Socfin

2021 ANNUAL REPORT

SOCIETE FINANCIERE DES CAOUTCHOUCS

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Group profile

1. Overview of the Group

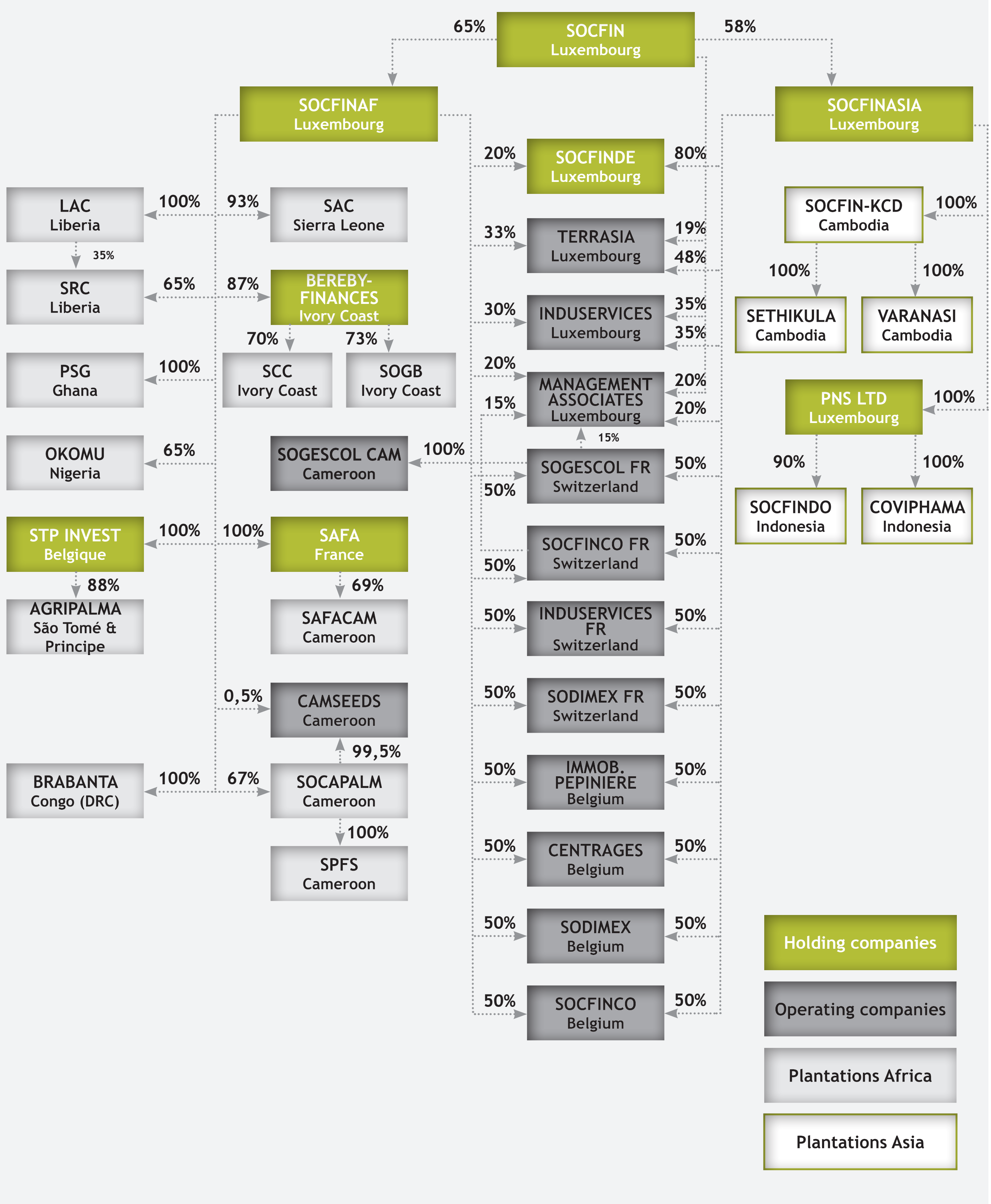
Société Financière des Caoutchoucs S.A., abbreviated “Socfin” is a Luxembourg company (the “Company”), with registered office at 4 avenue Guillaume, L-1650 Luxembourg. It was incorporated on 5th December 1959 and is listed on the Luxembourg Stock Exchange.

The principal activity of Socfin is to manage a portfolio of shares mainly focused on the exploitation of more than 192,000 hectares of tropical palm oil plantations and rubber trees located in Africa and South-East Asia. Socfin employs 34,945 people and achieved a consolidated revenue of EUR 837.6 million in 2021.

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” (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; Société de Cultures Batangara; Huileries de Deli and Société de Cultures Sungei Liput
- **31/12/1971** Socfinal invests in the Compagnie Internationale de Cultures “Intercultures”, a Luxembourg company listed on the Luxembourg Stock Exchange; Socfin Industrial Development “Socfinde” (Luxembourg) and in Compagnie du Cambodge (France).
- **31/12/1972** Socfinal participates in the formation of Socfinasia (Luxembourg) in exchange for the shares of Indonesian companies Asahan, Batangara, Huileries de Deli and Sungei Liput. Socfinasia 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 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 privatisation of this Ivorian plantation. This participation will be transferred to Intercultures.
- **31/12/1999** Sale of holdings Selangor Holding and Plantations Nord-Sumatra.
- **31/12/2000** Sale of Sennah Rubber Company shares following the public tender on these shares.
- **15/11/2006** Following the distribution of Intercultures shares by Socfinasia (spin-off), Socfinal directly holds, on one side Socfinasia (Asia) and on the other Intercultures (Africa).
- **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
- **01/07/2011** Share split by 20
- **29/08/2014** Socfin exchanged 9% of Socfinaf 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, 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
- **31/12/2014** The SAFA participation was brought to Socfinaf through a capital increase by contribution in kind. Socfin holds 56.48% of the capital of Socfinasia and 58.79% of the capital of Socfinaf.

3. Group structure



4. Information on the holdings of Socfin

Portfolio	Number of shares	Direct %
1) Listed shares		
Luxembourg		
Socfinasia	11,382,328	58.09%
Socfinaf	11,506,599	64.51%
2) Non-listed shares		
Luxembourg		
Terrasia	1,891	18.91%
Induservices	3,500	35.00%
Management Associates	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 sheet figures are presented in the functional currency of the respective entities.

Group profile

SOCFINASIA S.A.

SOCFINASIA is a Luxembourg 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 2021 amounts to EUR 45,000,180. The Board of Directors will propose to the Annual General Meeting on 31st May 2022 the payment of a dividend of EUR 1.40 per share, out of which EUR 0.40 per share has already been paid at the end of 2021 as an interim dividend for the financial year 2021.

Key figures (thousands of EUR)		
At 31st December	***2021***	***2020***
Fixed assets	410,467	314,839
Current assets	41,424	110,955
Equity (*)	446,774	421,368
Borrowings, provisions and third parties	5,117	4,126
Profit for the period	45,000	32,139
Distribution	30,480	17,417
Share price (EUR)	14.30	14.50
Dividend per share (EUR)	1.40	0.80
Dividend / market capitalisation (%)	9.79	5.52
Socfin's stake (%)	58.09	58.09

(*) Before profit allocation but after interim dividend.

Group profile

SOCFINAF S.A.

SOCFINAF is a Luxembourg 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 2021 amounts to EUR 6,499,115. The Board of Directors will propose to the Annual General Meeting on 31st May 2022 not to pay any dividend for the financial year 2021.

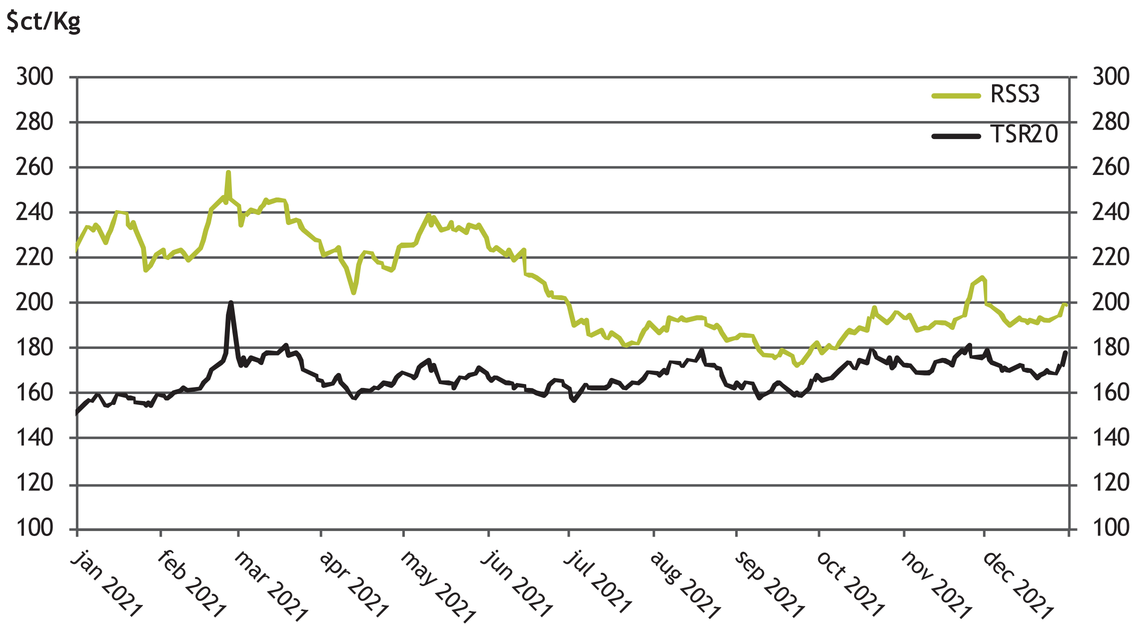
Key figures (thousands of EUR)		
At 31st December	***2021***	***2020***
Fixed assets	469,324	513,290
Current assets	29,901	4,824
Equity	258,796	252,297
Borrowings, provisions and third parties	240,429	265,821
Distribution	0	0
Profit for the period	6,499	-28,649
Share price (EUR)	12.00	11.10
Dividend per sahre (EUR)	0	0
Dividend / market capitalisation (%)	0	0
Socfin's stake (%)	64.51	64.51

International market for rubber and palm oil

1. Rubber

SGX - NATURAL RUBBER - 5 years +

SGX - NATURAL RUBBER - 1 year +



International market for rubber and palm oil

The international market in 2021

The average natural rubber price (TSR20 1st position on SGX) for 2021 is USD 1,677/ton FOB Singapore compared to USD 1,317/ton in 2020, an increase of USD 360/ton (+27%).

Converted into euro, the average for the year 2021 is EUR 1,417/ton against EUR 1,154/ton for the year 2020, i.e. an increase of 23%.

The rise in natural rubber prices, which started at the beginning of the second half of 2020, continued during the first quarter of 2021. Prices briefly reached USD 2,000/ton at the end of February before correcting following the Chinese government's announcement that it would control the rise in raw materials.

In the second half of the year, prices stabilised at between USD 1,600 and 1,800/ton, leaving this price range only on very rare occasions.

The recovery in demand for rubber encouraged by the economic recovery plans as well as the vaccination campaigns allowing a resumption of mobility in the consumer countries, had an upward impact on the prices and this in a context of reduced supply. However, the appearance of the Delta variant in the spring and the Omicron variant in the autumn, which imposed new containment measures or mobility restrictions on the various states, limited the rise in natural rubber prices.

The various sanitary measures also affected rubber production by limiting tappers' access to certain producing countries such as Thailand and Malaysia.

The development of a rubber tree disease in Indonesia has also limited deliveries from the world's second largest producer.

Logistical disruptions due to lack of space on ships from Asia have caused disruptions in the supply of natural rubber to tyre manufacturers' factories in the US and Europe. The sharp increase in freight rates out of South East Asia has greatly benefited African natural rubber producers in terms of demand and valorisation.

Announcements in August by car manufacturers that they were shutting down parts of their vehicle production lines in Europe and the US due to a shortage of semiconductor stocks had a downward effect on rubber prices. The highly contagious nature of the Omicron variant has caused large waves of quarantine, preventing tyre factories from operating at full capacity due to a lack of workers.

In its latest forecasts dated December 2021, the IRSG (International Rubber Study Group) now estimates world natural rubber production in 2021 at 13.79 million tons, up 5.7% on 2020, and world consumption at 13.88 million tons, up 9.4% on 2020. As a result, the IRSG estimates a world production deficit of 90,000 tons, for the first time since 2016.

World natural rubber consumption in 2021 exceeded pre-covid levels in 2019 while world production in 2021 would be almost identical to 2019.

TSR20 1st FOB Singapore on SGX closed 2021 at USD 1,783/ton.

Forecasts for 2022

Natural rubber prices at the beginning of the year remained above USD 1,700/ton with an average over the first two months of the year reaching USD 1,785/ton against USD 1,628/ton over the same period last year, i.e. an increase of USD 157/ton (+10%).

Natural rubber prices were supported at the fundamental level in the context of a recovery stimulated by economic recovery plans positively impacting demand while supply would continue to be affected by problems related to the availability of labour in plantations and rubber diseases in Indonesia.

However, the shortage of semiconductors due to the freight crisis continues to impact the production lines of car manufacturers and consequently slows down the demand for rubber for original equipment tyres.

Historically high freight rates out of South East Asia are expected to persist throughout 2022 due to the lack of available vessel capacity with a return to normalcy expected, at best, during 2023. In this context, since the beginning of the year, African rubber continues to maintain a clear competitive advantage over its Asian competitors and, with the approach of the wintering period, benefits from substantial premiums over the Singapore reference market on approved grades.

At the end of February, rubber prices crossed the USD 1,800/ton, the upper level of the price range (USD 1,600 - 1,800/ton) in which they had oscillated for a year, to reach USD 1,835/ton. The Russian invasion of Ukraine pushing oil above USD 100/barrel and fears of disrupting supplies of synthetic rubber from Russia supported natural rubber prices.

As in 2021, China could intervene in the markets to avoid too large increases in commodity prices and a negative impact on its economic growth.

The geopolitical context linked to the Russian-Ukrainian conflict will influence commodity prices, including natural rubber. In the event of a prolonged conflict impacting the global economic recovery, the risk of 'stagflation' combining high inflation with low economic growth is real and could weight on rubber prices. Tyre factories may reduce production due to a lack of raw materials for tyre production.

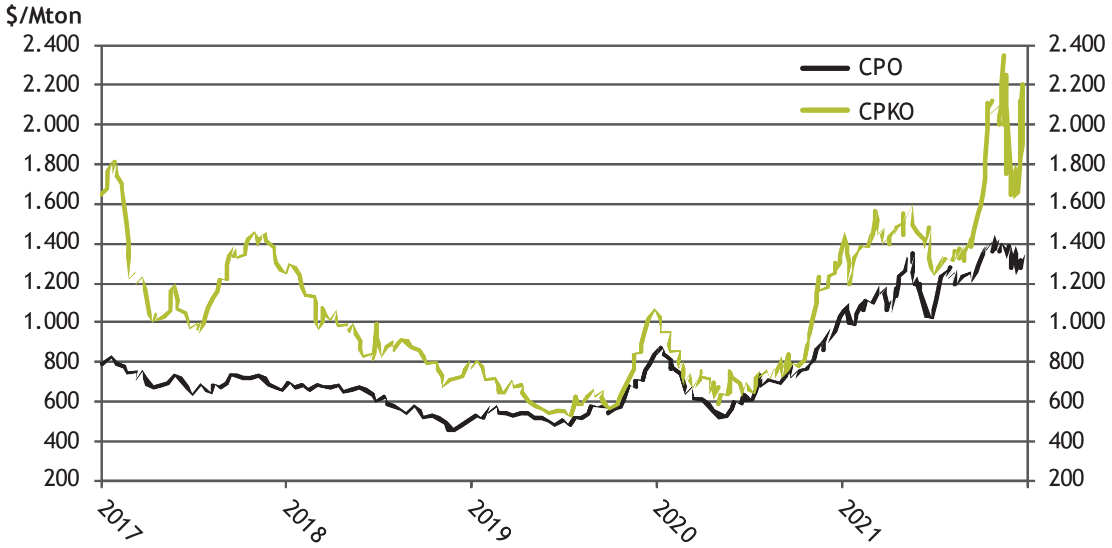
Uncertainty related to the evolution of the pandemic will continue to influence the evolution of rubber prices in relation to the effectiveness of vaccination policies in the world, the emergence of new variants and a possible deterioration of the health situation that may affect mobility.

According to IRSG forecasts, global consumption and production would be almost in balance in 2022. World supply of natural rubber would amount to 14.27 million tons (+3.5% compared to 2021) and global demand to 14.29 million tons (+3% compared to 2021). The IRSG forecasts a production deficit of 21,000 tons in 2022 compared with 90,000 tons in 2021.

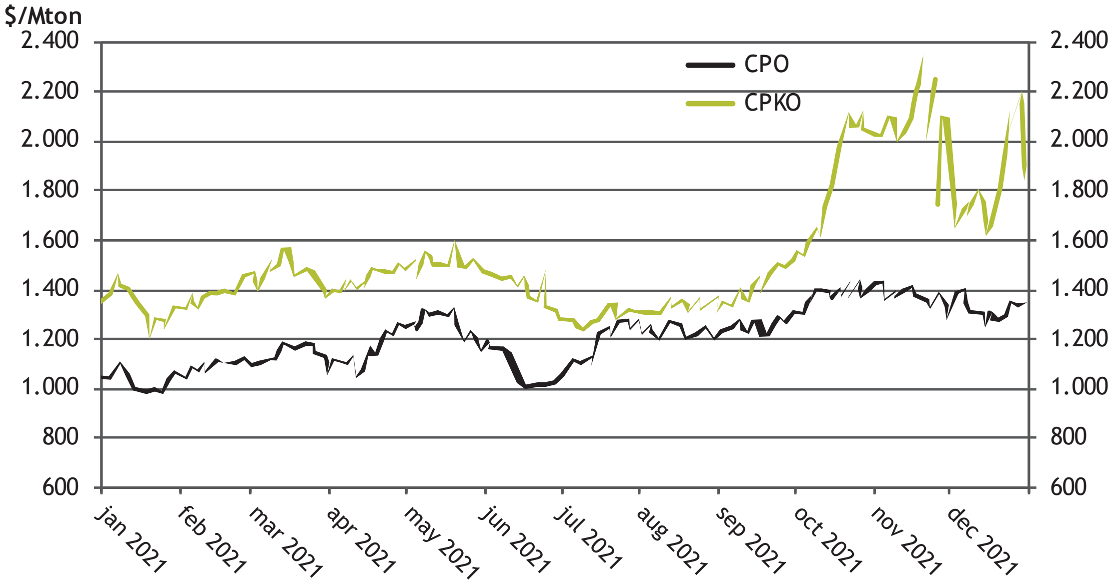
The TSR20 1st position FOB Singapore on SGX is quoted on 9th March 2022 at USD 1,803/ton.

2. Palm oil

CIF ROTTERDAM - PALM OILS - 5 years +



CIF ROTTERDAM - PALM OILS - 1 year +



International market for rubber and palm oil

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

	2022 (*)	2021 (*)	2020	2019	2018	2017	2015	2005	1995
Indonesia	47.1	45.2	42.8	44.2	41.6	36.8	33.4	14.1	4.2
Malaysia	19.1	18.2	19.1	19.9	19.5	19.9	20.0	15.0	7.8
Other	13.7	13.0	12.2	12.4	11.9	11.2	9.1	4.8	3.2
TOTAL	***79.9***	***76.4***	***74.1***	***76.5***	***73.0***	***67.9***	***62.5***	***33.9***	***15.2***

(*) Estimate.

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

	Oct 2021 to Sep 2022 (*)	2021 (*)	2020	2019	2018	2017	2015	2005	1995
Palm	79.9	76.4	74.1	76.5	73.0	67.9	62.5	33.9	15.2
Soya	61.6	59.4	58.6	56.8	56.8	53.9	48.8	33.6	20.2
Rape	25.3	27.1	25.3	24.9	25.6	25.4	26.3	16.2	10.8
Sunflower	21.9	18.9	21.3	20.7	19.0	19.0	15.1	9.7	8.7
Palm kernel	8.3	7.9	7.8	8.1	7.7	7.2	6.8	4.0	2.0
Cotton	4.5	4.4	4.6	4.6	4.7	4.2	4.7	5.0	3.9
Peanut	4.5	4.2	4.2	3.7	4.0	4.2	3.7	4.5	4.3
Coconut	3.0	2.7	2.6	2.9	2.9	2.4	2.9	3.2	3.3
TOTAL	***209.0***	***201.0***	***198.5***	***198.2***	***193.7***	***184.2***	***170.8***	***110.1***	***68.4***

(*) Estimate.

The international market 2021

The average CIF Rotterdam crude palm oil price for 2021 is USD 1,195/ton compared to USD 715/ton in 2020.

2020 was marked by the Covid-19 pandemic, which severely disrupted the commodity market. With lockdowns and shutdown of entire sectors of the economy, palm oil demand had slowed sharply and prices collapsed, falling below the USD 500/ton threshold in May 2020.

From the second half of 2020 onwards, palm oil prices experienced a spectacular rebound which continued throughout 2021.

Indeed, the pandemic and lockdown measures have also impacted the global supply of palm oil. Traffic restrictions have led to labour shortages in some parts of Southeast Asia hampering the harvesting process. As a result, foreign workers, who account for nearly 70% of the labour force in plantations in Malaysia, were unable to travel to the country, which severely disrupted harvest operations.

In addition, there is a drop in yields caused by a reduction in the use of fertilisers and by the possible ageing of certain orchards, a direct consequence of the low price levels of recent years.

This contraction in supply, combined with a massive return in demand following lockdowns, has led to a very significant rise in palm oil prices. The price of CIF Rotterdam palm oil has risen from USD 500/ton in May 2020 to over USD 1,300/ton in May 2021, an increase of 160% in one year.

During this period, palm oil also benefited from the rise in soybean prices, driven by very strong demand from China for American soybeans. At the same time, palm oil exports to India, China and Pakistan intensified, increasing pressure on producer countries' stocks.

International market for rubber and palm oil

However, prospects for higher production, slower exports and lower soybean prices caused palm oil prices to fall in June. The CIF Rotterdam CPO was close to USD 1,000/ton.

Concerns about labour shortages in Malaysia and the release of lower than expected production forecasts for the second half of the year caused prices to rise again in July.

On 31st December 2021, the CIF Rotterdam CPO was trading at around USD 1,350/ton and on 15th March 2022 at around USD 1,775/ton.

