	0	9 776
Rubber (tons)	28 457	0	10 965
Others (units)	0	15 414 927	2 122 838

Note 13. Trade receivables (current assets)

	2019 EUR	2018 EUR
Trade receivables	29 477 073	27 163 527
Advances and prepayments	17 370 526	4 254 975
Net total as at 31st December	***46 847 599***	***31 418 502***

Advances and down-payments mainly comprise of Okomu's down-payments for the construction of an oil mill amounting to EUR 12 million in 2019.

The value adjustments on trade receivables amounted to EUR 4.07 million as of 31st December 2019 (2018: EUR 4.18 million).

Note 14. Other receivables (current assets)

	2019 EUR	2018 EUR
Social security	968 387	1 326 941
Other receivables	11 235 443	13 715 277
Prepayments	913 170	1 218 314
As at 31st December	***13 117 000***	***16 260 532***

Note 15. Current tax assets and liabilities

**** Components of current tax assets***

	2019 EUR	2018 EUR
As at 1st January	***14 878 461***	***11 178 733***
Tax income	5 542 436	81 741
Other taxes	-105 714	1 851 109
Taxes paid or recovered	-6 861 511	715 301
Tax adjustments	-429 459	959 925
Foreign exchange	-10 129	91 652
Current tax assets as at 31st December	***13 014 084***	***14 878 461***

**** Components of current tax liabilities***

	2019 EUR	2018 EUR
As at 1st January	***23 999 047***	***33 422 540***
Tax expense	39 496 739	40 739 243
Other taxes	23 029 071	23 069 197
Taxes paid or recovered	-62 814 416	-73 659 308
Tax adjustments	-1 787 744	287 463
Foreign exchange	259 828	139 912
Current tax liabilities as at 31st December	***22 182 525***	***23 999 047***

Note 16. Cash and cash equivalents

**** Reconciliation with the amounts in the financial statements***

	2019	**2018**
	EUR	**EUR**
Current account	55 842 135	59 952 682
Financial instruments	226 896	-11 066
Balance at 31st December	***56 069 031***	***59 941 616***

**** Reconciliation with the cash flow statement***

	2019	**2018**
	EUR	**EUR**
Current account	55 842 135	59 952 682
Bank overdrafts	-10 184 247	-38 951 947
Balance at 31st December	***45 657 888***	***21 000 735***

Note 17. Share capital and share premium

Subscribed and fully paid up capital amounted to EUR 24.8 million as of 31st December 2019 (No change compared to 2018). There is a share premium of EUR 0.5 million added to the subscribed capital.

In accordance with the law passed 28th July 2014 on the cancellation of treasury shares, 80 280 shares have been cancelled, the holders of these shares having not registered with the depositary.

To-date, the “Caisse de Consignation” has not yet opened a claim file.

At 31st December 2019, the Company’s share capital is represented by 14 159 720 shares.

	Ordinary Shares	
	2019	***2018***
Number of Shares at 31st December	14 159 720	14 159 720
Number of fully paid shares issued without designation of par value	14 159 720	14 159 720

Note 18. Legal reserve

According to the legislation in force, an allocation to a legal reserve of 5% must be done annually from the net profits of the parent company after absorption of any losses carried forward. This allocation to the legal reserve ceases to be mandatory when the reserve reaches 10% of the share capital.

Note 19. Pension obligations

Defined benefit pension plan and post-employment sickness

The Group provides a defined benefit pension plan to its employees in its Indonesian subsidiaries. The latter pay benefits which are payable in the event of retirement or voluntary resignation. The benefits paid are calculated as a percentage of salary and are based on the number of years of service. The plan is based on the employment contract for the employees and on the collective agreements for the labourers. The benefits payable to the employees are not financed by any specific asset against the provisions.

Apart from the local applicable social security provisions, most of the Group's employees in Indonesia benefit from a defined benefit pension plan. The subsidiaries pay benefits which are payable in the event of retirement and in case of dismissal in some countries. Allowances paid are expressed as a percentage of salary and are based on the number of years of service. The plans are governed by the local collective agreements in force in each country.

The benefits payable to the employees are not financed by a specific asset in return for provisions.

	2019 EUR	2018 EUR
Assets and liabilities recognised in the statement of financial position		
Present value of obligations	50 524 301	45 112 202
Present value of obligations	***50 524 301***	***45 112 202***
Net amount recognised in the statement of financial position for defined benefit plans	***50 524 301***	***45 112 202***
Components of the net charge		
Costs of services rendered	3 019 414	2 564 161
Finance costs	3 961 302	3 549 847
Actuarial gains and losses recognised during the year	83 832	0
Defined benefit plan costs	***7 064 548***	***6 114 008***
Movements in liabilities / net assets recognised in the statement of financial position		
At 1st January	***45 112 202***	***44 160 137***
Costs as per income statement	7 064 548	6 114 008
Contributions	-4 251 537	-4 092 277
Actuarial gains and losses of the year recognised in other comprehensive income	255 569	-553 741
Foreign exchange	2 343 520	-515 925
At 31st December	***50 524 301***	***45 112 202***

Provisions have been calculated based on actuarial valuation reports prepared in February 2020.

Actuarial gains and losses recognised in other comprehensive income

	2019 EUR	2018 EUR
Adjustments of liabilities related to experience	-160 336	-2 408 846
Changes in financial assumptions related to recognised liabilities	82 842	3 213 597
Changes in demographic assumptions related to recognised liabilities	-178 075	-251 010
Actuarial gains and losses recognised during the period in other comprehensive income	***-255 569***	***553 741***

Actuarial valuation assumptions

	2019	2018
AFRICA		
Average discount rate	6.92 to 20.96%	6.75 to 21.22%
Expected long-term returns of plan assets	N/A	N/A
Future salary increases	2 to 20%	1.74 to 18.99%
Average remaining active life of employees (in years)	19.80	20.05
ASIA		
Average discount rate	7.35%	8.16%
Expected long-term returns of plan assets	N/A	N/A
Future salary increases	6.50%	7.00%
Average remaining active life of employees (in years)	13.05	13.20

Sensitivity analysis of the actuarial value of Defined Benefit Obligations

The table below shows the actuarial value of the obligations when the main assumptions are changed.

	2019 EUR	2018 EUR
AFRICA		
Actuarial value of the obligation	**9 729 982**	**9 849 311**
Actuarial rate		
Increase of 0.5%	9 428 484	9 540 751
Decrease of 0.5%	10 027 286	10 155 021
Expected future salary increases		
Increase of 0.5%	10 017 706	10 144 755
Decrease of 0.5%	9 435 313	9 548 075
ASIA		
Actuarial value of the obligation	**40 794 919**	**35 292 891**
Actuarial rate		
Increase of 0.5%	39 255 849	33 938 149
Decrease of 0.5%	42 553 351	36 774 718
Expected future salary increases		
Increase of 0.5%	42 590 671	36 812 077
Decrease of 0.5%	39 199 291	33 885 490

The sensitivity analysis is based on the same actuarial method used to determine the value of the obligations of the defined benefit plans.

Impact of the defined benefit pension plan on future cash flows

	2020	2019
Estimated contributions for the next financial year (in euros)	3 983 918	3 647 842

	2019	2018
Weighted average duration of defined benefit plan obligations (in years)		
AFRICA	6.1	6.1
ASIA	15.4	15.7

Defined contribution pension scheme

	2019 EUR	2018 EUR
Accounted expense for the defined contribution pension plan	3 714 633	3 589 700

Note 20. Financial debts

2018 ***EUR***	***< 1 year***	***> 1 year***	***TOTAL***
Loans held by financial institutions	76 072 175	20 135 596	96 207 771
Short term bank loans	38 951 949	0	38 951 949
Other loans	602 211	79 472 349	80 074 560
TOTAL	***115 626 335***	***99 607 945***	***215 234 280***

2019 ***EUR***	***< 1 year***	***> 1 year***	***TOTAL***
Loans held with financial institutions	54 331 945(*)	67 229 650	121 561 595
Short term bank loans	10 184 246	0	10 184 246
Other loans	19 901 117	81 497 960	101 399 077
Lease liabilities	1 381 083	11 958 683	13 339 766
TOTAL	***85 798 391***	***160 686 293***	***246 484 684***

(*) This balance includes a short-term revolving credit facility of EUR 40 million for which in 2019 the Group has committed to obtain within 3 years the RSPO (Roundtable on Sustainable Palm Oil) certification for all its palm plantations. The Group is continuing its efforts in this direction in coordination with the bank.

Most of the consolidated borrowings is denominated in Euros or CFA francs, whose parity is linked to the Euro. The fixed interest rates from financial institutions and which are pegged to the Euro vary between 1.80% and 6.00%. As explained in Note 35, interest rate management is the subject of ongoing management attention.

**** Analysis of long-term debt by interest rate***

2018 ***EUR***	***Fixed Rate***	***Rate***	***Floating rate***	***Rate***	***TOTAL***
Loans held by financial institutions					
Switzerland	532 435	1.75% to 1.85%	0	-	532 435
Ivory Coast	1 548 538	5.50% to 6.00%	0	-	1 548 538
Nigeria	5 816 243	9.00% to 10.00%	0	-	5 816 243
Liberia	163 755	8.00%	0	-	163 755
Cameroon	12 074 625	5.00% to 6.00%	0	-	12 074 625
	20 135 596		***0***		***20 135 596***
Other loans					
Nigeria	105 946	-	0	-	105 946
Ivory Coast	168 931	-	0	-	168 931
Luxembourg	79 197 472	4.00%	0	-	79 197 472
	79 472 349		***0***		***79 472 349***
TOTAL	***99 607 945***		***0***		***99 607 945***

2019 EUR	Fixed Rate	Rate	Floating rate	Rate	TOTAL
Loans held by financial institutions					
Switzerland	3 040 354	1.75% to 2.65%	0	-	3 040 354
Ivory Coast	12 978 253	5.50% to 6.50%	0	-	12 978 253
Nigeria	23 862 284	8.00% to 10.00%	0	-	23 862 284
Liberia	1 335 232	8.00%	0	-	1 335 232
Cameroon	12 498 476	5.00% to 7.09%	0	-	12 498 476
Ghana	13 000 003	4.00%	0	-	13 000 003
Sao Tomé	515 048	8.00%	0	-	515 048
	67 229 650		***0***		***67 229 650***
Other loans					
Cameroon	2 032 654	6.00%	0	-	2 032 654
Luxembourg (*)	79 465 306	4.00%	0	-	79 465 306
	81 497 960		***0***		***81 497 960***
TOTAL	***148 727 610***		***0***		***148 727 610***

(*) This rate relates only to the portion of the bond issue for a balance of EUR 79 million at 31st December 2019.

