

INTERIM FINANCIAL REPORT
HALF YEAR ENDED 30TH JUNE 2020

Disclaimer :

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

SOCFINAF S.A

Board of Directors

Mr. Luc Boedt	Chairman
Mr. Hubert Fabri	Director
Mr. Vincent Bolloré	Director
Mr. Philippe de Traux de Wardin	Director
Bolloré participation S.A. represented by Mr. M. Cyrille Bolloré	Director
Mr. Fulgence Koffy	Director
Mr. Gbenga Oyeboode	Director
Mr. François Fabri	Executive Director
Mr. Philippe Fabri	Director
Mr. Pierre Lemaire	Director

Chief Financial Officer

Mr. Daniel Haas

Independent statutory auditor

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Statement of compliance

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

(a) the abridged 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) that the interim management report fairly represents the information required under section 4(4) of the law on commercial companies.

Management report on the interim consolidated financial statements as at 30th June 2020

The Board of Directors meeting on 16th September 2020 reviewed the interim consolidated financial statements as at 30th June 2020.

These interim consolidated financial statements have not been audited, nor have they been subject to a limited review by the independent statutory auditor.

Activities

The Company holds interests in companies that operate directly or indirectly in Tropical Africa, in the production of rubber and palm oil.

Portfolio

There were no changes to the scope of consolidation during the first half of 2020.

Consolidated results

At 30th June 2020, the consolidated result "Group's share" was EUR 8.4 million compared to EUR 2.8 million at 30th June 2019. This resulted in a net profit "Group's share" of EUR 0.47 per share compared to EUR 0.16 per share at 30th June 2019.

Consolidated revenues for the six months ended 30th June 2020 amounted to EUR 213.5 million compared to EUR 179.8 million in the previous year (EUR +33.7 million). This increase in turnover is mainly due to the increase in quantities sold (EUR +23.4 million), the increase in crude palm oil prices (EUR +9 million), and the increase in turnover from the sales of non-group products (EUR +4.3 million). It is however reduced by the exchange rate effect on sales (EUR -3 million).

Operating profits amounted to EUR 50 million compared to EUR 37.6 million at 30th June 2019.

Financial expenses amounted to EUR 12.2 million at 30th June 2020 compared to EUR 6.7 million at 30th June 2019. This change of EUR 5.5 million is mainly comprised of interest expense of EUR 3 million and EUR 2.7 million in foreign exchange losses.

Despite the increase in pre-tax profits (EUR +8.8 million), the income tax expense is stable at EUR 18.1 million compared to EUR 18.7 million at 30th June 2019. To be recalled, a change in tax rules in Nigeria negatively impacted the tax expense of the Group's subsidiary for EUR 3.7 million during the first half of 2019.

The deferred tax expense amounted to EUR 2 million at 30th June 2020, compared to EUR 3.1 million at 30th June 2019.

Consolidated statement of financial position

As at 30th June 2020, Socfinaf's total balance sheet amounted to EUR 886.3 million which represent an increase of EUR 11.2 million compared to the position as at 31st December 2019.

Socfinaf's assets consisted of:

- non-current assets amounting to EUR 680.1 million compared to EUR 705.8 million as at 31st December 2019, that is a decrease of EUR 25.7 million. Property, plant and equipment and biological assets are subject to the following movements: acquisitions (EUR +24 million), depreciation (EUR -26.4 million), translation adjustments (EUR -17.2 million);
- current assets amounting to EUR 206.3 million compared to EUR 169.3 million as at 31st December 2019 (incremental seasonal effect of inventory of EUR 11.4 million), that is an EUR 17.2 million improvement in cash position.

Shareholders' equity, Group's share, amounted to EUR 266.4 million compared to EUR 270.9 million as at 31st December 2019. The decrease in shareholders' equity of EUR 4.5 million is mainly due to the variation in the translation reserves (EUR -12.9 million) and the half-year profits (EUR 8.4 million).

Based on the consolidated shareholders' equity, the Group's share of net assets per share was EUR 14.94 as at 30th June 2020 compared to EUR 15.19 as at 31st December 2019.

As at 30th June 2020, Socfinaf S.A.'s share price was EUR 8.90.

Current and non-current liabilities increased to EUR 510 million compared to EUR 491.9 million six months earlier. Financial debt increased to EUR 312.8 million from EUR 235 million as at 31st December 2019 due to the conversion of EUR 80 million of debt from cash pooling to borrowing from Socfinasia. Net debt, including financial items, debt related to lease contracts, debt in cash pooling and advances from shareholders, amounted to EUR 326.9 million, compared to EUR 345.9 million as at 31st December 2019.

Consolidated cash flow

At 30th June 2020, net cash and cash equivalent amounted to EUR 54.7 million, an increase of EUR 25.8 million over the first half of the year.

The cash flow from operating activities amounted to EUR 68 million at 30th June 2020 compared to EUR 49.3 million at 30th June 2019. The net cash flow from operating activities was EUR 59.4 million at closing date compared to EUR 52.8 million one year earlier.

Investing activities mobilized EUR 23.1 million compared to EUR 25.5 million in the first half of 2019, which was mainly for the acquisition of property, plant and equipment.

Financing activities mobilized EUR 8.6 million in the first half of 2020 (compared to EUR 3.6 million in the first half of 2019).

Outlook 2020

Since the beginning of the Covid-19 pandemic, the Group has reinforced safety and hygiene measures in its subsidiaries in Africa and South-East Asia. Local actions have thus been focused on protecting the employees and their families, helping local communities in their efforts to fight the pandemic, and maintaining the continuity of our activities so as to protect jobs and support the local markets which independent producers rely on.

A crisis unit is operational to assess on a daily basis and to coordinate the measures to be taken locally to face such an unprecedented health crisis.