Forecasts 2022

After an unprecedented decline in 2020, palm oil production increased in 2021 to around 76.4 million tons. The increase should continue in 2022 with production expected to be close to 80 million tons, according to analysts.

Indeed, the increased use of fertilizers (favoured by the more remunerative prices of recent months), and the lifting of traffic restrictions allowing a return of labour to the fields, should improve yields and increase production.

However, there are several uncertainties about the recovery of palm oil production. The Malaysian authorities have been working on a plan to speed up the return of foreign workers to the plantations, but questions remain about its implementation. In addition, soaring fertiliser prices and longer delivery times could limit the expected increase in yields.

Indonesia, the world's largest producer and exporter, is concerned about its domestic market and therefore decided at the end of January to restrict its palm oil exports, while global demand is rising. Tight supply contributed to an acceleration of the price increase in February.

At the end of February, the Russian-Ukrainian conflict put the vegetable oil market on edge. Ukraine alone supplies more than 50% of the world's sunflower oil production for food and biofuels. The conflict is therefore causing great uncertainty about the supply of sunflower oil, leading buyers to turn to alternative vegetable oils: soya, rapeseed, palm, whose prices have soared.

At the beginning of March, the CPO CIF Rotterdam broke through the historic threshold of USD 2,000/ton, an increase of nearly 50% since the beginning of the year.

The global supply of vegetable oils on the markets should therefore play a decisive role in the evolution of palm oil prices in 2022. Soaring oil prices, with a barrel passing the USD 100 mark in early March, also make palm oil more attractive as a raw material for biodiesel.

Finally, the fears linked to the pandemic have not been fully addressed. The emergence of new variants or the introduction of new restrictions cannot be ruled out and could once again upset the fundamentals, impacting supply as well as demand.

The price of CIF Rotterdam crude palm oil on 9th March 2022 was around USD 2,000/ton.

Environment and social responsibility

On 30th March 2022, the Group approved the update of its responsible management policy renewed and reinforced in 2021 in order to comply with the GPSNR (Global Platform for Sustainable Natural Rubber) policy. This responsible management policy is based on the Group's three pillars of commitment, alongside its specific commitment to transparency: rural development, workers and local communities, and the environment. These commitments form the basis of key initiatives aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy has been defined and implemented throughout 2021.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a regularly updated dashboard 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.

Key figures

1. Activity Indicators

Area (hectares)		*Rubber*		*Palm*
At 31st December 2021				
Immatures (by year of planting)				
2021		742		2,764
2020		1,190		2,325
2019		1,528		1,904
2018		2,405		0
2017		1,989		0
2016		1,648		0
2015		1,986		0
2014		1,920		0
2013		370		0
2012		181		0
2011		353		0
2010		49		0
Total immatures		***14,360***		***6,993***
Young	(from 8 to 11 years)	17,249	(from 4 to 7 years)	32,243
Matured	(from 12 to 22 years)	21,011	(from 8 to 18 years)	49,477
Old	(above 22 years)	9,206	(above 18 years)	41,379
TOTAL in production		***47,466***		***123,099***
TOTAL		**61,826**		**130,093**

Area (hectares)	*2021*	*2020*	*2019*	*2018*	*2017*
Palm	130,093	129,934	129,667	130,575	128,188
Rubber	61,826	62,560	63,190	63,726	63,885
TOTAL	***191,919***	***192,494***	***192,857***	***194,301***	***192,073***

Production	*2021*	*2020*	*2019*	*2018*	*2017*
Palm Oil (tons)	***536,508***	***503,926***	***468,441***	***456,781***	***432,470***
Own production	489,733	468,303	434,013	426,227	407,741
Third party purchases	46,775	35,623	34,428	30,554	24,730
Rubber (tons)	***167,278***	***160,411***	***162,975***	***144,845***	***129,672***
Own production	70,880	64,082	68,873	62,895	63,374
Third party purchases	96,397	96,329	94,102	81,950	66,297
Seeds (thousands)					
Own production	15,030	9,454	6,308	14,875	14,149

Key figures

Turnover (EUR million)	*2021*	*2020*	*2019*	*2018*	*2017*
Palm	471	347	309	306	315
Rubber	234	183	200	163	192
Other agricultural products	6	4	4	9	9
Trading activities	119	64	72	56	101
Other	8	7	7	7	9
TOTAL	***838***	***605***	***592***	***541***	***626***

Staff	*2021*	*2020*	*2019*	*2018*	*2017*
Average workforce	34,945	33,834	34,916	33,780	31,312

2. Key figures in the consolidated income statement

(EUR million)	*2021*	*2020*	*2019*	*2018*	*2017*
Turnover	838	605	592	541	626
Operating income	235	92	81	91	132
Result of the year attributable to the Group	80	6	9	17	26
EBITDA (*)	294	172	152	153	198
Operating cash flow	252	141	93	87	172
Free cash flow (**)	179	59	-20	-20	70

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

3. Key figures in the consolidated statement of financial position

(EUR million)	*2021*	*2020*	*2019*	*2018*	*2017*
Bearer biological assets	479	468	520	512	480
Other non-current assets	370	339	361	356	331
Current assets	329	224	227	209	228
Total equity	737	576	640	642	624
Non-current liabilities	212	136	237	171	183
Current liabilities	228	319	229	263	232

Stock market data

(EUR)	2021	2020	2019	2018	2017
Number of shares	14,159,720	14,159,720	14,159,720	14,159,720	14,159,720
Equity attributable to the owners of the Company	380,256,719	284,874,406	317,582,175	304,236,433	304,236,433
Undiluted net profit per share	5.68	0.33	0.64	0.98	1.81
Dividend per share	0.60	0.00	0.55	0.55	0.60
Share price					
Minimum	18.60	18.20	23.20	23.80	23.31
Maximum	24.00	27.00	29.00	30.40	32.50
Closing	20.80	23.20	26.60	28.00	31.00
Market capitalisation (*)	294,522,176	328,505,504	376,648,552	396,472,160	438,951,320
Dividend paid / net profit attributable to the owners of the Company	10.56%	N/A	85.94%	56.12%	33.15%
Dividends / market capitalisation	2.88%	N/A	2.07%	1.96%	1.94%
Market price / undiluted net profit per share	3.66	70.30	41.56	28.57	17.13

(*) Market capitalisation is the product of the number of shares multiplied by the closing market price.

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 chart on 21st November 2018. It has been updated on 30th March 2022 and 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 2027
Mr. Vincent Bolloré	French	1952	Director (a)	AGE 1990	AGO 2025
Administration and Finance Corporation "AFICO" Represented by Mr. Luc Boedt	Belgian	1955	Director (b)	AGO 2014	22/02/2022
Mr. François Fabri	Belgian	1984	Director (b)	AGO 2014	AGO 2026
Mr. Philippe Fabri	Belgian	1988	Executive Director (b)	AGO 2020	AGO 2026

(a) Non-Executive Dependent Director

(b) Executive Dependent Director

The mandate of Administration and Finance Corporation "AFICO", outgoing Director, expires this year. As the latter does not wish to stand again, it will be proposed at the next General Meeting to appoint Mr. Cyrille Bolloré for a term of six years, expiring during the General Meeting of 2028.

On the other hand, the Board of Directors takes note of the resignation of Mr. Philippe de Traux from his mandate as director. It will not be proposed to the General Meeting to provide for his replacement.

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.

Positions and offices 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 Compagnie de l’Odet, 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.

Positions and offices held in foreign companies

- Chairman and chief Executive officer of Compagnie de l’Odet;
- Vice-Chairman of Société des Caoutchoucs du Grand Bereby “SOGB”;
- Director of Compagnie de l’Odet;
- Permanent representative of Bolloré Participations SE on the Boards of Directors of S.A.F.A. Cameroon “Safacam”, Société des Caoutchoucs du Grand Bereby «SOGB» 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” and Socfinasia.

Positions and offices held in foreign companies

- Director of Société des Caoutchoucs du Grand Bereby “SOGB”, Société Industrielle et Financière de l’Artois and Société Camerounaise de Palmeraies “Socapalm”.

François Fabri
Director

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

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" and Société Industrielle et Financière de l'Artois;
- Managing Director of Palmeraies de Mopoli;
- Director of S.A.F.A. Cameroon «Safacam» and Société Camerounaise de Palmeraies "Socapalm".

Philippe Fabri
Executive Director

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

Positions and offices held in foreign companies
- Member of the Supervisory Board of Palmeraies de Mopoli;
- Permanent representative of Société Anonyme Forestière et Agricole "SAFA" on the board of S.A.F.A. Cameroon "Safacam".

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 Director will complete the term of his predecessor.

Role and powers of the Board of Directors

The Board of Directors is the body 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 Articles of Association empower the Board of Directors to perform all actions necessary to achieve the corporate purpose.

Activity report of the Board of Directors

Number of meetings
At least two for the end and mid-year evaluations. During the 2021 financial year, the Board of Directors met 5 times.

Topics 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
- 2021: 93%
- 2020: 92%
- 2019: 92%
- 2018: 97%
- 2017: 96%

4. Committees of the Board of Directors

4.1. Audit Committee

The Committee is composed of three members, of which 2 are independents and one of them assigned as President of the Audit Committee. The members of the Audit Committee are appointed for one year and are eligible for re-election. This Audit Committee is effective as of 1st January 2022 and has been in charge of the supervision of the preparation of the financial information for the year 2021.

The Board of Directors has proposed that it will be constituted as follows:

✓ Mrs. Valérie Hortefeux (Independent Member)
✓ Mr. Frédéric Lemaire (Independent Member)
✓ Mr. Philippe Fabri (Director)

The appointment of the non-executive members will be confirmed at the General Meeting of Shareholders on 31st May 2022.

The Audit Committee will assist the Board of Directors in its supervisory function and is responsible of the monitoring of the financial reporting, the audit process, the analysis and control of financial risks.

The Audit Committee shall meet three times a year.

4.2. Appointment and Remuneration Committee

The remuneration of the operational management of Socfin 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 chosen not to set up a Nomination Committee.

5. Remunerations

The remuneration allocated to the members of the Board of Directors of Socfin for the financial year 2021 amounts to EUR 7,864,842 compared to EUR 7,549,913 for the financial year 2020. 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. S.A. FL-9490 Vaduz		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	1,000	0.01	29/10/2021
Bolloré SE F-29500 Ergué Gaberic	2,110,698	14.91	29/10/2021
Compagnie du Cambodge F-92800 Puteaux	1,747,220	12.34	29/10/2021
Technifin CH-1705 Fribourg	1,416,062	10.00	29/10/2021
Plantations des Terres Rouges L-1724 Luxembourg	268,080	1.89	29/10/2021
Compagnie des Glénans F-29500 Ergué Gaberic	80,000	0.56	29/10/2021
Compagnie de l'Odet F-29500 Ergué Gaberic	5,534	0.04	29/10/2021
Total Bolloré Participations SE interests (direct and indirect)	**5,628,594**	**39.75**	

7. Financial calendar

31st May 2022	Annual General Meeting at noon
9th June 2022	Payment of the balance of dividend for 2021 (coupon number 80)
End of September 2022	Half year stand alone and consolidated results as at 30th June 2022
Mid-November 2022	Interim Management statement for 3rd quarter of 2022
End of March 2023	Annual stand alone results as at 31st December 2022
Mid-April 2023	Consolidated annual results as at 31st December 2022
Mid-May 2023	Interim Management statement for the 1st quarter of 2023
30th May 2023	Annual General Meeting at noon.

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

8. External audit

Independent statutory auditor (Réviseur d'entreprises agréé)
Ernst & Young "EY"
35E Avenue John F. Kennedy
L-1855 Luxembourg.

In 2021, the audit fees amount to EUR 1,387,989 VAT included.

The audit fees include all fees paid to the independent statutory auditor of the Group, 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 2021.

9. Corporate, social and environmental responsibility

On 30th March, 2022, the Group approved the update of its responsible management policy renewed and reinforced in 2021 in order to comply with the GPSNR (Global Platform for Sustainable Natural Rubber) policy. This responsible management policy is based on the Group's three pillars of commitment, alongside its specific commitment to transparency: rural development, workers and local communities, and the environment. These commitments form the basis of key initiatives aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy has been defined and implemented throughout 2021.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a regularly updated dashboard 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 updated continuously. The persons concerned have been informed of their inclusion on this list.

Statement of compliance

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

(a) the consolidated financial statements prepared for the year ended at 31st December 2021, in accordance with the international accounting standards adopted by the European Union, provide a true and fair view of the assets and liabilities, the financial position and the profits or losses attributable to Socfin and all of the entities included in consolidation; and

(b) the management report fairly presents 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
Annual General Meeting of the Shareholders of 31st May 2022

Ladies and Gentlemen,

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31st December 2021 include 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 stated 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. Socfin (the Group) adopted IFRS standards for the first time in 2005 and all the standards applicable to the Group as of 31st December 2021 have been implemented.

Consolidated results

For the 2021 financial year, the result attributable to the Group of the parent company amounted to EUR 80.4 million compared to EUR 4.7 million in 2020. This resulted in net earnings of EUR 5.68 per share against EUR 0.33 in 2020.

Consolidated revenue at 31st December 2021 amounted to EUR 837.6 million compared to EUR 605.3 million in 2020 (EUR +232.3 million). This change in revenue is mainly due to increase in the price (EUR +138.1 million), increase in the quantities sold (EUR +60.9 million), depreciation of transactional currency versus Euro (EUR -22.8 million), as well as the increase in the turnover of non-manufactured products (EUR +53.1 million).

Operating profit amounted to EUR 235.3 million compared to EUR 91.9 million at 31st December 2020.

Other financial income increased to EUR 11.6 million compared to EUR 6.2 million at 31st December 2020. They mainly consisted of foreign exchange gains of EUR 8.1 million.

Financial expenses amounted to EUR 22.9 million compared to EUR 32.9 million at 31st December 2020. They mainly consist of foreign exchange losses of EUR 10.8 million, interest expense of EUR 10.1 million and other expenses of EUR 2.0 million.

The tax expense has increased. Income taxes amounted to EUR 53.5 million compared to EUR 36.6 million in 2020. Deferred income tax amounted to EUR -0.8 million compared to EUR 1.6 million in 2020.

Consolidated statement of financial position

The assets of Socfin consist of:

- non-current assets of EUR 848.4 million compared to EUR 807.0 million as of 31st December 2020; an increase of EUR 41.4 million mainly due to the increase in property, plant and equipment of EUR 25.6 million and the increase of the non current biological assets for EUR 11.3 million;
- current assets amounting to EUR 329.0 million compared with EUR 224.0 million at 31st December 2020 mainly due to the increase of the cash and cash equivalents for EUR 84.4 million, in trade receivables for EUR 8.0 million and in inventories for EUR 12.2 million.

Shareholders' equity amounted to EUR 380.3 million compared to EUR 284.9 million at 31st December 2020. The increase in shareholders' equity of EUR 95.4 million is mainly due to the profit for the period (for EUR 80.4 million) and the variation of translation reserve (impact of EUR +16.0 million).

On the basis of the consolidated shareholders' equity, the net value per share before distribution of dividend is EUR 26.85 against EUR 20.12 the previous year. At 31st December 2021, the share price stands at EUR 20.80.

Current and non-current liabilities decreased to EUR 440.5 million compared to EUR 455.2 million the previous year. The difference is mainly due to the decrease for EUR 42.3 million in net borrowings, and the increase for EUR 16.1 million in the current tax liabilities.

Consolidated cash flow

At 31st December 2021, cash and cash equivalents amount to EUR 137.3 million, an increase of EUR 83.1 million for the year (compared to an increase of EUR 8.5 million in the previous financial year).

Net cash flow from operating activities amounts to EUR 251.6 million in financial year 2021 (EUR 140.9 million in 2020) and cash flow from operations amounts to EUR 278.0 million compared to EUR 159.9 million in the previous financial year.

Cash flow from investing activities amounts to EUR -73.1 million (compared to EUR -81.4 million in 2020).

Cash flow from financing activities amounts to EUR -98.3 million (compared to EUR -46.4 million in 2020). It relates primarily to the decrease in net borrowing of EUR -53.1 million and to the payment of dividends of EUR -33.5 million.

FINANCIAL INSTRUMENTS

Financial risk management policies are described in the notes to the consolidated financial statements of the Company (refer to Notes 25 and 34).

OUTLOOK 2022

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

Russia – Ukrain conflict

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The company regards these events as non-adjusting events after the reporting period. Although neither the company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.

Early partial repayment of loan

As of 25th February 2022, Socfin prepaid an amount of USD 25,000,000 i.e. EUR 22,409,466 of its debt to PNS Ltd.

PNS Ltd itself repaid early an amount of USD 25,000,000 of its bank loan.

IMPACT OF THE COVID-19 CRISIS

In 2020, in addition to the sanitary measures taken and described in the Sustainable Development Report, the Group had limited the tapping of rubber trees of the most productive plots at the beginning of the Covid-19 crisis. In 2021, the tapping of rubber trees on these sites was restarted.

This health crisis had no impact on the palm oil business.

The financial forecasts of the Company for the years 2022 and 2023, the sustained levels of market prices in this first tranche of the year indicate that the activity will generate sufficient cash to meet the Group's obligations and ensure the going concern of the operations.

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.

Further information on how the rules are implemented is available in the corporate governance statement in the annual report and in the management report on the Company's stand alone financial statements.

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 have 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 centralised at the Group's headquarters. It contributes to the smooth running of an effective internal control system through the independence of recruitment, the harmonisation 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

On 30th March 2022, the Group approved the update of its responsible management policy renewed and reinforced in 2021 in order to comply with the GPSNR (Global Platform for Sustainable Natural Rubber) policy. This responsible management policy is based on the Group's three pillars of commitment, alongside its specific commitment to transparency: rural development, workers and local communities, and the environment. These commitments form the basis of key initiatives aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy has been defined and implemented throughout 2021.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a regularly updated dashboard 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.

The Board of Directors

Auditor's report on the consolidated financial statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Socfin S.A.
4, Avenue Guillaume
L-1650 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Société Financière des Caoutchoucs S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 consolidated financial position of the Group as at 31 December 2021, and of 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.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of biological assets

Risk identified

As at 31 December 2021, the value of the Group's biological assets amounted to EUR 479 million out of total assets of EUR 1,177 million.

The Group owns biological assets in Africa and Asia. These biological assets, which consist mainly of oil palm and rubber plantations, are valued in accordance with the principles defined in IAS 16 «Property, Plant and Equipment». These assets are recognised at cost less accumulated depreciation and any impairment losses.

The note 9 «Impairment of assets» of the consolidated financial statements describes the methodology used by Group management to assess whether there is any indicator of impairment or any indicator of impairment reversal at the balance sheet date. When an indicator is identified, Group management determines the recoverable amount of the biological assets and thus determines the impairment loss or the reversal of impairment to be recognised, if any.

The indicators used by Group Management are:

- a decrease or an increase of the listed price of natural rubber (TSR20 1st position on SGX) and the listed price of crude palm oil (CIF Rotterdam) at the balance sheet date higher than 15% compared to a five-year average of the prices observed on those markets
- a decrease or an increase of the six-month average of the prices observed of those markets higher than 15% compared to a five-year average of the prices observed on those markets
- a decrease or an increase of the twelve-month average of the prices observed of those markets of more than 15% compared to a five-year average of the prices observed on those markets

For palm oil, which is mainly sold on local markets, Group Management also analyses local sales prices, considering that a decrease or an increase in these prices at the balance sheet date higher than 15% compared to a five-year average value of the local prices constitutes an indicator of impairment or an indicator of impairment reversal respectively.

In addition to these external factors, the Group analyses the following internal performance indicators:

- Specificities of the local market (evolution of supply and demand, ...);
- Physical indications of impairment;
- Significant changes in the plantations that could have a material impact on future cash flows.

The recoverable amount is determined as the higher of the value in use and the fair value less costs of disposal. The value in use is defined in terms of discounted future net cash flows and involves significant judgements and estimations by Group Management, including financial forecasts and the utilization of appropriate discount rates.

We considered the valuation of biological assets to be a key audit issue because of :

- their significance in relation to the Group's total assets

- the assessment of whether there is any indicator of impairment or any indicator of impairment reversal; and

- the determination of their recoverable amount which involves significant judgements and estimates.

Audit response

In order to assess the reasonableness of an indicator of impairment or an indicator of impairment reversal and, where appropriate, to determine the recoverable amount of biological assets, we performed the following audit procedures :

- Assess the compliance of Group's management's methodology with the provisions of IAS 36 «Impairment of Assets»;
- Analyze the methodology used with a particular focus on the indicators of impairment or on the indicators of impairment reversal;
- Analyze the completeness of indicators of impairment or indicators of impairment reversal:
  - Evaluating the assessment performed by Group management to identify the existence of indicators of impairment or indicators of impairment reversal by comparing the underlying data of the analysis with the source of the data used;
  - Comparing the evolution of yields per hectare; and
  - Overseeing the audit work of the components auditors of material subsidiaries to identify any indicators of impairment or any indicators of impairment reversal, including that site visits of the plantations have been carried out;

- In case of identification of an indicator of impairment or an indicator of impairment reversal, we:
  - Assess the appropriateness of the methodology applied by Group Management to determine the recoverable value of the biological assets and the accuracy of any impairment loss or any impairment reversal recorded;
  - Analyze the reasonableness of the cash flow forecasts used by Group Management to determine the value in use of the biological assets;
  - Assess the reasonableness of the assumptions and inputs used by Group management; and
  - Reconcile the key inputs used in the model with information audited by the components auditors of material subsidiaries.