**** Long-term debts analysis by currency***

2018	EUR	XAF	NGN	USD	TOTAL EUR
Loans held by financial institutions	532 435	13 623 163	5 816 243	163 755	20 135 596
Other loans and derivatives	79 197 472	168 931	105 946	0	79 472 349
TOTAL	***79 729 907***	***13 792 094***	***5 922 189***	***163 755***	***99 607 945***

2019	EUR	XAF	NGN	USD	STN	KHR	IDR	GHS	CDF	CHF	TOTAL EUR
Loans held by financial institutions	16 040 356	25 476 730	23 862 284	1 335 232	515 048	0	0	0	0	0	67 229 650
Other loans and derivatives	79 465 306	2 032 654	0	0	0	0	0	0	0	0	81 497 960
Lease liabilities	0	6 134 503	285 681	1 251 400	309 896	453 906	841 788	52 527	48 902	2 580 080	11 958 683
TOTAL	***95 505 662***	***33 643 887***	***24 147 965***	***2 586 632***	***824 944***	***453 906***	***841 788***	***52 527***	***48 902***	***2 580 080***	***160 686 293***

**** Long-term debt analysis by maturity***

2018 EUR	2020	2021	2022	2023	2024 and over	TOTAL
Loans held by financial institutions	8 778 609	5 292 194	2 967 316	2 634 833	462 644	20 135 596
Other loans	0	79 197 471	0	0	274 878	79 472 349
TOTAL	***8 778 609***	***84 489 665***	***2 967 316***	***2 634 833***	***737 522***	***99 607 945***

2019 EUR	2021	2022	2023	2024	2025 and above	TOTAL
Loans held by financial institutions	13 693 116	12 549 037	13 798 355	8 701 982	18 487 160	67 229 650
Other loans and derivates	80 481 633	1 016 327	0	0	0	81 497 960
Lease liabilities	1 192 948	607 257	489 379	592 750	9 076 349	11 958 683
TOTAL	***95 367 697***	***14 172 621***	***14 287 734***	***9 294 732***	***27 563 509***	***160 686 293***

**** Net debt***

	2019 EUR	2018 EUR
Cash and cash equivalents	56 069 031	59 941 616
Long term debt net of current portion	-148 727 610	-99 607 945
Short term debt and current portion of long-term debt	-84 417 308	-115 626 333
Lease liabilities	-13 339 766	0
Net debt	***-190 415 653***	***-155 292 662***
Cash and cash equivalents	56 069 031	59 941 616
Loan bearing interest at a fixed rate	-193 144 918	-156 480 540
Loan bearing interest at a variable rate	-40 000 000	-58 753 738
Lease liabilities	-13 339 766	0
Net debt	***-190 415 653***	***-155 292 662***

**** Reconciliation of net debt***

	Cash and cash equivalents	Long term debt, net of current portion	Short term debt and current portion of long term debt	Debt related to leases	Total
As at 1st January 2018	***91 579 127***	***-119 779 231***	***-66 874 803***	***0***	***-95 074 907***
Cash Flow	-32 177 073	-55 034 299	25 226 901	0	-61 984 471
Foreign exchange	539 562	-229 840	-149 517	0	160 205
Transfers	0	74 959 880	-73 828 914	0	1 130 966
	0	475 545	0	0	475 545
As at 31st December 2018	***59 941 616***	***-99 607 945***	***-115 626 333***	***0***	***-155 292 662***
Cash Flow	-4 420 377	-82 027 535	64 801 323	1 591 544	-20 055 045
Foreign exchange	547 792	658 437	-82 664	-93 205	1 030 360
Transfers	0	31 985 147	-33 509 634	0	-1 524 487
Other movements with no impact on cash flow	0	264 286	0	-14 838 105	-14 573 819
As at 31st December 2019	***56 069 031***	***-148 727 610***	***-84 417 308***	***-13 339 766***	***-190 415 653***

Note 21. Other payables

	2019 EUR	2018 EUR
Staff cost liabilities	6 337 652	6 666 905
Other payables (*)	62 362 548	62 542 641
Accruals	17 290 098	15 165 411
Balance at 31st December	***85 990 298***	***84 374 957***
Non-current liabilities	8 001 208	7 739 836
Current liabilities	77 989 090	76 635 121

(*) Other payables mainly consist of shareholder loans from Socfinaf S.A. for EUR 40.4 million (EUR 40.7 million in 2018).

Note 22. Financial Instruments

2018	***Derivatives(*)***	***Loans and borrowings***	***Financial assets at fair value through other comprehensive income***	***Other financial assets and liabilities***	***TOTAL***	***Loans and borrowings***	***Other financial assets and liabilities***
EUR	***At fair value***	***At cost***	***At fair value***	***At cost***		***At fair value***	***At fair value***
Assets							
Financial assets at fair value through other comprehensive income	0	0	929 476	0	***929 476***	0	0
Long-term advances	0	3 438 930	0	1 034 240	***4 473 170***	3 438 930	1 034 240
Other non-current assets	0	0	0	160 671	***160 671***	0	160 671
Trade receivables	0	0	0	31 418 502	***31 418 502***	0	31 418 502
Other receivables	0	0	0	16 260 532	***16 260 532***	0	16 260 532
Cash and cash equivalent	0	0	0	59 941 616	***59 941 616***	0	59 941 616
Total Assets	***0***	***3 438 930***	***929 476***	***108 815 561***	***113 183 967***	***3 438 930***	***108 815 561***
Liabilities							
Labilities	0	99 607 945	0	0	***99 607 945***	99 616 389	0
Long term debts	0	0	0	7 739 836	***7 739 836***	0	7 739 836
Other non-current liabilities	130 612	76 543 774	0	38 951 947	***115 626 333***	76 543 774	38 951 947
Short term debts	0	0	0	43 798 788	***43 798 788***	0	43 798 788
Trade payables (current)	0	0	0	76 635 121	***76 635 121***	0	76 635 121
Other payables (current)							
Total Liabilities	***130 612***	***176 151 719***	***0***	***167 125 692***	***343 408 023***	***176 160 163***	***167 125 692***

2018	***Fair Value***			
EUR	***Level 1***	***Level 2***	***Level 3***	***TOTAL***
Financial assets at fair value through other comprehensive income	0	0	929 476	***929 476***
Short term debts	130 612	0	0	***130 612***

(*) Changes recognised in the income statement.

2019	Derivatives(*)	Loans and borrowings	Financial assets at fair value through other comprehensive income	Other financial assets and liabilities	TOTAL	Loans and borrowings	Other financial assets and liabilities
EUR	At fair value	At cost	At fair value	At cost		At fair value	At fair value
Assets							
Financial assets at fair value through other comprehensive income	0	0	896 015	0	***896 015***	0	0
Long term advances	0	3 520 136	0	1 057 449	***4 577 585***	3 520 136	1 057 449
Other non-current assets	0	0	0	1 749 253	***1 749 253***	0	1 749 253
Trade receivables	0	0	0	46 847 599	***46 847 599***	0	46 847 599
Other receivables	0	0	0	13 117 000	***13 117 000***	0	13 117 000
Cash and cash equivalent	0	0	0	56 069 031	***56 069 031***	0	56 069 031
Total Assets	***0***	***3 520 136***	***896 015***	***118 840 332***	***123 256 483***	***3 520 136***	***118 840 332***
Liabilities							
Labilities	0	148 727 610	0	0	***148 727 610***	148 729 812	0
Long term debts	0	11 958 683	0	0	***11 958 683***	11 958 683	0
Other non-current liabilities	0	0	0	8 001 208	***8 001 208***	0	8 001 208
Short term debts	0	74 233 062	0	10 184 246	***84 417 308***	74 233 062	10 184 246
Short term debts related to leases	0	1 381 083	0	0	***1 381 083***	1 381 083	0
Trade payables (current)	0	0	0	41 943 416	***41 943 416***	0	41 943 416
Other payables (current)	0	0	0	77 989 090	***77 989 090***	0	77 989 090
Total Liabilities	***0***	***236 300 438***	***0***	***138 117 960***	***374 418 398***	***236 302 640***	***138 117 960***

2019	Fair Value			
EUR	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through other comprehensive income	0	0	896 015	***896 015***

(*) Changes recognised in the income statement.

Note 23. Staff costs and average number of staff

Average number of employees in the year	*2019*	*2018*
Directors	310	295
Employees	6 528	6 392
Workers (including temporary workers)	28 078	27 093
TOTAL	***34 916***	***33 780***

	2019	*2018*
	EUR	*EUR*
Staff costs		
Remuneration	113 724 136	108 351 428
Social security and pension expenses	14 765 004	12 316 985
Total at 31st December	***128 489 140***	***120 668 413***

Note 24. Depreciation and impairment expense

	2019	*2018*
	EUR	*EUR*
Depreciation		
Of right-of-use assets (note 4)	1 580 254	0
Of intangible assets (note 5)	309 910	740 097
Of property, plant and equipment excluding biological assets (note 6)	36 025 616	33 710 265
Of biological assets (note 7)	25 533 999	21 427 278
Of investment properties (note 8)	325 955	328 211
Impairment		
Of biological assets (note 7)	0	3 111 747
Total at 31st December	***63 775 734***	***59 317 598***

Note 25. Impairment of assets

Goodwill

Impairment tests on goodwill are performed at least once a year to assess whether the carrying amount is still appropriate.

Intangible and tangible assets and right-of-use of assets

Every closing date, the Group reviews the carrying amount of its intangible and tangible assets and right-of-use assets in order to assess whether there is any indication of impairment at each reporting date.
If such indication exists, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

At 31st December 2019, no impairment was recognised on above mentioned assets.

Bearer biological assets

Each reporting date, the Group assesses if there is any indication that its biological assets may be impaired.

For this purpose, the Group assesses several indicators:

The significant and sustained decreasing trend in the prices of natural rubber (TSR20 1st position on SGX) and crude palm oil (CIF Rotterdam) was considered an observable sign that the biological assets may have been impaired. A decrease in these prices at reporting date greater than 15% compared to an average of 5-year value has been set by the Group to be an impairment sign.

At 31st December 2019, the decrease in prices does not exceed 15% of the average price over the past 5 years for the Palm segment.

The Group considers, as well, average prices over the six months before reporting date and average prices over the last twelve months instead of only closing prices to avoid seasonal fluctuations in the prices of supply materials.

The Group reviews also the prices observed on local market and considers a decrease in these prices at the closing date of more than 15% compared to an average of values over 5 years as an impairment indication.

Based on these criteria, for the Rubber segment, the fall in prices observed during the financial year 2019 does not exceed 15% of the average prices over the past 5 years. For the Palm segment, the review of global prices shows a positive conclusion. However, based on local prices, the fall in prices observed during the financial year 2019 exceeded the same threshold of 15% only for SOGB.