It is noted that after six months into the crisis, the agronomic, industrial and commercial activity have hardly been disrupted. Production has increased due to the entry into production of new areas which were planted during the last ten years.

Palm oil production, which accounts for two thirds of turnover, was sold at prices globally higher than in the previous year.

Despite the shutdown of the tyre factories, our main customers acquired rubber based on their annual contracts. The quantities of rubber not covered by these contracts were sold on a spot basis in a particularly difficult environment.

The global supply of rubber continues to exceed demand. Prices on the world markets, which had recovered at the beginning of the year compared to 2019, reached a low of almost USD 1 000 per ton FOB Singapore at the height of the crisis. However, since the beginning of September they have been around USD 1 400 per ton.

To-date, even if the economic activity has picked up almost everywhere, the uncertainties caused by the health crisis on the world economy remain nevertheless significant. Consequently, it is still too early to assess the impact on the Group's accounts.

Distribution of an interim dividend

Given the evolution of raw material prices, the Company's substantial investments, as well as the recent unforeseen developments of the health crisis, the Board of Directors does not plan to distribute any interim dividend.

Consolidated income statement
For the period from 1st January to 30th June
(Unaudited)

	Notes	<u>30/06/2020</u> EUR (6 months)	<u>30/06/2019</u> EUR (6 months)
Revenue		213 516 248	179 827 232
Work performed by entity and capitalized		8 532 960	7 468 130
Changes in inventories of finished goods and work in progress		21 223 823	32 517 802
Other operational income		2 284 550	1 313 415
Raw materials and consumables used		-75 061 750	-73 907 918
Other expenses		-54 597 782	-49 830 288
Staff costs		-32 815 849	-31 206 745
Depreciation and impairment expense	11	-27 333 062	-23 873 980
Other operating expenses		-5 713 578	-4 719 837
Operating profit		50 035 560	37 587 811
Other financial income	12	3 133 218	1 135 786
Gain on disposals		9 414	29 385
Loss on sale and disposal of assets		-534 259	-295 068
Financial expenses	13	-12 164 194	-6 723 186
Profit before taxes		40 479 739	31 734 728
Income tax expense		-18 086 636	-18 660 877
Deferred tax expense		-1 960 867	-3 144 120
Group's share of income from affiliates	5	565 502	2 310 110
Profit for the period		20 997 738	12 239 841
Profit attributable to non-controlling interests		12 555 379	9 408 841
Profit attributable to the owners of the Parent		8 442 359	2 831 000
Basic earnings per share undiluted		0.47	0.16
Number of Socfinaf shares		17 836 650	17 836 650
Basic earnings per share		0.47	0.16
Diluted earnings per share		0.47	0.16

The accompanying notes form an integral part of the consolidated financial statements

Consolidated statement of other comprehensive income
For the period from 1st January to 30th June
(unaudited)

	<u>30/06/2020</u>	<u>30/06/2019</u>
	<u>EUR</u>	<u>EUR</u>
	(6 months)	(6 months)
<i>Profit of the year</i>	20 997 738	12 239 841
<i>Other comprehensive income</i>		
Gains (losses) on exchange differences on translation of subsidiaries	-17 473 386	-3 797 904
Share of other comprehensive income related to associates	-76 900	243 551
<i>Subtotal of items eligible for reclassification to profit or loss</i>	-17 550 286	-3 554 353
<i>Total other comprehensive income</i>	-17 550 286	-3 554 353
<i>Comprehensive income</i>	3 447 452	8 685 488
<i>Comprehensive income attributable to non-controlling interests</i>	7 974 257	9 521 604
<i>Comprehensive income attributable to the owners of the Parent</i>	-4 526 805	-836 116

The accompanying notes form an integral part of the consolidated financial statements

Consolidated statement of financial position
As at 30th June 2020
(Unaudited)

ASSETS	Note	<u>30/06/2020</u> <u>EUR</u>	<u>31/12/2019</u> <u>EUR</u>
<i>Non-Current Assets</i>			
Right-of-use assets	4	8 510 413	7 206 479
Intangible assets		2 806 122	2 812 101
Property, plant and equipment	3	249 489 875	256 711 200
Biological assets	3	387 616 109	401 537 304
Investments in associates	5	22 041 115	24 839 331
Financial assets at fair value through other comprehensive income		91 902	91 902
Long-term advances		1 873 933	1 944 777
Deferred tax assets		5 910 834	9 008 775
Other non-current assets		1 715 249	1 669 262
		680 055 552	705 821 131
<i>Current Assets</i>			
Inventories	6	91 200 444	79 773 790
Trade receivables		33 054 480	24 173 479
Other receivables		12 659 232	14 684 340
Current tax assets		13 043 682	11 631 085
Cash and cash equivalent		56 294 407	39 056 804
		206 252 245	169 319 498
TOTAL ASSETS		886 307 797	875 140 629

The accompanying notes form an integral part of the consolidated financial statements

Consolidated statement of financial position
As at 30th June 2020
(Unaudited)

EQUITY AND LIABILITIES	Note	<u>30/06/2020</u> <u>EUR</u>	<u>31/12/2019</u> <u>EUR</u>
<i>Equity attributable to the owners of the Parent</i>			
Share capital	7	35 673 300	35 673 300
Share premium		87 453 866	87 453 866
Legal reserve		3 567 330	3 567 330
Consolidated reserves		183 686 892	182 186 079
Translation reserves		-52 430 942	-39 538 678
Profit for the period/year		8 442 359	1 577 834
		266 392 805	270 919 731
<i>Non-controlling interests</i>			
		109 891 328	112 304 219
<i>Total Equity</i>			
		376 284 133	383 223 950
<i>Non-Current Liabilities</i>			
Deferred tax liabilities		8 429 436	9 129 790
Employee Benefits Obligations		9 629 989	9 729 372
Long-term debt, net of current portion	8	243 390 347	158 935 834
Long-term lease liabilities	4,8	9 090 300	7 903 924
Other payables	9	8 029 995	8 001 208
		278 570 067	193 700 128
<i>Current Liabilities</i>			
Short-term debt and current portion of long-term debt	8	69 442 620	76 067 913
Short-term lease liabilities	4,8	1 236 156	1 099 533
Trade payables		51 853 810	47 655 804
Current tax liabilities		23 791 096	18 520 497
Provisions		702 478	623 064
Other payables	9	84 427 437	154 249 740
		231 453 597	298 216 551
TOTAL EQUITY AND LIABILITIES			
		886 307 797	875 140 629

