Socfinasia S.A.

2021 ANNUAL REPORT

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Group profile

1. Overview of the Group

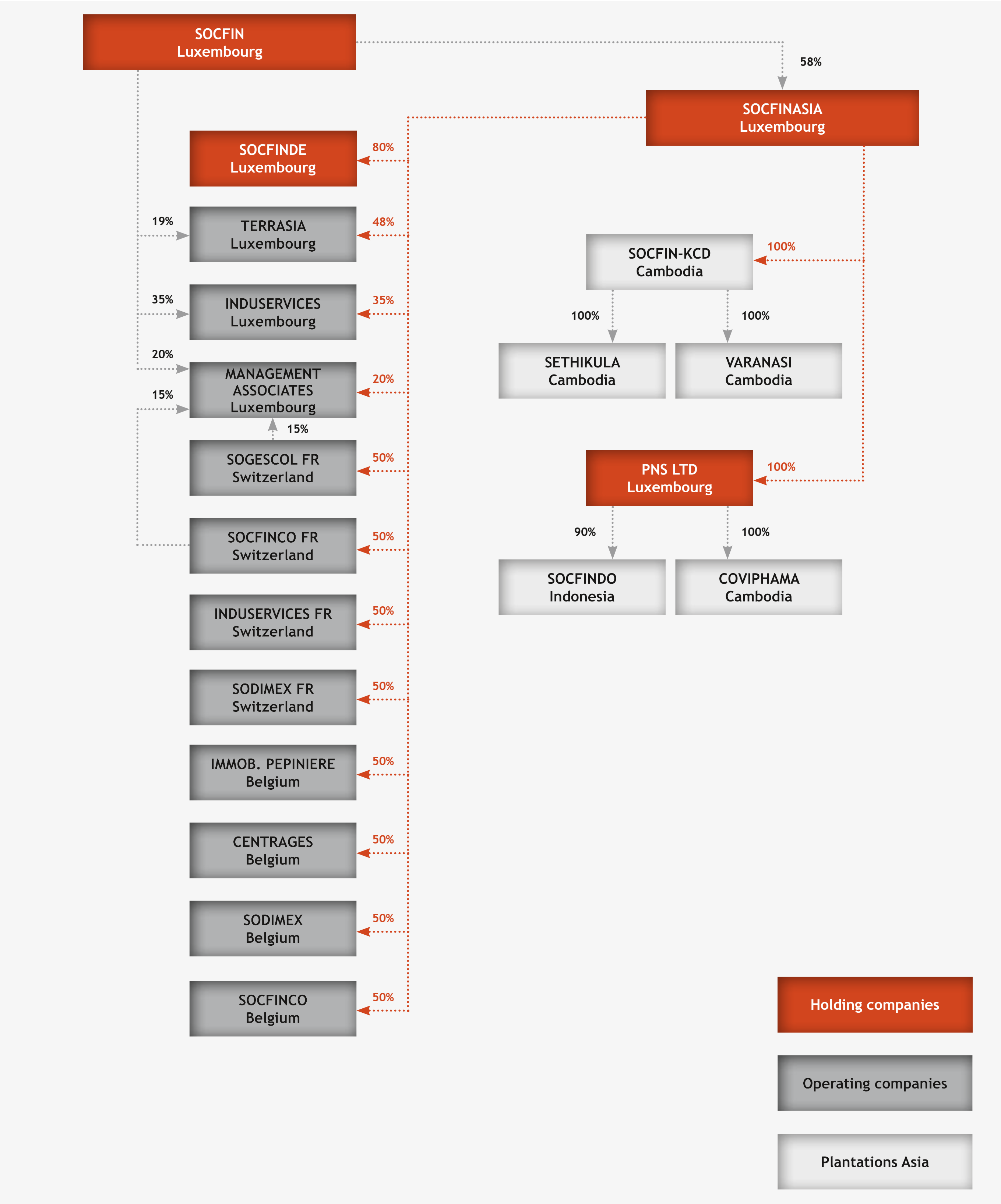
Socfinasia S.A. is a Luxembourg holding company and its registered address is 4 Avenue Guillaume, L-1650 Luxembourg. It was incorporated on 20th November 1972 and is listed on the Stock Exchange of Luxembourg.

The principal activity of Socfinasia is to manage a portfolio of shares focused on the operation of more than 52,000 hectares of tropical palm oil and rubber plantations in Southeast Asia. Socfinasia employs 10,168 people and has achieved a consolidated turnover of EUR 168.2 million in 2021.

2. History

- **20/11/1972** Incorporation of Socfinasia as a Luxembourg holding company through contribution of shares in PT Socfindo.
- **30/06/1973** Since its incorporation, Socfinasia has invested, amongst others, in Fininter (Belgium) and Socfinal (Luxembourg).
- **23/01/1974** The shares of Socfinasia have been listed on the Stock Exchange of Luxembourg.
- **30/06/1975** The portfolio includes new investments: Socfin (Belgium), Plantations Nord Sumatra (Belgium) and Selangor Plantations Cy (Malaysia).
- **30/06/1977** Socfinasia invests in Sennah Rubber Cy, New African Plantations Cy, la Banque d'Investissements Privés and Socficom. It disposes of its stakes in Socfin (Belgium) and Socfinal.
- **04/12/1979** PT Socfindo increases its share capital through capitalisation of reserves. Free allotment of 1,166 shares in PT Atmindo.
- **31/12/1980** Acquisition of shares in Selangor Holding, a Luxembourg company listed on the Stock Exchange of Luxembourg.
- **24/04/1989** PT Socfindo increases its share capital through the capitalisation of the revaluation reserve of its fixed tangible assets.
- **31/03/1996** Acquisition of shares in Intercultures, a Luxembourg company listed on the Stock Exchange of Luxembourg.
- **31/03/1997** Initially, Socfinasia increases its stake in its Indonesian subsidiaries: PT Socfindo and PT Atmindo. Thereafter, Socfinasia incorporates Plantations Nord Sumatra Limited, to which it transferred its Indonesian subsidiaries.
- **31/03/1999** Increase in the subscribed capital of Intercultures.
- **05/02/2000** Takeover bid/public exchange offer by Selangor Holding for Sennah Rubber Cy which will be liquidated in August 2000.
- **01/04/2000** Increase in subscribed capital to EUR 25,062,500 and the accounting par to 1,002,500 shares.
- **26/06/2000** Takeover bid by Socfinasia on the shares of Selangor Holding which will be liquidated in May 2001.
- **17/10/2000** Change in financial year-end to 31st December.
- **31/12/2001** PNS Ltd has acquired 30% of PT Socfindo from the Indonesian state.
- **31/12/2006** Restructuring of the subsidiaries within the Socfinal Group, including the distribution of shares of Intercultures by Socfinasia (spin-off) and repositioning of the operational companies within the Group.
- **31/12/2007** Incorporation of Socfin-KCD (Cambodia).
- **17/03/2010** Disposal of Socfinaf Cy (Kenya).
- **10/01/2011** Extraordinary General Meeting which approves to abandon the holding 29 status.
- **01/07/2011** Share split by 20.
- **13/08/2013** Socfinasia has acquired, through its subsidiary PNS Ltd, 90% of Coviphama, a company incorporated under the Cambodian Law, benefitting from a new grant of 5,300 hectares.
- **30/07/2015** Acquisition of shares in Socfin-KCD to increase the percentage holding to 100%.

3. Group structure



4. Information on Socfinasia's holdings

Portfolio	Number of shares	Direct %
Cambodia		
Socfin-KCD Co	2,000	100.00%
Luxembourg		
PNS Ltd	27,780,000	100.00%
Socfinde	199,790	79.92%
Management Associates	2,000	20.00%
Terrasia	4,781	47.81%
Induservices	3,500	35.00%
Belgium		
Centrages	7,500	50.00%
Immobilière de la Pépinière	3,333	50.00%
Socfinco	8,750	50.00%
Sodimex	70,000	50.00%
Switzerland		
Sogescol FR	2,650	50.00%
Socfinco FR	650	50.00%
Sodimex FR	675	50.00%
Induservices	700	50.00%

The following pages contain a summary of the activity and comments on the financial information for the past two financial years in which Socfinasia 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

PT SOCFIN INDONESIA “SOCFINDO”

PT Socfindo is an Indonesian company which operates hectares of oil palm and rubber plantations in North Sumatra, Indonesia.

Key data *Area (hectares)*		*Planted area*	
At 31st December 2021	***Mature***	***Immature***	***Total***
Rubber	5,907	928	6,835
Palm	34,712	4,376	39,088
	40,619	***5,304***	***45,923***

Concessions: 47,643 ha

Permanent staff at 31st December 2021: 9,222

Production and turnover	*Actual*	*Actual*
At 31st December	***2021***	***2020***
Production (tons)		
Rubber	8,550	9,802
Palm oil	180,584	182,577
Seeds (thousands)	9,366	8,042
Turnover (EUR 000)	160,251	121,354
Result (EUR 000)	64,841	36,586
Average selling price (EUR/kg)		
Rubber	1.49	1.31
Palm oil	0.78	0.57
Seeds (EUR/1,000)	567	490
Average rate EUR/IDR	16,938	16,725
Closing rate EUR/IDR	16,161	17,308

Key figures (IDR millions)		
At 31st December	***2021***	***2020***
Non-current assets	1,473,092	1,486,341
Current assets	783,085	495,666
Shareholder’s equity (*)	1,045,550	878,722
Debt, provisions and third parties (*)	1,210,627	1,103,285
Result for the year	1,098,297	611,893
Dividend per share (USD)	(**)	500
Interim dividend per share (USD)	800	450
PNS Ltd’s stake (%)	89.98	89.98

(*) After interim dividend, before profit allocation.

(**) Not known to-date.

PT SOCFIN INDONESIA "SOCFINDO"

STATEMENT OF FINANCIAL POSITION

As at 31st December 2021 and 2020
(Expressed in IDR 000, unless otherwise stated)

Exchange rate: EUR 1 = IDR	**16,161**	**17,308**

ASSETS	*2021*	*2020*
CURRENT ASSETS		
Cash and cash equivalents	332,219,716	221,171,710
Receivables		
Trade receivables		
Amount from related parties	17,186,198	17,177,523
Amount due from customers	11,945,572	6,404,928
Other receivables	15,938,930	5,418,798
Inventories	225,683,668	182,841,918
Advance payment on order	8,096,179	7,702,478
Prepayments and other current assets	0	398,963
Biological assets	172,015,227	108,111,951
TOTAL CURRENT ASSETS	***783,085,490***	***549,228,269***
NON-CURRENT ASSETS		
Fixed assets	1,464,467,746	1,428,193,000
Rights-of-use of assets	4,412,547	5,883,396
Current tax assets	0	1,789,708
Deferred tax assets	4,200,294	29,564,927
Advances and down payments on the purchase of non-current assets	0	8,510,147
Deferred charges	0	7,107,994
Other	11,100	11,100
TOTAL NON-CURRENT ASSETS	***1,473,091,687***	***1,481,060,271***
TOTAL ASSETS	***2,256,177,176***	***2,030,288,540***

Group profile

LIABILITIES AND EQUITY	*2021*	*2020*
LIABILITIES		
CURRENT LIABILITIES		
Amount payable to suppliers	25,976,433	28,190,404
Other payables		
Amount due to third parties	12,954,770	9,664,450
Amount due to related parties	3,467,106	8,668,998
Accruals	303,800,224	244,139,682
Advances and payments on work in progress	30,555,928	42,591,769
Deferred revenue	0	657,368
Employee benefit obligations	5,006,977	89,182,790
Current tax liabilities	232,322,738	161,594,708
TOTAL CURRENT LIABILITIES	***614,084,175***	***584,690,168***
NON-CURRENT LIABILITIES		
Employee benefit obligations	596,542,873	518,594,902
TOTAL LIABILITIES	***1,210,627,048***	***1,103,285,070***
Equity		
Share capital		
Type A	2,385	2,385
Type B	265	265
Type C	7,947,350	7,947,350
Type D	34,300,000	34,300,000
Total Equity	***42,250,000***	***42,250,000***
Share premium	3,670,500	3,670,500
Retained earnings		
Allocated to the general reserve	-50,385,700	241,883,991
Retained earnings not allocated	1,050,015,328	639,198,979
TOTAL EQUITY	***1,045,550,128***	***927,003,470***
TOTAL LIABILITIES AND EQUITY	***2,256,177,176***	***2,030,288,540***

Group profile

STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE INCOME

As at 31st December 2021 and 2020
(Expressed in IDR 000, unless otherwise stated)

	2021	***2020***
REVENUE	2,694,322,407	2,028,406,941
COST OF SALES	-897,162,856	-879,869,066
GROSS PROFIT	***1,797,159,551***	***1,148,537,875***
Selling expenses	-47,001,057	-45,699,393
General and administrative overheads (*)	-476,184,530	-389,699,233
Other income	33,839,381	108,402,886
Other expenses	-23,462,872	-19,072,221
Foreign exchange gains/(losses)	63,903,276	21,297,164
OPERATING PROFIT	***1,348,253,749***	***823,767,078***
Finance Income	8,987,330	8,988,503
PROFIT BEFORE TAX	***1,357,241,079***	***832,755,581***
Income tax expense	***-296,641,780***	***-213,817,952***
RESULT FOR THE YEAR	***1,060,599,299***	***618,937,629***
Comprehensive income		
Revaluation of post-employment benefits	-10,583,972	41,237,060
TOTAL COMPREHENSIVE INCOME	***1,050,015,327***	***660,174,689***

(*) These amounts include emoluments paid to the directors of PT Socfindo who are members of the Board of Directors of Socfinasia (2021 = IDR 61,066,588,216 and 2020 = IDR 43,424,440,254).

SOCFIN-KCD Co Ltd

Share capital: KHR 160,000,000,000.

Socfin-KCD is a Cambodian company involved in the production of rubber.

Key data

Area (hectares)	*Planted area*		
At 31st December 2021	***Mature***	***Immature***	***Total***
Rubber	3,529	267	3,796

Concessions: 6,659 ha (including subsidiaries)

Permanent staff at 31st December 2021: 773

Production and turnover	*Actual*	*Actual*
At 31st December	***2021***	***2020***
Production (tons)		
Rubber	6,107	5,466
Turnover (EUR 000)	7,935	5,166
Result (EUR 000)	915	-787
Average selling price (EUR/kg)		
Rubber	1.30	0.95
Average rate EUR/USD (2020: EUR/KHR)	1.18	4,672
Closing rate EUR/USD (2020: EUR/KHR)	1.13	4,964

Key figures (USD 000) (2020: KHR millions)		
At 31st December	***2021***	***2020***
Fixed assets	53,468	227,492
Current assets	4,940	13,607
Equity (*)	33,418	130,847
Borrowing, provisions and third-parties (*)	24,991	110,253
Result for the year	1,081	-3,679
Socfinasia's holding (%)	100.00	100.00

(*) Before profit allocation.

Group profile

COVIPHAMA Co Ltd

Share capital: KHR 8,640,000,000.

Coviphama is a Cambodian company involved in the production of rubber.

Key data

Area (hectares)	*Planted area*		
At 31st December	***Mature***	***Immature***	***Total***
Rubber	1,361	1,894	3,255

Concessions: 5,345 hectares

Permanent staff at 31st December 2021: 173

	2021	***2020***
Average rate EUR/USD (2020: EUR/KHR)	1.18	4,672
Closing rate EUR/USD (2020: EUR/KHR)	1.13	4,964

Key figures (USD 000) (2020: KHR millions)		
At 31st December	***2021***	***2020***
Fixed assets	23,002	92,203
Current assets	1,052	4,342
Equity	-447	-2,125
Borrowing, provisions and third-parties	24,500	98,670
Result for the year	79	-497
Socfinasia's holding (%)	100.00	100.00

Group profile

PLANTATION NORD-SUMATRA "PNS" Ltd S.A.