In addition to these external indicators, the Group considers the following indicators:

- Internal performance indicators;
- Criteria relating to the local market;
- Physical indicators of impairment;
- Significant changes in plantations that could have a material impact on their future cash flows.

If an indication of impairment is identified, the recoverable amount of the bearer biological assets is determined.

Impairment tests must be performed on the smallest identifiable group of assets which generates cash flows independently of other assets or groups of assets and for which the Group prepares financial information for the Board of Directors.

The identification of CGUs depends, in particular, on:

- how the Group manages the activities of the entity;
- the way in which decisions are made with regards to the pursuit or the disposal of its activities and;
- the existence of an active market for all or part of the production.

The CGU consists of the operating segment within each entity. In fact, decisions related to daily activities such as sales, purchases, planting, replanting and human resources management are taken directly by the company itself, independently of other companies within the Group which operates in the same country and within the same operating segment as defined by IFRS 8.

The recoverable amount of bearer biological assets is determined from the calculation of value in use using the most recent information approved by the local management. The Group uses the discounted value of expected net cash flows which are discounted at a pre-tax rate. At reporting date, the financial projection incorporates the full exploitation of the younger bearer biological assets. The operational life ranges between 25 and 30 years for both crops. This period can be adapted according to the particular circumstances for each entity.

In 2019, the pre-tax discount rate ranges between 6.2% and 16.3% (between 7.9% and 20.8% in 2018). This rate reflects market interest rates, the company's capital structure taking into account the operating segment and the specific risk profile of the business.

The value in use calculation has been very sensitive to:

- changes in the margins achieved by the entity and,
- changes related to the discount rate.

Changes in realized margins

Initially, the Group determines separately the expected production of each category of bearer biological assets within the entity over their remaining life. This expected production is estimated on the basis of the surface areas planted at reporting date as well as the actual crop yield recorded during the financial year which depends on the maturity of the bearer biological asset. Production is then valued on average basis of five-year of the margins achieved by the entity in relation to the agricultural activity. The value in use of the bearer biological asset is then obtained by discounting these cash flows. Average margins are considered constant over the duration of the financial projection. No indexing factor is taken into account.

Based on the existence of an impairment indication for the Palm segment and following subsequent impairment tests, no impairment loss was considered necessary for SOGB.

At 31st December 2019, accumulated impairment losses in the palm business segment amounted to EUR 11.3 million for Brabanta, EUR 5.7 million for PSG, EUR 4.3 million for Socfin Agricultural Company and EUR 3.1 million for Agripalma. For the Rubber segment, the accumulated impairment losses are EUR 5.2 million for Coviphama, EUR 2.1 million for PSG, EUR 8.6 million for Safacam and EUR 24 million for Salala Rubber Company (Note 7).

Note 26. Other financial income

	2019 EUR	2018 EUR
Interest from receivables and cash	393 447	1 253 417
Change in terms	375 193	-386 020
Exchange gains	4 574 417	6 997 838
Others	552 514	691 370
As at 31st December	***5 895 571***	***8 556 605***

Note 27. Finance expense

	2019 EUR	2018 EUR
Interest and finance expense	10 280 004	9 745 616
Exchange losses	1 060 868	0
Foreign exchange	6 103 112	5 367 900
Change in terms	542 802	1 865 754
Impairment of financial assets available for sale	0	170 672
Others	1 896 836	1 365 555
At 31st December	***19 883 622***	***18 515 497***

Note 28. Income tax

**** Components of the income tax***

	2019 EUR	2018 EUR
Current income tax expense	35 690 288	33 571 809
Deferred tax expense/(income)	-669 327	-219 651
Tax expense at 31st December	***35 020 961***	***33 352 158***

**** Components of the deferred tax expense/(income)***

	2019 EUR	2017 EUR
IAS 12: Deferred taxes	-25 797	1 285 871
IAS 19: Pension obligations	-495 660	-617 406
IAS 38: Intangible assets	136 375	-2 497
IAS 2 / IAS 41: Fair value of agricultural produce	-672 610	506 331
IFRS 9: Forward exchange contracts	-33 083	-119 401
IFRS 3: Fair valuation of buildings	-27	-15 010
IAS 16: Tangible assets	86 648	-1 635 062
IFRS 16: Leases	-2 318	0
IAS 37: Provisions for risks and charges	112 654	200 098
IAS 21: Foreign exchange differences	14 027	47 092
Other	210 464	130 333
Deferred tax expense/(income) at 31st December	***-669 327***	***-219 651***

**** Reconciliation of income tax expense***	***2019 EUR***	***2018 EUR***
Profit before tax from continuing operations	***66 383 779***	***80 071 191***
Normal tax rate of the parent company	24.94%	26.01%
Normal tax rate of subsidiaries	9.19% to 38.5%	9.19% to 38.5%
Income tax at normal tax rates of subsidiaries	19 547 752	23 123 517
Unfunded taxes	209 479	270 193
Definitively taxed income	196 744	549 538
Use of capital allowances	-11 833 593	-8 227 685
Specific tax regimes in foreign countries	7 872 767	4 045 861
Non-taxable income	-146 163	-798 195
Non-deductible expenses	5 818 489	6 069 191
Use of accumulated tax losses	-4 826	-228 986
Losses carried forward	10 956 766	8 135 297
Other tax benefits	-510 704	-132 631
Additional tax assessment	4 273 632	273 672
Impact of change in tax rate	-184 369	-141 228
Other adjustments	-1 175 013	413 614
Tax expense as of 31st December	***35 020 961***	***33 352 158***

**** Change of rate for the subsidiaries***

During 2019, Safacam's tax rate dropped from 33% to 27.5%. This rate applies in Cameroon to companies that issue bonds over the duration of the bonds, i.e. 3 years for Safacam.

Following the 2017 reform, the tax rate for Socfin and the Luxembourg subsidiaries changed from 26.01% in 2018 to 24.94% for Socfin, Socfinaf, Socfinasia, Socfinde and PNS, to 17% for Terrasia, and to 15% for Management in 2019.

SAFA's tax rate has dropped from 33% to 28%.

**** Tax adjustments***

The tax authorities have made an upward adjustment to Okomu's income tax expense by EUR 3.7 million following a deferral of deductions related to investment expenditures charged against the tax base in previous years. These investment expenditures are deductible from the tax base when the related assets start producing.

Okomu deducted EUR 28.2 million from the tax base for the 2019 financial year in respect of investments made in previous financial years.

Note 29. Net earnings per share

Undiluted net earnings per share (basic) is the profit for the year attributable to ordinary shareholders divided by the average number of common shares outstanding during the year. As there are no potential dilutive ordinary shares, the diluted net earnings per share is identical to the undiluted net earnings per share.

In accordance with the law passed on 28th July 2014 on the immobilization of bearer shares, 80 280 shares have been cancelled in 2018, the holders of these shares having not been registered with the depositary.

To-date, the "Caisse de Consignation" has not yet opened a claim file.

	2019	*2018*
Net profit for the year (in euro)	8 185 721	16 093 629
Average number of shares	14 159 720	14 159 720
Net earnings per share undiluted (in euros)	***0.58***	***1.14***

Note 30. Dividends and directors' fees

The Board will propose to the Annual General Meeting on 26th May 2020, the payment of a total dividend of EUR 0.55 per share. It is noted that an interim dividend on the financial year 2019 of EUR 0.05 was paid in November 2019. A dividend balance of EUR 0.50, representing a total of EUR 7.1 million remains to be paid (identical to that of the previous financial year). This balance takes into account the cancellation of 80 280 shares in accordance with the law of 28th July 2014 on the cancellation of treasury shares and units. The directors' fees, meanwhile, remain as in 2018 to EUR 0.9 million.

Note 31. Information on related party

****Directors' remuneration***

	2019 *EUR*	*2018* *EUR*
Short term benefits	6 963 195	9 873 697
Post-employment benefits	322 463	309 428
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payment	0	0

**** Related party transactions***

Related party transactions are made at arm's length.

	2019	*2018*
	EUR	*EUR*
Current liabilities		
Trade payables	0	0
Other payables	40 403 288	40 417 425
	40 403 288	***40 417 425***

TRANSACTIONS BETWEEN RELATED PARTIES		
Services and goods delivered	0	0
Services and goods received	0	0
Financial income	0	149 129
Finance expense	1 600 000	1 600 000

Related party transactions are made on commercial terms.

Transactions relating to other related parties are carried out with Bolloré Participations, Palmboomen Cultuur Maatschappij (Mopoli).

Mopoli is a Dutch company which is majority owned by Financière Privée Holding and Afico, which also owns Socfin.

Bolloré Participations is a shareholder and director of Socfinaf.

In 2014, Socfinaf obtained a cash advance of EUR 35 million from Mopoli. This advance bears an annual interest (net of tax) of 4%. Interest is payable in arrears at the end of each calendar quarter. The amount of interest recognized for the year 2019 is EUR 0.8 million. As of 31st December 2019, the outstanding balance amounts to EUR 20.2 million.

In 2016, Socfinaf obtained a loan of EUR 20 million from Bolloré Participations. The loan has an annual interest rate of 4%. The amount of interest recognized for the year 2019 is EUR 0.8 million euros. As of 31st December 2019, the outstanding balance amounts to EUR 20.2 million.

Note 32. Off Balance Sheet Commitments

In 2014, Socfin entered into an EUR 80 million credit agreement, the contract of which stipulates that Socfin has undertaken not to grant any guarantees to other creditors without also benefiting the bank granting the loan. At 31st December 2019, the loan is fully repaid (2018: EUR 13.3 million).

In 2016, Socfin obtained a loan for an amount of EUR 15 million, the contract of which stipulates that Socfin has undertaken not to grant any guarantee to other creditors without also benefiting the bank granting the loan. At 31st December 2019, the loan is fully repaid (2018: EUR 5 million).

In 2016, Socfin obtained a EUR 80 million bond which stipulates that as long as any bonds remain outstanding, none of Socfin's subsidiaries' signatories may provide any guarantee or provision of any other security or arrangement to other creditors without granting them on the same terms to the bondholders. In addition, dividends may not be paid when the ratio of net financial debt to earnings before interest, taxes, depreciation and amortization is greater than 2. In addition, the contract also stipulates that in the event of a change in the Company's shareholding, the change of control would result in the early repayment of the bond issue.

In 2007, a subsidiary of Socfinaf S.A. and Socfinasia S.A., Immobilière de la Pépinière S.A. obtained a mortgage loan of EUR 3.4 million for the acquisition of the ground floor, road and car parks and for the partial renovation of the Champ de Mars building in Brussels. At 31st December 2019, the loan is fully repaid (2018: EUR 0.4 million).