The accompanying notes form an integral part of the consolidated financial statements

Consolidated statement of cash flows
For the period from 1st January to 30th June
(Unaudited)

	<u>30/06/2020</u>	<u>30/06/2019</u>
	<u>EUR</u>	<u>EUR</u>
	(6 months)	(6 months)
Operating activities		
Profit attributable to the owners of the Parent	8 442 356	2 831 000
Profit attributable to non-controlling shareholders	12 555 384	9 408 835
Income from associates	-565 502	-2 310 110
Dividends received from associates	3 302 248	5 046 264
Fair value of agricultural production	-4 287 971	-11 731 052
Other adjustments having no impact on cash position (IFRS and others)	146 346	-1 267 572
Depreciation, amortization and provisions and allowances	27 852 176	25 215 792
Net loss on disposals of assets	524 845	265 684
Income tax expense	20 047 503	21 805 207
<i>Cash flow from operating activities</i>	68 017 385	49 264 048
<i>Interest received</i>	8 688 680	5 606 704
<i>Income tax paid</i>	-18 086 637	-18 660 877
Change in inventory	-9 464 381	-14 743 522
Change in trade and other receivables	-11 026 990	-4 614 821
Change in trade and other payables	-19 336 048	35 228 161
Accruals and prepayments	1 905 835	731 484
<i>Change in working capital requirement</i>	750 512	16 601 302
<i>Net cash from operating activities</i>	59 369 940	52 811 177
Investing activities		
Acquisitions / disposals of intangible assets	-164 166	138 086
Acquisitions of property, plant and equipment	-23 953 845	-26 693 342
Disposals of property, plant and equipment	902 342	1 071 321
Acquisitions / disposals of financial fixed assets	66 309	-36 791
<i>Net cash flows from investing activities</i>	-23 149 360	-25 520 726
Financing activities		
Dividends paid to non-controlling shareholders	-10 213 957	-11 378 877
Proceeds from borrowings	30 364 343	34 663 196
Repayment of borrowings	-19 331 282	-20 472 209
Repayment of lease liabilities	-735 442	-757 097
Interest paid	-8 688 680	-5 606 704
<i>Net cash flows from financing activities</i>	-8 605 018	-3 551 691
Effect of foreign currency translation	-1 815 403	144 521
Effect of transfer of funds in transit	0	-439 368
<i>Net cash flow</i>	25 800 159	23 443 913
Cash and cash equivalent on 1 st January	28 872 559	-4 241 485
Cash and cash equivalent on 30 th June	54 672 718	19 202 428
<i>Net variation in cash and cash equivalents</i>	25 800 159	23 443 913

The accompanying notes form an integral part of the consolidated financial statements

Consolidated statement of changes in equity
For the period from 1st January to 30th June
(Unaudited)

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 2019	35 673 300	87 453 866	3 570 840	-36 798 229	183 390 210	273 289 987	109 818 019	383 108 006
Profit/(loss) of the period					2 831 000	2 831 000	9 408 841	12 239 841
Foreign currency translation adjustments				-3 910 667	0	-3 910 667	112 763	-3 797 904
Impact of the adoption of IFRS 16: Leases (Note 4)					-1 193 217	-1 193 217	-404 762	-1 597 979
Transfer between reserves			-3 510		3 510	0	0	0
Change in Other comprehensive income from associates				0	243 551	243 551	0	243 551
Other comprehensive income			-3 510	-3 910 667	1 884 844	-2 029 333	9 116 842	7 087 509
Dividends					0	0	-11 269 015	-11 269 015
Other movements					1 619	1 619	0	1 619
Transactions with shareholders					1 619	1 619	-11 269 015	-11 267 396
Balance at 30th June 2019	35 673 300	87 453 866	3 567 330	-40 708 896	185 276 673	271 262 273	107 665 846	378 928 119
Profit/(loss) for the period					-1 253 166	-1 253 166	4 855 044	3 601 878
Actuarial losses and gains					693 042	693 042	282 910	975 952
Adjustment of the impact of the adoption of IFRS 16: Leases (Note 4)					135 778	135 778	46 594	182 372
Foreign currency translation adjustments				1 170 218	0	1 170 218	693 335	1 863 553
Change in Other comprehensive income from associates					-109 618	-109 618	0	-109 618
Other comprehensive income				1 170 218	-533 964	636 254	5 877 883	6 514 137
Dividends					0	0	-234 060	-234 060
Interim dividends					0	0	-1 885 865	-1 885 865
Other movements					-978 796	-978 796	880 415	-98 381
Transactions with shareholders					-978 796	-978 796	-1 239 510	-2 218 306
Balance at 31st December 2019	35 673 300	87 453 866	3 567 330	-39 538 678	183 763 913	270 919 731	112 304 219	383 223 950