Share capital: USD 260,084,774.

PNS Ltd is a holding company whose principal assets are its controlling interest of 89.98% in PT Socfindo, a 100% investment in Coviphama Co Ltd as well as a receivable from the latter.

	2021	*2020*
Average rate EUR/USD	1.18	1.15
Closing rate EUR/USD	1.13	1.23

Key figures (USD 000)		
At 31st December	***2021***	***2020***
Fixed assets	391,271	306,521
Current assets	19,786	1,498
Equity (*)	310,358	307,993
Borrowing, provisions and third-parties (*)	100,700	26
Profit for the year	49,591	33,360
Dividend paid	47,226	33,808
Socfinasia's holding (%)	100.00	99.99

(*) Before profit allocation.

Group profile

SOCFINDE S.A.

Share capital: EUR 1,250,000

Socfinde S.A. is a Luxembourg holding company.

Profit for the year ended 31st December 2021 is EUR 9,970. The Board of Directors will not propose any dividend distribution at the Annual General Meeting.

Key figures (EUR 000)		
At 31st December	***2021***	***2020***
Fixed assets	9,932	10,512
Current assets	28,728	43,559
Equity	5,883	5,873
Borrowing, provisions and third-parties	32,776	48,197
Result for the year	10	-68
Socfinasia's S.A.'s holding (%)	79.92	79.92

SOGESCOL FR S.A.

Share capital: CHF 5,300,000

Sogescol FR is a Swiss company which trades in rubber and palm oil.

Profit for the year ended 31st December 2021 amounted to USD 6,056,903. The Board of Directors will propose a dividend distribution of USD 6,000,000 at the Annual General Meeting.

	2021	*2020*
Average rate EUR/USD	1.18	1.15
Closing rate EUR/USD	1.13	1.23

Key figures (USD 000)		
At 31st December	***2021***	***2020***
Fixed assets	1,034	1,088
Current assets	51,544	36,307
Equity (*)	14,940	13,484
Borrowing, provisions and third-parties (*)	37,637	23,911
Result for the year	6,057	3,759
Dividend	6,000	4,600
Dividend per share (USD)	1,132	868
Socfinasia's holding (%)	50.00	50.00

(*) Before profit allocation.

Group profile

SOCFINCO FR S.A.

Capital: CHF 1,300,000

Socfinco FR is a Swiss company which provides services, studies and management of agro-industrial plantations. Socfinco FR covers the agro-industrial sector of palm oil and rubber.

The profit of the year ended 31st December 2021 is EUR 6,288,105. The Board of Directors will propose a dividend distribution of EUR 8,000,000 at the Annual General Meeting.

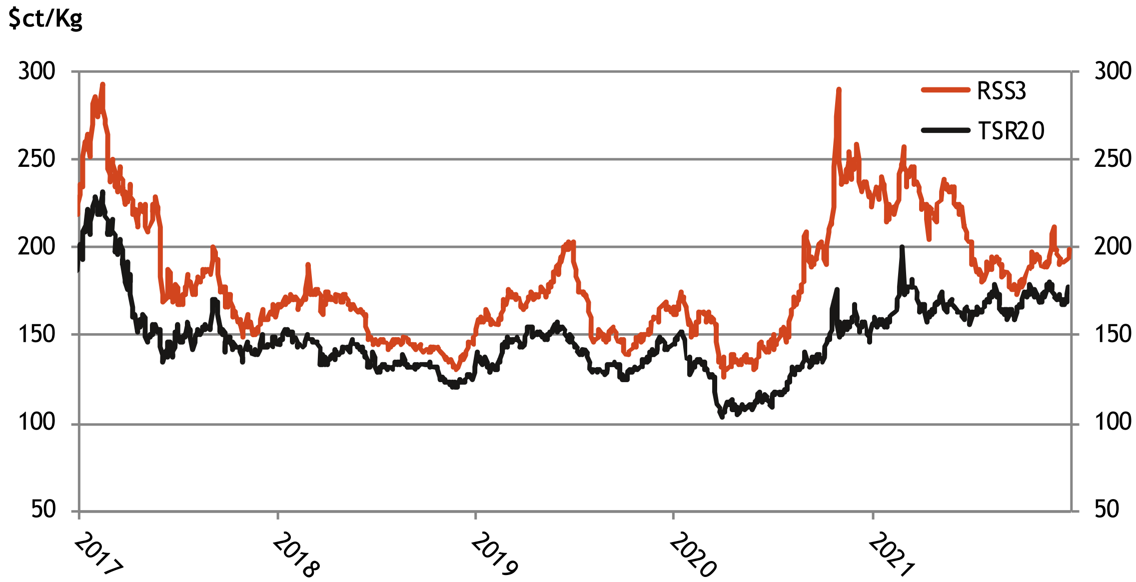
Key Figures (EUR 000)		
At 31st December	***2021***	***2020***
Fixed assets	5,974	7,087
Current assets	19,609	12,579
Equity (*)	15,598	11,310
Borrowing, provisions and third parties (*)	9,985	8,356
Sales and services	25,179	19,933
Result for the year	6,288	1,535
Dividend	8,000	2,000
Dividend per share (EUR)	6,154	1,538
Socfinasia's holding (%)	50.00	50.00

(*) Before profit allocation.

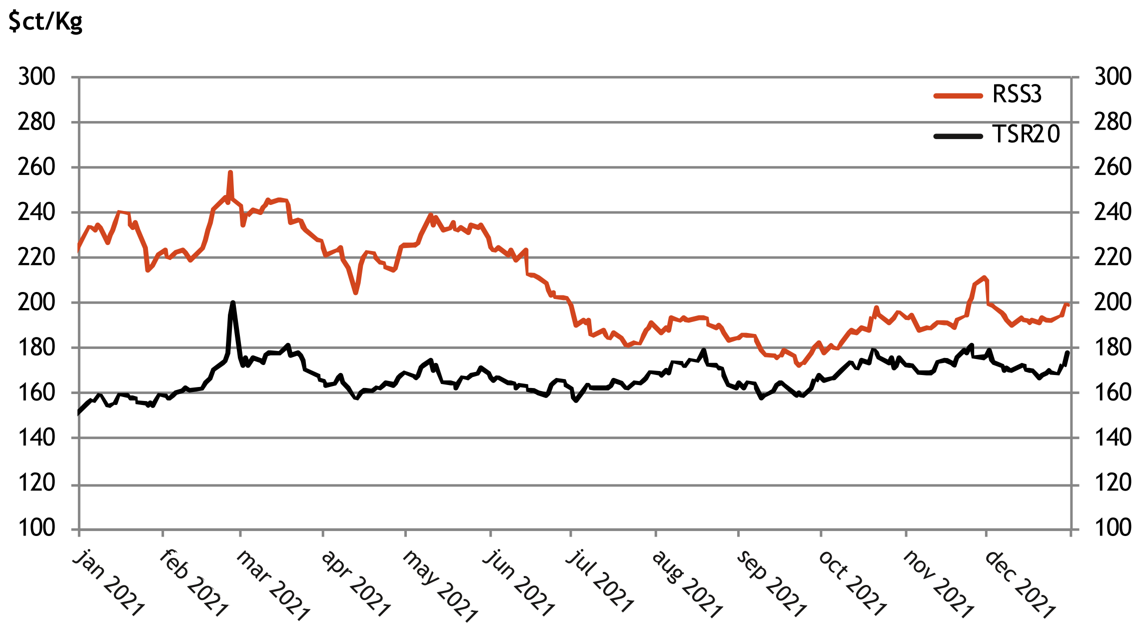
International market for rubber and palm oil

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

International market for rubber and palm oil

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.

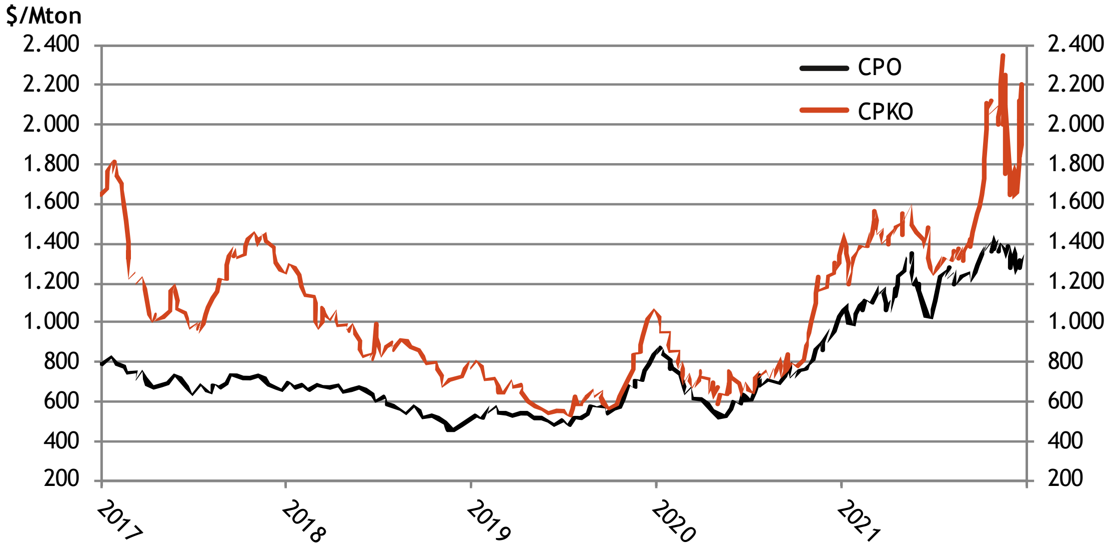
Uncertainty related to the evolution of the pandemic will continue to influence the evolution of rubber prices in relation to the effectiveness of vaccination policies in the world, the emergence of new variants and a possible deterioration of the health situation that may affect mobility.

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.

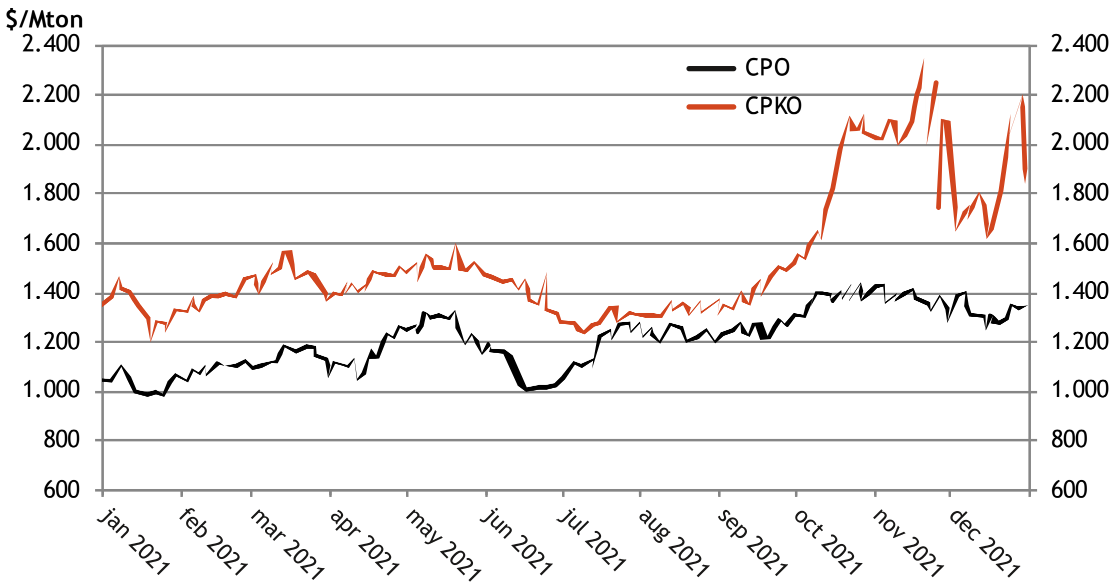
The TSR20 1st position FOB Singapore on SGX is quoted on 9th March 2022 at USD 1,803 / ton.

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.

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

Key figures

1. Activity indicators

Area (hectares)		*Rubber*		*Palm*
At 31st December 2021				
Immatures (by year of planting)				
2021		120		1,285
2020		189		1,219
2019		155		1,872
2018		215		0
2017		80		0
2016		169		0
2015		753		0
2014		940		0
2013		183		0
2012		9		0
2011		243		0
2010		33		0
Total immatures		***3,090***		***4,376***
Young	(from 6 to 11 years)	4,721	(from 3 to 7 years)	6,536
Matured	(from 12 to 22 years)	5,854	(from 8 to 18 years)	12,615
Old	(above 22 years)	222	(above 18 years)	15,562
Total in production		***10,797***		***34,712***
TOTAL		***13,886***		***39,089***

Area (hectares)	*2021*	*2020*	*2019*	*2018*	*2017*
Palm	39,089	38,727	38,447	39,476	39,194
Rubber	13,886	14,414	14,829	15,655	15,994
TOTAL	***52,975***	***53,141***	***53,276***	***55,131***	***55,188***

Production	*2021*	*2020*	*2019*	*2018*	*2017*
Palm Oil (tons)					
Own production	180,584	182,577	189,462	194,705	196,814
Rubber (tons)					
Own production	15,430	15,110	15,123	15,142	14,702
Seeds (thousands)					
Own production	11,668	8,042	6,308	14,875	14,149

Key figures

Turnover (EUR million)	*2021*	*2020*	*2019*	*2018*	*2017*
Palm	141	105	99	98	128
Rubber	21	18	19	17	25
Other agricultural products	5	4	4	10	9
Other	1	0	0	0	0
TOTAL	***168***	***127***	***122***	***125***	***162***

Staff	*2021*	*2020*	*2019*	*2018*	*2017*
Average workforce	10,168	10,363	10,567	10,885	11,033

2. Key figures from the consolidated income statement and consolidated statement of cash flows

(EUR million)	*2021*	*2020*	*2019*	*2018*	*2017*
Turnover	168	127	122	125	162
Operating income	73	34	21	36	40
Result of the year attributable to the Group	57	16	14	23	25
Operating cash flow	69	36	25	8	13
Free cash flow (*)	60	25	12	-12	-9

(*) 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	115	107	117	110	104
Other non-current assets	256	154	87	85	86
Current assets	115	75	143	148	165
Total equity	296	247	255	253	244
Non-current liabilities	121	37	45	38	36
Current liabilities	70	52	47	51	75

Stock market data

(EUR)	2021	2020	2019	2018	2017
Number of shares	19,594,260	19,594,260	19,594,260	19,594,260	19,594,260
Equity attributable to the owners of the Company	289,258,777	241,466,670	247,709,358	246,510,612	237,074,123
Undiluted net profit per share	2.93	0.84	0.73	1.44	1.26
Dividend per share	1.40	0.80	0.80	0.90	1.00
Share price					
Minimum	13.10	11.10	11.70	12.60	19.00
Maximum	17.80	17.80	16.40	20.40	24.39
Closing	14.30	14.50	16.30	12.60	20.00
Market capitalisation (*)	280,197,918	284,116,770	319,386,438	246,887,676	391,885,200
Dividend paid / net profit attributable to the owners of the Company	47.78%	95.36%	109.27%	62.50%	79.17%
Dividends / market capitalisation	9.79%	5.52%	4.91%	7.14%	5.00%
Market price / undiluted net profit per share	4.88	17.28	22.26	8.75	15.83

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

Financial highlights of the year

Liquidation of Gaummes, Socfin Green Energy and Socfin Research.