In 2009, a subsidiary of Socfinaf S.A., Salala Rubber Corporation (SRC), obtained a loan of USD 10 million whose contracts stipulate that Socfinaf S.A. must pledge 123 shares it holds in the Company in favour of the bank. In 2012, Liberian Agricultural Company (LAC) purchased 99 shares of Salala Rubber Corporation (SRC) from Agrifinal that are also pledged to the bank under this loan. At 31st December 2019, the balance of the loan amounted to EUR 0.2 million (2018: EUR 0.9 million).

In 2014, a subsidiary of Socfinaf S.A., SOGB SA obtained a loan of 3 billion CFA francs (EUR 4.6 million), whose contract stipulates that SOGB SA is used as mortgage guarantee the professional equipment up to the amount of the loan. At 31st December 2019, the loan is fully repaid (2018: EUR 0.9 million).

In 2014, a subsidiary of Befin, Sud Comoë Caoutchouc (SCC), obtained a loan for a total amount of 2.68 billion CFA francs (EUR 4.1 million), the contracts of which stipulate that SCC has entered into an insurance assignment for the benefit of the bank up to the amount of the loan granted. SCC has also allocated 1 billion CFA francs (EUR 1.5 million) for professional equipment as mortgage collateral. At 31st December 2019, the loan is fully repaid (2018: EUR 0.6 million).

In 2015, a subsidiary of Socfinaf S.A., Okomu Palm Oil Company Plc obtained a loan of 2 billion Naira, whose contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11 000 ha plantation financed by the loan. At 31st December 2019, the balance of the loan amounts to EUR 1 million (2018: EUR 2.2 million). In 2019, Okomu obtained a loan of 10 billion Naira, whose contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11 416 ha plantation financed by the loan. At 31st December 2019, the balance of the loan amounts to EUR 20 million.

Socapalm S.A. entered into a credit agreement of 3 billion CFA francs (EUR 4.6 million), the contract of which stipulates that Socapalm has undertaken to make no guarantees to other creditors. on its assets without benefiting the bank. At 31st December 2019, the loan is fully repaid (2018: EUR 0.8 million).

In 2019, a subsidiary of Socfinaf S.A., Agripalma LDA entered into a credit agreement of 49 million Dobra (EUR 2 million), whose contract stipulates that Agripalma will use as mortgage guarantee, up to the loan granted, the professional facilities and equipment. At 31st December 2019, the balance of the loan amounts to EUR 2 million.

In 2019, a subsidiary of Socfinaf S.A., PSG Ghana, obtained a loan of EUR 16.5 million for the construction of an oil mill. This loan consists of a credit line of EUR 15 million and a bank overdraft of EUR 1.5 million. The contract stipulates that PSG Ghana will use the oil mill as mortgage guarantee, up to the loan granted. At 31st December 2019, the balance of the loan amounts to EUR 13 million and the overdraft to EUR 1 million.

Note 33. Agricultural leases

The Group does not own all the land on which the biological assets are planted. In general, these lands are subject to very long-term concessions from the local public authority. These concessions are renewable.

Company(*)	Date of initial lease or renewal extension	Duration of the initial lease	Area conceded	
SOCFIN AGRICULTURAL COMPANY « SAC » LTD	2011/2012/2013/2014	50 years	18 473 ha	(1)
LIBERIAN AGRICULTURAL COMPANY « LAC »	1959	77 years	121 407 ha	
SALALA RUBBER CORPORATION « SRC »	1959	70 years	8 000 ha	(3)
SOGB S.A.	1995	99 years	34 712 ha	
PLANTATIONS SOCFINAF GHANA	2013/2016	50 years	18 303 ha	
OKOMU OIL PALM COMPANY PLC	2001/2013	92 to 99 years	33 113 ha	
SOCAPALM S.A.	2005	55 years	58 063 ha	
AGRIPALMA LDA	2009	25 years	4 917 ha	(2)
BRABANTA S.A.	2015/2018/2019	25 years	8 362 ha	
SETHIKULA CO LTD	2010	99 years	4 273 ha	
VARANASI CO LTD	2009	70 years	2 386 ha	
COVIPHAMA CO LTD	2008	70 years	5 345 ha	
PT SOCFINDO	1990/1995/1996/1997/1998/ 2004/2012/2019	25 to 35 ans	48 100 ha	

(1) Renewable concessions for a term of 25 years.

(2) Concessions renewable tacitly for periods of 25 years.

(3) Extensible concessions up to 40 000 ha

(*) SAFACAM S.A. owns 17 690 ha

Note 34. Segment Information

In accordance with IFRS 8, the information analysed by management is based on the geographical distribution of political and economic risks. As a result, the sectors presented are Europe, Sierra Leone, Liberia, Ivory Coast, Ghana, Nigeria, Cameroon, São Tomé and Principe, Congo (DRC), Cambodia and Indonesia.

Products from the Ivory Coast, Nigeria, Cameroon and Indonesia operating sectors come from palm oil and rubber sales, those from the Liberia and Cambodia sectors only from rubber sales, those from Sierra Leone, Ghana, São Tomé and Principle and Congo come solely from sales of palm oil. Those in the Europe segment come from the provision of administrative services, assistance in managing the areas under plantation and the marketing of products outside the Group. The segment result of the Group is the profit from operations.

The stated figures originate from internal reporting. They do not include any consolidation or IFRS adjustments or restatements and are therefore not directly comparable to amounts reported in the consolidated statement of financial position and income statement.

<u>* Segmental breakdown of profit/(loss) at 31st December 2018</u>

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit/(loss)*
Europe	75 708 658	42 824 329	2 192 301
Sierra Leone	11 029 893	0	-4 733 656
Liberia	22 799 416	0	-1 929 772
Ivory Coast	120 043 747	0	8 133 538
Ghana	2 217 248	0	-2 890 589
Nigeria	56 249 469	0	23 858 396
Cameroon	121 370 342	0	29 207 378
São Tomé and Principe	153 665	0	-1 470
Congo (DRC)	11 049 186	0	-2 036 839
Cambodia	2 031 754	0	-2 115 987
Indonesia	123 157 896	103 999	47 218 847
TOTAL	***545 811 274***	***42 928 328***	***96 902 147***
Elimination of revenue from intra-group activities			-42 928 328
Depreciation, amortization and impairment of bearer plants			-6 970 701
Fair value of agricultural production			252 344
Other IFRS restatements			-113 312
Consolidation adjustments (intra-group and others)			43 560 294
Financial income			8 620 032
Finance expense			-19 251 285
Income tax expense			-33 352 158
Net profit for the period			***46 719 033***

*** Segmental breakdown of profit/(loss) at 31st December 2019**

EUR	Revenue from ordinary business with external customers	Revenue from ordinary business between segments	Sector profit/(loss)
Europe	94 686 697	40 904 459	5 331 759
Sierra Leone	12 457 250	0	-9 786 311
Liberia	29 750 036	0	-1 468 935
Ivory Coast	138 490 300	0	15 173 778
Ghana	2 886 587	0	-1 420 684
Nigeria	55 044 697	0	23 582 323
Cameroon	128 524 275	0	30 003 047
São Tomé and Principe	143 500	0	-1 186 795
Congo (DRC)	9 264 642	0	-4 185 777
Cambodia	3 507 881	0	-2 217 924
Indonesia	118 126 649	103 917	35 104 382
TOTAL	***592 882 514***	***41 008 376***	***88 928 863***

Elimination of revenue from intra-group activities	-41 008 376
Depreciation, amortization and impairment of bearer plants	-3 913 026
Fair value of agricultural production	-2 898 149
Other IFRS restatements	866 450
Consolidation adjustments (intragroup and others)	37 975 149
Financial income	7 037 044
Finance expense	-20 604 177
Income tax expense	-35 020 961
Net profit for the period	***31 362 818***

**** Total segmental assets***

	2019	2018
	EUR	EUR
Europe	94 989 239	100 294 225
Sierra Leone	130 429 641	131 297 574
Liberia	109 086 438	105 107 735
Ivory Coast	147 428 122	146 305 465
Ghana	84 091 394	64 824 210
Nigeria	124 072 886	105 880 433
Cameroon	190 640 336	189 504 298
São Tomé and Principe	30 829 958	27 621 793
Congo (DRC)	67 171 882	70 637 792
Cambodia	70 247 437	69 344 605
Indonesia	107 752 641	98 575 370
Total as at 31st December	***1 156 739 974***	***1 109 393 500***
IFRS 3/IAS 16 : Bearer plants	-28 130 248	-23 102 962
IAS 2/IAS 41 : Agricultural production	11 281 001	13 569 027
Other IFRS restatements	-7 056 529	-6 873 280
Consolidation adjustments (intra-group and others)	-95 966 815	-44 186 583
Total consolidated segmental assets	***1 036 867 383***	***1 015 663 581***

Segment assets are not part of internal reporting, they are included to meet the requirements of IFRS 8. They include fixed assets, biological assets, trade receivables, inventories, cash and cash equivalents. They do not include any consolidation or IFRS adjustments.

*** Total segmental liabilities**

	2019	2018
	EUR	EUR
Europe	291 132 801	288 686 860
Sierra Leone	5 489 175	3 311 191
Liberia	14 581 944	7 904 390
Ivory Coast	19 597 819	22 809 255
Ghana	1 602 209	2 989 471
Nigeria	3 812 768	2 793 836
Cameroon	17 885 296	23 409 565
São Tomé and Principe	2 459 231	537 032
Congo (DRC)	2 909 108	1 848 158
Cambodia	1 198 667	928 701
Indonesia	19 418 844	18 076 267
Total as at 31st December	***380 087 862***	***373 294 726***
Other IFRS restatements	6 431 280	6 436 110
Consolidation adjustments (intra-group and others)	-266 586 635	-259 296 927
Total consolidated segmental liabilities	***119 932 508***	***120 433 909***

*** Costs incurred for the acquisition of segmental assets during 2018**

EUR	Intangible assets	Tangible assets	Investment properties	Biological assets	TOTAL
Europe	925 610	602 940	53 266	0	1 581 816
Sierra Leone	0	5 356 297	0	4 873 407	10 229 704
Liberia	0	3 101 356	0	6 078 156	9 179 512
Ivory Coast	19 435	7 647 391	0	4 794 792	12 461 618
Ghana	0	9 834 982	0	4 811 286	14 646 268
Nigeria	0	9 317 853	0	9 569 904	18 887 757
Cameroun	156 270	13 998 263	0	2 732 613	16 887 146
São Tomé et Principe	0	2 675 583	0	2 580 132	5 255 715
Congo (DRC)	0	719 851	0	8 529	728 380
Cambodia	0	3 455 195	0	2 786 267	6 241 462
Indonesia	64 857	5 221 062	0	5 842 611	11 128 530
TOTAL	***1 166 172***	***61 930 773***	***53 266***	***44 077 697***	***107 227 908***