EUR	Share capital	Share premium	Legal reserve	Translation reserve	Consolidated reserve	Equity attributable to the owners of the parent	Non-controlling interests	TOTAL EQUITY
Balance at 1st January 2020	35 673 300	87 453 866	3 567 330	-39 538 678	183 763 913	270 919 731	112 304 219	383 223 950
Profit/(loss) for the period					8 442 359	8 442 359	12 555 379	20 997 738
Foreign currency translation adjustments				-12 892 264	0	-12 892 264	-4 581 117	-17 473 381
Change in Other comprehensive income from associates				0	-76 900	-76 900	0	-76 900
Other comprehensive income				-12 892 264	8 365 459	-4 526 805	7 974 262	3 447 457
Dividends					0	0	-10 387 153	-10 387 153
Other movements					-121	-121	0	-121
Transactions with shareholders					-121	-121	-10 387 153	-10 387 274
Balance at 30th June 2020	35 673 300	87 453 866	3 567 330	-52 430 942	192 129 251	266 392 805	109 891 328	376 284 133

	2020	2019
Dividends and interim dividends distributed during the period	0	0
Number of shares	17 836 650	17 836 650
Dividend per share distributed during the period	0.00	0.00

The accompanying notes form an integral part of the consolidated financial statements

Notes to the IFRS consolidated financial statements at 30th June 2020

Note 1. Overview and accounting policies

1.1. Overview

The Socfinaf S.A (formerly Compagnie Internationale de Cultures « Intercultures »), (the “Company”) was incorporated on 22nd October 1961. The registered office is established at 4, avenue Guillaume, L-1650 in Luxembourg.

The Company holds participations in companies that operate directly or indirectly in Tropical Africa, in the production of rubber and palm oil.

The Board of Directors held a meeting on 16th September to examine and approve the interim consolidated financial statements for the period ended 30 June 2020.

1.2. Accounting framework

The interim financial report for the period ended 30 June 2020 has been prepared in accordance with IAS 34. This financial report does not include all the information required by the revised IAS 1 with regards to the annual financial report.

The accounting and calculation methods adopted in the interim financial statements are identical to those used in the annual financial statements at 31st December 2019.

On 1st January 2020, the Group adopted the following amendments without any material impact on the Group's 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 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.

Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial instruments: recognition and measurement” and IFRS 7 “Financial Instruments: Disclosures”:

On 26th September 2019, the International Accounting Standards Board (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.

1.3. Use of estimates

These financial statements should be read in conjunction with the consolidated financial statements for 2019 and in particular note 1.26 on the use of estimates in the preparation of consolidated financial statements according to IFRS. The Group's management has had to use assumptions based on its best estimates which affect the carrying amount of assets and liabilities, the information related to contingent assets and liabilities, and the carrying amount of income and expenses recognised during the period. Depending on changes of these assumptions, or changes of economic conditions, the amounts that will appear in the Group's future consolidated financial statements may differ from current estimates. Sensitive accounting methods, for which the Group has used estimates, mainly concern the application of IAS 19, IAS 2/IAS 41, IAS 16, IAS 36, IFRS 9 and IFRS 16.

In the absence of observable data within the scope of IFRS 13, the Group has developed a model for measuring the fair value of agricultural production based on local production costs and conditions. This method is inherently more volatile than the historical cost method.

1.4. Seasonal nature of the business

The Company's revenue and operating income are seasonal. Palm oil and rubber production are influenced by external factors such as climate, location and the biological nature of the palm and rubber trees. The palm activity is more productive in the first half of the calendar year, whereas the rubber business is more productive in the second half. The extent of this seasonality can vary between years.

The following exchange rates have been used to convert the consolidated interim accounts:

1 Euro equals to:	Closing rate		Average rate	
	06/2020	12/2019	06/2020	06/2019
CFA franc	655.957	655.957	655.957	655.957
Ghanaian cedi	6.3464	6.2166	6.0805	5.7977
Nigerian naira	403.72	344.26	376.12	346.03
São Tomé dobra	24.50	24.50	24.50	24.50
Congolese franc	2 132	1 879	1 933	1 856
US dollar	1.1198	1.1234	1.1031	1.1313

Note 2. Subsidiaries and affiliates

There were no changes to the scope of consolidation during the first half of 2020.

Note 3. Property, plant and equipment

EUR	Land and nurseries	Buildings	Machinery and equipment	Furniture, motor vehicles and others	Constructi on in progress	Advances and down-payments	Biological assets	TOTAL
From 01/01/2019								
To 30/06/2019								
Additions	315 978	1 068 503	1 366 758	2 921 497	9 955 019	445 193	10 620 394	26 693 342
Disposals	0	0	0	-1 569 905	0	0	-1 342 345	-2 912 250
From 01/01/2020								
To 30/06/2020								
Additions	152 713	4 791 640	1 133 774	1 841 504	8 870 156	153 320	7 010 737	23 953 844
Disposals	0	0	-360 502	-298 250	0	0	-4 161 974	-4 820 726

As at 30th June 2020, the net book value of property, plant and equipment includes depreciation for EUR 26.4 million and translation adjustments (EUR-17.2 million).

Note 4. 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.

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 EUR 7.9 million
- deferred tax assets: increase by EUR 0.6 million
- borrowings: decrease by EUR 0.3 million
- lease liabilities: increase by EUR 9.7 million.

The net impact on retained earnings at 1st January 2019 was a decrease of EUR 1.4 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.