- Assess whether the disclosures required by IAS 36 «Impairment of Assets» for biological assets are properly disclosed in the notes of the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report and the corporate governance statement but does not include the consolidated financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance 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, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended (“ESEF Regulation”).
In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s / Bank’s [Group’s] financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit 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 EU Regulation N° 537/2014, the Law of 23 July 2016 and with the 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 on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 26 May 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

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

The accompanying corporate governance statement on pages 19 to 24 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to :

- Financial statements prepared in valid xHTML format;

Auditor’s report on the consolidated financial statements

- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2021, identified as **2021 Socfin Annual Report**, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Yves Even
Luxembourg, 29th April 2022

Consolidated financial statements

1. Consolidated statement of financial position

		31/12/2021	31/12/2020 Restated (*)
ASSETS	*Note*	*EUR*	*EUR*
Non-Current Assets			
Goodwill	3	4,951,057	4,951,057
Right-of-use assets	4	10,505,511	10,967,008
Intangible assets	5	3,705,743	3,317,296
Property, plant and equipment	6	322,679,989	297,094,657
Biological assets	7	478,856,665	467,571,358
Investment properties	10	3,860,781	4,059,355
Financial assets at fair value through other comprehensive income	12	715,578	847,018
Long-term advances		1,858,758	1,843,046
Deferred tax assets	13	19,434,381	14,640,684
Other non-current assets		1,823,794	1,741,740
		848,392,257	***807,033,219***
Current Assets			
Inventories	16	114,505,857	102,336,152
Current biological assets	7	3,559,160	0
Trade receivables	17	42,082,791	34,081,813
Other receivables	18	10,238,140	14,342,461
Current tax assets	14	15,291,971	14,317,805
Cash and cash equivalents	19	143,315,435	58,911,453
		328,993,354	***223,989,684***
TOTAL ASSETS		*1,177,385,609*	*1,031,022,902*

(*) For further details, see Notes 1.5, 15 and 23.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated financial statements

EQUITY AND LIABILITIES	Note	31/12/2021 EUR	31/12/2020 Restated (*) EUR
Equity attributable to the owners of the Parent			
Share capital	20	24,779,510	24,779,510
Share premium	20	501,847	501,847
Legal reserve	21	2,477,951	2,477,951
Consolidated reserves		380,183,421	376,520,345
Translation reserves		-108,075,534	-124,110,578
Profit for the year		80,389,524	4,705,333
		380,256,719	***284,874,408***
Non-controlling interests	11	***356,654,107***	***290,923,286***
Total Equity		***736,910,826***	***575,797,694***
Non-Current Liabilities			
Deferred tax liabilities	13	16,941,426	11,392,298
Employee Benefits Obligations	22	51,008,374	50,928,284
Long term debt, net of current portion	23	125,924,853	55,059,230
Long term lease liabilities	4	10,977,779	11,081,167
Other payables	24	7,401,153	7,685,924
		212,253,585	***136,146,903***
Current Liabilities			
Short-term debt and current portion of long term debt	23	38,433,365	151,251,825
Short-term lease liabilities	4	1,401,018	1,623,082
Trade payables	24	44,968,591	43,265,314
Current tax liabilities	14	48,328,464	32,208,682
Provisions		381,506	743,489
Other payables	24	94,708,254	89,985,913
		228,221,198	***319,078,305***
TOTAL EQUITY AND LIABILITIES		***1,177,385,609***	***1,031,022,902***

(*) For further details, see Notes 1.5, 15 and 23.

The accompanying notes are an integral part of these consolidated financial statements.

2. Consolidated income statement

	Note	2021 EUR	2020 Restated (*) EUR
Revenue	33	837,644,569	605,326,130
Work performed by entity and capitalised		13,066,016	16,898,231
Change in inventories of finished products and work in progress		830,651	2,101,456
Other operational income		8,640,023	11,285,961
Raw materials and consumables used	33	-288,189,236	-226,536,322
Other expenses	33	-97,953,325	-81,097,097
Staff costs	26	-153,346,286	-142,494,346
Depreciation and impairment expense	8	-64,496,770	-74,913,425
Other operating expenses	33,15	-20,861,972	-18,654,172
Operating profit		***235,333,670***	***91,916,416***
Other financial income	27	11,620,171	6,154,633
Gain on disposals		202,701	194,675
Loss on disposals		-3,313,945	-1,117,435
Financial expenses	28	-22,920,697	-32,855,631
Profit before taxes		***220,921,900***	***64,292,658***
Income tax expense	15	-53,538,854	-36,572,117
Deferred tax (expense) / income	15	-840,121	1,591,000
Profit for the period		***166,542,925***	***29,311,542***
Profit attributable to non-controlling interests		***86,153,402***	***24,606,210***
Profit attributable to the owners of the Parent		***80,389,523***	***4,705,332***
Basic earnings per share undiluted	29	***5.68***	***0.33***

Number of Socfin shares	14,159,720	14,159,720
Basic earnings per share	5.68	0.33
Diluted earnings per share	5.68	0.33

(*) For further details, see Notes 1.5, 15 and 23.

The accompanying notes are an integral part of these consolidated financial statements.

3. Consolidated statement of comprehensive income

	Note	2021 EUR	2020 EUR
Profit of the period		***166,542,925***	***29,311,542***
Other comprehensive income			
Actuarial losses and gains	22	1,874,113	-1,212,016
Deferred tax on actuarial losses and gains		-590,525	405,642
Fair value changes of securities measured at fair value through other comprehensive income, before taxes	12	-36,378	-48,997
Deferred tax on fair value changes of securities measured at fair value through other comprehensive income		9,073	12,220
Subtotal of items that cannot be reclassified to profit or loss		*1,256,283*	*-843,151*
Gains (losses) on exchange differences on translation of subsidiaries		26,809,123	-58,716,274
Subtotal of items eligible for reclassification to profit or loss		*26,809,123*	*-58,716,274*
Total Other Comprehensive Income		***28,065,406***	***-59,559,425***
Comprehensive income		***194,608,331***	***-30,247,883***
Comprehensive income attributable to non-controlling interests		***97,777,989***	***-3,428,140***
Comprehensive income attributable to the owners of the Parent		***96,830,342***	***-26,819,743***

The accompanying notes are an integral part of these consolidated financial statements.

4. Consolidated statement of cash flows

	Note	2021 EUR	2020 Restated (*) EUR
Operating activities			
Profit attributable to the owners of the Parent		80,389,524	4,705,329
Profit attributable to non-controlling shareholders		86,153,405	24,606,210
Fair value of agricultural production		-6,709,158	7,798,959
Other adjustments having no impact on cash position		-1,658,242	9,185,979
Depreciation and amortisation	8	64,496,769	74,913,425
Provisions and allowances		-2,143,251	2,762,647
Net loss on disposals of assets		3,110,167	930,351
Income tax expense	15	54,378,976	34,981,116
Cash flows from operating activities		***278,018,190***	***159,884,016***
Interest paid	27, 28	***9,838,397***	***12,483,274***
Income tax paid	15	***-53,538,854***	***-36,572,117***
Change in inventory		-6,537,010	-13,954,328
Change in trade and other receivables		3,161,743	-1,850,729
Change in trade and other payables		16,494,145	16,613,632
Accruals and prepayments		4,178,499	4,263,236
Change in working capital requirement		***17,297,377***	***5,071,811***
Net cash flows from operating activities		***251,615,110***	***140,866,984***
Investing activities			
Acquisition of additional interests in subsidiaries		-1	-6,547,548
Acquisitions / disposals of intangible assets		-1,857,690	235,567
Acquisitions of property, plant and equipment and biological assets	6, 7	-73,604,183	-77,215,552
Disposals of property, plant and equipment		2,356,151	2,216,083
Acquisitions / disposals of financial fixed assets		21,543	-56,818
Net cash flows from investing activities		***-73,084,180***	***-81,368,268***
Financing activities			
Dividends paid to the owners of the Parent	30	-1,415,972	-7,079,860
Dividends paid to non-controlling shareholders	11	-32,103,320	-20,080,163
Proceeds from borrowings	23	91,818,266	23,410,733
Repayment of borrowings	23	-144,874,371	-27,766,069
Repayment of lease liabilities	23	-1,883,386	-2,382,735
Interest paid	27, 28	-9,838,397	-12,483,275
Net cash flows from financing activities		***-98,297,180***	***-46,381,369***
Effect of exchange rate fluctuations		2,896,632	-4,619,938
Net cash flow		***83,130,382***	***8,497,409***
Cash and cash equivalents at 1st January	19	54,155,296	45,657,888
Cash and cash equivalents at 31st December	19	137,285,678	54,155,296
Net increase / (decrease) in cash and cash equivalents		***83,130,382***	***8,497,408***

(*) For further details, see Notes 1.5, 15 and 23.

The accompanying notes are an integral part of these consolidated financial statements.

5. Consolidated statement of changes in equity

EUR	Share capital	Share premium	Legal reserve	Translation reserves	Conso-lidated reserves	Equity attributable to the owners of the Parent	Non-controlling interests	TOTAL EQUITY
Balance at 1st January 2020	*24,779,510*	*501,847*	*2,477,951*	*-91,541,253*	*381,364,121*	*317,582,176*	*322,894,136*	*640,476,312*
Profit/(loss) for the period					4,705,332	**4,705,332**	24,606,210	**29,311,542**
Actuarial losses and gains					-254,132	**-254,132**	-552,242	**-806,374**
Change in fair value of securities at fair value through other comprehensive income					-21,815	**-21,815**	-14,956	**-36,771**
Foreign currency translation adjustments				-31,249,125	0	**-31,249,125**	-27,467,149	**-58,716,274**
Other comprehensive income				*-31,249,125*	*4,429,385*	*-26,819,740*	*-3,428,137*	*-30,247,877*
Dividends (Note 30)					-7,079,860	**-7,079,860**	-16,433,522	**-23,513,382**
Interim dividends (Note 30)					0	**0**	-4,369,377	**-4,369,377**
Other movements				-1,320,200	2,512,032	**1,191,832**	-7,739,814	**-6,547,982**
Transactions with shareholders				*-1,320,200*	*-4,567,828*	*-5,888,028*	*-28,542,713*	*-34,430,741*
Balance at 31st December 2020	*24,779,510*	*501,847*	*2,477,951*	*-124,110,578*	*381,225,678*	*284,874,408*	*290,923,286*	*575,797,694*
Balance at 1st January 2021	*24,779,510*	*501,847*	*2,477,951*	*-124,110,578*	*381,225,678*	*284,874,408*	*290,923,286*	*575,797,694*
Profit/(loss) for the period					80,389,523	**80,389,523**	86,153,402	**166,542,925**
Actuarial losses and gains					690,396	**690,396**	593,192	**1,283,588**
Change in fair value of securities at fair value through other comprehensive income					-16,199	**-16,199**	-11,106	**-27,305**
Foreign currency translation adjustments				15,766,622	0	**15,766,622**	11,042,501	**26,809,123**
Transfer between reserves				268,422	-268,422	**0**	0	**0**
Other comprehensive income				*16,035,044*	*80,795,298*	*96,830,342*	*97,777,989*	*194,608,331*
Dividends (Note 30)					0	**0**	-28,671,383	**-28,671,383**
Interim dividends (Note 30)					-1,415,972	**-1,415,972**	-3,431,937	**-4,847,909**
Other movements					-32,058	**-32,058**	56,153	**24,095**
Transactions with shareholders				*0*	*-1,448,030*	*-1,448,030*	*-32,047,167*	*-33,495,197*
Balance at 31st December 2021	*24,779,510*	*501,847*	*2,477,951*	*-108,075,534*	*460,572,946*	*380,256,719*	*356,654,107*	*736,910,826*

The accompanying notes are an integral part of these consolidated financial statements.

6. Notes to the consolidated financial statements

Note 1. Overview and accounting policies

1.1. Overview

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 under ISIN LU0027967834 and is registered in the commercial register under number B5937.

1.2. Statement of compliance

The consolidated financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the consolidated financial statements are presented in euros and rounded to the nearest whole number, the euro being the functional currency of the parent company Socfin and of the Group's presentation currency.

On 29th April 2022, the Board of Directors approved the consolidated financial statements.

In conformity with the current legislation existing in the Grand Duchy of Luxembourg, the financial statements will be approved by the shareholders during the Annual General Meeting. The official version of the accounts is the ESEF version available with the Officially Appointed Mechanism (OAM) tool.

New standards and amendments applicable on 1st January 2022:

- Amendment to IFRS 3 Business Combinations: reference to the Conceptual Framework: the amendments updated the reference to the Conceptual Framework for Financial Reporting, added a reference to IAS 37 or IFRIC 21 when a company identifies the liabilities assumed in a business combination, and stated that an acquirer should not recognise contingent assets acquired in a business combination.

- Amendment IAS 16 Property, Plant and Equipment: the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company should recognise such sales proceeds and related cost in profit or loss.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract: these amendments specify which costs a company includes when assessing whether a contract will be loss-making.

- Annual Improvements to IFRS Standards 2018–2020: these amendments concern IFRS1, IFRS 9, IFRS 16 and IAS 41
  - IFRS 1 (1st time adopter): allows a subsidiary to measure translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS.
  - IFRS 16: removal from the illustrative examples of the illustration of the reimbursement of leasehold improvements by the lessor.
  - IFRS 9: the amendment clarifies which fees an entity includes when it applies the "10 per cent" test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability.
  - IAS 41: the amendment removes the requirement in IAS 41.22 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

New standards and amendments applicable after 1st January 2022:

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 2023 and early adoption is permitted if IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments” have been applied. On 9th December 2021, the IASB issued amendments to IFRS 17, aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities. The Group does not expect that the adoption of this new standard will have a material impact on its consolidated financial statements.

On 12th February 2021, the IASB issued amendments to IAS 1, IFRS 2 Practice Statement “Making Judgments about Materiality” and IAS 8. The amendments are intended to assist preparers in determining the accounting policies to be presented in their financial statements, to further enhance the importance in determining the accounting policies, and to distinguish changes in accounting estimates from changes in accounting policies. They are effective for financial years beginning on or after 1st January 2023 and are to be applied prospectively, with early adoption permitted. The Group is currently assessing the impact of these amendments.

The Group does not expect the adoption of these amendments to have a material impact on its consolidated financial statements, nor anticipate early adoption of new accounting standards, amendments and interpretations.

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

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. On 15th July 2020, the IASB deferred the effective date of the amendments, that are effective for financial periods beginning on or after 1st January 2023 and must be applied retroactively with early adoption permitted. The Group is currently assessing the impact of these amendments.

On 7th May 2021, the IASB published amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. They are effective for financial years beginning on or after 1st January 2023 and are to be applied retrospectively, with early adoption permitted. The Group is currently assessing the impact of these amendments.

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 (current) (IAS 2, IAS 41), derivative instruments and securities measured at fair value through other comprehensive income are recognised 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 within the Group. The consolidated financial statements are prepared for the accounting year ending 31st December 2021 and are presented before the Annual General Meeting of shareholders approving the allocation of the parent company’s income.

As of 1st January 2021, the Group adopted the following amendments without any material impact on the Group’s consolidated financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 of the “IBOR” interest rate benchmark reform. The amendments complement those issued in 2019 described above and focus on the effects on the financial statements when a company replaces the old interest rate benchmark with another interest rate benchmark as a result of the reform.

  The changes in this final phase relate to *changes in contractual cash flows*: a company will not have to derecognise or adjust the carrying amount of financial instruments to reflect the changes required by the reform, but instead will update the effective interest rate to reflect the change in the alternative interest rate benchmark.

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30th June 2021 (applicable for annual periods beginning on or after 1st April 2021): this amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

- Amendment to IFRS 4 “Insurance contract”: on 25th June 2020, the IASB issued amendments to IFRS 4 that provide for an extension of the temporary exemption from IFRS 9 “Financial Instruments” until 1st January 2023 to align with the effective date of IFRS 17 “Insurance Contracts”.

1.4. Consolidation principles

The consolidated financial statements include the financial statements of the parent company Socfin as well as those of the companies controlled by the parent ("subsidiaries"), all of which constitute the "Group ".

All companies included in the scope of consolidation as of 31st December 2021 close their accounts on 31st December.

Subsidiaries

In accordance with IFRS 10, an investor has control when three conditions are fulfilled:
1) it holds power over the entity;
2) it 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 and expenses from subsidiaries acquired or sold during the year are included in the consolidated income statement, respectively, from the date of acquisition to the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any residual gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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. During the year, the company performed a prior year restatement on the long-term debt account (Note 23) and income tax (Note 15). Those restatements do not have a material impact on the financial statements.

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. Business combinations

IFRS 3 "Business Combinations" provides the accounting basis for recognising 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 1.7 and 1.8.

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

1.7. Goodwill

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

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

1.8. 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 recognised directly as an income in the income statement.

1.9. Foreign currency conversion

In the financial statements of Socfin and of each subsidiary, transactions in foreign currency are recorded, upon initial recognition, in the functional 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 realisation 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 1.19).

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 recognised 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:

	Closing rate		Average Rate	
1 euro equals to:	**2021**	**2020**	**2021**	**2020**
Euro	1.000	1.000	1.000	1.000
CFA franc	655.957	655.957	655.957	655.957
Ghanaian cedi	6.8025	7.0683	6.8705	6.4179
Indonesian rupiah	16,161	17,308	16,938	16,725
Cambodian riel	4,614	4,964	4,804	4,672
Nigerian naira	467.50	465.87	471.97	408.50
Dobra of São Tomé	24.50	24.50	24.50	24.50
Congolese franc	2,265	2,420	2,351	2,117
American dollar	1.1326	1.2271	1.1809	1.1451

While Cambodian subsidiaries' revenues from goods and services are billed in Cambodian riel (KHR), price setting and collection are made in US dollar (USD). Significant operating expenses, personnel costs and other income (expenses) are likewise purchased and paid in USD. Based on the economic substance of the underlying circumstances relevant to the Cambodian subsidiaries, USD is the currency in which these companies substantially both generate and expend cash in the country in which they operate.

Considering these factors, Cambodian subsidiaries have changed their functional currency in 2021 from KHR to USD, this change in functional currency being effective on 1st January. In line with IAS 21, this change was accounted for prospectively. As per IAS 21, this change should have occurred as soon as significant transactions were performed in USD. Management assessed that the correction of prior year balances would not have any material impact on the financial statements.
As of 31st December 2021, the Group no longer has subsidiaries using Cambodian riel.

1.10. 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.

Gains or losses arising on derecognition of assets (difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

1.11. 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 20 years

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

Land is not subject to depreciation.

Gains or losses arising on derecognition of assets (difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

1.12. 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.

Gains or losses arising on derecognition of assets (difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

1.13. 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, are evaluated according to the principles defined by IAS 41 “Agriculture”.

Bearer biological assets
Producer biological assets are recorded at acquisition cost, less accumulated amortisation 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 starting date is the date of transfer of biological assets in production (asset being mature). This transfer takes place in the third year after palm oil tree planting in Asia, in the fourth year after palm oil tree planting in Africa 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 harvest, 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 considers produce that grows on mature plantations (oil in the palm fruits and produce of rubber) as biological assets, in accordance with IAS 41 principles. This produce is measured at fair value until the point of harvest. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

1.14. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets (mainly IT equipment), for which payments associated are recognised as an expense in the income statement. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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. To this purpose, management considers all facts and circumstances that may create an incentive to exercise a renewal option or not to exercise an early termination option. The lease liability is remeasured if there is a change in the lease term, in the lease payment or in the assessment of an option to purchase the underlying asset.

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 recognised 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.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and recognises any impairment loss as described in Note 9: Impairment of assets.

1.15. Impairment of assets

Goodwill is not amortised 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 indication, 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 recognised as expenses in the income statement.
When an impairment loss recognised 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 recognised for the asset (cash-generating unit) in prior years. The reversal of an impairment loss is recognised immediately in income in the income statement.

An impairment loss recorded on goodwill cannot be subsequently reversed.

1.16. Inventories

Inventories are recorded at the lower of cost and net realisable 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 realisable 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 realisable value is recognised as an expense in the period in which the impairment or loss occurred.

As explained in Note 1.13. Bearer biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.17. Trade receivables

Trade receivables are valued at their nominal value and do not bear interest. 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 (Refer to Note 34).

1.18. 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, having a maturity of three months or less, and which are subject to a negligible risk of change in value.

1.19. Financial instruments

Financial assets and liabilities are recognised 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 recognised in other comprehensive income and accumulated in the hedging reserve, cash flow. The gain or loss related to the ineffective portion is recognised immediately in profit or loss, in other gains and losses.

Amounts previously recognised 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 recognised 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 recognised in other comprehensive income and accumulated in equity are taken out of equity to be recognised 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 recognised 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.

The Group's business model for financial assets management refers to the way it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the disposal of financial assets or both. Financial assets classified and measured at amortised cost are held in a business model with the objective of holding financial assets to collect contractual cash flows. Long-term advances and other receivables are held for the sole purpose of collecting principal and interest. As such, they comply with the "Solely Payments of Principal and Interest" (SPPI) model. They are accounted for using the amortised cost method. The Group applies a simplified approach in calculating Expected Credit Losses for loans, based on historical credit loss experience.

Interest-bearing borrowings and overdrafts are recorded for amounts received, net of direct issue costs. Financial expenses are recognised in income statement 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 maturity.

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 (Refer to Note 25).

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 recognised for the amounts received, net of direct costs incurred 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 recognised at fair value, which is generally at their acquisition cost.

Securities that are available for sale are recognised 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. This recognition at fair value through comprehensive income is irrevocable.

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 recognised over a period of more than one year. For listed securities, a definitive impairment loss is recognised 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 (at cost) less any write-downs covering amounts considered as non-recoverable if the Group deems it necessary. Impairment of assets is recognised in the income statement under “Other operating income/ expenses”. The Group has established a provision matrix, based on its historical credit loss experience (average default over several years), adjusted for prospective factors specific to the debtors and the economic environment. The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the consolidated income statement. 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.

1.20. Provisions

Provisions are recognised 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 recognised when the Group has a formal and detailed plan for the restructuring that has been notified to the affected parties.

1.21. Pension obligations

Defined 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 recognised 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.

Defined benefit plans

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 expenditure 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 decided to calculate discount rates using an economic approach for high-quality corporate bonds corresponding to the terms of the employee benefits in the countries concerned. In the countries where there is no active market for such obligation, the Group refers to the market yields (at the end of the reporting period) of government bonds. The currency and duration of these corporate or government bonds must correspond to the currency and estimated duration of the post-employment benefit obligations.

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”.

All changes in the amount of defined benefit pension obligations are recognised as they occur.

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

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

The amount recognised 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.

1.22. 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 time of the transfer of deed based on the incoterms;
(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, as recognised.

The Group considers being the principal in its revenue arrangements, because it controls the goods sold before transferring them to the customers.

As at 31st December 2021, revenue from the major customer within the Group accounted for approximately EUR 65.3 million (2020: EUR 45.4 million) of total Group revenue.

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

1.24. 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.

1.25. 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 22), IAS 41 / IAS 2 (Notes 7 and 16), IAS 16 (Note 6), IAS 36 (Notes 8 and 9), IFRS 9 (Note 25) 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 (Refer to Note 1.13).

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

1.26. Impact of the COVID-19 pandemic

During 2021, though the impact of the COVID-19 pandemic on the activities of the company and its subsidiaries was limited, the management has adapted to the new constraints and is permanently monitoring the risks related to this health crisis. The spread of the virus is still active and unpredictable, which brings uncertainty to economic development on one side and to the course of business affairs on the other side.