**** Costs incurred in acquiring segment assets during 2019***

EUR	Intangible Assets	Tangible assets	Investment Properties	Biological assets	TOTAL
Europe	798 313	289 903	43 188	0	1 131 404
Sierra Leone	0	4 723 487	0	0	4 723 487
Liberia	0	1 207 820	0	5 393 720	6 601 540
Ivory Coast	24 534	4 512 806	0	2 395 829	6 933 169
Ghana	0	7 635 217	0	2 158 921	9 794 138
Nigeria	0	5 478 630	0	7 448 259	12 926 889
Cameroon	267 729	11 525 497	0	1 247 116	13 040 342
São Tomé et Principe	0	1 684 598	0	1 376 850	3 061 448
Congo (DRC)	0	297 574	0	364	297 938
Cambodia	0	651 056	0	1 841 632	2 492 688
Indonesia	29 309	3 975 900	0	7 021 611	11 026 820
TOTAL	***1 119 885***	***41 982 488***	***43 188***	***28 884 302***	***72 029 863***

**** Information by sector of activity***

Revenue from external customers

	2019 EUR	2018 EUR
Palm	308 549 447	305 962 537
Rubber	200 846 993	166 902 133
Other agricultural activities	3 818 392	9 434 589
Trading activities	72 865 294	56 577 319
Others	6 802 387	6 934 696
TOTAL	***592 882 514***	***545 811 274***

*** Information by geographical region**

EUR					2018
Origin / Geographical location	Europe	Africa	Asia	America	TOTAL
Europe	20 642 555	1 650 521	25 648 410	12 968 864	60 910 352
Africa	17 374 388	204 804 777	128 385 857	8 241 007	358 806 027
Asia	6 888 164	0	118 488 907	717 824	126 094 895
TOTAL	***44 905 107***	***206 455 298***	***272 523 174***	***21 927 695***	***545 811 274***

EUR					2019
Origin / Geographical location	Europe	Africa	Asia	America	TOTAL
Europe	16 843 525	1 399 272	53 318 064	4 988 061	76 548 922
Africa	9 362 228	212 866 388	163 974 491	8 103 410	394 306 516
Asia	6 966 201	0	112 794 441	2 266 434	122 027 076
TOTAL	***33 171 954***	***214 265 660***	***330 086 996***	***15 357 905***	***592 882 514***

**** Information by business segment and revenue category***

Revenue from external customers by business segment and geographic area:

EUR Business segment / Category	Palm	Rubber	Other agricultural products	Service and other commercial business	TOTAL
					2018
Sierra Leone	11 020 695	0	9 198	0	11 029 893
Liberia	0	22 799 416	0	0	22 799 416
Ivory Coast	20 467 237	97 296 046	0	2 280 464	120 043 747
Ghana	2 136 622	0	23 695	56 932	2 217 248
Nigeria	47 617 474	8 112 017	0	519 977	56 249 469
Cameroon	113 620 767	7 465 720	139 515	144 340	121 370 342
São Tomé and Principe	153 665	0	0	0	153 665
Congo (DRC)	11 049 186	0	0	0	11 049 186
Indonesia	98 390 076	15 333 230	9 434 589	0	123 157 896
Cambodia	0	2 031 754	0	0	2 031 754
Europe	1 506 816	13 863 949	0	60 337 892	75 708 657
TOTAL	***305 962 537***	***166 902 133***	***9 606 997***	**63 339 607**	***545 811 274***

EUR Business segment / Category	Palm	Rubber	Other agricultural products	Service and other commercial business	TOTAL
					2019
Sierra Leone	12 297 304	0	159 947	0	12 457 250
Liberia	0	29 750 036	0	0	29 750 036
Ivory Coast	20 299 230	116 295 854	0	1 895 216	138 490 300
Ghana	2 848 255	0	34 857	3 475	2 886 587
Nigeria	46 092 422	8 735 218	0	217 057	55 044 697
Cameroon	118 925 326	9 030 287	47 916	520 746	128 524 275
São Tomé and Principe	143 500	0	0	0	143 500
Congo (DRC)	9 264 642	0	0	0	9 264 642
Indonesia	98 450 158	15 856 309	3 820 183	0	118 126 649
Cambodia	0	3 507 881	0	0	3 507 881
Europe	228 610	17 671 410	0	76 786 677	94 686 697
TOTAL	***308 549 447***	***200 846 993***	***4 062 902***	***79 423 172***	***592 882 514***

Note 35. Risk Management

Capital Management

The Group manages its capital and adjusts accordingly in response to changes in economic conditions and investment opportunities. To maintain or adjust the capital structure, the Group may issue new shares, repay part of the capital or adjust the payment of dividends to shareholders.

Financial risk

The financial risk for the companies within the Group comes mainly from changes in the selling price of agricultural commodities, foreign exchange and to a lesser extent, interest rate movements.

Potential risk:

None of the countries in which the Group operates has a hyperinflationary economy or suffers from an immediate threat of price devaluation. Nevertheless, in a minority of countries in which the Group operates, the political system and economic stability remain fragile and could lead to currency devaluation or hyperinflation

Risk management and opportunities:

The Group regularly reviews its sources of financing as well as currency movements and its decisions are based on a variety of risks and opportunities which are themselves based on several factors including interest rates, currency and counterparties.

Market risk

**** Price risk in commodities market***

Potential risk:

The Group markets its finished products at prices which may be influenced by commodity prices in international markets. It therefore faces the risk of volatility in the prices of these commodities

Risk management and opportunities:

The main policy of the Group's companies has always been to control its production costs in order to generate margins for the viability of structures in the event of a significant drop in the selling prices of raw materials and conversely to generate profit margins during the market downturns.

In parallel with this main policy, secondary policies have also been implemented to improve or consolidate profit margins:

- production of agricultural products of superior quality and branded, in particular for rubber and;
- use of the Group's expertise in the commerce sector.

**** Foreign currency risk***

Potential risk:

The Group carries out transactions in local currencies. In addition, financial instruments hedging against exchange rate fluctuations may not be available for certain currencies. This creates exposure to interest rate fluctuations which may have an impact on the financial result denominated in euros.

Risk Management and Opportunities

Apart from the current currency hedging instruments for operational transactions - which remain relatively limited, the main policy of the Group to finance its development projects in local currencies in the region given the significant investments made in the plantations and wherever possible, to reduce borrowings.

**** Interest rate risk***

Potential risk:

This risk includes a change in cash flows relating to short-term borrowings - often on a variable rate and the relatively high level of base interest rates on cash and cash equivalents and developing markets when borrowing in local currency.

Risk Management and Opportunities:

The first risk is put under control by an active policy of monitoring the evolution of local financial markets and sometimes short-term debt consolidation in the long term, if necessary. The second risk is taken into account by a systematic policy of putting local and international banks in competition with international lenders who can offer real investment and development opportunities at attractive rates.

Until 24th January 2019, a hedging instrument was in place at Group level to limit its exposure to interest rate risk.

Credit Risk

Potential risk:

Credit risk arises from the potential inability of clients to meet their contractual obligations.

Risk Management and Opportunities

To manage this risk, the Group ensures the payment of local sales in cash or the guarantee of the receivables by obtaining approved bills of exchange. The export sales of the plantations are centralized in the Group's sales structure, which applies either a cash payment policy or a commercial credit policy whose limits are defined by its Board of Directors.

Liquidity risk

Potential risk:

Liquidity risk is defined as the risk that the Group cannot meet its obligations on time or at a reasonable price. This risk is mainly impacting plantations which are both the main source of cash and financing needs.

Risk Management and Opportunities:

Given the specific economic and technological environment of each plantation, the Group manages this risk in a decentralized manner. However, both the cash available and the implementation of the financing are supervised by the Group Management.

Emerging Market Risks

Potential Risk:

Current or future political instability in certain countries in which the Group operates may affect the ability to do business, generate revenue and impact the Group's profitability.

The political system in some of the Group's markets remains relatively fragile and remains potentially threatened by cross-border conflicts or wars between rival groups.

Risk Management and Opportunities

The Group's activities contribute to improving the quality of life in the countries in which the Group operates while improving the stability of its markets may lead to an appreciation of the value of the Group's companies located locally.
Diversifying the geographic mix of countries, economies and currencies in which the Group generates its revenues and cash flows reduces its exposure to emerging market risk.
The Group is aware of the environmental and social responsibility it has towards the local population and is implementing initiatives to this end.

Risk of expropriation

Potential Risk

Certain countries in which the Group operates have political regimes that may call into question foreign commercial interests by limiting their activities and may attempt to impose control over the Group's assets.

Risk Management and Opportunities

The diversification of the geographical distribution of the countries in which the Group generates its revenues and its cash flows reduces its exposure to this risk.

Credibility risk

Potential risk

The Group is exposed to the risk of loss of confidence of the financial markets in relation to its ability to maintain a sound financial health considering:
- its environmental impact,
- its social responsibility and
- the economic and geopolitical risks that certain Group entities may face.

Risk Management and Opportunities:

The Group has published its responsible management policy in 2017. This complements the Group's sustainable development commitments, formalized in 2012.

The Group's initiatives to take this risk into account are detailed in the information provided in the annual sustainable development report available on request at Group headquarters.

Risk sensitivity

**** Exchange rate Risk***
Local turnover of EUR 311.7 million are made in the local currency. Export sales are made in Dollar or Euro. In the case where the currency of sale is not the functional currency of the Company, and it is linked to a strong currency, the conversion is ensured at the time of the conclusion of the contract.

The impact on the result of a 5% increase or decrease (EUR/USD) in foreign currency financial instruments amounts to EUR 0.4 million.

The cash position of Socfinasia S.A. shows an amount of USD 5 million at 31st December 2019. This position is intended, in particular, to cover investments in dollars for the coming financial year.

PT Socfindo has a cash position of USD 1.8 million.

**** Interest rate risk***

The breakdown of fixed rate loans and variable rate loans is described in Note 20. Following the variable rate loan arrangement entered into by Socfin on 23rd January 2014, the Group was exposed to interest rate risk. To control this risk, the loan was covered by a fixed rate swap for the same amount and the same maturity date up to 24th January 2019.

*** Credit risk**

At 31st December 2019, the trade receivables from global customers and local customers amounted to EUR 9.5 million and EUR 41.4 million respectively. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Raw palm oil is sold locally to local players (wide range of customers). The marketing of refined palm oil and rubber is entrusted to Sogescol FR. It intervenes either on the physical markets or directly with end customers.