*** Right-of-use assets**

EUR	<i>Furniture, motor vehicles and other</i>	<i>Buildings</i>	<i>Land and agricultural land concessions</i>	<i>Total</i>
From 01/01/2019				
To 30/06/2019				
Additions	211 561	0	0	211 561
Depreciation	-546 977	-65 691	-138 785	-751 453
Foreign currency translation	3 169	-1 444	-2 535	-810
From 01/01/2020				
To 30/06/2020				
Additions	2 190 334	0	0	2 190 334
Depreciation	-697 598	-24 744	-55 359	-777 701
Foreign currency translation	-89 986	-191	-18 522	-108 699

*** Lease liabilities**

EUR	<i>30/06/2020</i>	<i>31/12/2019</i>
-		
Long-term lease liabilities	9 090 300	7 903 924
Short-term lease liabilities	1 236 156	1 099 533
Total	10 326 456	9 003 457

*** Impact on the income statement**

EUR	<i>30/06/2020</i>	<i>30/06/2019</i>
Depreciation of right-of-use assets	777 701	751 453
Short-term lease liabilities and low value assets	651 799	351 934
Interest expense (included in the financial expenses)	389 172	312 250
Total	1 818 672	1 415 637

Note 5. Investments in associates

	30/06/2020	31/12/2019
	EUR	EUR
Value as at 1st January	24 839 331	24 205 267
Income from associates	565 502	5 754 101
Dividends	-3 302 248	-5 046 264
Fair value change for financial assets measured at fair value through Other comprehensive income	-76 900	133 933
Other movements	15 430	-207 706
Value as at 30th June / 31st December	22 041 115	24 839 331

	Value of investment in associates	Income from associates	Value of investment in associates	Income from associates
	30/06/2020	30/06/2020	31/12/2019	30/06/2019
	EUR	EUR	EUR	EUR
Centrages S.A.	3 089 989	8 363	3 156 626	4 126
Immobilière de la Pépinière S.A.	1 878 756	-42 879	1 921 744	-49 426
Induservices S.A.	212 682	143 023	69 658	190 434
Induservices FR S.A.	-1 018 961	-128 648	-890 313	-140 207
Management Associates S.A.	-230 867	-228 485	-2 382	15 390
Socfin Green Energy S.A.	722 248	-30 586	752 833	23 088
Socfin Research S.A.	1 675 045	-99 890	1 774 935	-99 505
Socfinco S.A.	826 649	54 071	872 578	63 860
Socfinco FR S.A.	5 372 046	741 178	4 809 598	919 146
Socfinde S.A.	2 082 159	1 240	2 080 919	24 963
Sodimex S.A.	165 838	-1 608	167 446	-3 729
Sodimex FR S.A.	1 931 490	-252 329	2 183 819	-8 164
Sogescol FR S.A.	5 073 706	397 246	7 686 340	1 366 768
Terrasia S.A.	260 335	4 806	255 530	3 366
TOTAL	22 041 115	565 502	24 839 331	2 310 110

As at 30th June 2020, the accounting of Centrages S.A. under equity method included goodwill on acquisition of EUR 736 086, which was identical to that of the previous year.

	Total assets	Revenue	Total assets	Revenue
	30/06/2020	30/06/2020	31/12/2019	30/06/2019
	EUR	EUR	EUR	EUR
Centrages S.A.	3 776 702	1 352 311	3 541 811	1 355 212
Immobilière de la Pépinière S.A.	4 292 559	240 048	4 390 218	227 123
Induservices S.A.	1 702 016	2 990 503	2 554 004	2 462 500
Induservices FR S.A.	6 093 703	1 056 042	5 507 277	971 013
Management Associates S.A.	13 255 648	1 032 500	14 582 030	1 982 182
Socfin Green Energy S.A.	1 480 796	79 398	1 537 392	180 948
Socfin Research S.A.	3 797 151	8 820	3 975 939	36 018
Socfinco S.A.	2 113 052	812 811	1 874 612	812 233
Socfinco FR S.A.	20 344 664	10 511 084	14 712 139	10 219 620
Socfinde S.A.	46 689 716	0	120 673 505	0
Sodimex S.A.	398 982	0	555 407	0
Sodimex FR S.A.	15 820 538	6 292 150	13 474 446	7 710 162
Sogescol FR S.A.	36 554 014	115 371 661	35 282 616	123 768 728
Terrasia S.A.	547 116	33 238	527 223	33 005
TOTAL	156 866 657	139 780 566	223 188 619	149 758 744

Note 6. Inventories

	30/06/2020	31/12/2019
	EUR	EUR
Raw materials	12 747 066	22 328 310
Consumables	16 188 416	23 211 146
Spare parts	27 636 995	17 967 576
Production in progress	1 290 073	1 046 693
Finished products	34 199 767	15 206 058
Down-payments and orders in progress	3 904 764	4 840 303
Gross amount before impairment	95 967 081	84 600 086
Inventory write-downs	-4 766 637	-4 826 296
Net amount	91 200 444	79 773 790

*** Reconciliation of inventories**

	2020 EUR	2019 EUR
Situation as at 1 st January	84 600 086	60 295 722
Change in inventory	9 404 721	23 422 854
Fair value of agricultural production	4 287 971	762 313
Foreign currency translation	-2 325 697	119 197
Gross amount as at 30th June / 31st December before impairment	95 967 081	84 600 086
Inventory write-downs	-4 766 637	-4 826 296
Net amount as at 30th June / 31st December	91 200 444	79 773 790

*** Quantity of inventory by category**

31/12/2019

	Raw materials	Production in progress	Finished products
Palm oil (tons)	751	0	7 987
Rubber (tons)	27 973	0	8 621
Others (units)	0	0	1 814 353

30/06/2020

	Raw materials	Production in progress	Finished products
Palm oil (tons)	248	0	35 560
Rubber (tons)	17 410	0	9 380
Others (units)	0	0	2 702 233

Note 7. Share capital

Fully paid up share capital amounted to EUR 35 673 300 as at 30th June 2020 (no change compared to 31st December 2019). This is represented by 17 836 650 shares.