Note 2. Subsidiaries and associates

	% Group Interest	% Group Control	Consolidation Method (*)	% Group Interest	% Group Control	Consolidation Method (*)
	2021	2021	2021	2020	2020	2020
Rubber and palm						
SOGB S.A.	41.09	73.16	FI	41.09	73.16	FI
PLANTATIONS SOCFINAF GHANA “PSG” LTD	64.51	100.00	FI	64.51	100.00	FI
OKOMU OIL PALM COMPANY PLC	42.08	65.23	FI	42.08	65.23	FI
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN “SAFACAM” S.A.	44.55	69.05	FI	44.55	69.05	FI
SOCIETE CAMEROUNAISE DE PALMERAIES “SOCAPALM” S.A.	43.52	67.46	FI	43.52	67.46	FI
Rubber						
LIBERIAN AGRICULTURAL COMPANY “LAC”	64.51	100.00	FI	64.51	100.00	FI
SALALA RUBBER CORPORATION “SRC”	64.51	100.00	FI	64.51	100.00	FI
SUD COMOË CAOUTCHOUC “SCC”	39.32	70.01	FI	39.32	70.01	FI
Palm						
SOCFIN AGRICULTURAL COMPANY “SAC” LTD	60.00	93.00	FI	60.00	93.00	FI
SOCIETE DES PALMERAIES DE LA FERME SUISSE “SPFS”	43.52	100.00	FI	43.52	100.00	FI
AGRIPALMA LDA	56.77	88.00	FI	56.77	88.00	FI
BRABANTA S.A.	64.58	100.00	FI	64.58	100.00	FI
Other activities						
BEREBY-FINANCES “BEFIN” S.A.	56.16	87.06	FI	56.16	87.06	FI
CAMSEEDS S.A.	43.62	100.00	FI	43.60	100.00	FI
SOGESCOL CAMEROUN “SOGESCOL CAM” S.A.R.L.	61.30	100.00	FI	61.30	100.00	FI
ASIA						
Rubber and palm						
PT SOCFIN INDONESIA “SOCFINDO”	52.28	90.00	FI	52.28	90.00	FI
Rubber						
SETHIKULA CO LTD	58.09	100.00	FI	58.09	100.00	FI
SOCFIN-KCD CO LTD	58.09	100.00	FI	58.09	100.00	FI
VARANASI CO LTD	58.09	100.00	FI	58.09	100.00	FI
COVIPHAMA CO LTD	58.09	100.00	FI	58.09	100.00	FI
EUROPE						
Other activities						
CENTRAGES S.A.	61.30	100.00	FI	61.30	100.00	FI
IMMOBILIERE DE LA PEPINIERE S.A.	61.30	100.00	FI	61.30	100.00	FI
INDUSERVICES S.A.	74.68	100.00	FI	74.68	100.00	FI
INDUSERVICES FR S.A.	61.30	100.00	FI	61.30	100.00	FI
MANAGEMENT ASSOCIATES S.A.	62.91	90.00	FI	62.91	90.00	FI
PLANTATION NORD-SUMATRA LTD “PNS Ltd” S.A.	58.09	100.00	FI	58.09	100.00	FI
SOCIETE ANONYME FORESTIERE AGRICOLE “SAFA”	64.51	100.00	FI	64.51	100.00	FI
SOCFIN RESEARCH S.A.	0.00	0.00	NC	61.30	100.00	FI
SOCFIN GREEN ENERGY S.A.	0.00	0.00	NC	61.30	100.00	FI
SOCFINAF S.A.	64.51	64.51	FI	64.51	64.51	FI
SOCFINASIA S.A.	58.09	58.09	FI	58.09	58.09	FI
SOCFINCO S.A.	61.30	100.00	FI	61.30	100.00	FI
SOCFINCO FR S.A.	61.30	100.00	FI	61.30	100.00	FI
SOCFINDE S.A.	59.33	99.92	FI	59.33	99.92	FI
SODIMEX S.A.	61.30	100.00	FI	61.30	100.00	FI
SODIMEX FR S.A.	61.30	100.00	FI	61.30	100.00	FI
SOGESCOL FR S.A.	61.30	100.00	FI	61.30	100.00	FI
STP INVEST S.A.	64.51	100.00	FI	64.51	100.00	FI
TERRASIA S.A.	68.15	100.00	FI	68.15	100.00	FI

(*) Consolidation Method: FI: Fully integrated, NC: Not Consolidated
Other entities not consolidated due to their low materiality: Socficom and Soggai.

List of subsidiaries and associates

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

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

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

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

* 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 organisations, 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 organisations, 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 specialising 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 specialised 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.

* PLANTATIONS SOCFINAF GHANA "PSG" LTD is a Ghanaian company specialised 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 specialised 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-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 procurement company.

* 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 specialised 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.

SOCFIN GREEN ENERGY S.A. and SOCFIN RESEARCH S.A. have been removed from the consolidation scope in 2021, as they were subsequently liquidated.

Note 3. Goodwill

	2021	2020
	EUR	EUR
Gross amount at 1st January	***16,297,341***	***16,297,341***
Gross amount at 31st December	***16,297,341***	***16,297,341***
Impairment at 1st January	***-11,346,284***	***-11,346,284***
Impairment at 31st December	***-11,346,284***	***-11,346,284***
Net balance at 31st December	***4,951,057***	***4,951,057***

Goodwill resulted from the initial consolidation of undertakings.
Impairment test on goodwill is disclosed in Note 9.

Note 4. Leases

Right-of-use assets:

EUR	Furniture, vehicles and other	Buildings	Land and concession of agricultural area	TOTAL
Gross value at 1st January 2020	***5,265,875***	***4,493,638***	***8,869,920***	***18,629,433***
Additions of the year	2,639,259	0	479,135	**3,118,394**
Disposals of the year	0	-288,649	-882,807	**-1,171,456**
Reclassification to other categories	***0***	0	136,505	**136,505**
Foreign exchange differences	-541,783	-26,059	-308,243	**-876,085**
Gross value at 31st December 2020	***7,363,351***	***4,178,930***	***8,294,510***	***19,836,791***
Accumulated depreciation at 1st January 2020	***-3,580,252***	***-1,492,415***	***-2,622,294***	***-7,694,961***
Depreciation of the year	-1,516,247	-298,731	-243,201	**-2,058,179**
Depreciation reversals	0	127,258	246,164	**373,422**
Foreign exchange differences	402,398	9,855	97,682	**509,935**
Accumulated depreciation at 31st December 2020	***-4,694,101***	***-1,654,033***	***-2,521,649***	***-8,869,783***
Net book value at 31st December 2020	**2,669,250**	**2,524,897**	**5,772,861**	**10,967,008**
Gross value at 1st January 2021	***7,363,351***	***4,178,930***	***8,294,510***	***19,836,791***
Additions of the year	1,018,008	244,690	197,754	**1,460,452**
Foreign exchange differences	8,302	23,118	206,363	**237,783**
Gross value at 31st December 2021	***8,389,661***	***4,446,738***	***8,698,627***	***21,535,026***
Accumulated depreciation at 1st January 2021	***-4,694,101***	***-1,654,033***	***-2,521,649***	***-8,869,783***
Depreciation of the year	-1,500,098	-286,073	-244,045	**-2,030,216**
Foreign exchange differences	-8,124	-50,087	-71,306	**-129,517**
Accumulated depreciation at 31st December 2021	***-6,202,323***	***-1,990,193***	***-2,837,000***	***-11,029,516***
Net book value at 31st December 2021	**2,187,338**	**2,456,545**	**5,861,627**	**10,505,510**

Lease liabilities

	2021	2020
	EUR	EUR
Long-term lease liabilities	10,977,779	11,081,167
Short-term lease liabilities	1,401,018	1,623,082
Total	***12,378,797***	***12,704,249***

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

	2021	2020
	EUR	EUR
Depreciation of right-of-use assets	2,030,216	2,058,179
Expenses related to short term leases and leases of low-value assets	2,198,658	1,261,396
Interest expense (included in the financial expenses)	1,062,744	1,065,813
Total	***5,291,618***	***4,385,388***

Information relating to leases where the Group is the lessor is provided in Note 10.

Agricultural concessions

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	2013/2014	50 years	18,473 ha	(1)
LIBERIAN AGRICULTURAL COMPANY "LAC"	1959	77 years	121,407 ha	
SALALA RUBBER CORPORATION "SRC"	1960	70 years	8,000 ha	(3)
SOGB S.A.	1995	99 years	34,712 ha	
PLANTATIONS SOCFINAF GHANA "PSG"	2013/2016	50 years	18,303 ha	
OKOMU OIL PALM COMPANY PLC	1986/2001/2013	92 to 99 years	33,113 ha	
SOCAPALM S.A.	2000	60 years	58,063 ha	
SAFACAM S.A.	2019	3 years	2,161 ha	(4)
AGRIPALMA LDA	2009	25 years	4,252 ha	(2)(5)
BRABANTA S.A.	2015/2018/2019	25 years	8,689 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	1995/2015/2019	25 to 35 years	47,643 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
(4) Safacam S.A. owns 15,529 ha
(5) Agripalma LDA owns 665 ha

Note 5. Intangible assets

EUR	Concessions and patents	Softwares	Other intangible assets	TOTAL
Cost at 1st January 2020	*2,446,788*	*3,373,831*	*2,322,142*	*8,142,761*
Additions	0	26,952	139,009	**165,961**
Disposals	-8,182	-7,339	-993,999	**-1,009,520**
Reclassifications to other asset classes	0	0	-78,325	**-78,325**
Foreign exchange differences	-289,769	-189,089	-19,350	**-498,208**
Cost at 31st December 2020	*2,148,837*	*3,204,355*	*1,369,477*	*6,722,669*
Accumulated depreciation at 1st January 2020	*-262,321*	*-1,918,713*	*-1,927,315*	*-4,108,349*
Depreciation	-45,999	-93,593	25,660	**-113,932**
Depreciation reversals	8,182	7,263	592,472	**607,917**
Reclassifications to other asset classes	0	0	17,395	**17,395**
Foreign exchange differences	30,754	141,486	19,356	**191,596**
Accumulated depreciation at 31st December 2020	*-269,384*	*-1,863,557*	*-1,272,432*	*-3,405,373*
Net book value at 31st December 2020	*1,879,453*	*1,340,798*	*97,045*	*3,317,296*
Cost at 1st January 2021	*2,148,837*	*3,204,355*	*1,369,477*	*6,722,669*
Additions	545,053	115,697	8,152	**668,902**
Disposals	-421	-24,514	-6,670	**-31,605**
Reclassifications to other asset classes	0	-187	0	**-187**
Foreign exchange differences	111,205	131,571	-177	**242,599**
Cost at 31st December 2021	*2,804,674*	*3,426,922*	*1,370,782*	*7,602,378*
Accumulated depreciation at 1st January 2021	*-269,384*	*-1,863,557*	*-1,272,432*	*-3,405,373*
Depreciation	-56,912	-303,291	-414,008	**-774,211**
Depreciation reversals	397	13,295	6,700	**20,392**
Reclassifications to other asset classes	0	187	0	**187**
Scope changes	0	0	380,273	**380,273**
Foreign exchange differences	-12,651	-105,428	177	**-117,902**
Accumulated depreciation at 31st December 2021	*-338,550*	*-2,258,794*	*-1,299,290*	*-3,896,634*
Net book value at 31st December 2021	*2,466,124*	*1,168,128*	*71,492*	*3,705,744*

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 2020	***16,539,539***	***298,292,773***	***191,388,179***	***226,981,268***	***19,114,404***	***876,771***	***753,192,934***
Additions (*)	1,342,832	9,501,914	11,873,132	6,877,610	23,941,272	175,950	**53,712,710**
Disposals	-163,688	-1,833,639	-6,806,749	-6,560,984	0	-341,935	**-15,706,995**
Reclassifications to other asset classes	-2,363,493	5,022,226	-189,589	7,847,458	-13,163,680	-28,640	**-2,875,718**
Foreign exchange differences	-2,040,959	-19,061,984	-17,445,948	-9,031,765	-3,052,169	-62,437	**-50,695,262**
Cost at 31st December 2020	***13,314,231***	***291,921,290***	***178,819,025***	***226,113,587***	***26,839,827***	***619,709***	***737,627,669***
Accumulated depreciation at 1st January 2020	***-1,310,949***	***-159,384,388***	***-113,088,269***	***-162,306,635***	***0***	***0***	***-436,090,241***
Depreciation	-15,278	-13,388,717	-9,918,238	-14,605,950	0	0	**-37,928,183**
Depreciation reversals	135,990	1,292,720	6,073,210	6,228,054	0	0	**13,729,974**
Reclassifications to other asset classes	0	0	2,227,092	-1,851,373	0	0	**375,719**
Foreign exchange differences	7,105	8,699,191	8,959,901	7,052,056	0	0	**24,718,253**
Accumulated depreciation at 31st December 2020	***-1,183,132***	***-162,781,194***	***-105,746,304***	***-165,483,848***	***0***	***0***	***-435,194,478***
Accumulated impairment at 1st January 2020	***0***	***0***	***0***	***-4,465,511***	***0***	***0***	***-4,465,511***
Impairment (**)	0	0	0	-873,022	0	0	***-873,022***
Accumulated impairment at 31st December 2020	***0***	***0***	***0***	***-5,338,533***	***0***	***0***	***-5,338,533***
Net book value at 31st December 2020	***12,131,099***	***129,140,096***	***73,072,721***	***55,291,206***	***26,839,827***	***619,709***	***297,094,658***
Cost at 1st January 2021	***13,314,231***	***291,921,290***	***178,819,025***	***226,113,587***	***26,839,827***	***619,709***	***737,627,669***
Additions (*)	1,587,433	7,749,688	24,107,099	11,596,992	9,760,923	91,363	**54,893,498**
Disposals	-24,592	-314,696	-866,410	-4,947,258	0	0	**-6,152,956**
Reclassifications to other asset classes	-2,096,502	14,077,448	4,630,072	2,167,189	-19,430,684	-60,031	**-712,508**
Foreign exchange differences	379,901	10,379,533	6,270,146	2,941,732	621,760	11,302	**20,604,374**
Cost at 31st December 2021	***13,160,471***	***323,813,263***	***212,959,932***	***237,872,242***	***17,791,826***	***662,343***	***806,260,077***
Accumulated depreciation at 1st January 2021	***-1,183,132***	***-162,781,194***	***-105,746,304***	***-165,483,848***	***0***	***0***	***-435,194,478***
Depreciation	-23,629	-11,773,048	-9,870,892	-16,401,901	0	0	**-38,069,470**
Depreciation reversals	10,437	715,773	840,778	4,407,507	0	0	**5,974,495**
Reclassifications to other asset classes	2,470	-191,384	2,768	-259,335	0	0	**-445,481**
Foreign exchange differences	-2,944	-5,300,500	-3,906,362	-2,519,835	0	0	**-11,729,641**
Accumulated depreciation at 31st December 2021	***-1,196,798***	***-179,330,353***	***-118,680,012***	***-180,257,412***	***0***	***0***	***-479,464,575***
Accumulated impairment at 1st January 2021	***0***	***0***	***0***	***-5,338,533***	***0***	***0***	***-5,338,533***
Impairment (**)	0	0	-1,728,058	-182,271	0	0	**-1,910,329**
Impairment reversal	0	0	0	3,133,349	0	0	***3,133,349***
Accumulated impairment at 31st December 2021	***0***	***0***	***-1,728,058***	***-2,387,455***	***0***	***0***	***-4,115,513***
Net book value at 31st December 2021	***11,963,673***	***144,482,910***	***92,551,862***	***55,227,375***	***17,791,826***	***662,343***	***322,679,989***

(*) Additions for the period include capitalised costs (see note 33 for details on additions for the period).

(**) Impairment test on property, plant and equipment is disclosed in Note 9.

On 31st December 2021, the Group has technical installations and professional equipment pledged as guarantees for borrowings of the Group for an amount of EUR 11 million (2020: EUR 15 million). Details of these guarantees are provided in Note 32.

The accounting policies adopted for Property, plant and equipment are detailed under Notes 1 and 9.

Note 7. Biological assets

	Palm		Rubber		Others	TOTAL
EUR	Mature	Immature	Mature	Immature		
Cost at 1st January 2020	*431,535,368*	*28,598,604*	*209,301,430*	*105,229,459*	*14,348*	*774,679,209*
Additions (*)	210,174	12,727,398	81,726	10,483,544	0	**23,502,842**
Disposals	-4,065,662	-11,322	-2,175,947	-558,531	-7,217	**-6,818,679**
Reclassifications to other asset classes	19,410,380	-17,340,500	8,908,400	-8,614,787	0	**2,363,493**
Foreign exchange differences	-36,445,352	-2,742,346	-12,147,752	-8,146,838	0	**-59,482,288**
Cost at 31st December 2020	*410,644,908*	*21,231,834*	*203,967,857*	*98,392,847*	*7,131*	*734,244,577*
Accumulated depreciation at 1st January 2020	*-124,260,984*	*0*	*-66,526,840*	*0*	*-10,209*	*-190,798,033*
Depreciation	-17,669,742	0	-9,110,797	0	-56	**-26,780,595**
Depreciation reversals	3,879,910	0	1,686,359	0	7,217	**5,573,486**
Foreign exchange differences	6,113,352	0	3,825,810	0	0	**9,939,162**
Accumulated depreciation at 31st December 2020	*-131,937,464*	*0*	*-70,125,468*	*0*	*-3,048*	*-202,065,980*
Accumulated impairment at 1st January 2020	*-24,302,445*	*-127,949*	*-19,653,198*	*-20,255,646*	*0*	*-64,339,238*
Impairment (**)	-271,036	0	-509,870	-6,211,313	0	**-6,992,219**
Reclassifications to other asset classes	-113,583	113,583	3,559,524	-3,559,524	0	**0**
Foreign exchange differences	3,592,276	14,366	1,095,990	2,021,586	0	**6,724,218**
Accumulated impairment at 31st December 2020	*-21,094,788*	*0*	*-15,507,554*	*-28,004,897*	*0*	*-64,607,239*
Net book value at 31st December 2020	*257,612,656*	*21,231,834*	*118,334,835*	*70,387,950*	*4,083*	*467,571,358*
Cost at 1st January 2021	*410,644,908*	*21,231,834*	*203,967,857*	*98,392,847*	*7,131*	*734,244,577*
Additions (*)	0	7,643,113	0	11,031,067	0	**18,674,180**
Disposals	-1,272,107	-528,813	-2,929,787	-803,228	0	**-5,533,935**
Reclassifications to other asset classes	10,558,817	-9,430,939	41,385,694	-41,246,637	0	**1,266,935**
Foreign exchange differences	14,573,822	1,005,994	9,651,895	4,114,786	0	**29,346,497**
Cost at 31st December 2021	*434,505,440*	*19,921,189*	*252,075,659*	*71,488,835*	*7,131*	*777,998,254*
Accumulated depreciation at 1st January 2021	*-131,937,464*	*0*	*-70,125,468*	*0*	*-3,048*	*-202,065,980*
Depreciation	-17,692,741	0	-6,584,164	0	-56	**-24,276,961**
Depreciation reversals	923,055	0	3,133,119	0	0	**4,056,174**
Reclassifications to other asset classes	-1,661,531	0	0	0	0	**-1,661,531**
Foreign exchange differences	-3,472,603	0	-2,488,179	0	0	**-5,960,782**
Accumulated depreciation at 31st December 2021	*-153,841,284*	*0*	*-76,064,692*	*0*	*-3,104*	*-229,909,080*
Accumulated impairment at 1st January 2021	*-21,094,788*	*0*	*-15,507,554*	*-28,004,897*	*0*	*-64,607,239*
Impairment (**)	-6,090,512	0	-201,978	0	0	**-6,292,490**
Impairment reversal	5,434,846	0	0	143,516	0	**5,578,362**
Reclassifications to other asset classes	0	0	-19,693,964	19,693,964	0	**0**
Foreign exchange differences	-1,078,241	0	-1,728,805	-1,104,096	0	**-3,911,142**
Accumulated impairment at 31st December 2021	*-22,828,695*	*0*	*-37,132,301*	*-9,271,513*	*0*	*-69,232,509*
Net book value at 31st December 2021	*257,835,461*	*19,921,189*	*138,878,666*	*62,217,322*	*4,027*	*478,856,665*

(*) Additions for the period include capitalised costs (see note 33 for details on additions for the period).
(**) Impairment test on biological assets is disclosed in Note 9.

On 31st December 2021, the Group has biological assets pledged as guarantees for borrowings of the Group for an amount of EUR 13 million (2020: EUR 21 million). Details of these guarantees are provided in Note 32.

Accounting policy regarding current biological assets is disclosed in note 1.13.

Note 8. Depreciation and impairment

	2021 EUR	2020 EUR
Depreciation		
Of intangible assets (Note 5)	393,938	113,932
Of property, plant and equipment excluding biological assets (Note 6)	38,069,470	37,928,183
Of biological assets (Note 7)	24,276,961	26,780,595
Of investment properties (Note 10)	235,077	167,295
Of right-of-use assets (Note 4)	2,030,216	2,058,179
Impairment		
Of property, plant and equipment excluding biological assets (Note 6)	-1,223,020	873,022
Of biological assets (Note 7)	714,128	6,992,219
Total at 31st December	***64,496,770***	***74,913,425***

Note 9. 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

At each reporting 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.
If such indication exists, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

At 31st December 2021, an impairment loss of EUR 1.9 million was recognised (2020: EUR 0.9 million) and an impairment reversal for 3.1 million was recognised on Property, plant and equipment (2020: EUR nil).

Bearer biological assets

At 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 indicator.

At 31st December 2021, the decrease in prices does not exceed 15% of the average price over the past 5 years for the Rubber and 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 indicator.

Based on these criteria, for the Rubber segment, the rise in prices observed during the financial year 2021 does not exceed 15% of the average prices over the past 5 years. For the Palm segment, the review of global and local prices do not indicate any impairment indicator.

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.

The review of impairment indicators led the Group to conclude that a sign of impairment exists for Agripalma.

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 Cash Generating Units (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 Group considers the political and country specfiic risk factors while reviewing business evolution. Therefore, companies are grouped within the CGU country.

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.

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 realised 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 considered.

Based on the existence of an impairment indication and following subsequent impairment tests, impairment losses of EUR 6.1 million for Agripalma and EUR 0.2 million for Coviphama have been accounted for in 2021 (Notes 6 and 7), and an impairment reversal of EUR 5.2 million for PSG has been accounted for in 2021.

As of 31st December 2021, accumulated impairment losses in the palm business segment amounted to EUR 9.4 million for Brabanta, EUR 9.2 million for Agripalma and EUR 4.3 million for Socfin Agricultural Company. For the Rubber segment, the accumulated impairment losses are EUR 28.9 million for SRC, EUR 8.6 million for Safacam, EUR 5.7 million for Coviphama, EUR 1.9 million for PSG and 1.2 million for Socfin KCD (Note 7).