	2019	***2018***
	EUR	***EUR***
Trade receivables	50 913 343	35 598 430
Provision incurred under expected life-cycle credit loss model (IFRS 9)	-4 065 744	-4 179 928
Other receivables	13 117 000	16 260 532
Total net receivables	***59 964 599***	***47 679 034***
Amount not due	57 728 734	45 091 448
Amount due less than 6 months	388 981	1 005 134
Amount due for more than 6 months and less than one year	1 010 530	879 870
Amount due for more than one year	836 354	702 582
Total net receivables	***59 964 599***	***47 679 034***

**** Liquidity risk***
The Group's exposure to liquidity risk is mentioned in notes 16 and 20.

Note 36. Profit before interest, taxes, depreciation and amortisation

Reconciliation of EBITDA

	2019 EUR	2018 EUR
Profit after tax (Group's share)	8 185 721	16 093 629
Profit share of non-controlling interests	23 177 097	30 625 404
Fair value of biological assets	2 898 149	-164 078
Depreciation, amortization and provisions	68 694 357	62 322 034
Gains and losses on disposals of assets	-420 918	657 787
Tax charge	35 020 961	33 352 158
Other financial income	-5 895 571	-8 556 605
Other financial income included in depreciation write-backs	5 571	32 389
Financial expenses	19 883 622	18 515 497
Financial expenses included in amortisation and provisions	-5 758	-59 275
TOTAL	***151 543 231***	***152 818 940***
Impact of lease restatement on EBITDA	-2 641 123	0
EBITDA excluding the impact of lease restatement	***148 902 108***	***152 818 940***

Note 37. Political and economic environment

The Company holds interests in subsidiaries that operate indirectly in Africa and Southeast Asia.

Given the economic and political instability in some of these countries, these holdings pose a risk in terms of exposure to political and economic changes.

Note 38. Events after the closing date

The Covid-19 epidemic began in China in December 2019 and spread to the rest of the world from January 2020 and raised to "pandemic" status on 11th March 2020 by the WHO. At the balance sheet date, the epidemic had no impact on the Group's activities.

The Covid-19 epidemic, which took a global dimension, caused the financial markets to fall dramatically from mid-February onwards, raising fears of a slowdown in global economic growth.

Raw material prices were obviously not spared. Thus, the TSR20 1st position FOB Singapore on SGX quoted on 27th March 2020 at USD 1 070 per ton, against USD 1 451 per ton on 31st December 2019. Similarly, the price of crude palm oil CIF Rotterdam closed on 27th March 2020 at around USD 620 per ton, against USD 850 per ton on 31st December 2019.

The Covid-19 crisis has strongly affected sectors linked to the Chinese economy, particularly groups operating in the automotive industry, already in slowdown. In addition, tyre manufacturers are in the process of halting and/or drastically reducing production at most of their factories in Europe, North America, South America and elsewhere in the world.

We expect a sharp decline in rubber demand from tyre manufacturers from April onwards.

Slower growth in China and the recent lockdown in India, the two major palm oil importers, and falling oil prices are also weighing heavily on current crude palm oil prices.

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 40% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price.

Note 39. Auditor's fees

	2019 EUR	*2018 EUR*
Audit (VAT included)	549 488	522 266

The audit fees include all fees paid to the independent statutory auditor of the Group (C-Clerc S.A., member of Crowe Global network) as well as those paid to member firms within their network for the year. No consulting work or other non-audit services have been performed by those companies in 2019 or in 2018.

Company's Management Report

Presented by the Board of Directors at the Annual General Meeting of 26th May 2020

Ladies and gentlemen,

We have the honour to present to you our annual report and to submit for your approval the annual accounts of our Company as at 31st December 2019.

Activities

Socfin mainly holds financial interests in portfolio companies which operate indirectly in Southeast Asia and/or tropical Africa in the rubber and palm oil sectors.

Result of the year

The profit and loss account for the year, compared to that of the previous year, is as follows:

(EUR millions)	*2019*	*2018*
INCOME		
Income from participating interests from affiliated undertakings	14.2	16.8
Total income	***14.2***	***16.8***
EXPENSES		
Other external charges	1.3	1.5
Interest payable and other financial expenses		
other interest and other financial expenses	4.0	4.4
Tax on results	0.1	0.1
Total expenses	***5.4***	***6.0***
RESULTS FOR THE FINANCIAL YEAR	**8.8**	**10.8**

At 31st December 2019, net profit amounted to EUR 8.8 million compared to EUR 10.8 million at the end of the previous year.

Revenue amounted to EUR 14.2 million (EUR 16.8 million at 31st December 2018).

Total expenses amounted to EUR 5.4 million compared to EUR 6 million at 31st December 2018.

Balance sheet

At 31st December 2019, Socfin's total assets amounted to EUR 307.3 million compared to EUR 326 million at 31st December 2018.

Socfin's assets consist of investments of EUR 180.3 million, fixed financial assets of EUR 90.6 million, and other receivables of EUR 36.5 million.

Equity amounted to EUR 186.7 million before distribution of dividend.

Porfolio

Movements

During the financial year 2019, Socfin acquired 361 410 shares in Socfinaf for a total amount of EUR 3.9 million and 2 500 shares in Socfinasia for a total amount of EUR 33 000.

Revaluations

At 31st December 2019, the unrealised capital gains on the investment portfolio are estimated at EUR 137.9 million compared to EUR 89.1 million in previous year.

Holdings

The main holdings have evolved as follows during the last months:

Socfinasia S.A. (Luxembourg) - 57.81%
The Company holds stakes in Southeast Asian companies active in the rubber and palm oil sector.

At 31st December 2019, net profit amounted to EUR 17.4 million compared to EUR 24.8 million at 31st December 2018.

The net value of Socfinasia S.A.'s investments amounted to EUR 292 million at 31st December 2019 and the valuation of the portfolio shows unrealised gains of EUR 80.7 million.

At the next General Assembly, the Board of Directors of Socfinasia S.A. will propose the payment of a final dividend of EUR 0.50 per share, an interim dividend of EUR 0.30 has already been distributed in November 2019.

Figures of Socfinasia S.A. (millions of Euros)	2019	2018
Assets	***410.9***	***410.8***
Fixed assets	314.8	315.6
Current assets	96.1	95.2
Equity and Liabilities	***410.9***	***410.8***
Equity	406.6	406.6
Liabilities	4.3	4.2

Socfinaf S.A. (Luxembourg) - 62.00%
This company has interests in entities in tropical Africa which are active in the rubber and palm oil sector.

Since the beginning of 2020, Socfin has acquired 403 539 Socfinaf shares and has increased its shareholding to 64.26% of the capital.

At 31st December 2019, net income amounted to EUR 16.4 million compared to EUR 20.3 million at 31st December 2018.

The net asset value of financial assets amounted to EUR 233.9 million at 31st December 2019 and the valuation of the portfolio generated unrealized gains of EUR 245.8 million.

The Board of Directors of Socfinaf S.A. will propose at the next General Assembly not to pay a dividend for the financial year 2019.

Figures of Socfinaf S.A. (millions of EUR)	**2019**	**2018**
Assets	***543.3***	***540.6***
Fixed assets	538.0	539.3
Current assets	5.3	1.3
Liabilities	***543.3***	***540.6***
Equity	275.8	259.4
Liability	267.5	281.2

Allocation of profit

The profit for the year for Socfin amounting to EUR 8 833 634.25 increased by the retained earnings of EUR 93 602 025.95 result in total earnings of EUR 102 435 660.20 which will be proposed to allocate as follows:

Profit distribution	*EUR*
Retained earnings	93 602 025.95
Balance :	
10% on the Board of Directors	865 316.22
90% to 14 159 720 shares	7 787 846.00
Representing EUR 0.55 per share	
of which EUR 0.05 already paid in November 2019	102 255 188.17

As a reminder, the dividend relating to previous year was EUR 0.55.

Reserves

After this distribution of profit, all reserves will amount to EUR 153 538 130.13 and will be as follows

	EUR
Legal reserve	2 477 951.00
Other reserves	57 277 681.15
Retained earnings	93 782 497.98
	153 538 130.13

If this distribution is approved, Coupon No. 78 of EUR 0.50 will be declared on 8th June 2020 and payable from 10th June 2020.

Treasury shares

The Company did not buy back its own shares during the 2019 financial year.

Research and development

During the financial year 2019, Socfin did not incur any expenses for research and development.

Financial instruments

Financial risk management policies are described in the notes to the Company's consolidated financial statements.

Branch

The Company has a permanent establishment in Fribourg (CH).

Mentions required by Art. 11 (1) points a) to k) of the law of 19th May 2006 concerning Public Takeover Bids

a) b) f) The subscribed share capital of the Company is set at EUR 24 779 510 represented by 14 159 720 shares without par value, fully paid up. Each share entitles the holder to one vote without limitation or restriction.

c) On 02/01/2017, Mr. Hubert Fabri declared that it held a direct and indirect stake of 54.24% in Socfin.

On 10/03/2008, Bolloré Participations declared that it held a direct and indirect interest of 38.75% in the Socfin.

h) Art. 13. of the statutes: *"The Company is administered by a Board composed of at least three members, whether natural or legal persons. The Directors are appointed for a period of six years by the General Meeting of Shareholders. They are eligible for re-election. The Directors are renewed by lottery, so that at least one Director will be leaving each year*."

Art. 22. of the statutes: *"In the event of vacancy of one or more director's seat, it may be provisionally replaced by complying with the formalities provided for by law."*

Art. 31. of the statutes: *"The present statutes can be modified by decision of the General Assembly specially convened for this purpose, in the forms and conditions prescribed by articles 450-1 and 450-8 of the law of 10 August 1915 on the commercial companies, as amended."*

i) The powers of the members of the Board of Directors are defined in Art. 17 et seq. of the statutes of the Company. They provide in particular that: *"The Board of Directors is vested with the broadest powers for the administration of the Company. All matters not expressly reserved to the General Meeting by the statutes or the law fall within the competence of the Board ".*

In addition, the statutes provide in Art. 6: *"In the event of a capital increase, the Board of Directors shall determine the conditions of issue of the shares.*

The new shares to be paid up in cash shall be offered in preference to the current shareholders, in accordance with the law. The General Assembly called to deliberate, under the conditions required for the amendment of the Articles of Association, on the increase in the share capital or on the authorization to increase the capital in accordance with Article 420-23 of the law of commercial companies, may limit or cancel the preferential subscription right or authorize the Board to do so in the manner and under the conditions provided for by law."

j) The terms and conditions of the 9th December 2016 bond issue and the 11th June 2019 revolving credit facility provide that in the event of a change of control of the Company (i.e. Socfin), creditors have the right to demand immediate repayment of their loans.

The other points of Art. 11 (1) are not applicable, namely:

- holding of shares giving special control rights;
- the existence of a staff shareholding system;
- shareholder agreements that may result in restrictions on the transfer of securities or voting rights;
- the indemnities provided in the event of the resignation or dismissal of members of the Board of Directors or staff following a takeover bid.

Corporate responsibility policy

On 22nd March 2017, the Group adopted its new corporate responsibility policy. It is based on the four principles of responsible development, improvement of management practices, respect for human rights and transparency.