Corporate governance statement

1. Introduction

Socfinasia 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 1980	AGO 2027
Mr. Vincent Bolloré	French	1952	Director [a]	AGE 1990	AGO 2024
Mr. Cyrille Bolloré	French	1985	Director [a]	AGO 2019	AGO 2025
Administration and Finance Corporation “AFICO” represented by Régis Helsmoortel	Belgian	1961	Director [b]	AGO 1997	AGO 2023
Mr. François Fabri	Belgian	1984	Director [b]	AGO 2014	AGO 2026
Mr. Philippe Fabri	Belgian	1988	Director [b]	AGO 2018	AGO 2024
Mrs. Valérie Hortefeux	French	1967	Director [c]	AGO 2019	AGO 2025

[a] Non-Executive non-independent Director
[b] Executive non-independent Director
[c] Independent Director

Administration and Finance Corporation “AFICO”, outgoing director, is eligible for re-election. The Board will propose to the next General Meeting the renewal of this term of office for a period of six years. It will be represented by Mr. Régis Helsmoortel.

The Board of Directors takes note of the resignation of Mr. Philippe de Traux and Mr. Luc Boedt from their directorships. It will not be proposed to the General Meeting to provide for their 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”.

Cyrille Bolloré
Director

Positions and offices held in Luxembourg companies
- Director of Socfinasia.
- Permanent representative of Bolloré Participations SE on the Board of Directors of Socfinaf.

Positions and offices held in foreign companies
- Chairman and Chief Executive Officer of the Board of Directors of Bolloré SE;
- Member of the Supervisory Board of Compagnie du Cambodge;
- Vice-Chairman of Compagnie de l’Odet;
- Director of Bolloré SE, Compagnie de l’Odet and Société Industrielle et Financière de l’Artois;
- Permanent representative of Compagnie du Cambodge on the Board of Financière Moncey;
- Member of the Supervisory Board of Vivendi SE.

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
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".

Valérie Hortefeux
Director

Positions and offices held in Luxembourg companies
- Director of Socfinasia.

Positions and offices held in foreign companies
- Director of Mediobanca and Compagnie de l'Odet.

Corporate governance statement

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 of shareholders 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 year-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: 98%
- 2020: 100%
- 2019: 91%
- 2018: 96%
- 2017: 91%

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 is 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) - Chairperson
- 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 Socfinasia 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. Remuneration

The remuneration allocated to the members of the Board of Directors of Socfinasia for financial year 2021 amounts to EUR 5,849,500 compared to EUR 4,625,964 in 2020.

The Directors of Socfinasia 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*
Socfin L-1650 Luxembourg	11,324,179	57.79	01/02/2017
Bolloré Participations F-29500 Ergué Gaberic	200	0.001	22/10/2018
Bolloré F-29500 Ergué Gaberic	3,358,100	17.138	22/10/2018
Compagnie du Cambodge F-92800 Puteaux	1,002,500	5.116	22/10/2018
Total Bolloré interests (direct and indirect)	4,360,800	22.255	

7. Financial calendar

31st May 2022	Annual General Meeting at 11.00 am
9th June 2022	Payment of the balance of dividend for 2021 (coupon number 82)
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 11.00 am

The Company's results are communicated on the Luxembourg Stock Exchange website www.bourse.lu and on the Company's website 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 amounted to EUR 343,389 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 March 30th, 2022, the Group approved the update of its responsible management policy renewed and reinforced in 2021 in order to respond 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 kept continuously up to date. 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 as at 31st December 2021, in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Socfinasia and of all 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 Socfinasia, 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. Socfinasia (the Group) adopted IFRS standards for the first time in 2005 and all the standards applicable to the Group as at 31st December 2021 have been implemented.

Consolidated results

For the 2021 financial year, the result attributable to the Group amounted to EUR 57.4 million compared to EUR 16.4 million in 2020. This results in earnings per share attributable to the Group of EUR 2.93 compared to EUR 0.84 in 2020.

Consolidated revenue amounted to EUR 168.2 million in 2021 compared to EUR 126.5 million in 2020 (an increase of EUR 41.7 million). This increase in revenue was mainly due to rise in the price (EUR +44.2 million), a reduction in the quantities sold (EUR -1.4 million), and a foreign exchange loss on the Euro against the Indonesian Rupiah (EUR -2.3 million).

Likewise, operating profit increased to EUR 73.4 million compared to EUR 34.4 million in 2020.

Other financial income increased to EUR 8.1 million compared to EUR 4.9 million in 2020 and consisted mainly of EUR 3.0 million of interest on long term advances to Socfinaf and tranferred to Socfin after finance restructuring. The higher amount is mainly due to realised exchange gain for EUR 2.6 millions.

Financial expenses amounted to EUR 2.1 million compared to EUR 6.9 million in 2020 and consisted mainly of foreign exchange losses of EUR 1.0 million.

The tax expense increased. Income taxes amounted to EUR 21.7 million compared to EUR 14.3 million in 2020.

Profit for the year from associates attributable to the Group increased to EUR 7.1 million compared to EUR 1.8 million in 2020.

Consolidated statement of financial position

The assets of Socfinasia consist of:

- non-current assets of EUR 371.7 million compared to EUR 261.4 million in 2020; an increase of EUR 110.3 million mainly due to EUR 95.6 million of long-term advances to Socfinaf and to EUR 8.0 million increase on biological assets;
- current assets of EUR 115.1 million compared to EUR 74.7 million in 2020. This increase is mainly due to the increase of the cash and cash equivalents for EUR 53.6 million and the increase of inventory for EUR 4.3 million.

Shareholders' equity attributable to the Group amounted to EUR 289.3 million compared to EUR 241.5 million in 2020. The increase in shareholders' equity of EUR 47.8 million is mainly due to the profit for the period (EUR +57.4 million), the allocation of the net results (EUR -17.6 million, final dividend 2020 and interim dividend 2021 included), and the change in translation reserve (EUR 9.0 million).

On the basis of the consolidated shareholders' equity, the net value per share attributable to the Group (before distribution of the balance of the dividend) was EUR 14.76 compared to EUR 12.32 a year earlier. As at 31st December 2021, the share price stood at EUR 14.30.

Current and non-current liabilities increased to EUR 190.9 million compared to EUR 88.9 million a year earlier. The tax liabilities increased from EUR 10.0 million to EUR 16.0 million.

Consolidated cash flow

As at 31st December 2021, cash and equivalents amounted to EUR 73.4 million, an increase of EUR 53.6 million for the year compared to an increase of EUR 7.2 million in the previous financial year.

Net cash flow from operating activities amounted to EUR 69.2 million in 2021 (EUR 35.9 million in 2020) and cash flow from operations to EUR 92.3 million compared to EUR 58.1 million in the previous financial year.

Cash flow from investing activities amounted to EUR 9.5 million (EUR 11.1 million in 2020) and cash flow from financing activities amounted to EUR 8.0 million (EUR 16.6 million in 2020) of which EUR 23.1 million of dividends (EUR 19.4 million in 2020).

FINANCIAL INSTRUMENTS

Financial risk management policies are described in the notes to the consolidated financial statements of the Company (see notes 23 and 34).

OUTLOOK 2022

The results for the next financial year will depend, to a large extent, on factors which are external to the management of the Group, 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 evolution 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 operating in South-East Asia.

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

EVENTS AFTER THE CLOSING DATE

Russian - 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.

IMPACT OF THE COVID-19 CRISIS

In addition to the sanitary measures taken and described in the sustainable development report, the Group 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 and its direct and indirect subsidiaries for the years 2022 and 2023, and 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 March 30th, 2022, the Group approved the update of its responsible management policy renewed and reinforced in 2021 in order to respond 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.

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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

To the Shareholders
SOCFINASIA 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 Socfinasia 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 115 million out of total assets of EUR 486 million.

The Group owns biological assets in Asia. These biological assets, which consist mainlyof oil palm and rubber plantations, are valued inaccordance with the principles defined in IAS 16"Property, Plant and Equipment". These assets arerecognised at cost less accumulated depreciationand any impairment losses.

The note 26 "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

  - o 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 1 year.

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 28 to 34 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 undertakings6, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Auditor’s report on the consolidated financial statements

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;
- 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 [Socfinasia 2021 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
ASSETS	*Note*	*EUR*	*EUR*
Non-Current Assets			
Right-of-use assets	3	910,065	958,149
Intangible assets	4	828,613	208,262
Property, plant and equipment	5	41,308,451	40,157,598
Biological assets	6	115,405,596	107,369,830
Investments in associates	10	21,934,906	20,600,069
Financial assets at fair value through other comprehensive income	11	501,082	584,990
Long-term advances	12	175,971,270	80,387,666
Deferred tax assets	13	7,870,916	3,557,425
Other non-current assets	31	7,000,000	7,600,000
		371,730,899	***261,423,989***
Current Assets			
Inventories	16	16,115,866	11,766,833
Current biological assets	6	1,135,194	0
Trade receivables	17	2,304,055	1,994,383
Other receivables	18	20,904,232	40,157,782
Current tax assets	14	1,228,967	980,690
Cash and cash equivalents	19	73,404,709	19,832,116
		115,093,023	***74,731,804***
TOTAL ASSETS		***486,823,921***	***336,155,793***

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

		31/12/2021	31/12/2020
EQUITY AND LIABILITIES	***Note***	***EUR***	***EUR***
Equity attributable to the owners of the Parent			
Share capital	20	24,492,825	24,492,825
Legal reserve	21	2,449,283	2,449,283
Consolidated reserves		321,053,764	323,270,534
Translation reserves		-116,151,273	-125,183,537
Profit for the period		57,414,177	16,437,566
		289,258,776	***241,466,671***
Non-controlling interests	9	***6,662,431***	***5,748,692***
Total Equity		***295,921,207***	***247,215,363***
Non-Current Liabilities			
Deferred tax liabilities	13	5,579,195	1,806,032
Employee Benefits Obligations	22	36,912,326	35,114,910
Long term debt, net of current portion	23	78,136,408	0
Long term lease liabilities	3	401,008	394,600
		121,028,937	***37,315,542***
Current Liabilities			
Short-term debt and current portion of long term debt	23	8,853,829	0
Short-term lease liabilities	3	26,341	24,036
Trade payables		4,003,740	4,418,226
Current tax liabilities	14	16,005,952	10,048,388
Provisions		0	72,545
Other payables	24	40,983,915	37,061,693
		69,873,777	***51,624,888***
TOTAL EQUITY AND LIABILITIES		***486,823,921***	***336,155,793***

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

2. Consolidated income statement

	Note	2021 EUR	2020 Restated (*) EUR
Revenue	33	168,186,805	126,520,057
Work performed by entity and capitalised		1,105,836	1,239,801
Change in inventories of finished products and work in progress		3,452,902	-4,324,601
Other operational income		1,305,827	5,264,861
Raw materials and consumables used	33	-11,421,404	-12,013,109
Other expenses	33	-13,038,627	-11,375,578
Staff costs	26	-60,755,553	-50,861,528
Depreciation and impairment expense	7	-10,948,422	-12,412,405
Other operating expenses	33, 15	-4,648,823	-7,607,690
Operating profit		***73,238,541***	***34,429,808***
Other financial income	27	8,059,609	4,860,689
Gain on disposals		696,738	52,272
Loss on disposals		-2,236,973	-446,572
Financial expenses	28	-2,062,103	-6,912,388
Profit before taxes		***77,695,812***	***31,983,809***
Income tax expense	15	-21,664,691	-14,340,159
Deferred tax (expense) / income	15	357,786	-347,544
Share of the Group in the result from associates	10	7,147,777	1,765,112
Profit for the period		***63,536,684***	***19,061,218***
Profit attributable to non-controlling interests		***6,122,501***	***2,623,655***
Profit attributable to the owners of the Parent		***57,414,177***	***16,437,566***
Basic earnings per share undiluted	29	***2.93***	***0.84***

Number of Socfinasia shares	**19,594,260**	**19,594,260**
Basic earnings per share	2.93	0.84
Diluted earnings per share	2.93	0.84

(*) For further details, refer to Notes 1.5 and 15.
The accompanying notes are an integral part of these consolidated financial statements.

3. Consolidated statement of comprehensive income

	Note	2021 EUR	2020 EUR
Profit for the period		***63,536,684***	***19,061,218***
Other comprehensive income			
Actuarial losses and gains	22	-801,102	3,161,078
Deferred tax on actuarial losses and gains		-25,588	-695,437
Fair value changes of securities measured at fair value through other comprehensive income, before taxes	11	-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		*-853,995*	*2,428,863*
Gains (losses) on exchange differences on translation of subsidiaries		8,936,823	-9,224,454
Share of other comprehensive income related to associates	10	317,468	-237,695
Subtotal of items eligible for reclassification to profit or loss		*9,254,291*	*-9,462,149*
Total Other Comprehensive Income		***8,400,296***	***-7,033,286***
Comprehensive income		***71,936,980***	***12,027,932***
Comprehensive income attributable to non-controlling interests		***6,411,481***	***2,594,994***
Comprehensive income attributable to the owners of the Parent		***65,525,493***	***9,404,265***

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		57,414,177	16,437,566
Profit attributable to non-controlling shareholders		6,122,505	2,623,652
Income from associates	10	-7,147,776	-1,765,112
Dividends received from associates	10	3,383,509	3,302,248
Fair value of agricultural production		1,380,915	4,806,752
Other adjustments having no impact on cash position		-1,526,193	2,941,766
Provisions and allowances		9,839,642	14,677,105
Net loss on disposals of assets		1,540,235	394,299
Income tax expense	15	21,306,905	14,687,702
Cash flows from operating activities		***92,313,919***	***58,105,978***
Interest paid / (received)	27, 28	***-3,521,702***	***-3,288,408***
Income tax paid	14	***-21,664,691***	***-14,340,158***
Change in inventory		-6,112,598	151,135
Change in trade and other receivables		1,105,895	-11,555,857
Change in trade and other payables		3,694,583	7,056,036
Accruals and prepayments		3,352,891	-267,488
Change in working capital requirement		***2,040,771***	***-4,616,174***
Net cash flows from operating activities		***69,168,297***	***35,861,238***
Investing activities			
Acquisitions / disposals of intangible assets		-647,322	-17,885
Acquisitions of property, plant and equipment and biological assets	5, 6	-10,468,242	-12,685,358
Disposals of property, plant and equipment		977,739	1,074,313
Acquisitions / disposals of financial fixed assets		621,710	564,241
		-9,516,115	***-11,064,689***
Financing activities			
Dividends paid to the owners of the Parent	30	-17,634,834	-15,675,408
Dividends paid to non-controlling shareholders	9	-5,497,754	-3,756,823
Proceeds from borrowings	23	12,082,392	0
Repayment of borrowings	23	-483,046	1,974
Repayment of lease liabilities		-25,145	-504,552
Interest received		3,521,702	3,288,408
Net cash flows from financing activities		***-8,036,684***	***-16,646,401***
Effect of exchange rate fluctuations		1,957,095	-910,690
Net cash flow		***53,572,593***	***7,239,458***
Cash and cash equivalents at 1st January	19	19,832,116	12,592,654
Cash and cash equivalents at 31st December	19	73,404,709	19,832,116
Net increase / (decrease) in cash and cash equivalents		***53,572,593***	***7,239,462***

(*) For further details, refer to Notes 1.5 and 15.