Note 8. Financial debts

31/12/2019

EUR	< 1 year	> 1 year	TOTAL
Loans held by financial institutions	13 030 173	64 189 292	77 219 465
Bank overdrafts	1 099 533	7 903 924	9 003 457
Other debts	10 184 245	0	10 184 245
Lease liabilities	52 853 495	94 746 542	147 600 037
TOTAL	77 167 446	166 839 758	244 007 204

30/06/2020

EUR	< 1 year	> 1 year	TOTAL
Loans held by financial institutions	12 791 046	66 121 767	78 912 813
Lease liabilities	1 236 156	9 090 300	10 326 456
Bank overdrafts	1 621 689	0	1 621 689
Other debts	55 029 885	177 268 580	232 298 465
TOTAL	70 678 776	252 480 647	323 159 423

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

31/12/2019

EUR	Fixed Rate	Rate	Variable rate	Rate	TOTAL
<i>Loans held by financial institutions</i>					
Ivory Coast	12 978 252	5.50% to 6.50%	0	-	12 978 252
Nigeria	23 862 284	8.00% to 10.00%	0	-	23 862 284
Liberia	1 335 232	8.00%	0	-	1 335 232
Cameroon	12 498 473	5.00% to 7.09%	0	-	12 498 473
Ghana	13 000 003	4.00%	0	-	13 000 003
Sao Tomé	515 048	8.00%	0	-	515 048
	64 189 292		0		64 189 292
<i>Other loans</i>					
Europe	90 000 000	4.80%	0	-	90 000 000
Sierra Leone	2 713 888	3.00%	0	-	2 713 888
Cameroun	2 032 654	6.00%	0	-	2 032 654
	94 746 543		0		94 746 543
TOTAL	158 935 835		0		158 935 835

30/06/2020

EUR	Fixed Rate	Rate	Variable rate	Rate	TOTAL
<i>Loans held by financial institutions</i>					
Ivory Coast	13 498 096	5.50% to 6.50%	0	-	13 498 096
Nigeria	26 387 046	8.00% to 10.00%	0	-	26 387 046
Liberia	2 044 026	8.00%	0	-	2 044 026
Cameroon	9 948 642	5.50% to 7.09%	0	-	9 948 642
Ghana	13 728 907	4.00%	0	-	13 728 907
Sao Tomé	515 048	8.00%	0	-	515 048
	66 121 765		0		66 121 765
<i>Other loans</i>					
Europe (*)	170 000 000	4.00% to 4.80%	0	-	170 000 000
Sierra Leone	5 235 928	3.00%	0	-	5 235 928
Cameroun	2 032 653	6.00%	0	-	2 032 653
	177 268 581		0		177 268 581
TOTAL	243 390 346		0		243 390 346

(*) During the first half of 2020, EUR 80 million of cash pooling was converted into a loan from Socfinasia, which had no impact on cash flow.

*** Net debt**

	30/06/2020 EUR	31/12/2019 EUR
Cash and cash equivalents	56 294 407	39 056 804
Long term debt, net of current portion	-243 390 347	-158 935 834
Short term debt and current portion of long-term debt	-69 442 620	-76 067 913
Lease liabilities	-10 326 456	-9 003 456
Net debt	-266 865 016	-204 950 399
Cash and cash equivalents	56 294 407	39 056 804
Loans bearing interest at fixed rates	-312 832 967	-235 003 747
Loans bearing interest at variable rates	0	0
Lease liabilities	-10 326 456	-9 003 456
Net debt	-266 865 016	-204 950 399

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	Lease liabilities	Total
As at 1st January 2019	34 700 835	-109 878 039	-104 120 025	0	-179 297 229
Cash flows	4 198 042	-77 773 143	57 555 206	-8 461 007	-24 480 902
Foreign currency translation	157 927	744 600	-7 856	-37 495	857 176
Transfers	0	27 970 748	-29 495 238	0	-1 524 490
Other non-cash movements	0	0	0	-504 954	-504 954
As at 31st December 2019	39 056 804	-158 935 834	-76 067 913	-9 003 456	-204 950 399
Cash flows	19 025 163	-22 710 178	23 426 480	735 442	20 476 907
Foreign currency translation	-1 787 560	4 303 953	229 214	131 892	2 877 499
Transfers	0	-66 048 288	-17 030 401	0	-83 078 689
Other non-cash movements	0	0	0	-2 190 334	-2 190 334
As at 30th June 2020	56 294 407	-243 390 347	-69 442 620	-10 326 456	-266 865 016

Note 9. Other payables

	30/06/2020	31/12/2019
	EUR	EUR
Staff cost liabilities	6 782 727	5 304 994
Other payables (*)	83 073 010	155 788 204
Accruals	2 601 695	1 157 750
<i>Balance as at 30th June / 31st December</i>	92 457 432	162 250 948

- (*) Other payables mainly consist of:
- EUR 19.7 million in cash pooling related debt, compared to EUR 100.5 million as at 31st December 2019. This decrease is due to the conversion of a portion of the debt (EUR 80 million) into a loan from Socfinasia; and
 - EUR 40.4 million of shareholder loans (similar to 31st December 2019), corresponding to amounts owed to Mopoli (EUR 20.2 million) and Bolloré Participations (EUR 20.2 million).

Note 10. Financial Instruments

31/12/2019

	<i>Loans and borrowings</i>	<i>Financial assets at fair value through Other comprehensive income (*)</i>	<i>Other financial assets and liabilities</i>	<i>TOTAL</i>	<i>Loans and borrowings</i>	<i>Other financial assets and liabilities</i>
EUR	<i>at cost</i>	<i>at fair value</i>	<i>at cost</i>		<i>at fair value</i>	<i>at fair value</i>
Assets						
Financial assets at fair value through Other	0	91 902	0	91 902	0	0
Long term advances	1 623 672	0	321 105	1 944 777	1 623 672	321 105
Other non-current assets	0	0	1 669 262	1 669 262	0	1 669 262
Trade receivables	0	0	24 173 479	24 173 479	0	24 173 479
Other receivables	0	0	14 684 340	14 684 340	0	14 684 340
Cash and cash equivalent	0	0	39 056 804	39 056 804	0	39 056 804
Total assets	1 623 672	91 902	79 904 990	81 620 564	1 623 672	79 904 990
Liabilities						
Long term debts	158 935 834	0	0	158 935 834	158 938 040	0
Long term lease liabilities	7 903 924	0	0	7 903 924	7 903 924	0
Other non-current payables	0	0	8 001 208	8 001 208	0	8 001 208
Short term debts	65 883 668	0	10 184 245	76 067 913	65 883 668	10 184 245
Short term lease liabilities	1 099 533	0	0	1 099 533	1 099 533	0
Trade payables (current)	0	0	47 655 804	47 655 804	0	47 655 804
Other payables (current)	0	0	154 249 740	154 249 740	0	154 249 740
Total Liabilities	233 822 959	0	220 090 997	453 913 956	233 825 165	220 090 997