Note 10. Investment properties

	EUR
Cost at 1st January 2020	***9,853,047***
Additions	3,555
Cost at 31st December 2020	***9,856,602***
Accumulated depreciation at 1st January 2020	***-5,629,952***
Depreciation	-167,295
Accumulated depreciation at 31st December 2020	***-5,797,247***
Net book value at 31st December 2020	***4,059,355***
Cost at 1st January 2021	***9,856,602***
Additions	36,504
Cost at 31st December 2021	***9,893,106***
Accumulated depreciation at 1st January 2021	***-5,797,247***
Depreciation	-273,940
Depreciation reversals	38,863
Accumulated depreciation at 31st December 2021	***-6,032,324***
Net book value at 31st December 2021	***3,860,782***

The leases are in the form of a 9-year renewable lease. Premises rented of the Champ de Mars building generated rental income of EUR 0.5 million (2020: EUR 0.5 million). The direct operating expenses incurred by this property amounted to EUR 0.3 million (2020: EUR 0.3 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 in December 2006. This value was used as deemed cost under IFRS1 (first-time application).

As of 31st December 2020, the fair value of the Ground floor, as well as the 1st and 4th floors of the building amounts, has been estimated by an independent assessor to EUR 4.2 million.

Note 11. Non-wholly owned subsidiaries in which non-controlling interests are significant

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

Subsidiary	*Main location*	*Percentage of equity shares of non-controlling interest*		*Percentage of voting rights of non-controlling interests*	
		2021	2020	2021	2020
Production of palm oil and rubber					
SOGB S.A.	Ivory Coast	58.91%	58.91%	26.84%	26.84%
OKOMU OIL PALM COMPANY PLC	Nigeria	57.92%	57.92%	34.77%	34.77%
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN “SAFACAM” S.A.	Cameroon	55.45%	55.45%	30.95%	30.95%
SOCIETE CAMEROUNAISE DE PALMERAIES “SOCAPALM” S.A.	Cameroon	56.48%	56.48%	32.54%	32.54%
PT SOCFIN INDONESIA “SOCFINDO”	Indonesia	47.72%	47.72%	10.00%	10.00%
Production of rubber					
LIBERIAN AGRICULTURAL COMPANY “LAC”	Liberia	35.49%	35.49%	0.00%	0.00%
Investment portfolio management					
SOCFINASIA S.A.	Luxembourg	41.91%	41.91%	41.91%	41.91%
SOCFINAF S.A.	Luxembourg	35.49%	35.49%	35.49%	35.49%

Subsidiary	*Net income attributed to non-controlling interests in the subsidiary during the financial period*		*Accumulated non-controlling interests in the subsidiary*	
	2021	2020	2021	2020
	EUR	*EUR*	*EUR*	*EUR*
SOGB S.A.	13,862,660	6,566,980	60,992,515	52,582,568
OKOMU OIL PALM COMPANY PLC	17,944,616	10,991,337	54,513,137	43,999,962
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN “SAFACAM” S.A.	2,599,692	-163,831	25,361,064	23,641,489
SOCIETE CAMEROUNAISE DE PALMERAIES “SOCAPALM” S.A.	12,653,924	10,289,683	54,565,923	57,043,361
PT SOCFIN INDONESIA “SOCFINDO”	28,637,531	14,923,085	27,904,720	24,096,671
LIBERIAN AGRICULTURAL COMPANY “LAC”	2,079,176	-310,025	11,681,836	8,675,899
SOCFINASIA S.A.	1,986,846	-1,527,405	67,898,023	53,912,393
SOCFINAF S.A.	-6,210,608	-7,384,833	23,575,883	15,539,267
Subsidiaries that hold non-controlling interests that are not significant individually			30,161,006	11,431,676
Non-controlling interests			***356,654,107***	***290,923,286***

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

Subsidiary	*Current assets*	*Non-current assets*	*Current liabilities*	*Non-current liabilities*
2020	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	40,020,783	100,326,199	39,002,709	13,681,716
OKOMU OIL PALM COMPANY PLC	33,642,117	83,538,525	12,854,812	30,080,524
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A.	9,988,293	35,298,471	10,601,283	4,763,103
SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A.	34,148,638	112,062,872	28,625,313	3,099,446
PT SOCFIN INDONESIA "SOCFINDO"	28,637,540	85,874,710	28,628,385	35,114,903
LIBERIAN AGRICULTURAL COMPANY "LAC"	14,951,857	68,235,985	14,363,246	26,125,905
SOCFINASIA S.A.	110,955,167	316,012,891	4,126,309	0
SOCFINAF S.A.	4,579,869	549,824,639	175,820,665	90,000,000
2021	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	47,069,842	100,818,900	36,697,511	10,223,275
OKOMU OIL PALM COMPANY PLC	33,527,881	106,235,499	16,119,871	39,330,460
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A.	14,000,204	34,504,233	10,924,741	5,404,975
SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A.	26,800,996	109,893,878	25,202,975	3,069,977
PT SOCFIN INDONESIA "SOCFINDO"	48,455,059	91,150,642	37,997,748	36,912,343
LIBERIAN AGRICULTURAL COMPANY "LAC"	17,920,859	75,090,781	14,696,615	27,864,293
SOCFINASIA S.A.	41,424,023	410,964,167	5,117,423	0
SOCFINAF S.A.	29,901,483	504,633,199	53,964,692	186,463,935

Subsidiary	*Revenue from ordinary activities*	*Net income for the year*	*Comprehensive income for the year*	*Dividends paid to non-controlling interests*
2020	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	101,349,845	11,666,285	11,666,285	1,237,431
OKOMU OIL PALM COMPANY PLC	57,308,888	18,084,173	18,084,173	1,728,013
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN “SAFACAM” S.A.	25,489,988	1,036,538	1,036,538	307,960
SOCIETE CAMEROUNAISE DE PALMERAIES “SOCAPALM” S.A.	108,244,754	17,958,810	17,958,810	5,595,101
PT SOCFIN INDONESIA “SOCFINDO”	121,354,132	36,586,206	36,586,206	3,714,377
LIBERIAN AGRICULTURAL COMPANY “LAC”	29,475,396	-840,853	-840,853	0
SOCFINASIA S.A.	0	32,404,338	32,404,338	6,597,370
SOCFINAF S.A.	0	6,336,083	6,336,083	0

2021	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	126,645,632	22,453,119	22,453,119	2,455,221
OKOMU OIL PALM COMPANY PLC	79,363,158	23,976,881	23,976,881	5,234,727
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN “SAFACAM” S.A.	32,790,020	3,778,438	3,778,438	33
SOCIETE CAMEROUNAISE DE PALMERAIES “SOCAPALM” S.A.	114,731,158	20,617,398	20,617,398	8,682,053
PT SOCFIN INDONESIA “SOCFINDO”	160,251,333	64,841,457	64,841,457	5,499,223
LIBERIAN AGRICULTURAL COMPANY “LAC”	36,783,462	4,018,160	4,018,160	0
SOCFINASIA S.A.	0	44,023,278	44,023,278	7,390,739
SOCFINAF S.A.	0	5,522,213	5,522,213	0

Subsidiary	Net cash inflows (outflows) Operating activities	Investing activities	Financing activities	Net cash inflows (outflows)
2020	EUR	EUR	EUR	EUR
SOGB S.A.	18,235,177	-8,094,546	-2,391,963	7,748,668
OKOMU OIL PALM COMPANY PLC	25,629,989	-22,258,792	1,220,468	4,591,664
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A.	3,582,099	-2,172,371	-4,103,183	-2,693,455
SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A.	28,811,509	-12,241,939	-21,591,795	-5,022,225
PT SOCFIN INDONESIA "SOCFINDO"	56,649,530	-11,101,593	-37,143,768	8,404,169
LIBERIAN AGRICULTURAL COMPANY "LAC"	2,246,443	-3,530,282	1,562,183	278,343
SOCFINASIA S.A.	12,987,158	0	-17,417,102	-4,429,944
SOCFINAF S.A.	6,227,728	-5,398,367	195,465	1,024,826
2021	EUR	EUR	EUR	EUR
SOGB S.A.	14,435,766	-9,570,729	-12,136,117	-7,271,080
OKOMU OIL PALM COMPANY PLC	49,550,771	-28,715,135	-10,902,826	9,932,810
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A.	2,315,684	-2,647,396	337,688	5,976
SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A.	30,591,306	-9,720,446	-30,342,263	-9,471,402
PT SOCFIN INDONESIA "SOCFINDO"	71,784,807	-9,573,215	-54,992,234	7,219,358
LIBERIAN AGRICULTURAL COMPANY "LAC"	5,539,703	-3,957,347	-1,826,500	-244,144
SOCFINASIA S.A.	41,877,748	4,456,133	-19,251,988	27,081,893
SOCFINAF S.A.	-1,381,090	32,619,156	-21,502,408	9,735,658

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 12. Financial assets at fair value through other comprehensive income

	2021	2020
	EUR	EUR
Fair value at 1st January	***847,018***	***896,015***
Change in fair value (*)	-36,378	-48,997
Disposals	-95,062	0
Fair value at 31st December	***715,578***	***847,018***

(*) The variation in the fair value of the financial assets is accounted under the Other Comprehensive Income.

EUR	Cost (historical)		Fair value	
	2021	2020	2021	2020
Financial assets at fair value through other comprehensive income	600,118	695,180	715,578	847,018

Note 13. Deferred taxes

**** Components of deferred tax assets and liabilities***

	2021	2020
	EUR	*EUR*
IAS 2 / IAS 41: Agricultural production	-3,299,090	-617,092
IAS 12: Tax credits	-221,701	-3,230,043
IAS 16: Property, plant and equipment	-7,100,792	-5,530,594
IAS 19: Pension obligations	10,443,059	10,231,453
IAS 21: Translation differences	-68,147	14,909
IAS 37: Provisions for risks and charges	-27,097	-144,528
IAS 38: Formation expenses	513,557	994,428
IAS 38: Research costs	832,888	891,311
IFRS 9: Financial assets measured at fair value through other comprehensive income	-74,277	-53,958
IFRS 9: Forward exchange contract	141,681	-84,846
IFRS 16: Leases	583,960	562,394
IAS 23: Capitalised interests	335,675	0
IFRS 3: Fair value of investment property	-15,614	-14,384
Others	***448,853***	***229,336***
Balance at 31st December (*)	***2,492,955***	***3,248,386***
Of which deferred tax assets	19,434,382	14,640,683
Of which deferred tax liabilities	-16,941,425	-11,392,299

(*) The above deferred taxes are presented per category of deferred taxes resulting from consolidated adjustments. They are calculated company per company and the net position between deferred tax liabilities and deferred tax assets is presented.

**** 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 credits.

Brabanta, SRC, Socfin KCD, Agripalma, Camseeds, Immobilière de la Pépinière and Coviphama have unused tax losses which recoverability is uncertain of EUR 20.7 million, EUR 17.8 million, EUR 7.9 million, EUR 5.4 million, EUR 3.0 million, EUR 2.6 million and EUR 1.1 million respectively at 31st December 2021.

Socfinaf has unused tax losses of EUR 125.9 million, PNS Ltd of EUR 14.1 million and Socfin of EUR 10.2 million.

Note 14. Current tax assets and liabilities

* Components of current tax assets

	2021	2020
	EUR	EUR
Current tax assets at 1st January	***14,317,805***	***13,014,084***
Tax income	314,436	1,111,085
Other taxes	-1,986,417	2,190,815
Taxes paid or recovered	2,082,439	-198,055
Tax adjustments	134,416	-783,725
Foreign exchange differences	429,292	-1,016,399
Current tax assets at 31st December	***15,291,971***	***14,317,805***

* Components of current tax liabilities

	2021	2020
	EUR	EUR
Current tax liabilities at 1st January	***32,208,682***	***22,182,525***
Tax expense	55,230,723	41,192,925
Other taxes (*)	37,523,894	25,994,668
Taxes paid or recovered	-71,033,459	-55,587,986
Tax adjustments	-6,388,250	-291,363
Foreign exchange differences	786,874	-1,282,086
Current tax liabilities at 31st December	***48,328,464***	***32,208,682***

(*) Other taxes are composed of taxes not enclosed in general tax expenses: VAT, witholding tax, custom tax, …

Note 15. Income tax expense

* Components of the income tax

	2021	2020 Restated
	EUR	EUR
Current income tax expense (*)	53,538,854	36,572,117
Deferred tax expense / (income)	840,121	-1,591,001
Tax expense at 31st December	*54,378,975*	*34,981,116*

(*) Withholding tax on dividends is presented within income tax expense. In 2020, a withholding tax amounting EUR 3.8 million was misclassified within the caption «Other operating expenses». For better comparison with prior year, a correction has been applied on the 2020 financial year comparative figures.

* Components of the deferred tax expense / (income)

	2021	2020 Restated
	EUR	EUR
IAS 12: Deferred taxes	-2,128,714	3,153,377
IAS 19: Pension obligations	-210,557	2,035,193
IAS 38: Intangible assets	599,504	119,300
IAS 2 / IAS 41: Fair value of agricultural produce	1,851,884	-2,148,126
IFRS 9: Forward exchange contracts	-175,964	2,432
IFRS 3: Fair valuation of buildings	0	-92,662
IAS 16: Tangible assets	1,470,442	-3,401,427
IFRS 16: Leases	-15,667	134,011
IAS 37: Provisions for risks and charges	-117,893	-1,372,655
IAS 21: Foreign exchange differences	81,915	-76,027
IAS 23: Capitalised interests	-344,950	0
Others	-169,879	55,583
Deferred tax expense / (income) at 31st December	*840,121*	*-1,591,001*

*** Reconciliation of income tax expense**

	2021	2020 Restated
	EUR	EUR
Profit before tax from continuing operations	***220,921,900***	***64,292,658***
Nominal tax rate of the parent company	24.94%	24.94%
Nominal tax rate of subsidiaries	from 1% to 33%	from 14% to 38.5%
Income tax at nominal tax rates of subsidiaries	48,036,580	19,388,556
Unfunded taxes	1,359	1,248,410
Definitively taxed income	2,063,933	206,499
Use of capital allowances	-11,285,390	-8,363,570
Specific tax regimes in foreign countries	20,696,496	9,441,194
Non-taxable income	-6,428,348	-1,287,427
Non-deductible expenses	6,932,239	7,227,816
Use of accumulated tax losses	-13,417,994	0
Losses carried forward	6,356,042	7,845,638
Other tax benefits	-91,063	-291,178
Additional tax assessment	23,775	183,066
Impact of change in tax rate	1,493,435	-618,025
Other adjustments	-2,089	137
Tax expense at 31st December	***54,378,975***	***34,981,116***

*** Change of rate for the subsidiaries**

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

In 2020, the income tax rate for Swiss entities has increased from 9.2% to 14.06% for Socfin Green Energy, Socfin Research, Socfinco FR, Sogescol FR and Sodimex FR and decreased from 19.86% to 14.06% for Induservices FR.

In 2020, the income tax rate for Belgian entities has dropped from 29.58% to 25%.

Since 2021, companies listed in Cameroon are eligible for a reduced tax rate of 27.5%.

In 2021, the income tax rate for Socfindo has dropped from 25% to 22%. As from 2022, the income tax rate for Socfindo will drop from 22% to 20%, this rate has been used in the computation of the deferred taxes as of 31st December 2021.

*** Tax adjustments**

In 2021, the Liberian tax authorities conducted a tax audit for the years 2013 to 2018. Following this audit, the tax authorities confirmed a loss carried forward of USD 7.6 million. As LAC registered a net profit as of 2021 year-end, and there are indicators that remaining losses carried forward will be used over the next years. Thus the remaining losses carried forward at 2021 year-end have been recognised as deferred tax assets.

Note 16. Inventories

*** Carrying value of inventories by category**

	2021	2020
	EUR	EUR
Raw materials	28,158,214	21,696,351
Consumables	21,817,225	18,814,147
Spare parts	28,075,902	26,929,320
Production in progress	1,873,597	3,075,099
Finished products	37,191,567	30,238,452
Down-payments and orders in progress	2,037,012	5,269,275
Gross amount (before impairment) at 31st December	***119,153,517***	***106,022,644***
Inventory write-downs	-4,647,661	-3,686,492
Net amount at 31st December	***114,505,856***	***102,336,152***

*** Reconciliation of inventories**

	2021	2020
	EUR	EUR
Situation at 1st January	***106,022,644***	***108,101,145***
Change in inventory	6,821,365	13,560,200
Fair value of agricultural products	3,227,540	-7,798,959
Foreign exchange differences	3,081,968	-7,839,742
Gross amount (before impairment) at 31st December	**119,153,517**	**106,022,644**
Inventory write-downs	-4,647,661	-3,686,492
Net amount at 31st December	***114,505,856***	***102,336,152***

*** Quantity of inventory by category**

2020	Raw materials	Production-in-progress	Finished goods
Palm oil (tons)	1,374	0	15,869
Rubber (tons)	29,043	0	20,661
Others (units)	0	11,004,801	1,275,571

2021	Raw materials	Production-in-progress	Finished goods
Palm oil (tons)	1,346	0	43,454
Rubber (tons)	31,684	0	16,530
Others (units)	0	4,737,950	2,909,556

Note 17. Trade receivables (current assets)

	2021	2020
	EUR	*EUR*
Trade receivables	37,632,950	18,922,729
Advances and prepayments	4,449,841	15,159,084
Total at 31st December	***42,082,791***	***34,081,813***

In 2020, advances and prepayments mainly included a down-payment for the construction of an oil mill at Okomu's plantation, amounting to EUR 12 million.

Note 18. Other receivables (current assets)

	2021	2020
	EUR	*EUR*
Social security	1,259,723	1,238,716
Other receivables (*)	6,822,949	10,090,528
Accrued charges	2,155,468	3,013,217
At 31st December	***10,238,140***	***14,342,461***

(*) Other receivables include receivables linked to non-operational activities

The accounting principles applied and the risk management for other receivables are detailed under Notes 1 and 34.

Note 19. Cash and cash equivalents

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

	2021	2020
	EUR	*EUR*
Current account	144,315,004	58,213,617
Financial instruments	-999,569	697,836
Balance at 31st December	***143,315,435***	***58,911,453***

***Reconciliation with the cash flow statement**

	2021	2020
	EUR	*EUR*
Current account	144,315,004	58,213,617
Bank overdrafts (*)	-7,029,326	-4,058,321
Balance at 31st December	***137,285,678***	***54,155,296***

(*) See also Note 23.

Note 20. Share capital and share premium

Issued and fully paid capital amounted to EUR 24.8 million as of 31st December 2021 (No change compared to 2020). There is a share premium of EUR 0.5 million added to the issued capital.

In accordance with the law of 28th July 2014 on the cancellation of bearer shares, 80,280 shares have been cancelled, as the holders of these shares have not registered with a depositary as required by law.

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

At 31st December 2021, the Company's share capital is represented by 14,159,720 shares.

Ordinary shares	*2021*	*21*
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 21. Legal reserve

In accordance with Luxembourg commercial law, the company is required to allocate a minimum of 5% of its net profit for each financial year to a legal reserve.

This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Note 22. Pension obligations

Defined benefit pension plan and post-employment sickness

The Group provides a defined benefit pension plan to its employees in its Indonesian subsidiary. 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 Africa 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.

			2021			2020
			EUR			*EUR*
	Present value of obligations	Fair value of the benefit plans	Net amount recognised	Present value of obligations	Fair value of the benefit plans	Net amount recognised
Net amount recognised in the statement of financial position for defined benefit plans	***59,869,569***	***-8,861,208***	***51,008,361***	***62,078,976***	***-11,150,694***	***50,928,282***
Components of net charge						
Current service costs	3,933,744		**3,933,744**	3,761,695		**3,761,695**
Financial costs	2,802,324	3,706	**2,806,030**	3,979,784	-2,858	**3,976,926**
Actuarial gains and losses recognised during the year		-106,422	**-106,422**		-81,539	**-81,539**
Past service costs	-737,574		**-737,574**	4,952		**4,952**
Defined benefit plan costs	***5,998,494***	***-102,716***	***5,895,778***	***7,746,431***	***-84,397***	***7,662,034***
Movements in liabilities / net assets recognised in the statement of financial position						
At 1st January	***62,078,977***	***-11,150,694***	***50,928,284***	***63,848,361***	***-9,226,715***	***54,621,646***
Costs as per income statement	5,998,494	-102,716	**5,895,778**	7,746,431	-84,397	**7,662,034**
Contributions by employer	-5,342,291	-1,459,704	**-6,801,994**	-5,470,731	-1,613,170	**-7,083,901**
Contributions by employees	987,406	-987,406	0	787,454	-787,454	0
Costs of services rendered	-5,034,135	5,034,135	0	-557,428	557,428	0
Actuarial gains and losses of the year recognised in other comprehensive income	-1,901,145	27,031	**-1,874,114**	1,171,313	40,703	**1,212,016**
Reclassification of net asset		91,967	**91,967**			
Foreign exchange differences	3,082,267	-313,808	2,768,459	-5,446,422	-37,088	-5,483,510
At 31st December	***59,869,574***	***-8,861,195***	***51,008,380***	***62,078,977***	***-11,150,694***	***50,928,284***

Provisions are based on actuarial valuation reports prepared in January 2022.