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

5. Consolidated statement of changes in equity

EUR	Share capital	Legal reserve	Translation reserves	Consolidated reserves	Equity attributable to the owners of the Parent	Non-controlling interests	TOTAL EQUITY
Balance at 1st January 2020	***24,492,825***	***2,449,283***	***-116,455,441***	***337,222,691***	***247,709,358***	***6,972,073***	***254,681,431***
Profit/(loss) for the period				16,437,566	*16,437,566*	2,623,652	*19,061,218*
Actuarial losses and gains			28,672	1,990,553	*2,019,225*	446,415	*2,465,640*
Change in fair value of securities at fair value through other comprehensive income				-29,391	*-29,391*	-7,386	*-36,777*
Foreign currency translation adjustments			-8,756,768		*-8,756,768*	-467,686	*-9,224,454*
Change in other comprehensive income from associates				-237,695	*-237,695*		*-237,695*
Other comprehensive income			***-8,728,096***	***18,161,033***	***9,432,937***	***2,594,995***	***12,027,932***
Dividends (Note 30)				-9,797,130	*-9,797,130*	-1,912,579	*-11,709,709*
Interim dividends (Note 30)				-5,878,278	*-5,878,278*	-1,905,798	*-7,784,076*
Other movements				-216	*-216*		*-216*
Transactions with shareholders				***-15,675,624***	***-15,675,624***	***-3,818,377***	***-19,494,001***
Balance at 31st December 2020	***24,492,825***	***2,449,283***	***-125,183,537***	***339,708,101***	***241,466,671***	***5,748,691***	***247,215,362***
Balance at 1st January 2021	***24,492,825***	***2,449,283***	***-125,183,537***	***339,708,101***	***241,466,671***	***5,748,691***	***247,215,362***
Profit/(loss) for the period				57,414,177	*57,414,177*	6,122,501	*63,536,678*
Actuarial losses and gains				-744,021	*-744,021*	-82,669	*-826,690*
Change in fair value of securities at fair value through other comprehensive income				-21,821	*-21,821*	-5,484	*-27,305*
Foreign currency translation adjustments			8,559,690		*8,559,690*	377,133	*8,936,823*
Transfer between reserves			472,575	-472,575			
Change in other comprehensive income from associates				317,468	*317,468*		*317,468*
Other comprehensive income			***9,032,265***	***56,493,228***	***65,525,493***	***6,411,481***	***71,936,974***
Dividends (Note 30)				-9,797,130	*-9,797,130*	-5,497,753	*-15,294,883*
Interim dividends (Note 30)				-7,837,704	*-7,837,704*	-2	*-7,837,706*
Other movements				-98,554	*-98,554*	13	*-98,541*
Transactions with shareholders				***-17,733,388***	***-17,733,388***	***-5,497,742***	***-23,231,130***
Balance at 31st December 2021	***24,492,825***	***2,449,283***	***-116,151,272***	***378,467,941***	***289,258,775***	***6,662,431***	***295,921,206***

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

Socfinasia (the "Company") was incorporated on 20th November 1972. 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 exploitation of tropical oil palm and rubber plantations mainly in South-East of Asia.

Socfinasia is controlled by Société Financière des Caoutchoucs, abbreviated as "Socfin" which is the largest entity that consolidates. The registered office of the latter company is also located in Luxembourg.

The Company is listed on the Luxembourg Stock Exchange and is registered in the commercial register under the number B10534 and is listed on the Luxembourg Stock Exchange under ISIN code: LU0092047413.

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 Socfinasia and of the Group's presentation.

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 IFRS 1, 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 the 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 shareholdes 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 Socfinasia as well as those of the companies controlled by the parent ("subsidiaries") and those of the companies in which Socfinasia exercises significant influence ("associates"), all of which constitute the "Group".

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

a) 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.

b) Investments in associates

An associate is a company over which the Group exercises significant influence through its participation in the financial and operational decisions of this company, but over which it has no control. Significant influence is presumed when the Group holds, directly or indirectly through its subsidiaries, between 20% and 50% of the voting rights. Associates are accounted for using the equity method. Under this method, the Group's interest in the associate is initially recognised at cost in the statement of financial position and subsequently adjusted to recognise the Group's share of movements in profit and loss and other comprehensive income.
The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. Unrealised gains and losses resulting from transactions between

the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Investments in associates are included in the consolidated financial statements using the equity method from the date on which significant influence begins until the date when this influence ceases. The carrying amount of positive goodwill that results from the acquisition of associates is included in the carrying amount of the investment and is not tested for impairment separately. An impairment test is performed if an objective indication of impairment is identified. Impairment is recognised, if necessary, in the income statement under the heading “Share in the net income of companies accounted for using the equity method”.

The list of subsidiaries and associated companies 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 income tax (Note 15). This restatement does 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 Socfinasia 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 1.18).

On consolidation, the assets and liabilities of companies whose accounts are held in a currency other than the euro are translated into euros at the exchange rate prevailing on the closing date. Income and expenses are converted into euros at the average exchange rate for the year. Any exchange differences are classified as equity under "Translation differences". In the event of a disposal, the translation differences relating to the company concerned are 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
Cambodian riel	4,614	4,964	4,804	4,672
Indonesian rupiah	16,161	17,308	16,938	16,725
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 2021. In line with IAS 21, this change was accounted propectively. As per IAS 21, this change should have occured 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. 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 25 years
Bearer plants - Rubber	20 to 25 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.

1.13. 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 takes into account all facts and circumstances that may create an incentive to exercise a renewal option or not to exercise an early termination option. 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 8.

1.14. 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.

1.15. 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 1.12. Bearer biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.16. Trade receivables

Trade receivables are valued at their nominal value and do not bear interest. 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).

1.17. Cash and cash equivalents

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

1.18. 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.

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.

1.19. 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.

1.20. 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.

1.21. Revenue recognition

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

The point of control of the asset by the customer depends on when the goods are made available to the carrier or when the buyer takes possession of the goods, depending on the delivery conditions. With regards to the Group's activities, the recognition criteria are generally met:
(a) for export sales, where the 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 4.5 million (2020: EUR 4.9 million) of total Group revenue.

1.22. 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.

1.23. 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.

1.24. 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 6 and 16), IAS 16 (Note 5), IAS 36 (Notes 6 and 8), IFRS 9 (Note 25 and 34) and IFRS 16 (Note 3).

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 1.12).

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

1.25. 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
ASIA						
Rubber and palm						
PT SOCFIN INDONESIA "SOCFINDO"	90.00	90.00	FI	90.00	90.00	FI
Rubber						
SETHIKULA CO LTD	100.00	100.00	FI	100.00	100.00	FI
SOCFIN-KCD CO LTD	100.00	100.00	FI	100.00	100.00	FI
VARANASI CO LTD	100.00	100.00	FI	100.00	100.00	FI
COVIPHAMA CO LTD	100.00	100.00	FI	100.00	100.00	FI
EUROPE						
Other activities						
CENTRAGES S.A.	50.00	50.00	EM	50.00	50.00	EM
IMMOBILIERE DE LA PEPINIERE S.A.	50.00	50.00	EM	50.00	50.00	EM
INDUSERVICES S.A.	35.00	35.00	EM	35.00	35.00	EM
INDUSERVICES FR S.A.	50.00	50.00	EM	50.00	50.00	EM
MANAGEMENT ASSOCIATES S.A.	20.00	20.00	EM	20.00	20.00	EM
PLANTATION NORD-SUMATRA LTD " PNS Ltd " S.A.	100.00	100.00	FI	100.00	100.00	FI
SOCFIN RESEARCH S.A.	-	-	NC	50.00	50.00	EM
SOCFIN GREEN ENERGY S.A.	-	-	NC	50.00	50.00	EM
SOCFINCO S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFINCO FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFINDE S.A.	79.92	79.92	FI	79.92	79.92	FI
SODIMEX S.A.	50.00	50.00	EM	50.00	50.00	EM
SODIMEX FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOGESCOL FR S.A.	50.00	50.00	EM	50.00	50.00	EM
TERRASIA S.A.	47.81	47.81	EM	47.81	47.81	EM

(*) Consolidation method: FI: Full Integration, EM: Equity Method, NC: Not Consolidated

List of subsidiaries and associated companies

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

* COVIPHAMA CO LTD is a company under Cambodian law active in the production of rubber.

* IMMOBILIERE DE LA PEPINIERE S.A. is a company under Belgian law which owns 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.

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

* 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.

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

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

* 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 rubber products.

* 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.

* 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.

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

* TERRASIA S.A is a company under Luxembourg law owning office space.

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

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

Note 3. Leases

The amounts recognised in the balance sheet, related to leases under IFRS 16 are as follows:

Right-of-use assets:

EUR	*Buildings*	*Land and concession of agricultural area*	*TOTAL*
Gross value at 1st January 2020	***332,537***	***1,499,689***	***1,832,226***
Additions of the year	0	479,135	479,135
Disposals of the year	-29,903	-806,257	-836,160
Reclassification to other categories	0	136,505	136,505
Foreign exchange differences	-25,476	-134,855	-160,331
Gross value at 31st December 2020	***277,158***	***1,174,217***	***1,451,375***
Accumulated depreciation at 1st January 2020	***-110,275***	***-514,326***	***-624,601***
Depreciation of the year	-25,618	-99,209	-124,827
Depreciation reversals	29,903	169,615	199,518
Foreign exchange differences	9,711	46,974	56,685
Accumulated depreciation at 31st December 2020	***-96,279***	***-396,946***	***-493,225***
Net book value at 31st December 2020	***180,879***	***777,271***	***958,150***
Gross value at 1st January 2021	***277,158***	***1,174,217***	***1,451,375***
Foreign exchange differences	23,125	86,441	109,566
Gross value at 31st December 2021	***300,283***	***1,260,658***	***1,560,941***
Accumulated depreciation at 1st January 2021	***-96,279***	***-396,946***	***-493,225***
Depreciation of the year	-25,224	-90,185	**-115,409**
Foreign exchange differences	-9,108	-33,133	**-42,241**
Accumulated depreciation at 31st December 2021	***-130,611***	***-520,264***	***-650,875***
Net book value at 31st December 2021	***169,672***	***740,394***	***910,066***

Lease liabilities

	31/12/2021	**31/12/2020**
	EUR	*EUR*
Long-term lease liabilities	401,008	394,600
Short-term lease liabilities	26,341	24,036
TOTAL	***427,349***	***418,636***

Long-term lease liabilities are payable as follows:

2020						
EUR	*2022*	*2023*	*2024*	*2025*	*2026 and above*	*TOTAL*
Lease liabilities	24,151	24,266	24,382	24,499	297,302	***394,600***

2021						
EUR	*2023*	*2024*	*2025*	*2026*	*2027 and above*	*TOTAL*
Lease liabilities	26,467	26,594	26,721	26,850	294,376	***401,008***

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

	2021	2020
	EUR	*EUR*
Depreciation of right-of-use assets	115,409	124,827
Expenses related to short term leases and leases of low-value assets	30,560	4,388
Interest expense (included in the financial expenses)	37,808	38,521
Total	***183,777***	***167,736***

Agricultural land and concessions

The Group does not own all of the land on which its bio-based 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
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

Note 4. Intangible assets

EUR	Concessions and patents	Softwares	TOTAL
Cost at 1st January 2020	***52,659***	***1,632,649***	***1,685,308***
Additions	0	17,885	**17,885**
Disposals	-8,182	0	**-8,182**
Foreign exchange differences	-3,611	-160,303	**-163,914**
Cost at 31st December 2020	***40,866***	***1,490,231***	***1,531,097***
Accumulated depreciation at 1st January 2020	***-52,659***	***-1,348,555***	***-1,401,214***
Depreciation	0	-67,605	**-67,605**
Depreciation reversals	8,182	0	**8,182**
Foreign exchange differences	3,611	134,191	**137,802**
Accumulated depreciation at 31st December 2020	***-40,866***	***-1,281,969***	***-1,322,835***
Net book value at 31st December 2020	***0***	***208,262***	***208,262***
Cost at 1st January 2021	***40,866***	***1,490,231***	***1,531,097***
Additions	545,053	113,512	**658,565**
Disposals	-421	-24,514	**-24,935**
Foreign exchange differences	29,598	110,062	**139,660**
Cost at 31st December 2021	***615,096***	***1,689,291***	***2,304,387***
Accumulated depreciation at 1st January 2021	***-40,866***	***-1,281,969***	***-1,322,835***
Depreciation	-13,944	-55,593	**-69,537**
Depreciation reversals	397	13,295	**13,692**
Foreign exchange differences	-4,061	-93,033	**-97,094**
Accumulated depreciation at 31st December 2021	***-58,474***	***-1,417,300***	***-1,475,774***
Net book value at 31st December 2021	***556,622***	***271,991***	***828,613***

Note 5. Property, plant and equipment

EUR	Land and nurseries	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and pre-payments	TOTAL
Cost at 1st January 2020	***4,133,477***	***71,465,462***	***66,944,934***	***1,716,953***	***448,626***	***732,458***	***145,441,910***
Additions (*)	1,100,533	842,426	1,698,877	1,049,988	170,723	41,847	**4,904,394**
Disposals	-13,025	-226,182	-1,939,703	-972,388	0	-341,935	**-3,493,233**
Reclassifications to other asset classes	-652,079	267,048	134,819	-3,676	-534,696	0	**-788,584**
Foreign exchange differences	-350,287	-6,738,459	-6,452,320	-153,726	-22,230	-61,527	**-13,778,549**
Cost at 31st December 2020	***4,218,619***	***65,610,295***	***60,386,607***	***1,637,151***	***62,423***	***370,843***	***132,285,938***
Accumulated depreciation at 1st January 2020	***-21,244***	***-46,668,021***	***-51,077,496***	***-1,676,051***	***0***	***0***	***-99,442,812***
Depreciation	0	-1,976,845	-2,191,866	-1,178,792	0	0	**-5,347,503**
Depreciation reversals	0	162,632	1,824,339	961,802	0	0	**2,948,773**
Reclassifications to other asset classes	0	0	-6,604	6,604	0	0	**0**
Foreign exchange differences	1,651	4,574,930	4,981,020	155,600	0	0	**9,713,201**
Accumulated depreciation at 31st December 2020	***-19,593***	***-43,907,304***	***-46,470,607***	***-1,730,837***	***0***	***0***	***-92,128,341***
Net book value at 31st December 2020	***4,199,026***	***21,702,991***	***13,916,000***	***-93,686***	***62,423***	***370,843***	***40,157,597***
Cost at 1st January 2021	***4,218,619***	***65,610,295***	***60,386,607***	***1,637,151***	***62,423***	***370,843***	***132,285,938***
Additions (*)	1,116,667	754,850	1,807,369	1,109,080	221,178	-314,840	**4,694,304**
Disposals	0	-207,419	-623,604	-687,077	0	0	**-1,518,100**
Reclassifications to other asset classes	-1,045,343	210,233	64,200	0	-255,722	-60,031	**-1,086,663**
Foreign exchange differences	341,787	4,859,745	4,400,557	147,943	3,469	8,277	**9,761,778**
Cost at 31st December 2021	***4,631,730***	***71,227,704***	***66,035,129***	***2,207,097***	***31,348***	***4,249***	***144,137,257***
Accumulated depreciation at 1st January 2021	***-19,593***	***-43,907,304***	***-46,470,607***	***-1,730,837***	***0***	***0***	***-92,128,341***
Depreciation	0	-1,957,512	-2,139,255	-1,157,181	0	0	**-5,253,948**
Depreciation reversals	0	81,020	591,549	680,485	0	0	**1,353,054**
Foreign exchange differences	-1,635	-3,249,198	-3,395,099	-153,640	0	0	**-6,799,572**
Accumulated depreciation at 31st December 2021	***-21,228***	***-49,032,994***	***-51,413,412***	***-2,361,173***	***0***	***0***	***-102,828,807***
Net book value at 31st December 2021	***4,610,502***	***22,194,710***	***14,621,717***	***-154,076***	***31,348***	***4,249***	***41,308,450***

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

The accounting policies applicable to property, plant and equipment are detailed in notes 1 and 8.