An implementation plan for this policy has been defined and implemented throughout the 2019 financial year.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("sustainable development report").
The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

Estimated value of the share (company accounts)

The estimated value of Socfin at 31st December 2019 before appropriation of the result for the financial year amounts to EUR 324.6 million (EUR 22.92 per share). This valuation includes unrealised gains on the portfolio.

As a reminder, the share price was EUR 26.60 at the end of the 2019 financial year compared to EUR 28.00 one year earlier.

Significant events after the end of the year

The Covid-19 epidemic began in China in December 2019 and spread to the rest of the world from January 2020 and rose to “pandemic” status on 11th March 2020 by the WHO. At the balance sheet date, the epidemic had no impact on the Group's activities.

The Covid-19 epidemic, which took a global dimension, caused the financial markets to fall dramatically from mid-February onwards, rising fear of a slowdown in global economic growth.

Raw material prices were obviously not spared. Thus, the TSR20 1st position FOB Singapore on SGX quoted on 27th March 2020 at USD 1 070 per ton, against USD 1 451 per ton on 31st December 2019. Similarly, the price of crude palm oil CIF Rotterdam closed on 27th March 2020 at around USD 620 per ton, against USD 850 per ton on 31st December 2019.

The Covid-19 crisis has strongly affected sectors linked to the Chinese economy, particularly groups operating in the automotive industry, already in slowdown. In addition, tyre manufacturers are in the process of stopping or drastically reducing production at most of their plants in Europe, North America, South America and elsewhere in the world.

We expect a sharp decline in rubber demand from tyre manufacturers from April onwards.

Slower growth in China and the recent lockdown in India, the two major palm oil importers, and falling oil prices are also weighing heavily on current crude palm oil prices.

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 40% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price.

Key risks and uncertainties

It must be emphasized that the Group's investments in Africa and Southeast Asia may be subject to political and economic risks. On-site executives and managers follow the day-to-day evolution of the situation.

Perspectives

The result for the 2020 financial year will depend to a large extent on the dividend distributions of the subsidiaries.

Statutory appointments

The term served as director by Mr. François Fabri expires this year. At the next General Meeting, the Board of Directors will propose to renew his mandate for another six years until the Annual General Meeting of 2026.

Following the resignation of Bolloré Participations, it will be proposed at the next General Meeting to appoint Mr. Philippe Fabri as Executive-Director of the company.

In addition, the mandate of the independent statutory auditor C-CLERC expires this year. The audit committee should receive some other proposals and will submit their recommendation to the Annual General Meeting.

The Board of Directors

Audit report on the Company's financial statements

To the Shareholders of
Société Financière des Caoutchoucs
Abbreviated SOCFIN
4, Avenue Guillaume
L-1650, Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Société Financière des Caoutchoucs in abbreviated form, SOCFIN (the "Company") comprising the balance sheet as at 31st December 2019 and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of the main accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the Company's financial position as at 31st December 2019, as well as the results for the year then ended, in accordance with the legal and regulatory requirements for the establishment and the presentation of the financial statements in force in Luxembourg.

Basis of opinion

We conducted our audit in accordance with the Regulation (EU) N ° 537/2014, the law of 23rd July 2016 relating to the audit profession (the law of 23rd July 2016) and the International Standards on Auditing (ISA) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier CSSF). Our responsibilities under these regulations, laws and standards are more fully described in the section entitled "Responsibilities of the Certified Auditor for the audit of the financial statements" of this report. We are also independent from the Company in accordance with the Code of Ethics of Professional Accountants of the International Accounting Standards Board (the IESBA Code) as adopted for Luxembourg by the CSSF and the rules of professional conduct apply to the audit of the financial statements and we have fulfilled the other responsibilities incumbent on us under these rules. We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 3 - "Financial fixed assets". The company has interests whose operating companies are located in African and Southeast Asian countries and are exposed to the risk of political and economic fluctuations.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, have been the most significant in the audit of the financial statements for the period. These matters have been addressed in the context of our audit of the financial statements as a whole and for the purpose of forming our opinion on them, and we do not express a separate opinion on these issues.

Valuation of shares in related companies

Risk identified

As at 31st December 2019, the net value of the shares in affiliated companies amounted to EUR 180 million and represented 58% of the balance sheet total.

These shares in related companies are recorded at the lower of their purchase price or the estimated value of realization by the Board of Directors.

The assessment of the estimated realizable value of these investments requires the exercise of the judgment of the Board of Directors in its choice of the elements to be considered according to the participations concerned. These items may be historical (share of statutory or consolidated net assets) and / or expected (profitability outlook).

Due to the significant number of shares in the related companies as well as the judgment necessary for the assessment of their value by the Board of Directors, we considered the valuation of shares in related companies as a key point of our audit.

Audit response provided

In assessing the reasonableness of the estimate of the value of the shares in the related companies, our work consisted mainly to:

- assess, on the basis of the information provided by the Board of Directors, the valuation methods used by the Company;
- for evaluations based on historical elements:
    - assess the assumptions used to determine the revalued net asset value;
    - in particular, to verify that the retained equity is consistent with the entities 'accounts and that the adjustments made, if any, on these shareholders' equity is based on appropriate documentation;
- for evaluations based on other elements than on historical elements:
    - carry out an analysis on the evolution of the financial and non-financial data of the related companies and their activity;
    - examine the assumptions made regarding the economic environment at the closing and accounting dates.

Our work also consisted of:

- assess the recoverability of the receivables attached to the shares;
- to verify the appropriateness of the information presented under Note 3 "Financial fixed assets "

Other information

Responsibility for other information rests with the Board of Directors. Other information consists of the information presented in the annual report including the management reports and the corporate governance statement but does not include the financial statements and our independent auditors on these financial statements.

Our opinions on the financial statements do not extend to other information and we do not express any form of assurance on such information.

With respect to our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess whether there is a material inconsistency between the financial statements and the knowledge we acquired during the course of the financial statements. the audit, or if the other information otherwise appears to contain a significant anomaly. If, based on our work, we conclude that there is a significant discrepancy in the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the legal and regulatory requirements relating to the preparation and presentation of the financial statements in force in Luxembourg, as well as the internal control that it considers as necessary to permit the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the responsibility of the Board of Directors to assess the Company's ability to continue as a going concern, to disclose, as the case may be, issues relating to the continuity of operations. and to apply the accounting principle of going concern, unless the Board of Directors intends to liquidate the Company or cease its activity or if no other realistic solution is offered to it.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements taken as a whole do not contain any material misstatement, whether due to fraud or error, and to issue a report from the independent auditor. containing our opinion. Reasonable assurance corresponds to a high level of assurance, which however does not guarantee that an audit carried out in accordance with Regulation (EU) No 537/2014, the Law of 23rd July 2016 and the ISAs as adopted for Luxembourg by the CSSF will always detect any significant anomaly that may exist. Anomalies may arise from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they could affect the economic decisions that users of the financial statements take in their business. based on these.

In the context of an audit conducted in accordance with Regulation (EU) No 537/2014, the law of 23rd July 2016 and ISAs as adopted for Luxembourg by the CSSF, we exercise our professional judgment and exercise due diligence. critical mind throughout this audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, the design and implementation of audit procedures in response to such risks, and the collection of audit evidence. sufficient and appropriate to base our opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from an error, since the fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumventing internal control;

- We gain an understanding of the internal control elements relevant to the audit in order to design audit procedures appropriate to the circumstances and not to express an opinion on the effectiveness of the Company's internal control;

- We assess the appropriateness of the accounting policies used, and the reasonableness of the accounting estimates made by the Board of Directors, as well as the related information provided by the Board;

- We draw a conclusion as to the appropriateness of the Board of Directors' use of the going concern accounting principle and, depending on the audit evidence obtained, whether or not there is significant uncertainty related to events or situations that may cast significant doubt on the Company's ability to continue as a going concern. If we find material uncertainty, we are required to draw the attention of readers of our report to the information provided in the financial statements about this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our report. However, future events or situations could cause the Company to cease operations;

- We evaluate the overall presentation, the form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the underlying transactions and events in a manner that conveys an image loyal.

We communicate to corporate governance officials, in particular, the scope and expected timing of the audit work and our significant findings, including any significant internal control deficiencies we may have identified during our audit.

We also provide corporate governance officials with a statement that we have complied with the relevant ethical rules regarding independence and disclose to them all relationships and other factors that may reasonably be expected to affect the independence of the organization. our independence and related safeguards where applicable.

Among the questions communicated to corporate governance officials, we determine which were the most important in the audit of the financial statements of the period in question: these are the key questions of the audit. We describe these issues in our report unless legal or regulatory provisions prevent them from being published.

Report on other legal and regulatory requirements

We were appointed as statutory auditor by the General Meeting of Shareholders on 31st May 2017 and the total duration of our mission without interruption, including previous renewals and renewals, is 5 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The information required by article 68ter paragraph (1) letters c) and d) of the amended law of 19 December 2002 concerning the commercial and companies register and the accounting and annual accounts of the companies included in the consolidated management report and presented on pages 30 to 31 and in the Company's management report and presented on pages 116 to 117 are consistent with the Company's financial statements and have been prepared in accordance with applicable legal requirements.

We confirm that our audit opinion is in accordance with the content of the supplementary report to the Audit Committee or the equivalent body.

We confirm that we have not provided any prohibited non-audit services as referred to in Regulation (EU) No 537/2014 and that we have remained independent from the Company during the audit.

Bertrange, 9th April 2020

C-CLERC S.A.
Cabinet de revision agréé

Mariateresa Di Martino
Réviseur d'entreprises agréé

Company financial statements

1. Balance sheet as at 31 December 2019

ASSETS	Note	2019 EUR	2018 EUR
FIXED ASSETS			
Financial fixed assets	3		
Shares in affiliated undertakings		180 252 467.00	176 333 533.04
Loans to affiliated undertakings		90 592 500.00	90 232 500.00
		270 844 967.00	***266 566 033.04***
CURRENT ASSETS			
Receivables			
Amounts owed by affiliated undertakings becoming due and payable within one year		36 456 245.00	59 364 284.98
Other receivables becoming due and payable within one year		653.38	804.89
		36 456 898.38	***59 365 089.87***
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		21 688.13	31 661.57
		36 478 586.51	***59 396 751.44***
		307 323 553.51	***325 962 784.48***

The appendix forms an integral part of the annual accounts.