Actuarial gains and losses recognised in other comprehensive income

	2021			2020		
			EUR			*EUR*
	Present value of obligations	Fair value of the benefit plans	Net amount recognised	Present value of obligations	Fair value of the benefit plans	Net amount recognised
Adjustments of liabilities related to experience	-2,379,550		**-2,379,550**	7,518,671		**7,518,671**
Changes in financial assumptions related to recognised liabilities	4,302,011		**4,302,011**	-8,588,740	19,463	**-8,569,278**
Changes in demographic assumptions related to recognised liabilities	-21,314		**-21,314**	-101,242		**-101,242**
Return on assets in the plan		-27,031	**-27,031**		-60,166	**-60,166**
Actuarial gains and losses recognised during the period in other comprehensive income	***1,901,147***	***-27,031***	***1,874,116***	***-1,171,312***	***-40,703***	***-1,212,016***

Actuarial valuation assumptions

	2021	2020
EUROPE		
Average discount rate	0.35%	0.20%
Expected long-term returns of plan assets	0	106,422
Future salary increases	1.50%	1.50%
Average remaining active life of employees (in years)	8.83	9.3
AFRICA		
Average discount rate	from 2.63% to 12.61%	from 1 to 15.30%
Expected long-term returns of plan assets	N/A	N/A
Future salary increases	from 1.74% to 12%	from 2 to 15.66%
Average remaining active life of employees (in years)	19.50	19.60
ASIA		
Average discount rate	from 3.40% to 7.60%	6.53%
Expected long-term returns of plan assets	N/A	N/A
Future salary increases	6.50%	6.50%
Average remaining active life of employees (in years)	12.96	13.33

Sensitivity analysis of the actuarial value of defined benefit obligations

	2021	2020
	EUR	*EUR*
EUROPE		
Actuarial value of the obligation		
- Pension plan	9,189,042	12,370,070
- Fair value of plan assets	-7,147,529	-9,768,071
Total as of 31st December	***2,041,513***	***2,602,000***
Actuarial rate (on pension plan)		
Increase of 0.5%	8,637,612	11,714,153
Decrease of 0.5%	9,828,001	13,138,622
Expected future salary increases (on pension plan)		
Increase of 0.5%	9,257,387	12,470,329
Decrease of 0.5%	9,124,108	12,274,841
AFRICA		
Actuarial value of the obligation		
- Pension plan	13,768,201	14,593,998
- Fair value of plan assets	-1,713,679	-1,382,636
Total as of 31st December	**12,054,522**	**13,211,362**
Actuarial rate (on pension plan)		
Increase of 0.5%	13,316,089	14,173,364
Decrease of 0.5%	14,228,460	15,019,259
Expected future salary increases (on pension plan)		
Increase of 0.5%	14,197,217	15,070,410
Decrease of 0.5%	13,341,712	14,122,277
ASIA		
Actuarial value of the obligation		
- Pension plan	35,065,614	33,536,326
- Other long term benefits	1,846,712	1,578,583
Total as of 31st December	**36,912,326**	**35,114,910**
Actuarial rate (on pension plan)		
Increase of 0.5%	35,702,753	32,295,702
Decrease of 0.5%	38,247,974	35,038,385
Expected future salary increases (on pension plan)		
Increase of 0.5%	38,104,204	34,912,355
Decrease of 0.5%	35,777,001	32,401,453

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

Impact of the defined benefit pension plan on future cash flows

	2022	2021
Estimated contributions for the next financial year (in euros)	5,991,897	6,360,899

	2021	2020
Weighted average duration of defined benefit plan obligations (in years)		
EUROPE	5.9	5.1
AFRICA	6.7	5.8
ASIA	12.8	14.0

Defined contribution pension scheme

	2021	2020
Accounted expense for the defined contribution pension plan	2,959,855	1,045,677

Note 23. Financial debts

2020 Restated			
EUR	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions (1) (2)	49,815,810	54,042,900	**103,858,710**
Short term bank loans (4)	4,058,321	0	**4,058,321**
Other loans (5)	97,377,694	1,016,331	**98,394,025**
Lease liabilities	1,623,082	11,081,167	**12,704,249**
TOTAL	***152,874,907***	***66,140,398***	***219,015,305***

2021			
EUR	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions (2) (3)	26,009,954	125,924,854	**151,934,808**
Short term bank loans (4)	7,029,326	0	**7,029,326**
Other loans	5,394,086	0	**5,394,086**
Lease liabilities	1,401,018	10,977,780	**12,378,798**
TOTAL	***39,834,384***	***136,902,634***	***176,737,018***

(1) In 2020, this balance included a short-term revolving credit facility of EUR 30 million for which in 2019 the Group had committed to obtain within 3 years the RSPO (Roundtable on Sustainable Palm Oil) certification for all its palm plantations. The credit facility has been fully reimbursed in 2021

(2) Okomu benefits from preferential rate loans granted by two State-owned banks. As per IAS 20 Grants, it is considered as a grant and needs to be reclassified. This reclassification leads to a decrease of the loans outstanding capital and to the recognition of government grants, classified in accruals, for EUR 8.1 million. These government grants will be consumed over the duration of each loan granted to Okomu. For better comparison, 2020 financial statements have been restated accordingly, for an impact of EUR 8.0 million (reclassification from loans to accruals).

(3) In November 2021, PNS Ltd obtained a loan of USD 100 million. This loan has been agreed at a floating rate of 3-month LIBOR + 5%, and should be fully reimbursed at the latest before end of November 2026 (see also note 32). The LIBOR, when not applicable anymore, will be replaced by Secured Overnight Financing Rate (SOFR)

(4) See also Note 19

(5) The EUR 80 million bond has been fully reimbursed in 2021, a new loan has been subscribed in 2021 (see also Note 32)

Most of the consolidated borrowings are denominated in US Dollars and 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 5.50% and 6.80%. As explained in Note 34, interest rate management is the subject of ongoing management attention.

The Group is in compliance with covenants related to amounts owed to credit institutions.

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

2020 Restated					
EUR	*Fixed Rate*	*Rate*	*Floating rate*	*Rate*	*TOTAL*
Loans held by financial institutions					
Switzerland	5,739,678	1.55% to 2.65%	0	-	**5,739,678**
Ivory Coast	11,302,096	5.50% to 6.50%	0	-	**11,302,096**
Nigeria	15,147,321	5.00% to 10.00%	0	-	**15,147,321**
Liberia	2,680,222	7.60%	0	-	**2,680,222**
Cameroon	7,451,009	5.75% to 6.80%	0	-	**7,451,009**
Ghana	11,374,998	4.00%	0	-	**11,374,998**
Sao Tomé	347,576	8.00%	0	-	**347,576**
	54,042,900		***0***		***54,042,900***
Other loans					
Cameroon	1,016,331	6,00%	0	-	**1,016,331**
	1,016,331		***0***		***1,016,331***
TOTAL	***55,059,231***		***0***		***55,059,231***

2021					
EUR	*Fixed Rate*	*Rate*	*Floating rate*	*Rate*	*TOTAL*
Loans held by financial institutions					
Luxembourg	0	0	78,136,408	3-month LIBOR + 5% (*)	**78,136,408**
Switzerland	5,498,015	1.55% to 2.65%	0	-	**5,498,015**
Ivory Coast	6,940,137	5.50% to 6.50%	0	-	**6,940,137**
Nigeria	18,203,287	5.00% to 10.00%	0	-	**18,203,287**
Liberia	2,462,387	7.60%	0	-	**2,462,387**
Cameroon	6,559,619	5.75% to 6.80%	0	-	**6,559,619**
Ghana	8,125,000	4.00%	0	-	**8,125,000**
TOTAL	***47,788,445***		***78,136,408***		***125,924,853***

(*) The LIBOR should be replaced by SOFR rate prior to cessation on 3-month USD LIBOR.

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

2020 Restated	EUR	XAF	NGN	USD	STN	KHR	GHS	CDF	CHF	TOTAL EUR
Loans held by financial institutions	11,374,998	18,753,105	15,147,321	2,680,222	347,576	0	0	0	5,739,678	**54,042,900**
Other loans	0	1,016,327	0	4		0	0	0		**1,016,331**
Lease liabilities	0	6,430,155	444,378	1,071,011	309,269	394,600	46,194	36,835	2,348,725	**11,081,167**
TOTAL	***11,374,998***	***26,199,587***	***15,591,699***	***3,751,237***	***656,845***	***394,600***	***46,194***	***36,835***	***8,088,403***	***66,140,398***

2021	EUR	XAF	NGN	USD	STN	KHR	GHS	CDF	CHF	TOTAL EUR
Loans held by financial institutions	8,125,000	13,499,756	18,203,287	80,598,795	0	0	0	0	5,498,015	**125,924,853**
Lease liabilities	0	6,497,068	271,450	1,707,099	289,187	0	47,996	38,072	2,126,905	**10,977,777**
TOTAL	***8,125,000***	***19,996,824***	***18,474,737***	***82,305,894***	***289,187***	***0***	***47,996***	***38,072***	***7,624,920***	***136,902,630***

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

2020 Restated						
EUR	2022	2023	2024	2025	2026 and above	TOTAL
Loans held by financial institutions	16,772,775	14,763,773	10,294,745	3,990,547	8,221,060	**54,042,900**
Other loans	1,016,331	0	0	0	0	**1,016,331**
Lease liabilities	1,122,092	894,364	630,647	393,619	8,040,445	**11,081,167**
TOTAL	***18,911,198***	***15,658,137***	***10,925,392***	***4,384,166***	***16,261,505***	***66,140,398***

2021						
EUR	2023	2024	2025	2026	2027 and above	TOTAL
Loans held by financial institutions	35,417,051	73,334,985 (*)	6,866,072	3,669,989	6,636,756	**125,924,853**
Lease liabilities	1,182,686	837,648	461,869	421,973	8,073,603	**10,977,779**
TOTAL	***36,599,737***	***74,172,633***	***7,327,941***	***4,091,962***	***14,710,359***	***136,902,632***

(*) The reimbursement of PNS Ltd's loan can be extended to end of November 2026

* Net debt

	2021	2020 Restated
	EUR	EUR
Cash and cash equivalents	143,315,435	58,911,453
Long term debt net of current portion	-125,924,855	-55,059,231
Short term debt and current portion of long-term debt	-38,433,365	-151,251,825
Lease liabilities	-12,378,798	-12,704,249
Net debt	***-33,421,583***	***-160,103,852***
Cash and cash equivalents	143,315,435	58,911,453
Loan bearing interest at a fixed rate	-86,221,763	-176,310,926
Loan bearing interest at a variable rate	-78,136,456	-30,000,129
Lease liabilities	-12,378,798	-12,704,249
Net debt	***-33,421,582***	***-160,103,851***

* 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
At 1st January 2020	***56,069,031***	***-148,727,610***	***-84,417,308***	***-13,339,766***	***-190,415,653***
Cash Flows	7,565,321	-9,506,968	18,508,549	2,382,733	**18,949,635**
Foreign exchange differences	-4,722,899	6,081,175	649,089	412,152	**2,419,517**
Transfers	0	97,094,173	-85,992,155	0	**11,102,019**
Other movements with no impact on cash flows	0	0	0	-2,159,375	**-2,159,375**
At 31st December 2020 (*)	***58,911,454***	***-55,059,230***	***-151,251,826***	***-12,704,255***	***-160,103,857***
Cash Flows	81,898,296	-91,241,325	140,332,354	1,883,384	**132,872,709**
Foreign exchange differences	2,889,122	-4,048,159	-804,852	-133,213	**-2,097,102**
Transfers	-215,853	24,423,859	-26,709,044	0	**-2,501,038**
Scope changes	-167,583	0	0	0	**-167,583**
Other movements with no impact on cash flows	0	0	0	-1,424,723	**-1,424,723**
At 31st December 2021	***143,315,436***	***-125,924,854***	***-38,433,365***	***-12,378,807***	***-33,421,590***

(*) Restated

Note 24. Trade and other payables

	2021	2020 Restated
	EUR	*EUR*
Trade Creditors: Suppliers	32,170,208	31,180,768
Advances received and invoices to be received	12,798,383	12,084,546
Staff cost liabilities	6,727,199	6,194,607
Other payables (*)	61,913,522	62,378,921
Accruals (**)	33,468,689	29,098,310
Balance at 31st December	***147,078,001***	***140,937,152***
Non-current liabilities	7,401,156	7,685,924
Current liabilities	139,676,845	133,251,228

(*) Other payables mainly consist of shareholder loans from Socfinaf S.A. for EUR 40.4 million (EUR 40.4 million in 2020). See also Note 31.

(**) In 2021, Okomu loans have been restated to present the effect of the grant provided by nigerian State-owned banks. This restatement led to a decrease of the loans outstanding capital and to the recognition of government grants, classified in accruals. See note 23 for more information.

Note 25. Financial Instruments

2020 Restated	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	847,018	0	**847,018**	0	0
Long-term advances	788,521	0	1,054,525	**1,843,046**	788,521	1,054,525
Other non-current assets	0	0	1,741,740	**1,741,740**	0	1,741,740
Trade receivables	0	0	34,081,813	**34,081,813**	0	34,081,813
Other receivables	0	0	14,342,460	**14,342,460**	0	14,342,460
Cash and cash equivalents	0	0	58,911,453	**58,911,453**	0	58,911,453
Total Assets	***788,521***	***847,018***	***110,131,991***	***111,767,530***	***788,521***	***110,131,991***
Liabilities						
Long-term debts (**)	55,059,231	0	0	**55,059,231**	55,061,504	0
Long-term debts related to leases	11,081,167			**11,081,167**	11,081,167	0
Other non-current liabilities	0	0	7,685,924	**7,685,924**	0	7,685,924
Short-term debts (**)	147,193,504	0	4,058,321	**151,251,825**	147,193,504	4,058,321
Short-term debts related to leases	1,623,082	0	0	**1,623,082**	1,623,082	0
Trade payables (current)	0	0	43,265,314	**43,265,314**	0	43,265,314
Other payables (current) (**)	0	0	89,985,914	**89,985,914**	0	89,985,914
Total Liabilities	***214,956,984***	***0***	***144,995,473***	***359,952,457***	***214,959,257***	***144,995,473***

(*) For information purposes

(**) See Note 23

2020 Restated	*Fair Value*			
EUR	*Level 1*	*Level 2*	*Level 3*	*TOTAL*
Financial assets at fair value through other comprehensive income	0	0	847,018	***847,018***

2021	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	715,578	0	**715,578**	0	0
Long-term advances	800,426	0	1,058,332	**1,858,758**	800,426	1,058,332
Other non-current assets	0	0	1,823,796	**1,823,796**	0	1,823,796
Trade receivables	0	0	42,082,792	**42,082,792**	0	42,082,792
Other receivables	0	0	10,238,140	**10,238,140**	0	10,238,140
Cash and cash equivalents	0	0	143,315,435	**143,315,435**	0	143,315,435
Total Assets	***800,426***	***715,578***	***198,518,495***	***200,034,499***	***800,426***	***198,518,495***
Liabilities						
Long-term debts (**)	125,924,854	0	0	**125,924,854**	125,928,335	0
Long-term lease liabilities	10,977,779	0	0	**10,977,779**	10,977,779	0
Other non-current liabilities	0	0	7,401,156	**7,401,156**	0	7,401,156
Short-term debts (**)	31,404,040	0	7,029,325	**38,433,365**	31,404,040	7,029,325
Short-term lease liabilities	1,401,018	0	0	**1,401,018**	1,401,018	0
Trade payables (current)	0	0	44,968,591	**44,968,591**	0	44,968,591
Other payables (current) (**)	0	0	94,708,254	**94,708,254**	0	94,708,254
Total Liabilities	***169,707,691***	***0***	***154,107,326***	***323,815,017***	***169,711,172***	***154,107,326***

(*) For information purposes

(**) See Note 23

2021	*Fair Value*			
EUR	*Level 1*	*Level 2*	*Level 3*	*TOTAL*
Financial assets at fair value through other comprehensive income	0	0	715,578	***715,578***

The management is in the opinion that the carrying value of the loans approximate the fair value.

Note 26. Staff costs and average number of staff

Average number of employees in the year	2021	2020
Directors	320	309
Employees	6,430	6,444
Workers (including temporary workers)	28,195	27,081
TOTAL	***34,945***	***33,834***

	2021	2020
Staff costs	*EUR*	*EUR*
Remuneration	136,691,101	123,564,656
Social security and pension expenses	16,655,185	18,929,690
TOTAL	***153,346,286***	***142,494,346***

Note 27. Other financial income

	2021	2020
	EUR	*EUR*
On current assets / liabilities	***11,620,171***	***6,154,633***
Interest from receivables and cash	257,892	113,143
Forward exchange	-509,300	525,198
Exchange gains	8,656,061	4,767,244
Others	3,215,518	749,048
TOTAL	***11,620,171***	***6,154,633***

Note 28. Financial expenses

	2021	2020
	EUR	EUR
Interest and finance expense	9,033,545	11,530,604
Interest expense on lease liabilities	1,062,744	1,065,813
Realised exchange losses	13,176,294	8,074,626
Unrealised exchange losses	-3,357,962	7,571,499
Exchange contracts	950,711	25,944
Impairment of financial assets	20,000	2,440,000
Others	2,035,365	2,147,145
TOTAL	***22,920,697***	***32,855,631***

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 ordinary 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 of 28th July 2014 on the cancellation of bearer shares, 80,280 shares have been cancelled in 2018. The holders of these shares have not been registered with a depositary as required by law.

To-date, the “Caisse de Consignation” has not opened any claim.

	2021	2020
Net profit for the year (in euros)	80,389,523	4,705,332
Average number of shares	14,159,720	14,159,720
Net earnings per share undiluted (in euros)	***5.68***	***0.33***

Note 30. Dividends and directors’ fees

The Board will propose to the Annual General Meeting on 31st May 2022, to pay a dividend of EUR 0.60.

	2021	2020
Dividends paid to the owners of the Parent	1,415,972	7,079,860
Average number of shares	14,159,720	14,159,720
Dividend per share distributed during the period	***0.10***	***0.50***

Note 31. Information on related party

**** Directors' remuneration***

	2021	2020
	EUR	*EUR*
Short term benefits	7,864,842	7,549,913
Post-employment benefits	160,333	315,726

**** Related party transactions***

	2021	2020
	EUR	*EUR*
Other payables	40,403,288	40,402,186
	40,403,288	***40,402,186***
Transactions between related parties		
Financial expenses	1,600,000	1,602,192

Related party transactions are made at arm's length.

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 Geselfina through Financière Privée S.A., 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 recognised for the year 2021 is EUR 0.8 million. As of 31st December 2021, the outstanding balance amounts to EUR 20.2 million, without maturity date.

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 recognised for the year 2021 is EUR 0.8 million. As of 31st December 2021, the outstanding balance amounts to EUR 20.2 million and is repayable on June 2023.

Note 32. Off balance sheet commitments

In 2019, a subsidiary of Socfinaf, Okomu Palm Oil Company obtained a loan of Naira 10 billion, whose contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11,416 ha plantation. At 31st December 2021, the balance of the loan amounts to EUR 14 million (2020: EUR 13 million).

In 2019, a subsidiary of Socfinaf, Agripalma entered into a credit agreement of Dobra 49 million (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 2021, the balance of the loan amounts to EUR 0.5 million (2020: EUR 1.8 million).

In 2019, a subsidiary of Socfinaf, Plantations Socfinaf Ghana (PSG), 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 will use the oil mill as mortgage guarantee, up to the loan granted. At 31st December 2021, the balance of the loan amounts to EUR 11.4 million (2020: EUR 13 million) and the overdraft is nil (2020: nil).

In 2021, a subsidiary of Socfinaf, Okomu Palm Oil Company obtained a loan of Naira 2 billion, whose contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11,416 ha plantation. At 31st December 2021, the balance of the loan amounts to EUR 3 million.

In 2021, PNS Ltd obtained a loan of USD 100 million which stipulates that as long as the loan remains outstanding, PNS Ltd may not provide any guarantee or provision of any other security or arrangement to other creditors without granting them on the same terms to the bank. PNS Ltd also opened a reserve account with enough funds to service principal and interest due in the first 12 months. In addition, 100% of PNS Ltd shares, owned by Socfinasia, have been pledged to the bank under this loan. The contract also stipulates that a change of control in PNS Ltd's or in the Company's shareholding would result in the early repayment of the loan.

Note 33. 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 Principe 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.

***Segmental breakdown of profit / (loss) at 31st December 2020 (Restated)**

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit / (loss) (*)*
Europe	79,138,623	33,938,413	-710,758
Sierra Leone	15,103,389		86,071
Liberia	29,152,353		-1,903,422
Ivory Coast	139,457,865	69,616	22,172,685
Ghana	12,791,521		497,660
Nigeria	57,577,422		20,899,568
Cameroon	129,865,123		27,179,273
São Tomé and Principe	3,828,024		-1,968,998
Congo (DRC)	12,050,148		-125,900
Cambodia	5,165,870		-1,157,165
Indonesia	121,195,793	158,388	49,023,412
TOTAL	***605,326,130***	***34,166,417***	***113,992,426***
Elimination of revenue from intra-group activities			-34,166,399
Depreciation, amortisation and impairment of bearer plants			-10,557,262
Fair value of agricultural production			-9,267,399
Other IFRS adjustments			-2,306,281
Consolidation adjustments (intra-group and others)			30,385,113
Financial income			6,349,308
Financial expenses			-33,973,066
Income tax expense			-31,144,898
Net profit for the period			***29,311,542***

(*) Profit / (loss) for the period include operating expenses.

*** Segmental breakdown of profit / (loss) at 31st December 2021**

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit / (loss) (*)*
Europe	142,849,707	35,576,448	9,055,878
Sierra Leone	46,760,015		19,240,229
Liberia	36,783,462		5,538,511
Ivory Coast	176,301,160	69,873	37,488,425
Ghana	26,377,673		13,096,295
Nigeria	79,363,158		34,174,303
Cameroon	143,222,868		33,644,277
São Tomé and Principe	4,776,845		-1,691,862
Congo (DRC)	13,117,259		-2,058,986
Cambodia	7,935,361		988,373
Indonesia	160,157,062	94,373	82,976,153
TOTAL	***837,644,570***	***35,740,693***	***232,451,598***
Elimination of revenue from intra-group activities			-35,740,693
Depreciation, amortisation and impairment of bearer plants			1,417,866
Fair value of agricultural production			6,821,496
Other IFRS adjustments			1,161,838
Consolidation adjustments (intra-group and others)			29,221,565
Financial income			11,822,872
Financial expenses			-26,234,642
Income tax expense			-54,378,975
Net profit for the period			***166,542,925***

(*) Profit / (loss) for the period include operating expenses.

*** Total segmental assets**

	2021	2020 Restated
	EUR	EUR
Europe	155,140,042	89,778,487
Sierra Leone	132,030,565	123,527,792
Liberia	115,585,545	102,262,020
Ivory Coast	170,140,614	154,069,516
Ghana	78,724,410	72,516,210
Nigeria	139,257,028	116,371,568
Cameroon	175,101,980	181,476,829
São Tomé and Principe	27,822,826	28,473,478
Congo (DRC)	68,664,450	52,212,694
Cambodia	68,843,348	64,305,823
Indonesia	127,714,996	106,618,394
Total at 31st December	***1,259,025,805***	***1,091,612,811***
IFRS 3/IAS 16: Bearer plants	-28,557,894	-30,217,399
IAS 2/IAS 41: Agricultural production	6,243,749	2,727,773
Other IFRS adjustments	-9,048,166	-7,145,649
Consolidation adjustments (intra-group and others)	-115,097,075	-89,605,454
Total consolidated segmental assets	***1,112,566,419***	***967,372,083***
Consolidated assets not included in segment assets		
Goodwill	4,951,057	4,951,057
Right-of-use assets	10,505,511	10,967,008
Financial assets at fair value through other comprehensive income	715,578	847,018
Long-term advances	1,858,758	1,843,047
Deferred tax	19,434,382	14,640,683
Other non-current assets	1,823,796	1,741,739
Consolidated non-current assets	***39,289,082***	***34,990,552***
Other debtors	10,238,140	14,342,463
Current tax assets	15,291,971	14,317,805
Consolidated current assets	***25,530,111***	***28,660,268***
Total of consolidated assets in the segmental assets	***64,819,193***	***63,650,820***
Total assets	***1,177,385,612***	***1,031,022,903***

Segmental 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.