Note 6. Biological assets

	Palm		Rubber		TOTAL
EUR	Mature	Immature	Mature	Immature	
Cost at 1st January 2020	***56,126,972***	***15,104,225***	***57,209,676***	***30,096,145***	***158,537,018***
Additions (*)	0	5,813,866	0	1,967,097	**7,780,963**
Disposals	-633,035	-11,322	-805,999	-558,531	**-2,008,887**
Reclassifications to other asset classes	6,068,508	-5,505,035	5,554,385	-5,465,778	**652,080**
Foreign exchange differences	-5,673,334	-1,487,454	-5,161,522	-2,157,493	**-14,479,803**
Cost at 31st December 2020	***55,889,111***	***13,914,280***	***56,796,540***	***23,881,440***	***150,481,371***
Accumulated depreciation at 1st January 2020	***-25,053,157***	***0***	***-11,168,899***	***0***	***-36,222,056***
Depreciation	-2,738,043	0	-2,479,193	0	**-5,217,236**
Depreciation reversals	447,283	0	568,876	0	**1,016,159**
Foreign exchange differences	2,527,815	0	1,130,540	0	**3,658,355**
Accumulated depreciation at 31st December 2020	***-24,816,102***	***0***	***-11,948,676***	***0***	***-36,764,778***
Accumulated impairment at 1st January 2020	***0***	***0***	***-378,688***	***-4,813,660***	***-5,192,348***
Impairment	0	0	0	-1,655,234	**-1,655,234**
Foreign exchange differences	0	0	162,406	338,413	**500,819**
Accumulated impairment at 31st December 2020	***0***	***0***	***-216,282***	***-6,130,481***	***-6,346,763***
Net book value at 31st December 2020	***31,073,009***	***13,914,280***	***44,631,582***	***17,750,959***	***107,369,830***
Cost at 1st January 2021	***55,889,111***	***13,914,280***	***56,796,540***	***23,881,440***	***150,481,371***
Additions (*)	0	4,245,559	0	1,528,379	**5,773,938**
Disposals	-630,350	-10,740	-1,344,475	-781,103	**-2,766,668**
Reclassifications to other asset classes	6,695,221	-5,653,783	5,195,825	-5,150,601	**1,086,662**
Foreign exchange differences	4,258,855	919,460	4,665,299	1,758,297	**11,601,911**
Cost at 31st December 2021	***66,212,837***	***13,414,776***	***65,313,189***	***21,236,412***	***166,177,214***
Accumulated depreciation at 1st January 2021	***-24,816,102***	***0***	***-11,948,675***	***0***	***-36,764,777***
Depreciation	-2,973,072	0	-2,477,994	0	**-5,451,066**
Depreciation reversals	489,107	0	750,394	0	**1,239,501**
Foreign exchange differences	-1,880,985	0	-977,024	0	**-2,858,009**
Accumulated depreciation at 31st December 2021	***-29,181,052***	***0***	***-14,653,299***	***0***	***-43,834,351***
Accumulated impairment at 1st January 2021	***0***	***0***	***-216,282***	***-6,130,481***	***-6,346,763***
Impairment	0	0	-201,978	0	**-201,978**
Impairment reversals	0	0	0	143,516	**143,516**
Reclassifications to other asset classes	0	0	-4,058,669	4,058,669	**0**
Foreign exchange differences	0	0	-234,155	-297,887	**-532,042**
Accumulated impairment at 31st December 2021	***0***	***0***	***-4,711,084***	***-2,226,183***	***-6,937,267***
Net book value at 31st December 2021	***37,031,785***	***13,414,776***	***45,948,806***	***19,010,229***	***115,405,596***

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

Accounting policy regarding current biological assets is disclosed in note 1.12.

Note 7. Depreciation and impairment

	2021	2020
	EUR	EUR
Depreciation		
Of right-of-use assets	115,409	124,827
Of intangible assets (Note 4)	69,537	67,605
Of property, plant and equipment excluding biological assets (Note 5)	5,253,948	5,347,503
Of biological assets (Note 6)	5,451,066	5,217,236
Impairment		
Of biological assets (Note 6)	58,462	1,655,234
Total at 31st December	***10,948,422***	***12,412,405***

Note 8. Impairment of assets

Intangible and tangible assets and right-of-use 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.

As at 31st December 2021, no impairment was recognised on above mentioned assets.

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 closing prices did not exceed 15% of the average price over the past 5 years for the Rubber and Palm segments.

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 of palm oil 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 the above criteria, the review of global and local prices led to the conclusion that there are no external indicators of impairment.

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

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

If an indication of impairment is identified, the recoverable amount of the producing 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 specific 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.

This rate reflects market interest rates, the company's capital structure considering the operating segment and the specific risk profile of the business.

The value-in-use calculation has been very sensitive to:

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

Changes in realised margins

Initially, the Group determines separately the expected production of each category of 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 crops 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 agricultural activities. The value-in-use of the biological asset is then obtained by discounting these cash flows. Average margins are considered constant over the duration of the financial projection. An indexing factor is not considered.

Based on the existence of internal indications of impairment, EUR 0.2 million of impairment loss for Coviphama and EUR 0.1 million of impairment reversal for Socfin KCD were recognised in 2021 (Note 6).

At 31st December 2021, accumulated impairment losses amounted to EUR 5.8 million for Coviphama and EUR 1.1 million for Socfin KCD (Note 6).

Note 9. 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					
PT SOCFINDO	Indonesia	10%	10%	10%	10%

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
PT SOCFINDO	6,001,300	3,127,291	5,847,731	5,049,714
Subsidiaries that hold non-controlling interests that are not significant individually			814,700	698,978
Non-controlling interests			*6,662,431*	*5,748,692*

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
	EUR	EUR	EUR	EUR
PT SOCFINDO				
2020	28,637,540	85,874,710	28,628,385	35,114,903
2021	48,455,059	91,150,642	37,997,748	36,912,343

Subsidiary	Revenue from ordinary activities	Net income for the year	Comprehensive income for the year	Dividends paid to non-controlling interests
	EUR	EUR	EUR	EUR
PT SOCFINDO				
2020	121,354,132	36,586,206	36,586,206	3,714,377
2021	160,251,333	64,841,457	64,841,457	5,499,223

Subsidiary	*Net cash inflows (outflows)*			
	Operating activities	*Investing activities*	*Financing activities*	*Net cash inflows (outflows)*
	EUR	*EUR*	*EUR*	*EUR*
PT SOCFINDO				
2020	56,649,530	-11,101,593	-37,143,768	8,404,169
2021	71,121,523	-9,573,215	-54,992,234	6,556,074

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

Note 10. Investments in associates

	2021	**2020**
	EUR	*EUR*
Value at 1st January	***20,600,069***	***22,557,385***
Income from associates	7,147,776	1,765,112
Dividends	-3,383,509	-3,302,248
Fair value change for financial assets measured at fair value through other comprehensive income (loss)	317,467	-237,696
Disposal of associates	-2,274,586	0
Other movements	-472,311	-182,485
Value at 31st December	***21,934,906***	***20,600,069***

	Value of investment in associates	*Income from associates*	*Value of investment in associates*	*Income from associates*
	2021	**2021**	**2020**	**2020**
	EUR	*EUR*	*EUR*	*EUR*
Centrages S.A.	3,432,710	241,051	3,191,658	111,847
Immobilière de la Pépinière S.A.	1,864,426	-46,822	1,911,464	-10,063
Induservices S.A.	83,833	1,188	82,645	1,378
Induservices FR S.A.	0	164,940	0	0
Management Associates S.A.	245,799	531,279	0	-283,098
Socfin Green Energy S.A.	0	-641,650	690,431	-62,402
Socfin Research S.A.	0	1,140,424	1,688,498	-86,437
Socfinco S.A.	775,183	20,607	879,575	106,997
Socfinco FR S.A.	7,364,276	3,386,981	3,979,742	485,330
Sodimex S.A.	153,374	1,557	151,817	-15,630
Sodimex FR S.A.	1,890,380	227,628	2,034,941	-148,878
Sogescol FR S.A.	5,845,483	2,106,457	5,723,989	1,652,820
Terrasia S.A.	279,441	14,136	265,309	13,248
TOTAL	***21,934,906***	***7,147,776***	***20,600,069***	***1,765,112***

	Total assets	Revenue	Total assets	Revenue
	2021	2021	2020	2020
	EUR	EUR	EUR	EUR
Centrages S.A.	4,052,720	4,128,202	3,561,650	2,800,921
Immobilière de la Pépinière S.A.	3,983,909	510,366	4,146,061	475,678
Induservices S.A.	1,853,192	3,128,650	2,673,288	3,925,673
Induservices FR S.A.	6,611,187	2,779,036	6,168,015	2,032,070
Management Associates S.A.	12,567,871	3,438,858	12,615,725	2,632,406
Socfin Green Energy S.A.	0	0	1,440,953	80,031
Socfin Research S.A.	0	0	3,712,948	8,820
Socfinco S.A.	2,456,705	20,569	1,905,106	1,625,471
Socfinco FR S.A.	25,583,207	25,179,023	19,665,969	19,932,749
Sodimex S.A.	306,953	0	390,466	0
Sodimex FR S.A.	8,634,788	14,238,890	13,585,753	19,828,809
Sogescol FR S.A.	46,421,846	371,317,721	30,474,004	253,824,637
Terrasia S.A.	593,179	0	555,055	0
TOTAL	*113,065,557*	*424,741,315*	*100,894,993*	*307,167,265*

Main data of significant associates accounted for using the equity method

Associate company	Main location	Main activity	Dividend received	Dividend received
			2021	2020
			EUR	EUR
Socfinco S.A.	Belgium	Rendering of services	125,000	100,000
Socfinco FR S.A.	Switzerland	Rendering of services	1,000,000	0
Sodimex FR S.A.	Switzerland	Procurement	250,000	0
Sogescol FR S.A.	Switzerland	Trade of tropical products	1,885,091	3,142,960

Summary financial information of interests held in associates - Statement of financial position

Associate company	*Current assets*	*Non-current assets*	*Current liabilities*	*Non-current liabilities*
2020	*EUR*	*EUR*	*EUR*	*EUR*
Management Associates S.A.	615,220	12,000,505	2,578,637	7,600,000
Socfinco FR S.A.	12,579,220	7,086,748	3,264,021	5,091,650
Sodimex FR S.A.	13,571,469	14,284	9,450,637	0
Sogescol FR S.A.	29,587,310	886,694	19,485,837	0
TOTAL	***56,353,219***	***19,988,231***	***34,779,132***	***12,691,650***
2021	*EUR*	*EUR*	*EUR*	*EUR*
Management Associates S.A.	1,424,905	11,142,966	2,868,219	7,000,000
Socfinco FR S.A.	19,608,845	5,974,362	4,970,769	5,014,035
Sodimex FR S.A.	8,585,658	49,131	4,585,941	0
Sogescol FR S.A.	45,509,154	912,692	33,230,531	0
TOTAL	***75,128,562***	***18,079,151***	***45,655,460***	***12,014,035***

Summary financial information of interests held in associates - Income statement

Associate company	*Profit from operations*	*Net income for the year*	*Comprehensive income for the year*
2020	*EUR*	*EUR*	*EUR*
Management Associates S.A.	-167,918	-167,918	-167,918
Socfinco FR S.A.	1,535,347	1,535,347	1,535,347
Sodimex FR S.A.	405,746	405,746	405,746
Sogescol FR S.A.	3,282,437	3,282,437	3,282,437
TOTAL	***5,055,612***	***5,055,612***	***5,055,612***
2021	*EUR*	*EUR*	*EUR*
Management Associates S.A.	262,563	262,563	262,563
Socfinco FR S.A.	6,288,105	6,288,105	6,288,105
Sodimex FR S.A.	413,732	413,732	413,732
Sogescol FR S.A.	5,129,175	5,129,175	5,129,175
TOTAL	***12,093,575***	***12,093,575***	***12,093,575***

Reconciliation of the financial information summarised above to the carrying amount of the investments in the consolidated financial statements

Associate company	Net assets of the associate	% stake held by the Group	Other IFRS adjustments	Value of stake held by the Group
2020	*EUR*		*EUR*	*EUR*
Management Associates S.A.	2,437,088	20%	-487,418	0
Socfinco FR S.A.	11,310,297	50%	-1,675,407	3,979,742
Sodimex FR S.A.	4,135,116	50%	-32,617	2,034,941
Sogescol FR S.A.	10,988,167	50%	229,906	5,723,989
TOTAL	***28,870,668***		***-1,965,536***	***11,738,672***
2021	*EUR*		*EUR*	*EUR*
Management Associates S.A.	2,699,652	20%	-294,131	245,799
Socfinco FR S.A.	15,598,403	50%	-434,926	7,364,276
Sodimex FR S.A.	4,048,848	50%	-134,044	1,890,380
Sogescol FR S.A.	13,191,315	50%	-750,175	5,845,483
TOTAL	***35,538,218***		***-1,613,275***	***15,345,938***

There is no goodwill attributed to the above associates.

Aggregated information relating to associates that are not significant individually

	2021	2020
	EUR	*EUR*
Share of profit from continued operations attributable to the Group	895,431	58,938
Share of other comprehensive income attributable to the Group	895,431	58,938
Total book value of investments in associates held by the Group	6,588,968	8,861,397

Profit after tax from discontinued operations for 2021 and 2020 are nil for all associate companies of the Group.

The nature, extent and financial impact of the interests held in associates by the Group, including the nature of relationships with other investors, remained stable over the financial period compared to the previous year.

Note 11. Financial assets at fair value through other comprehensive income

	2021	2020
	EUR	EUR
Fair value at 1st January	584,990	633,987
Change in fair value (*)	-36,378	-48,997
Disposals	-47,530	0
Fair value at 31st December	501,082	584,990

(*) 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	471,587	519,117	501,082	584,990

Note 12. Long term advance payments

As at 31st December 2021, the long-term advance payments consist mainly of 2 receivables from Socfin for a nominal amount of respectively EUR 100,592,500 and EUR 75,293,177 (2020: EUR 80,000,000). These receivables bear interest at rates of respectively 4% per annum and 3-month USD Libor rate +6.7%. They are repayable within 5 years.

Note 13. Deferred taxes

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

	2021	2020
	EUR	*EUR*
IAS 2 / IAS 41: Agricultural production	-1,255,209	-558,289
IAS 16: Property, plant and equipment	-4,249,920	-3,243,007
IAS 19: Pension obligations	8,093,894	7,126,034
IAS 12: Tax credits	5,210,941	224,527
IFRS 16: Leases	9,555	8,160
IFRS 9: Financial assets measured at fair value through other comprehensive income	-9,815	-18,888
Others	71,470	0
Balance at 31st December	***2,291,721***	***1,751,393***
Of which deferred tax assets	7,870,915	3,557,425
Of which deferred tax liabilities	-5,579,195	-1,806,032

The above deferred taxes are presented per category of deferred taxes resulting from consolidation 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***

PNS Ltd, Socfin KCD and Coviphama have unused tax losses for respectively EUR 14.1 million, EUR 7.9 million and EUR 1.0 million. No deferred tax assets have been booked in respect of these tax credits.