31/12/2019

EUR	<i>Fair value Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>TOTAL</i>
Financial assets at fair value through other comprehensive income	0	0	91 902	91 902

(*) Changes recognized in Other comprehensive income.

30/06/2020	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 cost	at fair value	at cost		at fair value	at fair value
Assets						
Financial assets at fair value through Other comprehensive income	0	91 902	0	91 902	0	0
Long term advances	1 575 552	0	298 381	1 873 933	1 575 552	298 381
Other non-current assets	0	0	1 715 249	1 715 249	0	1 715 249
Trade receivables	0	0	33 054 480	33 054 480	0	33 054 480
Other receivables	0	0	12 659 232	12 659 232	0	12 659 232
Cash and cash equivalent	0	0	56 294 407	56 294 407	0	56 294 407
Total Assets	1 575 552	91 902	104 021 749	105 689 203	1 575 552	104 021 749
Liabilities						
Long term debts	243 390 347	0	0	243 390 347	243 392 620	0
Long term lease liabilities	9 090 300	0	0	9 090 300	9 090 300	0
Other non-current payables	0	0	8 029 995	8 029 995	0	8 029 995
Short term debts	67 820 931	0	1 621 689	69 442 620	67 820 931	1 621 689
Short term lease liabilities	1 236 156	0	0	1 236 156	1 236 156	0
Trade payables (current)	0	0	51 853 810	51 853 810	0	51 853 810
Other payables (current)	0	0	84 427 437	84 427 437	0	84 427 437
Total Liabilities	321 537 734	0	145 932 931	467 470 665	321 540 007	145 932 931

30/06/2020	Fair value			
EUR	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through other comprehensive income	0	0	91 902	91 902

(*) Changes recognized in Other comprehensive income.

Note 11. Depreciation, amortization and impairment

	30/06/2020	30/06/2019
	EUR	EUR
<i>Depreciation, amortization and impairment</i>		
Of right-of-use assets	777 701	751 453
Of intangible assets	124 385	41 952
Of property, plant and equipment excluding biological assets	15 165 343	13 709 106
Of biological assets	11 265 633	9 371 469
TOTAL	27 333 062	23 873 980

Note 12. Other financial income

	30/06/2020	30/06/2019
	EUR	EUR
<i>On current assets/liabilities</i>	3 133 218	1 135 786
Interest from receivables and cash	32 034	71 998
Exchange gains	2 986 712	1 041 468
Others	114 472	22 320
TOTAL	3 133 218	1 135 786

Note 13. Finance expense

	30/06/2020	30/06/2019
	EUR	EUR
<i>On non-current assets/liabilities</i>	7 401 159	4 701 023
Interest and finance expense	7 011 987	4 388 773
Interest expense on leases	389 172	312 250
<i>On current assets/liabilities</i>	4 763 035	2 022 163
Interest and financial expense	1 319 555	977 680
Exchange losses	3 109 421	355 412
Others	334 059	689 071
TOTAL	12 164 194	6 723 186

Note 14. Dividends

To recall, the Shareholders' Meeting of 26th May 2020 decided not to distribute any dividend.

Note 15. Information on related party

* Directors' remuneration

	30/06/2020	30/06/2019
	EUR	EUR
Short term benefits	643 143	336 995
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payment	0	0

* Related party transactions

EUR	31 st December 2019			
	Parent	Associates	Other related party	TOTAL
Non-current assets				
Long-term advances	0	590 000	0	590 000
	0	590 000	0	590 000
Current assets				
Trade receivables	0	8 429 182	1 083	8 430 265
Other receivables	0	3 306 710	7 695	3 314 405
	0	11 735 892	8 778	11 744 670
Non-current liabilities				
Long-term debt	90 000 000	2 713 886	0	92 713 886
	90 000 000	2 713 886	0	92 713 886
Current liabilities				
Short-term debt	36 287 369	0	0	36 287 369
Trade payables	0	19 347 048	0	19 347 048
Other payables	0	104 230 494	40 403 288	144 633 782
	36 287 369	123 577 542	40 403 288	200 268 199

TRANSACTIONS BETWEEN RELATED PARTY AT 30th June 2019

Services and goods delivered	0	80 746 579	0	80 746 579
Services and goods received	0	14 357 607	28 992	14 386 599
Financial income	0	75 275	0	75 275
Finance expenses	2 567 093	326 804	793 424	3 687 321

EUR**30th June 2020**

	Parent	Associates	Other related party	TOTAL
<i>Non-current assets</i>				
Long-term advances	0	590 000	0	590 000
	0	590 000	0	590 000
<i>Current assets</i>				
Trade receivables	0	14 765 823	0	14 765 823
Other receivables	0	189 480	3 833	193 313
	0	14 955 303	3 833	14 959 136
<i>Non-current liabilities</i>				
Long-term debt	90 000 000	5 235 928	80 000 000	175 235 928
	90 000 000	5 235 928	80 000 000	175 235 928
<i>Current liabilities</i>				
Short-term debt	37 843 815	0	1 595 616	39 439 431
Trade payables	0	17 754 804	0	17 754 804
Other payables	0	25 161 845	40 400 162	65 562 007
	37 843 815	42 916 649	41 995 778	122 756 243

TRANSACTIONS BETWEEN RELATED PARTY AS AT 30th June 2020

Services and goods delivered	0	74 467 136	0	74 467 136
Services and goods received	0	14 901 136	0	14 901 136
Financial income	0	57 043	0	57 043
Finance expenses	2 843 815	210 624	2 392 334	5 446 773

Related party transactions are carried out at arm's length.