Segmental liabilities include only trade payables and other payables.

*** Total segmental liabilities**

	2021	2020 Restated
	EUR	*EUR*
Europe	130,502,649	138,126,998
Sierra Leone	1,538,755	6,196,387
Liberia	15,247,453	14,540,668
Ivory Coast	17,484,516	16,466,701
Ghana	972,502	912,473
Nigeria	9,223,850	9,559,988
Cameroon	25,172,132	23,304,992
São Tomé and Principe	3,468,418	2,382,716
Congo (DRC)	3,650,948	2,689,124
Cambodia	1,154,105	890,695
Indonesia	23,690,765	19,292,109
Total at 31st December	***232,106,092***	***234,362,851***
Other IFRS adjustments	48,895	-52,269
Consolidation adjustments (intra-group and others)	-92,478,141	-101,059,356
Total consolidated segmental liabilities	***139,676,845***	***133,251,227***
Consolidated liabilities not included in segment liabilities		
Total equity	736,910,826	575,797,694
Non-current liabilities	212,253,585	136,146,905
Current financial debts	38,433,365	151,251,825
Current lease liabilities	1,401,018	1,623,082
Current tax liabilities	48,328,464	32,208,682
Provisions	381,506	743,488
Total consolidated liabilities not included in segment liabilities	***1,037,708,764***	***897,771,676***
Total equity and liabilities	***1,177,385,609***	***1,031,022,902***

* *Costs incurred for acquisition of segmental assets during 2020 (Restated)*

EUR	Intangible assets	Tangible assets	Investment properties	Biological assets	TOTAL
Europe	10,933	1,929,038	3,555	0	**1,943,526**
Sierra Leone	0	7,668,557	0	210,174	**7,878,731**
Liberia	0	1,113,036	0	4,261,794	**5,374,830**
Ivory Coast	2,561	7,071,684	0	2,746,614	**9,820,859**
Ghana	0	515,525	0	521,316	**1,036,840**
Nigeria	0	17,153,521	0	5,046,892	**22,200,413**
Cameroun	134,582	12,066,580	0	2,935,090	**15,136,251**
São Tomé et Principe	0	68,175	0	0	**68,175**
Congo (DRC)	0	1,222,201	0	0	**1,222,201**
Cambodia	0	483,274	0	1,064,256	**1,547,530**
Indonesia	17,885	4,421,120	0	6,716,707	**11,155,713**
TOTAL	***165,961***	***53,712,711***	***3,555***	***23,502,842***	***77,385,069***

* *Costs incurred for acquisition of segmental assets during 2021*

EUR	Intangible assets	Tangible assets	Investment properties	Biological assets	TOTAL
Europe	6,670	179,922	36,504	0	**223,096**
Sierra Leone	0	2,207,733	0	0	**2,207,733**
Liberia	0	1,613,464	0	3,808,942	**5,422,406**
Ivory Coast	3,666	6,125,172	0	4,144,678	**10,273,516**
Ghana	0	1,978,271	0	137,231	**2,115,502**
Nigeria	0	27,082,944	0	1,632,191	**28,715,135**
Cameroun	0	9,974,210	0	3,177,201	**13,151,411**
São Tomé et Principe	0	256,352	0	0	**256,352**
Congo (DRC)	0	781,126	0	0	**781,126**
Cambodia	0	436,270	0	859,167	**1,295,438**
Indonesia	658,565	4,258,034	0	4,914,771	**9,831,370**
TOTAL	***668,902***	***54,893,499***	***36,504***	***18,674,180***	***74,273,085***

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

Revenue from external customers :

	2021	2020 Restated
	EUR	*EUR*
Palm	471,225,684	346,526,757
Rubber	233,974,853	182,697,075
Other agricultural activities	5,607,086	4,464,319
Trading activities	118,572,588	64,494,381
Others	8,264,358	7,143,598
TOTAL	***837,644,570***	***605,326,130***

**** Information by geographical region***

Revenue from external customers by origin and geographical location:

EUR — 2020 Restated

Origin \ *Geographical location*	*Europe*	*Africa*	*Asia*	*America*	*TOTAL*
Europe	2,473,306	1,734,617	3,087,370	794,645	**8,089,938**
Africa	27,605,251	240,392,008	194,542,929	8,801,844	**471,342,032**
Asia	6,786,875	5,323,781	110,994,202	2,789,302	**125,894,160**
TOTAL	***36,865,433***	***247,450,405***	***308,624,501***	***12,385,792***	***605,326,130***

EUR — 2021

Origin \ *Geographical location*	*Europe*	*Africa*	*Asia*	*America*	*Oceania*	*TOTAL*
Europe	4,178,220	2,207,994	794,752	0	0	**7,180,966**
Africa	56,244,615	307,777,744	277,729,299	23,343,369	0	**665,095,027**
Asia	6,351,240	9,166,449	148,817,865	1,030,279	2,742	**165,368,575**
TOTAL	***66,774,075***	***319,152,187***	***427,341,915***	***24,373,648***	***2,742***	***837,644,569***

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

Revenue from external customers by business segment and geographical area:

EUR — 2020 Restated

Business Segment / Category	Palm	Rubber	Other agricultural products	Service and other commercial business	TOTAL
Sierra Leone	14,445,401			657,988	**15,103,389**
Liberia		29,152,353			**29,152,353**
Ivory Coast	25,184,319	111,922,781		2,350,765	**139,457,865**
Ghana	12,701,391			90,130	**12,791,521**
Nigeria	50,010,800	7,387,999		178,623	**57,577,422**
Cameroon	123,187,430	5,425,851	678,970	572,871	**129,865,123**
São Tomé and Principe	3,828,024				**3,828,024**
Congo (DRC)	12,050,148	0	0	0	**12,050,148**
Indonesia	104,521,962	12,888,483	3,785,349	0	**121,195,793**
Cambodia	0	5,165,870	0	0	**5,165,870**
Europe	597,283	10,753,739		67,787,601	**79,138,622**
TOTAL	***346,526,757***	***182,697,076***	***4,464,319***	***71,637,978***	***605,326,129***

EUR — 2021

Business Segment / Category	Palm	Rubber	Other agricultural products	Service and other commercial business	TOTAL
Sierra Leone	46,760,015	0		0	**46,760,015**
Liberia	0	36,783,462		0	**36,783,462**
Ivory Coast	30,383,586	143,723,806		2,193,768	**176,301,160**
Ghana	25,714,194	391,733		271,746	**26,377,673**
Nigeria	67,439,332	11,787,948		135,878	**79,363,158**
Cameroon	130,353,234	12,176,882	393,932	298,821	**143,222,868**
São Tomé and Principe	4,776,845	0		0	**4,776,845**
Congo (DRC)	13,117,259	0	0	0	**13,117,259**
Indonesia	137,718,617	16,041,901	5,213,154	1,183,389	**160,157,062**
Cambodia	0	7,935,361	0	0	**7,935,361**
Europe	14,962,599	5,133,761		122,753,347	**142,849,707**
TOTAL	***471,225,681***	***233,974,854***	***5,607,086***	***126,836,949***	***837,644,570***

Note 34. 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.

The Group also manages its capital by close monitoring of the ratio of debt over equity.

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 commercial sector.

The Group reduces its exposure to price risk by investing into different geographical markets and products.

**** Foreign currency risk***

Potential risk

The Group carries out transactions in local currencies, mainly being US dollar, Nigerian naira and Indonesian rupiah. In addition, financial instruments hedging against exchange rate fluctuations may not be available for certain currencies. This creates exposure to exchange rate fluctuations which may have an impact on the financial result denominated in euro.

Risk management and opportunities

Apart from the current currency hedging instruments for operational transactions (which remain relatively limited) the main policy of the Group is 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 considered 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.

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 centralised 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.

Details on impairment of financial assets and liabilities, including measurement of expected credit losses, are disclosed in note 1.19.

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 decentralised manner. However, both the cash available and the implementation of the financing are supervised by the Group management.

The Group chooses, whenever possible, to maintain financial liabilities and cash position (as mentioned respectively in notes 23 and 19) with low credit risk institutions.

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 improve 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, updated in 2022. This complements the Group's sustainable development commitments, formalised 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***

The Group is exposed to changes in value arising from fluctuations in exchange rates generated by its operating activities. However, as local turnover were made in the local currency and export sales are made in US dollar, the Group's exposure is mainly limited to fluctuations in dollar against the euro. The impact on the result of a 5% increase or decrease (EUR/USD) in foreign currency financial instruments amounts to EUR 2.5 million.

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 local sales concluded in the local currency in 2021 (including US dollars) amounted to EUR 456.5 million. The global sales (mainly concluded in US dollars) in 2021 amounted to EUR 381.1 million.

PT Socfindo has a cash position of USD 1.1 million.

**** Interest rate risk***

The breakdown of fixed rate loans and variable rate loans is described in Note 23. Following the variable rate loan arrangement entered into by PNS Ltd in November 2021, the Group is exposed to interest rate risk. To control this risk, the management closely monitors the interests rate evolution.

**** Credit risk***

At 31st December 2021, the trade receivables from global customers and local customers amounted to EUR 21.0 million and EUR 25.1 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 trades either on the physical markets or directly with end customers.

	2021	2020
	EUR	EUR
Trade receivables	46,089,287	38,038,835
Provision incurred mainly on non operational receivables	-4,006,494	-3,957,022
Other receivables	10,238,137	14,342,460
Total net receivables	***52,320,930***	***48,424,273***
Amount not due	51,464,658	47,255,163
Amount due less than 6 months	68,122	579,734
Amount due for more than 6 months and less than one year	760,051	396,725
Amount due for more than one year	28,099	192,651
Total net receivables	***52,320,930***	***48,424,273***

Note 35. Contingent liabilities

1. Litigation against the Belgian Federal Public Service Finance (Corporate Tax)

The company SOCFICOM S.A. ("Socficom"), a public limited company incorporated under Liechtenstein law and a subsidiary of the Group, was the subject of criminal proceedings initiated by the Belgian Public Prosecutor's Office.

The main accusation against Socficom was that the Belgian Public Prosecutor's Office considered that Socficom was a "Belgian resident company", subject to Belgian corporate income tax.

Socficom was acquitted, following a ruling by the 11th Chamber of the Brussels Court of Appeal, sitting in correctional matters, dated 23rd October 2018. The Court ruled that "it is clear from all these elements that the real seat of the defendant Socficom is indeed established in Liechtenstein and that nothing allows it to be located in Brussels". The Public Prosecutor's Office did not appeal against this judgement and this decision is therefore final.

However, the Federal Public Service Finance, relying itself exclusively on the investigation file submitted by the Belgian Public Prosecutor's Office in criminal matters, maintains that Socficom meets the conditions for it to be liable to corporate income tax in Belgium (the Federal Public Service Finance considers that Socficom is effectively managed from Belgium and that all its activities were carried out there).

Socficom was therefore automatically assessed with corporate income tax, on 4th January 2012, for the tax years 2004 to 2009 for an amount of EUR 77,343,783 excluding late payment interest at an annual rate of 7% reduced to 4% as from 1st January 2018.

On 5th April 2013, Socficom filed a tax claim against these 6 ex officio tax assessments. These 6 claims were declared admissible, but were rejected.

Socficom filed an action before the "Tribunal de première instance francophone" of Brussels.

The "Tribunal de première instance francophone" of Brussels, by judgement dated 26th April 2019, declared the claim admissible and partially founded insofar as it ordered the partial relief of the disputed taxes. Socficom considers that this decision, although partly favourable to the argument it defended before the Court, is not satisfactory, given the acquittal decision referred to above.

The tax authorities want to tax Socficom exclusively on the basis of the elements of the criminal file, as the tax file does not contain any "new claims" in relation to the criminal proceedings. The facts judged in the tax proceedings have already been decided by the Court of Appeal (correctional chamber) which acquitted Socficom and the other defendants.

The Court could therefore not agree with the tax office on the basis of documents, observations or findings, without taking into considerations the judgement of the Court of Appeal of 23rd October 2018. The Brussels Tax Court has "re-heard" the criminal case ignoring the acquittal of the 11th Chamber of the Brussels Court of Appeal.

Socficom has therefore decided to appeal against the tax judgement in order to request that the Court grants the request initially formulated by the company, i.e. to order the complete cancellation of the relief of the disputed taxes.

Tax judgements that are appealed against are not enforceable until the Court has ruled on them.

The amounts initially claimed by the tax authorities from Socficom amounted to EUR 77,343,783, excluding interest (see above), from which it must be deducted the relief granted by the Court amounting to EUR 50,000,000.

The company's counsel and Group management are of the opinion that the Court of Appeal should fully cancel these taxes, based on the acquittal decision of the Court of Appeal, Correctional Chamber, dated 23rd October 2018 which confirms: "that the real seat of the defendant Socficom is indeed established in Liechtenstein and that there is no reason to locate it in Brussels". Based on these elements, the management is of the opinion that no provision should be recorded as the probability of an outflow of financial resources by the Group is low. The findings of the Court of Appeal are not expected before 2024.

2. Litigation against the Belgian Federal Public Service Finance (VAT)

As described above, the Federal Public Service Finance maintains that Socficom is a Belgian resident company. The tax authorities are claiming VAT of EUR 3,054,160.15 for the years 2006, 2007, 2008 and 2009, adding to this tax fines and interest at a rate of 0.8% per month as from 20th January 2010.

The amounts claimed amount to EUR 10,310,844.61, split as follows:

- EUR 3,054,160 for VAT
- EUR 1,148,364 in interest
- EUR 6,108,320 in fines
- plus interest for late payment to be calculated on the VAT due from 21st December 2013.

Socficom contested this tax before the Brussels Court of First Instance.

The Court declared the claim admissible and partially founded insofar as it cancelled the fines of EUR 6,108,320 and the interest charged on this amount.

Socficom considers that this decision, although partially favorable to the case it defended before the Court, is not satisfactory since it was granted the acquittal following the judgement rendered by the 11th Chamber of the Brussels Court of Appeal dated 23rd October 2018.

In order to claim the disputed VAT from Socficom, the tax authorities based themselves exclusively on the criminal file. However, the Brussels Court could not ignore the acquittal decision and condemn Socficom without taking into account the final and res judicata judgement of the Brussels Court of Appeal.

In the absence of new elements brought by the tax authorities and having an impact on the outcome of the trial, the decision of the Court of Appeal of 23rd October 2018 could not be challenged and is binding on the Court.

Socficom therefore decided to appeal the tax ruling in order to request that the Court to grant the request initially made by the company, i.e. to order a tax relief for the disputed taxes.

The company's counsel and the Group's management are of the opinion that the Court of Appeal should fully cancel these taxes, based on the acquittal decision of the Court of Appeal, Correctional Chamber, dated 23rd October 2018, which confirms: "that the real seat of the defendant Socficom is indeed established in Liechtenstein and that there is no reason to locate it in Brussels". Based on these elements, management is of the opinion that no provision should be recorded as the probability of an outflow of financial resources by the Group is low. The findings of the Court of Appeal are not expected before 2024.

3. Claim against "Caisse Nationale de Prévoyance Sociale"

Société des Caoutchoucs du Grand Bereby ("SOGB"), a public limited company incorporated under Ivorian law and subsidiary of the Group, is involved in a dispute with the Caisse Nationale de Prévoyance Sociale ("CNPS") of the Ivory Coast. This dispute concerns the tax audit of the benefits in kind that SOGB should have paid to CNPS for having provided housing to its employees.

Following an initial analysis for the period from 1st January 2010 to 31st December 2013, CNPS estimated an amount due of CFA 182 million, equivalent to EUR 277,000. Based on SOGB's calculations, the amount owed is CFA 32 million, equivalent to EUR 48,000.

Following a contestation, the case was brought before the Court of Sassandra. The latter invited the two parties to reach an amicable settlement of the dispute between them and to submit a transactional agreement, if necessary.

In the absence of an amicable settlement of the dispute, it would be up to the Sassandra Court to rule on the merits.

The CNPS carried out a second analysis covering the years 2014 through 2018. The CNPS added to the previous amount a sum of CFA 1,650 million, equivalent to EUR 2.5 million. The SOGB has recorded a provision of CFA 250 million, equivalent to EUR 381,000, which corresponds to the amount it considers to be effectively due.

The issue of housing on plantations in rural areas is a general one and concerns most agricultural and forestry companies, particularly those in the rubber, oil palm and banana sectors.
For this reason, actions have been taken by companies in the sector, supported by the Union of Agricultural and Forestry Companies ("UNEMAF") and the General Confederation of Companies of Ivory Coast ("CGECI"), to obtain a clear position from the CNPS on this issue.

The CNPS had always granted a tolerance concerning the determination of benefits in kind constituted by the provision of housing in rural areas.

A proposal for arbitration was submitted to the Ministry of Employment and Social Protection by a working group comprising members of CGECI and UNEMAF. Working group meetings were scheduled to take place in the course of 2020, but these were postponed due to the health situation and have not been resumed to date.

At the date of the closing of the accounts, the amicable procedure is therefore still in progress. Its outcome will determine whether or not the case is referred to the Sassandra Court, which alone has the power to enforce the parties. Insofar as there is no legal constraint to date, and based on the above, management is of the opinion that no provision should be recorded because the probability of a claim is very low.

Note 36. Political and economic environment

The Group holds interests in subsidiaries that operate indirectly in Africa and South-East 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 37. Events after the closing date

Russia – Ukrain conflict

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The Group regards these events as non-adjusting events after the reporting period.

Although neither the company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.

Early partial repayment of loan

As of 25th February 2022, Socfin prepaid an amount of USD 25,000,000 i.e. EUR 22,409,466 of its debt to PNS Ltd.

PNS Ltd itself repaid early an amount of USD 25,000,000 of its bank loan.

Note 38. Auditor's fees

	2021	2020
	EUR	*EUR*
Audit (VAT included)	1,387,989	735,695

The audit fees include all fees paid to the independent statutory auditor of the Group namely EY as well as those paid to member firms within EY network for the relevant years. No consulting work or other non-audit services have been performed by this firm in 2021 or in 2020.

Company’s Management Report

Presented by the Board of Directors at the Annual General Meeting of 31st May 2022

Ladies and gentlemen,

We are pleased to present our annual report and to submit for your approval the annual accounts of our company as at 31st December 2021.

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)	2021	2020
INCOME		
Income from participating interests		
from affiliated undertakings		
Dividends	10.3	9.1
Interest on receivables	4.9	5.8
	15.2	**14.9**
Income from current assets	1.4	0.0
Total income	***16.6***	***14.9***
EXPENSES		
Other external charges	1.6	1.4
Interest payable and similar expenses		
other interest and similar expenses	4.9	4.8
Total expenses	***6.5***	***6.2***
PROFIT FOR THE FINANCIAL YEAR	10.1	8.7

At 31st December 2021, net profit amounted to EUR 10.1 million compared to EUR 8.7 million at the end of the previous year.

Revenue amounted to EUR 16.6 million (EUR 14.9 million at 31st December 2020).

Total expenses amounted to EUR 6.5 million compared to EUR 6.2 million at 31st December 2020.

Company's Management Report

Balance sheet

At 31st December 2021, Socfin's total assets amounted to EUR 383.7 million compared to EUR 313.6 million at 31st December 2020.

Socfin's assets consist of investments of EUR 186.4 million, fixed financial assets of EUR 187.1 million, and other debtors of EUR 10.3 million.

Equity amounted to EUR 196 million.

Porfolio

Movements
During the financial year 2021, Socfin sold 1 share Plantation Nord-Sumatra Ltd to Socfinasia.

Revaluations
At 31st December 2021, the unrealised capital gains on the investment portfolio are estimated at EUR 95.7 million compared to EUR 107.2 million in previous year.

Holdings

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

Socfinasia S.A. (Luxembourg) - 58.09%
The company holds stakes in Southeast Asian companies active in the rubber and palm oil sector.

At 31st December 2021, net profit amounted to EUR 45 million compared to EUR 32.1 million at 31st December 2020.

The net value of Socfinasia 's investments amounted to EUR 289.8 million at 31st December 2021 and the valuation of the portfolio shows unrealised gains of EUR 88.3 million.

At the next General Meeting, the Board of Directors of Socfinasia will propose the payment of a final dividend of EUR 1.00 per share, an interim dividend of EUR 0.40 has already been distributed in November 2021.

Figures of Socfinasia (EUR million)	2021	2020
Assets	***451.9***	***425.5***
Fixed assets	410.5	314.5
Current assets	41.4	111.0
Equity and Liabilities	***451.9***	***425.5***
Equity	446.8	421.4
Liabilities	5.1	4.1

Socfinaf S.A. (Luxembourg) - 64.51%
This company has interests in entities in tropical Africa which are active in the rubber and palm oil sector.

At 31st December 2021, net profit amounted to EUR 6.5 million compared to a net loss of EUR 28.6 million at 31st December 2020. This last result was impacted by the non-recurrent impairment which has been accounted on the investment in SRC and Brabanta.

Company's Management Report

The net asset value of financial assets amounted to EUR 199.5 million at 31st December 2021 and the valuation of the portfolio generated unrealised gains of EUR 303.5 million.

The Board of Directors of Socfinaf will propose at the next General Meeting not to pay a dividend for the financial year 2021.

	2021	2020
Figures of Socfinaf (EUR million)		
Assets	***499.2***	***518.1***
Fixed assets	469.1	513.3
Current assets	30.1	4.8
Liabilities	***499.2***	***518.1***
Equity	258.8	252.3
Liability	240.4	265.8

Allocation of profit

The profit for the year for Socfin amounting to EUR 10,068,154.41 increased by the retained earnings of EUR 102,447,638.68 result in total earnings of EUR 112,515,793.09 which it is proposed to allocate as follows:

Earnings allocation

	EUR
Retained earnings	103,075,979.76
From the balance:	
10% to the Board of Directors	943,981.33
90% to 14,159,720 shares	8,495,832.00
representing EUR 0.60 per share of which EUR 0.10 already paid on November 2021	***112,515,793.09***

Reserves

After this distribution of profit, all reserves will amount to EUR 162,831,611.91 and will be as follows:

	EUR
Legal reserve	2,477,951.00
Other reserves	57,277,681.15
Retained earnings	103,075,979.76
	162,831,611.91

If this distribution is approved, Coupon Nr. 80 of EUR 0.50 will be declared on 7th June 2022 and will be payable as from 9th June 2022.

Treasury shares

The company did not buy back its own shares during the 2021 financial year.