Note 14. Current tax assets and liabilities

* Components of current tax assets

	2021	2020
	EUR	EUR
Current tax assets at 1st January	***980,690***	***883,837***
Tax income	31,318	68,486
Other taxes	0	0
Taxes paid or recovered	562,949	117,184
Tax adjustments	-376,776	-22,063
Foreign exchange differences	30,786	-66,754
Current tax assets at 31st December	***1,228,967***	***980,690***

* Components of current tax liabilities

	2021	2020
	EUR	EUR
Current tax liabilities at 1st January	***10,048,388***	***1,948,383***
Tax expense	30,644,770	19,264,394
Other taxes	8,096	0
Taxes paid or recovered	-25,361,738	-10,975,668
Tax adjustments	63	-63
Foreign exchange differences	666,373	-188,658
Current tax liabilities at 31st December	***16,005,952***	***10,048,388***

Note 15. Income tax expense

* Components of the tax expense

	2021	2020 Restated
	EUR	EUR
Current income tax expense (*)	21,664,692	14,340,159
Deferred tax expense / (income)	-357,787	347,544
Tax expense at 31st December	***21,306,905***	***14,687,703***

(*) Withholding tax on dividends is presented within income tax expense. In 2020, a withholding tax amounting EUR 3.3 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: Tax credits	-448,261	87,972
IAS 19: Pension obligations	-466,416	1,861,615
IAS 2 / IAS 41: Fair value of agricultural produce	-118,326	-1,275,984
IAS 16: Tangible assets	744,451	-342,482
IFRS 16: Leases	-686	16,423
Others	-68,548	0
Deferred tax expense / (income) at 31st December	***-357,786***	***347,544***

*** Reconciliation of income tax expense**

	2021	2020 Restated
	EUR	Restated
Profit before tax from continuing operations	***77,695,812***	***31,983,809***
Nominal tax rate of the parent company	24.94%	24.94%
Nominal tax rate of subsidiaries	from 20 % to 24.94 %	from 20 % to 24.94 %
Income tax at nominal tax rates of subsidiaries	17,079,179	6,859,178
Unfunded taxes	37,693	608,536
Definitively taxed income	-32,224	0
Use of capital allowances	269,892	-625,630
Specific tax regimes in foreign countries	9,621,193	3,442,778
Non-taxable income	-1,314,690	-454,199
Non-deductible expenses	1,125,255	4,027,296
Use of accumulated tax losses	-6,178,320	0
Losses carried forward	578,034	746,942
Impact of change in tax rate	122,896	81,372
Other adjustments	-2,003	1,430
Tax expense at 31st December	***21,306,905***	***14,687,703***

Note 16. Inventories

* Carrying value of inventories by category

	2021	2020
	EUR	EUR
Raw materials	1,044,685	232,224
Consumables	3,024,646	3,185,038
Spare parts	1,767,983	1,331,979
Production in progress	1,218,562	2,209,579
Finished products	9,650,351	5,064,268
Gross amount before impairment at 31st December	*16,706,227*	*12,023,088*
Inventory write-downs	-590,361	-256,255
Net amount at 31st December	*16,115,866*	*11,766,833*

* Reconciliation of inventories

	2021	2020
	EUR	EUR
Situation at 1st January	*12,023,088*	*18,603,485*
Change in inventory	6,144,248	-165,912
Fair value of agricultural products	-2,464,157	-4,806,752
Foreign exchange differences	1,003,048	-1,607,733
Gross amount (before impairment) at 31st December	*16,706,227*	*12,023,088*
Inventory write-downs	-590,361	-256,255
Net amount at 31st December	*16,115,866*	*11,766,833*

* Quantity of inventory by category

2020	Raw Materials	Production-in-progress	Finished goods
Palm oil (tons)	0	0	4,148
Rubber (tons)	317	0	2,677
Others (units)	0	11,004,801	469,267

2021	Raw Materials	Production-in-progress	Finished goods
Palm oil (tons)	0	0	5,576
Rubber (tons)	1,076	0	3,935
Others (units)	0	4,737,950	24,926

Note 17. Trade receivables (current assets)

	2021	2020
	EUR	EUR
Trade receivables	1,802,589	1,310,365
Advances and prepayments	501,466	684,018
Total at 31st December	***2,304,055***	***1,994,383***

Note 18. Other receivables (current assets)

	2021	2020
	EUR	EUR
Social security	8,708	7,481
Other receivables (*)	20,864,847	40,142,615
Accrued charge	30,677	7,686
At 31st December	***20,904,232***	***40,157,782***

(*) The "Other receivables" consist mainly of cash pooling receivables at Socfinde for EUR 18.5 million (EUR 38.4 million euros in 2020), and include receivables linked to non-operational activities

The accounting policy and risk management applicable to receivables are detailed in notes 1 and 34.

Note 19. Cash and cash equivalents

**** Reconciliation with the amounts in the statement of financial position***

	2021	2020
	EUR	EUR
Current account	73,404,709	19,832,116
Balance at 31st December	***73,404,709***	***19,832,116***

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

	2021	2020
	EUR	EUR
Current account	73,404,709	19,832,116
Balance at 31st December	***73,404,709***	***19,832,116***

Note 20. Share capital

Issued and fully paid capital amounted to EUR 24.5 million as at 31st December 2021 (No change compared to 2020).

At 31st December 2021, the share capital is represented by 19,594,260 shares without nominal value.

In accordance with the law of 28th July 2014 on the cancellation of bearer shares, 455,740 shares have been cancelled,as the holders of these shares have not been registered with a depositary as required by the law. The proceedings with the "Caisse de Consignation" are still in progress till date.

	Ordinary shares	
	2021	2020
Number of Shares at 31st December	***19,594,260***	***19,594,260***
Number of fully paid shares issued without designation of par value	19,594,260	19,594,260

Note 21. Reserve

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.

Statutory reserve

In accordance with Article 33 of the company's coordinated bylaws, this reserve is not available for distribution to 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.

	2021	2020
	EUR	EUR
Assets and liabilities recognised in the statement of financial position		
Present value of obligations	36,912,326	35,114,910
Net amount recognised in the statement of financial position for defined benefit plans	***36,912,326***	***35,114,910***
Components of net charge		
Current service costs	2,080,954	1,985,895
Financial costs	1,889,375	2,799,522
Past service costs	-555,090	0
Defined benefit plan costs	***3,415,239***	***4,785,417***
Movements in liabilities / net assets recognised in the statement of financial position		
At 1st January	***35,114,910***	***42,474,505***
Costs as per income statement	3,415,239	4,785,417
Contributions	-4,879,625	-4,941,109
Actuarial gains and losses of the year recognised in other comprehensive income	801,101	-3,161,076
Foreign exchange differences	2,460,701	-4,042,827
At 31st December	***36,912,326***	***35,114,910***

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

Actuarial gains and losses recognised in other comprehensive income

	2021	2020
	EUR	*EUR*
Adjustments of liabilities related to experience	-2,759,574	7,026,934
Changes in financial assumptions related to recognised liabilities	1,958,473	-3,865,858
Actuarial gains and losses recognised during the period in other comprehensive income	***-801,101***	***3,161,076***

Actuarial valuation assumptions

	2021	2020
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 present value of defined benefit obligations

	2021	2020
	EUR	*EUR*
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 are 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)	4,227,108	4,245,592

	2021	2020
Weighted average duration of defined benefit plan obligations (in years)	12.8	14.0

Note 23. Financial debts

2020 EUR	< 1 year	> 1 year	TOTAL
Lease liabilities	24,036	394,600	**418,636**
TOTAL	***24,036***	***394,600***	***418,636***

2021 EUR	< 1 year	> 1 year	TOTAL
Loans held by financial institutions (*)	8,842,663	78,136,408	**86,979,071**
Other loans	11,166	0	**11,166**
Lease liabilities	26,341	401,008	**427,349**
TOTAL	***8,880,170***	***78,537,416***	***87,417,586***

(*) 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).

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

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

2021 EUR	Fixed Rate	Rate	Floating rate	Rate	TOTAL
Loans held by financial institutions					
Luxembourg	0	0	78,136,408	LIBOR 3-month +5%(*)	**78,136,408**
	0		***78,136,408***		***78,136,408***

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

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

2020	KHR	TOTAL EUR
Lease liabilities	394,600	394,600
TOTAL	*394,600*	*394,600*

2021	USD	TOTAL EUR
Loans held by financial institutions	78,136,408	78,136,408
Lease liabilities	401,007	401,007
TOTAL	*78,537,415*	*78,537,415*

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

2020 EUR	2022	2023	2024	2025	2026 and above	TOTAL
Lease liabilities	24,151	24,266	24,382	24,499	297,302	394,600
TOTAL	*24,151*	*24,266*	*24,382*	*24,499*	*297,302*	*394,600*

2021 EUR	2023	2024	2025	2026	2027 and above	TOTAL
Loans held by financial institutions	16,952,946	61,183,462(*)	0	0	0	78,136,408
Lease liabilities	26,467	26,594	26,721	26,850	294,376	401,008
TOTAL	*16,979,413*	*61,210,056*	*26,721*	*26,850*	*294,376*	*78,537,416*

(*) The reimbursement can be extended to end of November 2026.

*** Net debt**

	2021	2020
	EUR	EUR
Cash and cash equivalents	73,404,709	19,832,116
Long term debt net of current portion	-78,136,408	0
Short term debt and current portion of long-term debt	-8,853,829	0
Lease liabilities	-427,349	-418,636
Net debt	***-14,012,877***	***19,413,480***
Cash and cash equivalents	73,404,709	19,832,116
Loan bearing interest at a variable rate	-86,990,237	0
Lease liabilities	-427,349	-418,636
Net debt	***-14,012,877***	***19,413,480***

*** 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	***12,592,655***	***0***	***0***	***-1,321,632***	***11,271,023***
Cash Flows	8,150,154	0	0	504,551	**8,654,705**
Foreign exchange differences	-910,692	0	0	91,633	**-819,059**
Other movements with no impact on cash flows	0	0	0	306,810	**306,810**
At 31st December 2020	***19,832,117***	***0***	***0***	***-418,637***	***19,413,480***
Cash Flows	51,615,483	-12,001,941	402,595	25,143	**40,041,280**
Foreign exchange differences	1,957,109	-3,195,394	-361,616	-33,860	**-1,633,761**
Transfers	0	-62,939,073	-8,894,808	0	**-71,833,881**
At 31st December 2021	***73,404,710***	***-78,136,408***	***-8,853,829***	***-427,354***	***-14,012,881***

Note 24. Other payables

	2021	2020
	EUR	*EUR*
Staff cost liabilities	841,332	771,783
Other payables (*)	21,344,312	22,042,164
Accruals	18,798,271	14,247,746
Balance at 31st December	***40,983,915***	***37,061,693***
Current liabilities	40,983,915	37,061,693

(*) Other payables consist mainly of debts of EUR 16.8 million (EUR 17.8 million in 2020) relating to the cash pooling at Socfinde.

Note 25. Financial instruments

2020	Loans and borrowings	Financial assets at fair value through other comprehensive income	Other financial assets and liabilities	TOTAL	Loans and borrowings (*)	Other financial assets and liabilities (*)
EUR	**at cost**	**at fair value**	**at cost**		**at fair value**	**at fair value**
Assets						
Financial assets at fair value through other comprehensive income	0	584,990	0	**584,990**	0	0
Long-term advances	80,307,020	0	80,645	**80,387,665**	80,307,020	80,645
Other non-current assets	7,600,000	0	0	**7,600,000**	7,600,000	0
Trade receivables	0	0	1,994,383	**1,994,383**	0	1,994,383
Other receivables	0	0	40,157,781	**40,157,781**	0	40,157,781
Cash and cash equivalents	0	0	19,832,116	**19,832,116**	0	19,832,116
Total Assets	***87,907,020***	***584,990***	***62,064,925***	***150,556,935***	***87,907,020***	***62,064,925***
Liabilities						
Long term lease liabilities	394,600	0	0	*394,600*	394,600	0
Short term lease liabilities	24,036	0	0	*24,036*	24,036	0
Trade payables (current)	0	0	4,418,226	*4,418,226*	0	4,418,226
Other payables (current)	0	0	37,061,692	*37,061,692*	0	37,061,692
Total Liabilities	***418,636***	***0***	***41,479,918***	***41,898,554***	***418,636***	***41,479,918***

(*) For information purposes.

2020	Fair Value			
EUR	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
Financial assets at fair value through other comprehensive income	0	0	584,990	***584,990***

2021 EUR	Loans and borrowings at cost	Financial assets at fair value through other comprehensive income at fair value	Other financial assets and liabilities at cost	TOTAL	Loans and borrowings (*) at fair value	Other financial assets and liabilities (*) at fair value
Assets						
Financial assets at fair value through other comprehensive income	0	501,082	0	**501,082**	0	0
Long-term advances	175,885,677	0	85,592	**175,971,269**	175,885,677	85,592
Other non-current assets	7,000,000	0	0	**7,000,000**	7,000,000	0
Trade receivables	0	0	2,304,055	**2,304,055**	0	2,304,055
Other receivables	0	0	20,904,231	**20,904,231**	0	20,904,231
Cash and cash equivalents	0	0	73,404,709	**73,404,709**	0	73,404,709
Total Assets	***182,885,677***	***501,082***	***96,698,587***	***280,085,346***	***182,885,677***	***96,698,587***
Liabilities						
Long term debts	78,136,408	0	0	**78,136,408**	78,136,408	0
Long term lease liabilities	401,008	0	0	**401,008**	401,008	0
Short term debts	8,853,829	0	0	**8,853,829**	8,853,829	0
Short term lease liabilities	26,341	0	0	**26,341**	26,341	0
Trade payables (current)	0	0	4,003,741	**4,003,741**	0	4,003,741
Other payables (current)	0	0	40,983,912	**40,983,912**	0	40,983,912
Total Liabilities	***78,563,757***	***0***	***53,841,482***	***132,405,239***	***78,563,757***	***53,841,482***

(*) For information purposes.

2021	Fair Value			
EUR	***Level 1***	***Level 2***	***Level 3***	***TOTAL***
Financial assets at fair value through other comprehensive income	0	0	501,082	***501,082***

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 during the year	*2021*	*2020*
Directors	197	190
Employees	2,396	2,453
Workers (including temporary workers)	7,575	7,720
TOTAL	*10,168*	*10,363*

	2021	2020
Staff costs	*EUR*	*EUR*
Remuneration	56,030,593	44,135,874
Social security and pension expenses	4,724,960	6,725,654
TOTAL	*60,755,553*	*50,861,528*

Note 27. Other financial income

	2021	2020
	EUR	*EUR*
On non-current assets / liabilities		
Interest on other investments	1,063,405	5,768
On current assets / liabilities		
Interest from receivables and cash flows	2,940,712	3,384,263
Exchange gains	3,233,227	908,239
Others	822,265	562,419
TOTAL	*8,059,609*	*4,860,689*

Note 28. Financial expenses

	2021	2020
	EUR	EUR
Impairment on non-current assets	20,000	2,440,000
Interest expense on lease liabilities	37,808	38,521
Interest and finance expense	444,607	63,102
Impairment on financial assets	342,741	0
Exchange losses	980,270	4,189,552
Others	236,677	181,213
At 31st December	***2,062,103***	***6,912,388***

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.

	2021	2020
Net profit for the year (in euros)	57,414,177	16,437,566
Average number of shares	19,594,260	19,594,260
Net earnings per share undiluted (in euros)	***2.93***	***0.84***

Note 30. Dividends and directors' fees

The Board will propose at the Annual General Meeting of 31st May 2022 the payment of a total dividend of EUR 1.40 per share, out of which an interim dividend of EUR 0.40 per share was paid in November 2021. If the proposed dividend is approved by the general meeting of shareholders, a balance of EUR 1.00 per share for a total amount of EUR 19.6 million would therefore remain payable.

	2021	2020
Dividends and interim dividends distributed during the period (in euros)	17,634,834	15,675,408
Number of shares	19,594,260	19,594,260
Dividend per share distributed in the period	0.90	0.80

In addition, in accordance with the statutory provisions, 1/9 of the distributed dividends are allocated to the Board of Directors.