Socfinaf S.A. did not pay any dividend in 2019 and 2020 to the parent company Socfin.

Socfinaf borrowed EUR 125 million from Socfin. These loans bear annual interest rates of between 4.65% to 4.8%. As such Socfinaf paid interest on borrowings for an amount of EUR 2.8 million in 2020 compared to EUR 2.6 million in the first half of 2019.

In 2020, Socfinaf contracted a loan of EUR 80 million from Socfinasia S.A. The loan bears an annual interest rate of 4%. The amount of interest recognized in 2020 is EUR 1.6 million. As at 30th June 2020, the outstanding balance is presented at EUR 81.6 million.

Other related party transactions are carried out with Bolloré Participations and Palmboomen Cultuur Maatschappij (Mopoli).

Mopoli is a Dutch company with a majority owned by Geselfina via its subsidiary Financière Privée Holding and by Afico. Geselfina and Afico also owns Socfin.

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 in 2020 is EUR 0.4 million. As at 30th June 2020, the outstanding balance amounts to EUR 20.2 million.

Bolloré Participations is a shareholder and director of Socfinaf.

In 2016, Socfinaf obtained a loan of EUR 20 million from Bolloré Participations. The loan bears an annual interest rate of 4%. The amount of interest recognized in 2020 is EUR 0.4 million. As at 30th June 2020, the outstanding balance amounts to EUR 20.2 million.

Note 16. Off Balance Sheet Commitment

Off-balance sheet commitments existing as at 31st December 2019 were similar to those as at 30th June 2020, given that as repayments fall due, the debts for which these collaterals were provided are reduced by the repayments made.

Note 17. Segmental information

In accordance with IFRS 8, the information analyzed 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, Príncipe and Congo (DRC).

Products from the Ivory Coast, Nigeria and Cameroon operating sectors come from palm oil and rubber sales, those from the Liberia sectors only from rubber sales, those from Sierra Leone, Ghana, São Tomé and Príncipe 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 segmental 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.

*** Segmental breakdown of profit/(loss) at 30th June 2019**

<i>EUR</i>	<i>Revenue from ordinary business with external customers</i>	<i>Revenue from ordinary business between segments</i>	<i>Segmental profit/(loss)</i>
Europe	0	0	-1 914 104
Sierra Leone	5 266 231	0	-3 839 240
Liberia	15 129 630	0	-1 434 737
Ivory Coast	63 938 525	0	8 107 954
Ghana	2 102 213	0	-2 348 136
Nigeria	24 460 924	0	10 265 514
Cameroon	65 704 367	0	22 804 515
São Tomé and Príncipe	78 577	0	82 251
Congo (DRC)	3 146 765	0	-2 516 321
TOTAL	179 827 232	0	29 207 696

Depreciation, amortization and impairment of biological assets	-1 849 351
Fair value of agricultural production	11 731 052
Other IFRS restatements	-106 437
Consolidation adjustments (intra-group and others)	-1 395 149
Financial income	1 165 171
Finance expense	-7 018 254
Group share of income from associates	2 310 110
Income tax expense	-21 804 997
Net profit for the period	12 239 841

*** Segmental breakdown of profit/(loss) at 30th June 2020**

<i>EUR</i>	<i>Revenue from ordinary business with external customers</i>	<i>Revenue from ordinary business between segments</i>	<i>Segmental profit/(loss)</i>
Europe	0	0	-2 023 589
Sierra Leone	7 543 848	0	-1 324 052
Liberia	14 975 421	0	-2 120 057
Ivory Coast	70 212 213	0	11 045 905
Ghana	6 506 840	0	700 764
Nigeria	34 870 170	0	16 110 296
Cameroon	72 071 982	0	24 692 390
São Tomé and Príncipe	2 365 612	0	-569 414
Congo (DRC)	4 970 162	0	949 358
TOTAL	213 516 248	0	47 461 601
Depreciation, amortization and impairment of biological assets			-1 583 978
Fair value of agricultural production			4 287 971
Other IFRS restatements			533 973
Consolidation adjustments (intra-group and others)			-664 007
Financial income			3 142 632
Finance expense			-12 698 453
Group share of income from associates			565 502
Income tax expense			-20 047 503
Net profit for the period			20 997 738

* Total segmental assets

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.

	30/06/2020	31/12/2019
	EUR	EUR
Europe	223 153	238 048
Sierra Leone	133 020 530	130 429 641
Liberia	111 437 896	108 821 884
Ivory Coast	143 977 006	147 428 103
Ghana	82 708 562	84 091 394
Nigeria	121 034 806	124 072 886
Cameroon	201 846 463	190 480 436
São Tomé and Príncipe	29 688 925	30 829 958
Congo (DRC)	60 876 641	67 171 882
TOTAL	884 813 982	883 564 232
IFRS 3/IAS 16: Biological assets	-14 574 722	-14 662 771
IAS 2/IAS 41: Agricultural production	7 764 997	3 342 885
Other IFRS restatements	-6 220 071	-6 188 270
Consolidation adjustments (intra-group and others)	-51 322 749	-61 991 399
Total consolidated segmental assets	820 461 437	804 064 678

Note 18. Events after the closing date

There are no material events to report. However, it should be noted that the Group's investments in Africa may be subject to political and economic risks. Local directors and managers monitor changes in the situation on a daily basis. Production potential of plantations remains intact, and cost prices are kept as low as reasonably possible.