Research and development

During the financial year 2021, 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 29/10/2021, Bolloré Participations SE declared that it held a direct and indirect interest of 39.75% in the Socfin.

h) Art. 14. of the Articles: *"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. 23. of the Articles: *"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. 32. of the Articles: *"The present Articles of Association can be modified by decision of the General Meeting 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. 18 and seq. of the Articles 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 Articles or the law fall within the competence of the Board."*

In addition, the Articles 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.

In the event of the issue of shares by contribution in cash or in the event of the issue of instruments which fall within the scope of application of Article 420-27 of the law on companies and which are paid for in cash, including and in a non-exhaustive manner, convertible bonds allowing their holder to subscribe to shares or to be allocated shares, shareholders have preferential subscription rights in proportion to their participation with regard to all these issues in accordance with the provisions of company law.

The General Meeting 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 authorisation 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 authorise the Board to do so in the manner and under the conditions provided for by law."

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 30th March 2022,, the Group approved the update of its responsible management policy renewed and reinforced in 2021 in order to comply with the GPSNR (Global Platform for Sustainable Natural Rubber) policy. This responsible management policy is based on the Group's three pillars of commitment, alongside its specific commitment to transparency: rural development, workers and local communities, and the environment. These commitments form the basis of key initiatives aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy has been defined and implemented throughout 2021.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a regularly updated dashboard 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 per share (company accounts)

The estimated value of Socfin at 31st December 2021 amounts to EUR 291.7 million (EUR 20.60 per share). This valuation includes unrealised gains on the portfolio.

As a reminder, the share price was EUR 20.80 at the end of the 2021 financial year compared to EUR 23.20 one year earlier.

Significant events after the end of the year

As at 25th February 2022, Socfin prepaid an amount of USD 25,000,000 i.e. EUR 22,409,465.76 of its debt to PNS Ltd S.A.

PNS Ltd S.A. itself repaid early an amount of USD 25,000,000 of its bank loan.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The company regards these events as non-adjusting events after the reporting period.

Although neither the company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.

Impact of the Covid-19 crisis

The financial forecasts of the company and its direct and indirect subsidiaries for the years 2022 and 2023, the sustained levels of market prices in this first part of the year, indicate that the business will generate sufficient cash to meet the Group's obligations and ensure the going concern of the operations.

Key risks and uncertainties

It must be emphasised 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 2022 financial year will depend to a large extent on the dividend distributions of the subsidiaries.

Statutory appointments

The mandate of Administration and Finance Corporation "AFICO", outgoing Director, expires this year. As the latter does not wish to stand again, it will be proposed at the next General Meeting to appoint Mr. Cyrille Bolloré for a term of six years, expiring during the General Meeting of 2028.

On the other hand, the Board of Directors takes note of the resignation of Mr. Philippe de Traux from his mandate as director. It will not be proposed to the General Meeting to provide for his replacement.

The Board of Directors

Audit report on the Company's financial statements

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Société Financière des caoutchoucs S.A. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of shares in affiliated undertakings

Risk identified

As at 31 December 2021, the shares in affiliated undertakings amounts to 186 million euros and represents 48% of the total assets of the balance sheet. Shares in affiliated undertakings are valued at historical acquisition cost which includes incidental expenses. In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The assessment of the durable depreciation in value of these shares in affiliated undertakings requires the exercise of the Board of Directors' judgement in its choice of the elements to be considered according to the shares in affiliated undertakings, whether market elements (shares price when applicable) and/or historical elements (adjusted net equity) and/or forecast elements (discounted future cash flows to shareholders).

Due to the size of the balance and judgement included, we considered this area to be a key audit matter.

Audit report on the Company's financial statements

Our answer

Our audit procedures over the impairment of the shares in affiliated undertakings included amongst other :

- Assessing the accounting policies determined by the Board of Directors, as described in the note 2 of the financial statements, to determine the value adjustments to be recorded on shares in the affiliated undertakings ;
- Ensuring that the accounting policies used by the Board of Directors were properly applied:
  - when the Board of Directors relied on market data, we reconciled the share prices as at 31 December 2021 used for the valuation of shares in affiliated undertakings to the official stock markets quotations ;
  - when the Board of Directors relied on historical data, we reconciled the adjusted net equity used in the valuation of the shares in affiliated undertakings as at 31 December 2021 to the financial information of the related affiliated undertakings and assessed the appropriateness of evidence supporting the adjustments made to the net equity, if any.
- Assessing the appropriateness of the disclosures made in the Note 3 of the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report including the management report and the corporate governance statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those in charge of governance for the financial statements

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

The Board of Directors is also responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the 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 EU Regulation N° 537/2014, the Law of 23 July 2016 and with the 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 on the basis of these financial statements.

Audit report on the Company's financial statements

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 26 May 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

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

The accompanying corporate governance statement on pages 19 to 24 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Audit report on the Company's financial statements

We have checked the compliance of the financial statements of the Company as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to :

- Financial statements prepared in valid xHTML format

In our opinion, the financial statements of the Company as at 31 December 2021, identified as **2021 Socfin Annual Report**, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Yves Even
Luxembourg, 29th April 2022

Company's financial statements

1. Balance sheet as at 31 December 2021

		2021	2020
ASSETS	*Note*	*EUR*	*EUR*
FIXED ASSETS			
Financial assets	3		
Shares in affiliated undertakings		186,370,878.78	186,370,890.33
Loans to affiliated undertakings		187,056,434.52	90,592,500.00
		373,427,313.30	***276,963,390.33***
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings	4		
becoming due and payable within one year		10,195,491.23	36,602,375.37
Other debtors			
becoming due and payable within one year		102,752.43	51,846.24
		10,298,243.66	***36,654,221.61***
Cash at bank and in hand		4,640.73	12,383.73
		10,302,884.39	***36,666,605.34***
TOTAL ASSETS		***383,730,197.69***	***313,629,995.67***

The accompanying notes form an integral part of the annual accounts.

Company's financial statements

		2021	2020
CAPITAL, RESERVES AND LIABILITIES	*Note*	*EUR*	*EUR*
CAPITAL AND RESERVES	5		
Subscribed capital		24,779,510.00	24,779,510.00
Share premium account		501,846.51	501,846.51
Reserves			
Legal reserve		2,477,951.00	2,477,951.00
Other reserves, including the fair value reserve			
Other available reserves		57,277,681.15	57,277,681.15
		59,755,632.15	***59,755,632.15***
Profit brought forward		102,447,638.68	93,782,497.98
Profit for the financial year		10,068,154.41	8,665,140.70
Interim dividends		-1,573,302.22	0.00
		195,979,479.53	***187,484,627.34***
CREDITORS			
Non convertible loans			
Becoming due and payable within one year	6	0.00	80,195,555.56
Amounts owed to credit institutions	7		
Becoming due and payable within one year		24.25	30,000,128.50
Trade creditors			
Becoming due and payable within one year		158,685.05	106,627.25
Amounts owed to affiliated undertakings			
Becoming due and payable within one year	8	20,822,207.84	15,542,697.62
Becoming due and payable after more than one year		166,463,934.52	0.00
Other creditors			
Tax authorities		38,190.00	32,370.00
Other creditors			
Becoming due and payable within one year		267,676.50	267,989.40
		187,750,718.16	***126,145,368.33***
TOTAL CAPITAL, RESERVES AND LIABILITIES		***383,730,197.69***	***313,629,995.67***

The accompanying notes form an integral part of the annual accounts.

2. Income statement for the year ended 31 December 2021

	Note	2021 EUR	2020 EUR
Raw materials and consumables			
Other external expenses		-1,542,982.22	-1,407,327.42
Other operating expenses		-21,335.89	-11,131.99
Income from participating interests			
Derived from affiliated undertakings	9	10,244,095.77	9,105,263.33
Income from other investments and loans forming part of the fixed assets			
Derived from affiliated undertakings	10	4,931,601.83	4,331,835.62
Other interest receivable and similar income			
Derived from affiliated undertakings		1,395,636.98	1,493,876.71
Other interest and similar income		664.52	299.37
Interest payable and similar expenses			
Concerning affiliated undertakings		-1,179,855.58	-30,689.32
Other interest and similar expenses		-3,753,620.70	-4,784,513.47
Tax on profit or loss		-230.26	-102.13
Profit or loss after taxation		**10,073,974.45**	**8,697,510.70**
Other taxes not shown under items 1 to 16		-5,820.04	-32,370.00
Profit for the financial year		**10,068,154.41**	**8,665,140.70**

Beneficiary distribution proposal

	2021 EUR	2020 EUR
Retained earnings	103,075,979.76	102,447,638.68
From the balance:		
10% on the Board of Directors	943,981.33	0.00
90% to 14,159,720 shares	8,495,832.00	0.00
	112,515,793.09	***102,447,638.68***
Dividend per share	***0.60***	***0.00***

The accompanying notes form an integral part of the annual accounts.

3. Notes to the financial statements for the year 2021

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 B5937 and is listed on the Luxembourg Stock Exchange under ISIN number LU0027967834.

The object of the company is (i) the acquisition, holding and disposal, in any form whatsoever and by any means, directly or indirectly, of participations, rights and interests, as well as bonds of Luxembourg or foreign companies, (ii) the acquisition by contribution, purchase, subscription or otherwise, as well as the disposal by sale, transfer, exchange or otherwise, of shares, interests, bonds, debts, notes and other securities or financial instruments of any kind (in particular bonds or shares issued by Luxembourg or foreign collective investment funds or any other similar body), loans or any other credit line, as well as contracts relating thereto and (iii) the holding, administration, development and management of a portfolio of assets (composed in particular of the assets described in points (i) and (ii) above).

The company may also acquire and develop any patents and other rights relating to or supplementing those patents.

The company may borrow in any form whatsoever. It may enter into any kind of loan agreement and may issue debt securities, bonds, certificates, shares, profit shares, warrants and all kinds of debt and equity securities, including by virtue of one or several issue programmes. The company may lend funds, including those resulting from borrowings and/or securities issues, to its subsidiaries, affiliates and any other company.

The company also prepares consolidated financial statements which are published in accordance with the law and which are available at the company’s registered office (4, avenue Guillaume, L-1650 Luxembourg) or on the Internet site: www.socfin.com.

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

Note 2. Accounting principles, rules and methods

Going concern and Impact of the COVID-19 pandemic

As of 31st December 2021, the current liabilities exceed current assets for an amount of EUR 10,983,875:

- Considering the terms of the loan (Note 3) and the terms of the advance (Note 4) made towards Socfinaf S.A., the current assets amount to EUR 10,302,884.
- The current liabilities amount to EUR 21,286,759 mainly due to the cash pooling position for an amount of EUR 10,896,358 as well as the current debts for an amount of EUR 9,913,109 owed to Socfinasia and to PNS Ltd (Note 8) and other debts due to trade creditors.

In order to face its short term financial obligations, Socfin has obtained a comfort letter from the entity owning the cash pool of the group stating that it will financially support Socfin through its cash pooling and will not to claim the payable due by Socfin for a period of 12 months following the AGM approving 2021 company’s financial statements.

Furthermore, during 2021, though the impact of the COVID-19 pandemic on the activities of the company and its subsidiaries was limited, the mangement has adapted to the new constraints and is permanently monitoring the risks related to this health crisis. The spread of the virus is still active and unpredictable, which brings uncertainty to economic development on one side and to the course of business affairs on the other side.

Taking into account the impact of the COVID-19 outbreak based on the information available to date (March 2022), the company has prepared a cash flow plan assessing a liquidity position of the company and its subsidiaries based on management's best estimates. Considering the partial activation of above shareholder's engagement, this cash flow plan shows sufficient liquidity for the company to meet its obligations and confirms the going concern assumption for at least the twelve months following the date of approval of the current financial statements.

General principles

The annual financial statements are prepared in accordance with Luxembourg legal and regulatory requirements in force in Luxembourg under the historical cost convention.

The accounting policies and valuation principles are, apart from the rules imposed by the law of 19th December 2002, determined and implemented by the Board of Directors.

The preparation of the annual financial statements involves the use of a number of critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the application of accounting principles. Any change in assumptions may have a significant impact on the annual accounts for the period in which the assumptions are changed. The Board of Directors believes that the underlying assumptions are appropriate and that the financial statements give a true and fair view of the financial position and results of the company.

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 acquisition price of the financial assets, expressed in a currency other than the currency of the balance sheet, remain converted at the historical exchange rate, with the exception of the current portion of receivables, which is valued individually at the lower of their historical exchange rate value or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- 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. Foreign exchange gains and losses are recognised 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 balance sheet.

Realised foreign exchange gains and losses and unrealised losses are recognised in the profit and loss account. Unrealised foreign exchange gains are not recognised.

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

Valuation of financial assets

Shares in affiliated undertakings are valued at acquisition cost, which includes incidental expenses. Receivables from affiliated companies are valued at their nominal value, which includes incidental expenses.

In the event of an impairment that, in the opinion of the Board of Directors, is of a lasting nature, these financial fixed assets are subject to value adjustments in order to give them the lower value that should be attributed to them on the balance sheet date, as determined by the Board of Directors.

In order to determine the value adjustments that are permanent at the balance sheet date, the Board of Directors carries out the following analyses for each investment on an individual basis:

1/ For investments listed on public markets, the Board of Directors compares the net book value of the investment with its shares in the market based on the stock market price at the closing date. When the market value is greater than or equal to the net book value, the Board of Directors considers that no value adjustment needs to be recorded at the closing date. However, when the market value is lower than the net book value, the Board of Directors tests the net book value against the share in the revalued net assets of the investment.

2/ If the net book value exceeds the market value or the equity value for unlisted investments, the Board of Directors compares the net book value with the share held in the revalued net assets as well as in the consolidated net assets (i.e. equity attributable to owners of the parent company) if the subsidiary prepares consolidated accounts.

If one of these values is greater than or equal to the net book value of the investment, no value adjustment is recognised.

3/ When both values are lower than the net book value of the investment:

- for support companies (other than plantations or industrial companies), the Board of Directors records the value adjustment resulting from the smaller difference between the net book value of the investment and the share held in the revalued net assets or in the consolidated net assets;

- for investments in plantations or industrial companies, the Board of Directors makes a value adjustment to bring the carrying value at the enterprise value calculated on the basis of the discounted future cash flows available to the shareholders, which take into account the foreseeable development of the business of the investments under test.

However, the Board of Directors may take other factors into consideration and, in particular, in view of the very long period of immaturity of young plantation, it considers that the value adjustment is not permanent for a plantation where more than half of the planted area is not being used.
Loans to affiliated companies are subject to a value adjustment in the event that the net book value test by discounting future cash flows to shareholders does not support the full repayment of the receivable.

These value adjustments are not maintained when the reasons for which they were established have ceased to exist.

<u>Receivables</u>

Receivables are recorded at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reason for which the value adjustments were made have ceased to apply.

<u>Liabilities</u>

Debts are recorded at their reimbursement value. When the amount to be repaid on the debts exceeds the amount received, the difference is recorded to the profit and loss account.

Note 3. Financial fixed assets

	Shares in affiliated undertakings		Loans to affiliated undertakings		Total	
	2021	2020	2021	2020	2021	2020
	EUR	*EUR*	*EUR*	*EUR*	*EUR*	*EUR*
Acquisition cost nominal value at the beginning of the year	*186,370,890.33*	*180,252,467.00*	*90,592,500.00*	*90,592,500.00*	*276,963,390.33*	*270,844,967.00*
Increases	0.00	6,118,423.33	96,463,934.52	0.00	96,463,934.52	6,118,423.33
Decrease	-11.55	0.00	0.00	0.00	-11.55	0.00
Acquisition cost nominal value at the end of the year	*186,370,878.78*	*186,370,890.33*	*187,056,434.52*	*90,592,500.00*	*373,427,313.30*	*276,963,390.33*
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	*186,370,878.78*	*186,370,890.33*	*187,056,434.52*	*90,592,500.00*	*373,427,313.30*	*276,963,390.33*

Information on movements during the year

During the year, the company has sold:
- 1 share of PNS Ltd S.A.

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*	*Net equity as at 31/12/2021*	*Net result as at 31/12/2021*
Socfinaf (**)	Luxembourg	64.51	137,245,816	31/12/2021	EUR	258,796,451	6,499,115
Socfinasia (**)	Luxembourg	58.09	48,579,664	31/12/2021	EUR	446,773,525	45,000,180
Induservices (*)	Luxembourg	35.00	35,000	31/12/2021	EUR	239,523	3,393
Management Associates (*)	Luxembourg	20.00	400,000	31/12/2021	EUR	2,699,652	262,563
			180,260,480				

(*) Based on unaudited financial statements as of 31st December 2021.
(**) Based on audited financial statements as of 31st December 2021.

Valuation of shares in affiliated undertakings

As of 31st December 2021, the Board of Directors is of the opinion that there is no permanent value decrease for the shares in affiliated undertakings.

Information and valuation of loans to affiliated undertakings

As of 31st December 2021, the loans to affiliated undertakings are mainly comprised:

- of receivables from Socfinaf for a nominal amount of EUR 120,000,000.00 (2020: EUR 90,000,000.00) and which bear a fixed interest rate of 4.25%. The maturity of the receivable is fixed on 10th November 2026.
- of receivables from Socfinaf for a nominal amount of USD 74,750,000.00 (2020: USD 0.00) bearing interest at the 3-month USD LIBOR rate +6.95%. The maturity of this receivable is fixed on 10th November 2026.

As of 31st December 2021, the Board of Directors are of the opinion that these loans are recoverable as such, no impairment loss has been accounted for.

Note 4. Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings are mainly comprised of an advance granted to Socfinaf S.A. for an amount of USD 10,000,000 (2020: USD) bearing interest at the 3-month LIBOR USD rate + 6.95%.

As of 31st December 2021, the Board of Directors is of the opinion that the amounts are fully recoverable and as such, no impairment has been accounted for.

Note 5. 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 2020	***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***
Distribution of the result for the 2019 financial year following decision of the General Meeting held on 26th May 2020							
• Retained earnings					180,472.03	-180,472.03	
• Dividends						-7,079,860.00	
• Directors' fees						-786,651.11	
• 2019 interim dividend						-786,651.11	786,651.11
Financial year profit for 2020						8,665,140.70	
Situation as of 31st December 2020	***24,779,510.00***	***501,846.51***	***2,477,951.00***	***57,277,681.15***	***93,782,497.98***	***8,665,140.70***	***0.00***
Allocation of the result for the 2020 financial year following decision of the General Meeting held on 25th May 2021:							
• Retained earnings					8,665,140.70	-8,665,140.70	
Interim dividends as per decision of the Board of Directors of 26th October 2021							-1,573,302.22
Financial year profit for 2021						10,068,154.41	
Situation as of 31st December 2021	***24,779,510.00***	***501,846.51***	***2,477,951.00***	***57,277,681.15***	***102,447,638.68***	***10,068,154.41***	***-1,573,302.22***

Issued capital

As of 31st December 2021 and 2020, the issued and fully paid capital is EUR 24,779,510.00 represented by 14,159,720 shares without nominal value.

Share premium

As of 31st December 2021 and 2020, the share premium amounts to EUR 501,846.51.

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 6. Convertible loans

On the 9th December 2016, the company has issued 800 bonds at a nominal value of EUR 100,000.00 bearing an annual fixed interest rate of 4%. These bonds have been reimbursed on 9th December 2021.

Note 7. Amounts owed to credit institutions

As at 31st December 2020, credit institutions were mainly comprised of a revolving credit facility for an amount of EUR 30,000,000. This revolving credit facility was reimbursed in 2021.

The company is in compliance with covenants related to amounts owed to credit institutions.

Note 8. Amounts owed to affiliated entities

As of 31st December 2021, the amounts owed to affiliated entities are mainly comprised:
- of a debt to Socfinasia for a nominal amount of EUR 100,000,000.00 (2020: EUR 0.00) plus accrued interest of EUR 583,333.33 (2020: EUR 0.00) and which bear a fixed interest rate of 4%. This debt is repayable early or at the latest on 10th November 2026.
- of a long term debt to PNS Ltd for a nominal amount of EUR 66,463,934.52 (2020: EUR 0.00) plus accrued interest of EUR 500,533.22 (2020: EUR 0.00). This debt bears interest at a 3-month USD LIBOR rate +6.70% and is repayable early or at the latest on 10th November 2026.
- of a debt to PNS Ltd S.A. for a nominal amount of EUR 8,829,242.45 (2020: EUR 0.00) being the short term part of the EUR 66,463,934.52 long term debt plus accrued interest of EUR 500,533.22 (2020: EUR 0.00). This debt bears interest at a 3-month USD LIBOR rate +6.70% and is repayable within one year.
- of a cash pooling with Socfinde for an amount of EUR 10,896,357.63 (2020: EUR 15,539,714.12).

Note 9. Income from participating interests

	2021	2020
	EUR	*EUR*
Dividends received	***10,244,095.20***	***9,105,263.33***

This amount corresponds to the dividend received from the affiliated undertakings (Note 3).

Note 10. Income from other investments and loans forming part of the fixed assets

	2021	2020
	EUR	*EUR*
Interest on related companies' receivables	***4,931,601.83***	***4,331,835.62 (*)***

(*) This amount was previously disclosed under the caption: "Net income from participating interests".
To ensure comparability, prior year figures are modified accordingly.

This amount corresponds to interest income received on the loans owed by affiliated undertakings (Note 3).

Note 11. Taxation

The company is subject to all taxes to which Luxembourg commercial companies are subject to.

Note 12. Remuneration of the Board of Directors

During the 2021 financial year, the remuneration of members of the Board of Directors amounted to EUR 10,312.50 (2020: EUR 5,938) as attendance fees and EUR 157,330 (2020: EUR 786,651) as directors' fees.

During 2021, no advances or loans were granted to members of the management or supervisory boards.

Note 13. Political and economic environment

The company holds interests in companies that operate indirectly in Africa and South-East Asia.

Given the economic and political instability in these African countries (Sierra Leone, Liberia, Ivory Coast, Ghana, Nigeria, Cameroon, São Tomé and Principe and Democratic Republic of Congo) and South-East Asia (Cambodia and Indonesia), these holdings are exposed to political and economic fluctuations risks.

Note 14. Off-balance sheet commitments

As at 31st December 2021, the company guaranteed the repayment of the loan of USD 100,000,000 from PNS Ltd S.A. with a financial institution.

Note 15. Significant events after the year end

As of 25th February 2022, Socfin prepaid an amount of USD 25,000,000 i.e. EUR 22,409,465.76 of its debt to PNS Ltd.

PNS Ltd itself repaid early an amount of USD 25,000,000 of its bank loan.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The company regards these events as non-adjusting events after the reporting period. Although neither the company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.