Note 31. Information on related party

**** Directors' remuneration***

	2021	2020
	EUR	EUR
Short term benefits	5,849,500	4,625,964

**** Other related party transactions***

2020				
EUR	*Parent*	*Associates*	*Other related parties*	*TOTAL*
Non-current assets				
Long-term advances	0	592,500	80,000,000	**80,592,500**
Other non-current assets	0	7,600,000	0	**7,600,000**
	0	***8,192,500***	***80,000,000***	***88,192,500***
Current assets				
Trade receivables	0	963,107	0	**963,107**
Other receivables (Note 18)	15,539,714	6,022,150	18,148,051	**39,709,915**
	15,539,714	***6,985,257***	***18,148,051***	***40,673,022***
Current liabilities				
Trade payables	0	2,780	0	**2,780**
Other payables (Note 24)	0	10,108,585	1,664,315	**11,772,900**
	0	***10,111,365***	***1,664,315***	***11,775,680***
TRANSACTIONS BETWEEN RELATED PARTIES				
Services and goods delivered	0	11,873,377	158,388	**12,031,765**
Services and goods received	0	4,971,518	0	**4,971,518**
Financial income	22,141	38,356	3,314,977	**3,375,475**
Finance expense	0	186	2,522	**2,708**

2021				
EUR	*Parent*	*Associates*	*Other related parties*	*TOTAL*
Non-current assets				
Long-term advances	175,293,177	592,500	0	**175,885,677**
Other non-current assets	0	7,000,000	0	**7,000,000**
	175,293,177	***7,592,500***	***0***	***182,885,677***
Current assets				
Trade receivables	0	1,023,084	0	**1,023,084**
Other receivables (Note 18)	11,479,691	5,539,924	2,249,186	**19,268,800**
	11,479,691	***6,563,008***	***2,249,186***	***20,291,884***
Current liabilities				
Financial debts	0	11,044	0	**11,044**
Trade payables	0	97,731	0	**97,731**
Other payables (Note 24)	0	9,631,904	1,587,759	11,219,663
		9,740,679	1,587,759	11,328,438
TRANSACTIONS BETWEEN RELATED PARTIES				
Services and goods delivered	0	14,752,300	94,373	**14,846,673**
Services and goods received	0	5,616,532	0	**5,616,532**
Financial income	679,322	25,004	2,819,718	**3,524,044**

Related party transactions are made at arm's length.

As at 31st December 2021, Socfinasia has an amount receivable of EUR 100 million from Socfin. This receivable bears interest at 4%. The amount of interest recognised for the year 2021 is EUR 0.6 million.

As at 31st December 2021, PNS has an amount receivable of EUR 75.3 million from Socfin. This receivable bears interest at 3-month LIBOR + 6.7%. The amount of interest recognised for the year 2021 is EUR 0.5 million.

No other significant transactions have been noted with the parent company Socfin, with the exception of the payment of dividends by Socfinasia amounting to EUR 9.1 million in 2020 and EUR 10.2 million in 2021. In addition, Socfinde has a receivable of EUR 10.9 million with the parent company at 31st December 2021.

Transactions with other related parties are carried out with Socfinde, a company incorporated under the law of Luxembourg, which is within the scope of consolidation.

As at 31st December 2021, Socfinde has an amount receivable of EUR 2.2 million from Socfinaf (2020 : EUR 17.3 million).

As at 31st December 2021, Socfinde has a USD denominated loan equivalent to EUR 1.6 million due to Socfinaf. This loan bears an annual interest rate of LIBOR 1-month x 85% with a minimum rate of 0%. The amount of interest recognised for 2021 is EUR 0.0 million.

Note 32. Off balance sheet commitments

In 2021, PNS Ltd obtained a loan of USD 100 million which stipulates that as long as the loan remains outstanding, PNS Ltd's 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 analysis of information by management is based on the geographical distribution of political and economic risks. As a result, the sectors are Indonesia, Cambodia and Europe.

The products of the operating sector from Indonesia come from sales of palm oil and rubber, those from Cambodia come exclusively from sale of rubber, those from Europe come from the rendering of administrative services, assistance in managing the areas under plantation and the marketing of products outside the Group. The segment profit 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	0	0	-3,112,071
Cambodia	5,165,870	0	-1,157,165
Indonesia	121,354,187	0	49,023,435
TOTAL	***126,520,057***	***0***	***44,754,199***
Elimination of revenue from intra-group activities			
Fair value of agricultural production			-6,519,164
Other IFRS adjustments			-5,327,463
Consolidation adjustments (intra-group and others)			-1,816,592
Financial income			4,912,961
Financial expenses			-7,358,960
Group share of income from associates			1,765,112
Income tax expense			-11,348,876
Net profit for the period			***19,061,218***

(*) 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	0	0	-2,924,837
Cambodia	7,935,361	0	988,373
Indonesia	160,251,445	0	82,976,211
TOTAL	***168,186,805***	***0***	***81,039,747***
Elimination of revenue from intra-group activities			
Fair value of agricultural production			-1,439,376
Other IFRS adjustments			2,928,458
Consolidation adjustments (intra-group and others)			-9,290,288
Financial income			8,756,347
Financial expenses			-4,299,076
Group share of income from associates			7,147,777
Income tax expense			-21,306,905
Net profit for the period			***63,536,684***

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

*** Total segmental assets**

	2021	2020
	EUR	*Restated EUR*
Europe	50,366,111	5,069,851
Cambodia	68,843,348	64,305,823
Indonesia	127,714,998	106,618,394
Total at 31st December	***246,924,457***	***175,994,067***
IFRS 3/IAS 16: Bearer plants	-395,689	-1,356,729
IAS 2/IAS 41: Agricultural production	114,882	2,521,746
Other IFRS Adjustments	-530,493	-580,312
Consolidation adjustments (intra-group and others)	4,389,329	4,750,252
Total consolidated segmental assets	***250,502,486***	***181,329,024***
Consolidated assets not included in segment assets		
Right-of-use assets	910,065	958,149
Investments in associates	21,934,906	20,314,589
Financial assets at fair value through other comprehensive income	501,082	584,990
Long-term advances	175,971,270	80,673,146
Deferred tax	7,870,915	3,557,425
Other non-current assets	7,000,000	7,600,000
Consolidated non-current assets	***214,188,239***	***113,688,298***
Other debtors	20,904,231	40,157,782
Current tax assets	1,228,967	980,689
Consolidated current assets	***22,133,197***	***41,138,470***
Total of consolidated assets in the segmental assets	***236,321,436***	***154,826,769***
Total assets	***486,823,922***	***336,155,793***

Segment assets and liabilities are presented to meet the requirements of IFRS 8. They are derived from internal reporting and do not take into account any consolidation or IFRS restatements.

Segment assets include only fixed assets, producing biological assets, trade receivables, inventories, cash and cash equivalents. Segment liabilities include only trade and other payables.

*** Total segmental liabilities**

	2021	2020
	EUR	*Restated EUR*
Europe	29,914,750	45,286,673
Cambodia	1,154,105	890,695
Indonesia	23,690,766	19,292,109
Total at 31st December	***54,759,620***	***65,469,477***
Consolidation adjustments (intra-group and others)	-9,771,966	-23,989,559
Total consolidated segmental liabilities	***44,987,654***	***41,479,918***
Consolidated liabilities not included in segment liabilities		
Total equity	295,921,208	247,215,363
Non-current liabilities	121,028,937	37,315,541
Current financial debts	8,853,829	0
Current lease liabilities	26,341	24,036
Current tax liabilities	16,005,952	10,048,388
Provisions	0	72,547
Total consolidated liabilities not included in segment liabilities	***441,836,268***	***294,675,875***
Total equity and liabilities	***486,823,921***	***336,155,793***

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

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Cambodia	0	483,274	1,064,256	**1,547,530**
Indonesia	17,885	4,421,120	6,716,707	**11,155,712**
TOTAL	***17,885***	***4,904,394***	***7,780,963***	***12,703,242***

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

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Cambodia	0	436,270	859,167	**1,295,437**
Indonesia	658,565	4,258,034	4,914,771	**9,831,369**
TOTAL	***658,565***	***4,694,304***	***5,773,938***	***11,126,806***

*** Information by category of revenue**

	2021	2020
	EUR	*EUR*
Palm	140,988,797	104,521,961
Rubber	20,706,986	18,054,353
Other agricultural activities	5,307,630	3,943,743
Others	1,183,392	0
TOTAL	*168,186,805*	*126,520,057*

*** Information by geographical region**

EUR — 2020 Restated

Origin / Geographical location	Europe	Africa	Asia	America	Oceania	TOTAL
Asia	*11,873,383*	*157,914*	*114,488,760*	*0*	*0*	**126,520,057**

EUR — 2021

Origin / Geographical location	Europe	Africa	Asia	America	Oceania	TOTAL
Asia	14,752,311	235,968	152,940,190	255,594	2,742	**168,186,805**

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

EUR — 2020 Restated

Segment / Category Business	Palm	Rubber	Other agricultural products	TOTAL
Indonesia	104,521,962	12,888,488	3,943,737	**121,354,187**
Cambodia	0	5,165,870	0	**5,165,870**
TOTAL	*104,521,962*	*18,054,358*	*3,943,737*	*126,520,057*

EUR — 2021

Segment / Category Business	Palm	Rubber	Other agricultural products	TOTAL
Indonesia	140,988,797	12,771,626	6,491,022	**160,251,445**
Cambodia	0	7,935,360	0	**7,935,360**
TOTAL	*140,988,797*	*20,706,986*	*6,491,022*	*168,186,805*

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.

<u>Potential risks</u>
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.

<u>Risk management and opportunities</u>
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***

<u>Potential risk</u>
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.

<u>Risk management and opportunities</u>
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***

<u>Potential risk</u>
The Group carries out transactions in local currencies, mainly being US dollar 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.

<u>Risk management and opportunities</u>
Apart from the current currency hedging instruments for operational transactions (which is relatively limited) the main policy of the Group to finance its development projects in local currencies in the region given the significant investments made in the plantations and wherever possible, to reduce borrowings.

**** Interest rate risk***

<u>Potential risk</u>
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.

<u>Risk management and opportunities</u>
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 1.18.

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 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 1.3 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 amounted to EUR 112.1 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***

As at 31st December 2021, the trade receivables from global customers amounted to EUR 1.0 million and to EUR 1.3 million for local customers. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Palm oil is sold locally to local players (wide range of customers). The marketing of rubber is entrusted to Sogescol FR (equity accounted company). It trades either on the physical markets or directly with end customers.

The outstanding trade receivables are not significant.

	2021	2020
	EUR	*EUR*
Trade receivables	2,304,055	1,994,383
Other receivables	20,904,232	40,157,782
Long term advances	175,971,270	80,387,666
Total net receivables	***199,179,557***	***122,539,831***
Amount not due	199,179,557	122,539,830
Total net receivables	***199,179,557***	***122,539,830***

Note 35. Profit before interest, taxes, depreciation and amortisation

EBITDA

	2021	2020
	EUR	*EUR*
Profit after tax (Group's share)	***57,414,177***	***16,437,566***
Profit share of non-controlling interests	6,122,505	2,623,656
Income from associates	-7,147,776	-1,765,112
Dividends received from associates	3,383,509	3,302,248
Fair value of biological assets	1,380,915	4,806,752
Depreciation, amortisation and provisions	11,304,028	13,264,627
Gains and losses on disposals of assets	1,540,235	394,299
Tax charge	21,306,905	14,687,702
Other financial income	-8,059,609	-4,860,688
Other financial income included in depreciation write-backs	233,171	3
Financial expenses	2,062,103	6,912,387
Financial expenses included in amortisation and provisions	-362,741	-2,440,000
Impact of lease restatement on EBITDA	-153,217	-163,348
TOTAL	***89,024,205***	***53,200,092***

Note 36. 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 the complete cancellation of the relief of 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.

Note 37. Political and economic environment

The Company holds interests in subsidiaries operating in South-East Asia.

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

Note 38. 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.

Note 39. Auditor's fees

	2021	2020
	EUR	*EUR*
Audit (VAT included)	343,389	194,761

The audit fees include all fees paid to the independent statutory auditor of the Group namely EY for 2021 and 2020, 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 those firms 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

Socfinasia holds financial interests in portfolio companies which operate directly or indirectly in South-East Asia in the rubber and palm oil sectors.

The result of the year

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

(EUR million)	2021	2020
INCOME		
Value adjustments in respect of financial assets	1.2	0.0
Income from participating interests		
From affiliated undertakings	44.9	32.5
Other interest receivable and similar income	3.2	3.2
Total income	***49.3***	***35.7***
EXPENSES		
Other external expenses	2.2	2.2
Value adjustments in respect of financial assets	0.0	0.3
Interest payable and similar expenses	1.5	0.6
Income tax	0.6	0.5
Total expenses	***4.3***	***3.6***
PROFIT FOR THE FINANCIAL YEAR	**45.0**	**32.1**

At 31st December 2021, the income from financial fixed assets amounted to EUR 44.9 million compared to EUR 32.5 million in 2020. The increase is mainly due to increased of the revenues from Indonesia. In addition, following the liquidation of Gaummes and Socfin Research, reversals of value adjustments of EUR 1.2 million were recorded.

The profit of the year, after structural charges and costs, stood at EUR 45 million compared to EUR 32.1 million as of 31st December 2020.

Company's management report

Balance sheet

As at 31st December 2021, Socfinasia's total assets amounted to EUR 451.9 million compared to EUR 425.5 million in 2020.

Socfinasia's assets mainly consist of financial fixed assets of EUR 410.5 million, receivables and cash at Bank of EUR 41.4 million.

Shareholders' equity, before distribution, amounts to EUR 446.8 million.

Portfolio

Movements
During the year, the liquidations of Gaummes, Socfin Green Energy and Socfin Research were completed. On the other hand, Socfinasia purchased 1 share Plantation Nord-Sumatra Ltd from Socfin.

Valuation
During the 2021 financial year, Socfinasia recognised write-down reversals on Gaummes for EUR 0.2 million and on Socfin Research for EUR 1 million.

Unrealised capital gains on the portfolio of participating interests are estimated at EUR 88.3 million as at 31st December 2021 compared with EUR 53.8 million at the end of the previous year.

Investments

The main investments have evolved as follows during the period:

PT Socfindo (Indonesia)
90% subsidiary of PNS Ltd which itself is 100% owned by Socfinasia

Area (ha) as at 31/12/2021		Area planted	
	Mature	Immature	Total
Rubber	5,907	928	6,835
Palm	34,713	4,376	39,089
Total	***40,260***	***5,304***	***45,924***

Key figures	Realised 2021	Realised 2020	Difference (%)
Production (tons)			
Rubber	8,547	9,798	-12.8
Palm oil	180,584	182,577	-1.1
Turnover (EUR 000)			
Rubber	12,763	12,857	-0.7
Palm tree	140,898	104,268	+35.1
Seeds	5,304	3,862	-37.3
Total	***158,965***	***120,987***	***+31.4***
Result (EUR 000)	***61,951***	***38,093***	***+62.6***

***Socfin-KCD (Cambodia)* - 100%** owned subsidiary of **Socfinasia** and ***Coviphama (Cambodia)* -** 100% owned subsidiary of PNS Ltd, which itself is 100% owned by Socfinasia.

The production of rubber processed by Socfin KCD during the year 2021 is up by 12% due to the additional surface areas and the increase in agricultural yields of this still young plantation. The turnover shows a significant increase given a higher volume sold combined with a more favorable sales price than in 2020. Production costs are down 17% (volume effect).

The result improved from EUR -786,000 to EUR 915,000 at the end of 2021.

At Coviphama, production of raw rubber is on the rise, harvests from the first mature plots are sold to Socfin-KCD, as Coviphama does not have an industrial unit. Revenue is up due to higher sales volume at a better price than in the prior year. Production costs are down (volume effect). The result amounts to EUR 67,000 against a loss of EUR 106,000 in 2020.

Allocation of profit

The profit for the year of EUR 45,000,179.91 increased by retained earnings of EUR 220,321,607.44, give a total earnings of EUR 265,321,787.35 which it is proposed to allocate as follows:

Earnings allocation	*EUR*
Retained earnings	234,841,827.35
From the balance:	
10% to the Board of Directors	3,047,996.00
90% to 19,594,260 shares	27,431,964.00
representing EUR 1.40 per share	
of which EUR 0.40 already paid at the end of 2021	***265,321,787.35***

As a reminder, the dividend relating to previous year was EUR 0.80.