LIABILITIES	***Note***	***2019 EUR***	***2018 EUR***
SHAREHOLDERS' EQUITY	4		
Share capital		24 779 510.00	24 779 510.00
Share premium		501 846.51	501 846.51
Reserves			
Legal reserve		2 477 951.00	2 492 000.00
Other reserves, including the fair value reserve			
Other available reserves		57 277 681.15	57 277 681.15
		59 755 632.15	***59 769 681.15***
Retained earnings		93 602 025.95	91 456 809.10
Profit for the year		8 833 634.25	10 784 330.07
Interim dividends		-786 651.11	-786 651.11
		186 685 997.75	***186 505 525.72***
LIABILITIES			
Non-convertible bond loan			
Becoming due and payable after more than one year		80 000 000.00	80 000 000.00
Becoming due and payable within one year		195 555.56	195 555.56
Amount due to credit institutions			
Becoming due and payable within one year		40 000 000.00	58 753 737.86
Amounts owed to affiliated undertakings			
Becoming due and payable within one year		90 000.00	171 171.00
Other debts			
Becoming due and payable within one year		352 000.20	336 794.34
		120 637 555.76	***139 457 258.76***
		307 323 553.51	***325 962 784.48***

The notes form an integral part of the annual accounts.

2. Income statement for the year ended 31 December 2019

	Note	2019 EUR	2018 EUR
Raw materials and consumables			
Other external charges		-1 279 922.80	-1 486 042.39
Other operating expenses		-15 114.53	-19 875.44
Income from participating interests			
from affiliated undertakings	5	14 203 177.37	16 750 982.18
Other interest receivable and other financial income			
other interest and financial income		20 682.56	1 013.34
Interest payable and other financial expenses			
relating to affiliated undertakings		-551.33	-2 841.06
other interest and financial expenses		-4 043 163.65	-4 398 953.00
Tax on results		-463.37	-3 913.56
Results after taxation		8 884 644.25	10 840 370.07
Other taxes not shown above		-51 010.00	-56 040.00
Results for the financial year		***8 833 634.25***	***10 784 330.07***

Beneficiary distribution proposal

	2019 *EUR*	*2018* *EUR*
Retained earnings	93 782 497.98	93 602 025.95
From the balance:		
10% on the Board of Directors	865 316.22	865 316.22
90% to 14 159 720 shares	7 787 846.00	7 787 846.00
	102 435 660.20	***102 255 188.17***
Dividend per share	***EUR 0.55***	***EUR 0.55***

The notes form an integral part of the annual accounts.

3. Notes to the financial statements for the year 2019

Note 1. Overview

The Company was incorporated on 5th December 1959 as a public limited company and adopted the status of "Soparfi" on 10th January 2011.

The duration of the Company is unlimited, and its registered office is established in Luxembourg. The Company is registered in the Register of Commerce and Companies under number B 5937.

The financial year begins on 1st January and ends on 31st December.

Note 2. Accounting principles, rules and methods

General principals

The annual financial statements are prepared in accordance with Luxembourg legal and regulatory provisions and generally accepted accounting practices, GAAP.

The Company prepares consolidated financial statements which are available at the Company's registered office at 4, avenue Guillaume, L-1650 in Luxembourg or on the website: www.socfin.com.

Currency conversion

The Company keeps its accounts in euros (EUR); the annual accounts are expressed in the same currency.

Transactions in a currency other than the balance sheet currency are converted into the balance sheet currency at the exchange rate prevailing on the date of the transaction.

At the balance sheet date:

- the purchase price of the equity securities included in the financial fixed assets and the associated receivables, expressed in a currency other than the currency of the balance sheet, remain converted at the historical exchange rate;

- bank accounts expressed in a currency other than the currency of the balance sheet are valued on the basis of the exchange rate prevailing on the balance sheet date or at the rate included in the hedging contract for items covered by a foreign exchange forward contract. Unrealized gains and losses are recognized in the current period;

- all other assets, expressed in a currency other than the currency of the balance sheet, are valued individually at the lower of their value at the historical exchange rate or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- all liability items, expressed in a currency other than the currency of the balance sheet, are valued individually at the highest of their value at the historical exchange rate or their value determined on the basis of the exchange rate prevailing on the closing date. balance sheet.

Realized foreign exchange gains and losses are recognized in the profit and loss account. At the balance sheet date, by applying the precautionary principle, only negative translation adjustments on foreign currency items are recognized in profit or loss.

If there is an economic link between two transactions, unrealized exchange differences are recognized at the corresponding unrealized exchange loss.

Revaluation of financial assets

Investments and securities with a capital nature are valued individually at the lower of their purchase price or their value estimated by the Board of Directors, without compensation between capital gains and losses.

The purchase price includes the purchase price and incidental expenses.

To determine the estimated value, the Board of Directors is based on:

- on the market value;
- the financial statements of the companies to be valued;
- or other information and documents available.

Receivables

Receivables are recorded at their nominal value. They are subject to value adjustments when their recovery is compromised. Value adjustments are not maintained if the reasons for their negotiations have ceased to exist.

Liabilities

Liabilities are recorded at their nominal value.

Note 3. Financial fixed assets

	Shares in affiliated undertakings		Receivables from affiliated undertakings		Total	
	2019 EUR	2018 EUR	2019 EUR	2018 EUR	2019 EUR	2018 EUR
Buying price/ nominal value at the beginning of the year	***176 333 533.04***	***173 191 174.09***	***90 232 500.00***	***103 065 835.00***	***266 566 033.04***	***276 257 009.09***
Increases	3 918 933.96	3 142 358.95	360 000.00	0.00	4 278 933.96	3 142 358.95
Decreases	0.00	0.00	0.00	-12 833 335.00	0.00	-12 833 335.00
Buying price/ nominal value at the end of the year	***180 252 467.00***	***176 333 533.04***	***90 592 500.00***	***90 232 500.00***	***270 844 967.00***	***266 566 033.04***
Value adjustments at the beginning and at the end of the year	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
Net book value at the end of the year	***180 252 467.00***	***176 333 533.04***	***90 592 500.00***	***90 232 500.00***	***270 844 967.00***	***266 566 033.04***

Information on companies in which the Company holds at least 20% of the capital

Entity	Country	% held	Net book value EUR	Year end	Currencies of the annual accounts	Equity in foreign currency (including net profit)	Net income in foreign currencies
Socfinaf S.A.	Luxembourg	62.00	131 911 622	31.12.2019	EUR	275 774 278	16 404 965
Socfinasia S.A.	Luxembourg	57.81	47 795 434	31.12.2019	EUR	406 646 139	17 435 868
Induservices S.A. (*)	Luxembourg	35.00	35 000	31.12.2019	EUR	232 194	5 900
Management Associates S.A. (*)	Luxembourg	20.00	400 000	31.12.2019	EUR	2 605 007	39 235
			180 142 056				

(*) Based on Unaudited financial figures.

Note 4. Equity

	Capital subscribed EUR	Share premium EUR	Legal reserve EUR	Other reserves EUR	Retained earnings EUR	Profit for the year EUR	Interim dividends EUR
Situation as of 1st January 2018	***24 920 000.00***	***501 846.51***	***2 492 000.00***	***57 140 157.15***	***89 504 727.86***	***11 391 894.57***	***-1 573 302.22***
Distribution of the result for the 2017 financial year following decision of the General Assembly Meeting held on 30th May 2018							
• Retained earnings					1 952 081.24	-1 952 081.24	
• Dividends						-7 079 860.00	
• Directors' fees						-786 651.11	
• 2017 interim dividend						-1 573 302.22	1 573 302.22
Interim dividends as per decision of the Board of Directors of 26th October 2018							-786 651.11
Cancellation of 80,280 shares	-140 490.00			137 524.00			
Financial year profit						10 784 330.07	
Situation as of 31st December 2018	***24 779 510.00***	***501 846.51***	***2 492 000.00***	***57 277 681.15***	***91 456 809.10***	***10 784 330.07***	***-786 651.11***
Allocation of the result for the 2018 financial year following decision of the General Assembly Meeting held on 28th May 2019:							
• Retained earnings			-14 049.00		2 145 216.85	-2 131 167.85	
• Dividends						-7 079 860.00	
• Directors' fees						-786 651.11	
• 2018 interim dividend						-786 651.11	786 651.11
Interim dividends as per decision of the Board of Directors of 28th October 2019							-786 651.11
Financial year profit						8 833 634.25	
Situation as of 31st December 2019	***24 779 510.00***	***501 846.51***	***2 477 951.00***	***57 277 681.15***	***93 602 025.95***	***8 833 634.25***	***-786 651.11***

Subscribed capital

As of 31st December 2019, the subscribed and fully paid-up capital is EUR 24 779 510 represented by 14 159 720 shares without par value. In accordance with the law of 28th July 2014 on the cancellation of treasury shares, 80 280 shares have been cancelled.

As of 31st December 2018, and 2017, the share premium amounts to EUR 501 847.

Legal reserve

The annual profit is subject to a levy of 5% to be allocated to a legal reserve. This deduction ceases to be compulsory as soon as the reserve reaches 10% of the capital. The legal reserve cannot be distributed.

Note 5. Income from equity investments

	2019 EUR	2018 EUR
Dividends received	9 061 343.80	11 242 828.03
Interest on receivables	5 141 833.57	5 508 154.15
	14 203 177.37	***16 750 982.18***

Note 6. Remuneration of the Board of Directors

During the 2019 financial year, the members of the Board of Directors were remunerated EUR 10 312 as attendance fees and EUR 865 316 as directors' fees.

Note 7. Political and economic environment

The Company holds interests in companies that operate indirectly in Africa and Southeast Asia.

Given the economic and political instability in these African countries (Sierra Leone, Liberia, Ivory Coast, Ghana, Nigeria, Cameroon, São Tomé and Democratic Republic of Congo) and South-East Asia (Cambodia and Indonesia), these holdings are exposed to political and economic fluctuations risks.

Note 8. Significant events after the year end

The Covid-19 epidemic began in China in December 2019 and spread to the rest of the world from January 2020 and rose to “pandemic” status on 11th March 2020 by the WHO. At the balance sheet date, the epidemic had no impact on the Group's activities.

The Covid-19 epidemic, which took a global dimension, caused the financial markets to fall dramatically from mid-February onwards, rising fear of a slowdown in global economic growth.

Raw material prices were obviously not spared. Thus, the TSR20 1st position FOB Singapore on SGX quoted on 27th March 2020 at USD 1 070 per ton, against USD 1 451 per ton on 31st December 2019. Similarly, the price of crude palm oil CIF Rotterdam closed on 27th March 2020 at around USD 620 per ton, against USD 850 per ton on 31st December 2019.

The Covid-19 crisis has strongly affected sectors linked to the Chinese economy, particularly groups operating in the automotive industry, already in slowdown. In addition, tyre manufacturers are in the process of halting or drastically reducing production at most of their factories in Europe, North America, South America and elsewhere in the world.

We expect a sharp decline in rubber demand from tyre manufacturers from April onwards.

Slower growth in China and the recent lockdown in India, the two major palm oil importers, and falling oil prices are also weighing heavily on current crude palm oil prices.

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 40% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price.