After this allocation of earnings, total reserves amount to EUR 400,509,299.74 and is detailed as follows:

Reserves	*EUR*
Legal reserve	2,449,282.50
Statutory reserve	125,993,370.46
Other reserves	30,070,909.83
Other available reserves	7,153,909.60
Retained earnings	234,841,827.35
	400,509,299.74

If this distribution is approved, Coupon Nr. 82 of EUR 1.00 will be declared on 7th June 2022 and will be payable as from 9th June 2022.

Company's management report

Own shares

During the year 2021, the Company did not buy back any of its shares.

Research and development

During the year 2021, Socfinasia did not incur any expenses relating to research and development.

Financial instruments

Socfinasia's treasury holds USD 30 million in its position as at 31st December 2021. The purpose of holding this currency is to cover dollar related investments and expenses.

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) and f) The issued share capital of the Company is set at EUR 24,492,825 represented by 19,594,260 shares without par value, fully paid up. Each share entitles the holder to one vote without limitation or restriction.

c) On 1st February 2017, Socfin declared that it holds 57.79% direct stake in Socfinasia.

On 22nd October 2018, Bolloré Participations declared that it holds a direct and indirect stake of 22.255% in the Socfinasia, of which 17.138% via Bolloré and 5.116% via Compagnie du Cambodge.

h) Art. 13. 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. 22. 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. 31. 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. 17 et 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 agreements to which the Company is party, and which take effect are modified or terminated in the event of a change of control of the Company following a takeover bid;
- 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 Socfinasia as at 31st December 2021 before allocation of the result and after the interim dividend payment for the financial year amounts to EUR 535.1 million, that is EUR 27.31 per share compared to EUR 24.25 at the end of the previous financial year. This valuation incorporates the unrealised capital gains of the portfolio.

As a reminder, the share price as at 31st December 2021 was EUR 14.30 compared to EUR 14.50 a year earlier.

Company's management report

Significant events after the end of the year

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.

Main risks and uncertainties

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

In addition, the Company may be exposed to foreign exchange risks on long-term advances to subsidiaries. The assessment of this risk is described in the notes to the Company's statutory financial statements.

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.

Perspectives

The result for the 2022 financial year will depend to a large extent on the dividend distributions of the subsidiaries.

Statutory appointments

Administration and Finance Corporation "AFICO", outgoing director, is eligible for re-election. The Board will propose to the next General Meeting the renewal of this term of office for a period of six years. It will be represented by Mr. Régis Helsmoortel.

The Board of Directors takes note of the resignation of Mr. Philippe de Traux and Mr. Luc Boedt from their directorships. It will not be proposed to the General Meeting to provide for their replacement.

THE BOARD OF DIRECTORS

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Socfinasia 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 289 million euros and represents 64% 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.

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.

Report on the audit of the 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 28 to 34 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.

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 [Socfinasia 2021 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 financial statements

1. Balance sheet as at 31st December 2021

ASSETS	*Note*	2021 *EUR*	2020 *EUR*
FIXED ASSETS			
Financial assets	3		
Shares in affiliated undertakings		289,824,828.31	291,773,146.86
Loans to affiliated undertakings		120,642,097.14	22,765,600.07
		410,466,925.45	***314,538,746.93***
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings becoming due and payable within one year	4	13,792,713.29	30,405,740.54
becoming due and payable after one year		0.00	80,000,000.00
Other debtors becoming due and payable within one year		1,036,267.85	517,192.34
Shares in affiliated undertakings		20.00	0.00
		14,829,001.14	***110,922,932.88***
Cash at bank and in hand		26,595,021.45	32,296.14
		41,424,022.59	***110,955,229.02***
TOTAL ASSETS		***451,890,948.04***	***425,493,975.95***

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

Company financial statements

		2021	2020
CAPITAL, RESERVES AND LIABILITIES	*Note*	*EUR*	*EUR*
CAPITAL AND RESERVES	5		
Issued capital		24,492,825.00	24,492,825.00
Reserves			
Legal reserve		2,449,282.50	2,449,282.50
Reserves provided for by the articles of association		125,993,370.46	125,993,370.46
Other reserves, including the fair value reserve			
Other available reserves		37,224,819.43	37,224,819.43
		165,667,472.39	***165,667,472.39***
Profit brought forward		220,321,607.44	205,600,141.29
Profit for the financial year		45,000,179.91	32,138,586.15
Interim dividends		-8,708,560.00	-6,531,420.00
		446,773,524.74	***421,367,604.83***
CREDITORS			
Amounts owed to credit institutions becoming due and payable within one year		22.00	18.33
Trade creditors becoming due and payable within one year		100,786.30	88,452.00
Amounts owed to affiliated undertakings becoming due and payable within one year		342,496.74	877.50
Other creditors			
Tax authorities		1,199,020.00	551,020.00
Other creditors becoming due and payable within one year	6	3,475,098.26	3,486,003.29
		5,117,423.30	***4,126,371.12***
TOTAL CAPITAL, RESERVES AND LIABILITIES		***451,890,948.04***	***425,493,975.95***

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

2. Profit and loss account for the year ended 31st December 2021

	Note	2021 EUR	2020 EUR
Raw materials and consumables and other external expenses			
Other external expenses		-1,910,960.28	-2,042,829.24
Other operating expenses		-284,849.19	-266,635.99
Income from participating interests			
derived from affiliated undertakings	7	44,327,679.58	32,542,378.42
Income from other investments and loans forming part of the fixed assets			
derived from affiliated undertakings	8	583,333.33	0.00
Other interest receivable and other similar income			
derived from affiliated undertakings	9	3,139,177.65	3,208,995.98
other interests and financial income		87,550.47	10,318.19
Value adjustments in respect of financial assets and of investments held as current assets		1,210,073.30	-265,751.70
Interest payable and similar expenses			
concerning affiliated undertakings		-1,504,833.39	0.00
other interest and similar charges		-889.78	-501,195.26
Tax on profit		1,898.22	4,325.75
Profit after taxation		***45,648,179.91***	***32,689,606.15***
Other taxes not shown above		-648,000.00	-551,020.00
Profit for the financial year		***45,000,179.91***	***32,138,586.15***

Proposed distribution of profits

	2021	2020
	EUR	*EUR*
Retained earnings	234,841,827.35	220,321,607.44
From the balance:		
10% to the Board of Directors	3,047,996.00	1,741,712.00
90% to 19,594,260 shares	27,431,964.00	15,675,408.00
	265,321,787.35	***237,738,727.44***
Dividend per share	***1.40***	***0.80***

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

3. Notes to the financial statements for the year 2021

Note 1. Overview

SOCFINASIA, (the "Company") was incorporated on 20th November 1972 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 B10534, and is listed on the Luxembourg Stock Exchange under ISIN number LU0092047413.

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.

Although the Company is included in the consolidated financial statements of Société Financière des Caoutchoucs, abbreviated as "Socfin", which is the largest entity in which the Company is consolidated, 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

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 date.

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.

Receivables

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.

Securities

Securities are valued at the lower of cost, including incidental costs or market value. A value adjustment is recorded when the market price is lower than the purchase price. Value adjustments are not maintained if the reasons for their negotiations have ceased to exist.

Liabilities

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.

Impact of the Covid-19 outbreak

During 2021, following the impact of the COVID-19 pandemic on the activities of the Company's direct and indirect subsidiaries, Management has adapted to the new restrictions and is constantly monitoring the evolution of the risk related to this health crisis. The spread of the virus is still active and unpredictable, leaving economic development in an uncertain future.

Taking into account the impact of the COVID-19 outbreak, based on the information available to date, the Company has prepared a cash flow plan assessing its liquidity position based on Management's best estimates. This cash flow plan shows sufficient liquidity to meet its obligations and confirms the going concern assumption for at least the twelve months following the date of approval of its 2021 financial statements.

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	***294,576,661.97***	***294,576,661.97***	***22,765,600.07***	***22,765,600.07***	***317,342,262.04***	***317,342,262.04***
Increases	11.55	0.00	100,000,000.00	0.00	100,000,011.55	0.00
Decreases	-3,158,403.40	0.00	-2,123,502.93	0.00	-5,281,906.33	0.00
Acquisition cost/nominal value at the end of the year	***291,418,270.12***	***294,576,661.97***	***120,642,097.14***	***22,765,600.07***	***412,060,367.26***	***317,342,262.04***
Value adjustments at the beginning of the year	***-2,803,515.11***	***-2,537,763.41***	***0.00***	***0.00***	***-2,803,515.11***	***-2,537,763.41***
Impairment	0.00	-265,751.70	0.00	0.00	0.00	-265,751.70
Reversal	1,210,073.30	0.00	0.00	0.00	1,210,073.30	0.00
Value adjustments at the end of the year	***-1,593,441.81***	***-2,803,515.11***	***0.00***	***0.00***	***-1,593,441.81***	***-2,803,515.11***
Net book value at the end of the year	***289,824,828.31***	***291,773,146.86***	***120,642,097.14***	***22,765,600.07***	***410,466,925.45***	***314,538,746.93***

Company financial statements

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

Name	*Country*	*% held*	*NET BOOK VALUE EUR*	*Year end*	*Currencies of the annual accounts*	*Net equity as at 31/12/2021 in foreign currency (including net income) (*)*	*Net result as at 31/12/2021 in foreign currencies (*)*
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
Plantation Nord-Sumatra Ltd	Luxembourg	99.99	244,783,196	31.12.2021	USD	310,358,040	49,590,656
Socfinde	Luxembourg	79.92	1,072,391	31.12.2021	EUR	5,883,254	9,970
Terrasia	Luxembourg	47.81	118,518	31.12.2021	EUR	584,487	29,567
Induservices FR	Switzerland	50.00	642,202	31.12.2021	EUR	993,334	-299,758
Socfinco FR	Switzerland	50.00	486,891	31.12.2021	EUR	15,598,403	6,288,105
Sogescol FR	Switzerland	50.00	1,985,019	31.12.2021	USD	16,035,029	7,151,449
Socfin Green Energy	Switzerland						
Socfin Research	Switzerland						
Sodimex FR	Switzerland	50.00	621,424	31.12.2021	EUR	4,047,180	413,732
Centrages	Belgium	50.00	4,074,315	31.12.2021	EUR	3,554,850	440,347
Immobilière de la Pépinière	Belgium	50.00	3,015,798	31.12.2021	EUR	3,645,669	-125,576
Socfinco	Belgium	50.00	750,365	31.12.2021	EUR	2,450,365	941,214
Sodimex	Belgium	50.00	102,200	31.12.2021	EUR	306,748	133,827
Socfin-KCD	Cambodia	100.00	31,685,450	31.12.2021	USD	33,418,287	1,080,966
			281,772,782				

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

Information on movements during the year

During the year, the Company bought:
- 1 share of PNS Ltd

Valuation of shares in affiliated undertakings

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

Valuation of loans to affiliated undertakings

As at 31st December 2021, loans to affiliated undertakings are as follows:

Related parties	*Currency*	*Balance in currency*	*Balance in EUR*	*Unrealised exchange gains / (losses) * EUR*
Induservices	EUR	132,500	132,500	0
Socfin	EUR	100,000,000	100,000,000	0
Socfin-KCD	USD	23,603,890	20,049,597	790,850
Management Associates	EUR	460,000	460,000	0
TOTAL			***120,642,097***	***790,850***

** In accordance with Luxembourg legal and regulatory provisions and generally accepted accounting practices, loans to affiliated undertakings are translated at the historical exchange rate and the unrealised foreign exchange gain or loss is not recognised in the profit and loss account, 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.*

As at 31st December 2021, the Board of Directors is of the opinion that these receivables do not show any permanent impairment losses and consequently no impairment has been recorded.

Note 4. Amounts owed by affiliated undertakings

As at 31st December 2021, this item consists mainly of:

- receivables from the subsidiary Socfinde corresponding to the cash pooling balance of EUR 4,349,049.36 (2020: EUR 20,210,766.20) and to a cash advance of EUR 8,350,000.00 (2020: EUR 8,950,000.00).

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

	Share capital EUR	Legal reserves EUR	Other reserves EUR	Retained earnings EUR	Profit for the year EUR	Interim dividend paid EUR
Balance as at 1st January 2020	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***205,581,392.84***	***17,435,868.45***	***-6,531,420.00***
Allocation of the result for the 2019 financial year following decision of the General Meeting held on 26th May 2020						
• Retained earnings				18,748.45	-18,748.45	
• Dividends					-9,797,130.00	
• Directors' fees					-1,088,570.00	
• 2019 interim dividend					-6,531,420.00	6,531,420.00
Interim dividend as per decision of the Board of Directors held on 27th October 2020						-6,531,420.00
Results for the financial year					31,992,823.02	
Balance as at 31st December 2020	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***205,600,141.29***	***31,992,823.02***	***-6,531,420.00***
Allocation of the result for the 2020 financial year following decision of the General Meeting held on 25th May 2021						
• Retained earnings				14,721,466.15	-14,721,466.15	
• Dividends					-9,143,988.00	
• Directors' fees					-1,741,712.00	
• 2020 interim dividend					-6,531,420.00	6,531,420,00
Interim dividend as per decision of the Board of Directors held on 26th October 2021						-8,708,560,00
Results for the financial year					45,000,179.91	
Balance as at 31st December 2021	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***220,321,607.44***	***45,000,179.91***	***-8,708,560.00***

Issued capital

As at 31st December 2021 and 2020, the issued and fully paid share capital is EUR 24,492,825 represented by 19,594,260 shares without nominal value.

Legal reserve

According to the legislation in force, it must be done annually on the net profits of the Company after absorption of any losses carried forward, an allocation to a legal reserve of 5%. This allocation to the legal reserve ceases to be mandatory when the reserve reaches 10% of the share capital. The legal reserve cannot be distributed.

Statutory reserves

The statutory reserve includes an unavailable reserve of EUR 125,993,370.46 (2020: EUR 129,993,370.46), relating to the profit earned at the time of the formation of Plantation Nord-Sumatra Ltd. in 1997. Persuant Article 33 of the Company's coordinated Articles of Association, this reserve is not available for distribution to shareholders.

Note 6. Other payables

As at 31st December 2021, this item includes interest payable for EUR 3,475,098.26 (2020: EUR 3,486,003.29).

Note 7. Income from participating interests

	2021	2020
	EUR	EUR
Dividends received (*)	43,657,036.17	32,542,378.42
Capital gain on disposal of financial fixed assets	670,643.41	0.00
	44,327,679.58	32,542,378.42

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

Note 8. Income from other investments and loans forming part of the fixed assets

	2021	2020
	EUR	EUR
Interest on related companies' receivables	583,333.33	0.00

Note 9. Other interest and similar income

As at 31st December 2021, this item mainly includes interest received on the loan granted to Socfinaf (reimbursed in 2021) for a total amount of EUR 2,744,109.59 (2020: EUR 3,208,767.12).

Note 10. Taxation

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

Note 11. Remuneration of the Board of Directors

During 2021, the members of the Board of Directors received EUR 12,188 (2020: EUR 11,562) in attendance fees and EUR 2,209,426 (2020: EUR 1,991,712) in directors' fees.

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

Note 12. Political and economic environment

The Company directly and indirectly holds interests in companies operating in Indonesia and Cambodia.

Given the political instability that exists in these countries and their economic fragility, the investments held by the Company present a risk in terms of exposure to political and economic fluctuations.

Note 13. Off-balance sheet commitments

As at 31st December 2021 and 2020, the Company had no significant off-balance sheet commitments.

Note 14. Significant events after the year end

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.