Annual Report

SOCFINAF S.A.

2019

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

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Group Profile

1. Overview of the Group

Socfinaf S.A. is a Luxembourg company and its registered address is 4, Avenue Guillaume, L-1650, Luxembourg. It was incorporated on 22nd October 1961 and is listed on the Stock of Exchange of Luxembourg.

The principal activity of Socfinaf S.A. is to manage a portfolio of shares mainly focused on the operation of more than 139 600 hectares of tropical palm oil and rubber plantations in Africa. Socfinaf S.A. employs 24 166 people and has achieved a consolidated turnover of EUR 376 million in 2019.

2. History

- **22/10/1961** Incorporation of Compagnie Internationale de Cultures (Intercultures) as a Luxembourg holding company.
- **31/12/1961** Intercultures invests in two Congolese plantations named “La Compagnie Congolaise de l’Hévéa” and “Cultures Equatoriales”.
- **18/04/1966** The shares of Intercultures have been listed on the Stock Exchange of Luxembourg.
- **31/12/1974** Nationalization measures of industrial enterprises by the State of Zaire.
- **31/12/1976** Progress of negotiations with Zaire - exit of Zairian holdings from the portfolio and accounting for Zaire claim.
- **19/05/1995** Increase of the share capital of Intercultures in order to relaunch the Company's activity in the field of tropical plantations.
- **30/06/1995** Acquisition of 65% of Société des Caoutchoucs du Grand Bereby "SOGB" in Ivory Coast via Bereby Finances "Befin", an Ivory Coast holding company.
- **30/06/1997** Acquired 5% of Palmci, an Ivory Coast company producing palm oils.
- **30/06/1998** Increase of share capital and investment in Kenya in 70.8% of Red Lands Roses Ltd, producer of roses and Socfinaf Company Ltd, coffee producer.

  In addition, Intercultures acquired through its Luxembourg subsidiary (Indufina Luxembourg) 54% of an oil palm plantation in Nigeria, Okomu Oil Palm Company Plc.
- **31/03/1999** Intercultures continues the expansion of its investments in Africa and more specifically in Liberia: acquisition of 70% of Weala Rubber Company Ltd, owner of a rubber factory and 75% of Liberian Agricultural Company "LAC" which has a rubber concession.
- **31/03/2000** Acquisition of 89.64% of Société des Palmeraies de la Ferme Suisse "SPFS", a Cameroon company active in the production, processing and refining of palm oil.
- **31/12/2000** Through a Cameroon holding Palmcam, Intercultures continues its investments in Cameroon in Socapalm, a company active in the production and processing of palm oil.

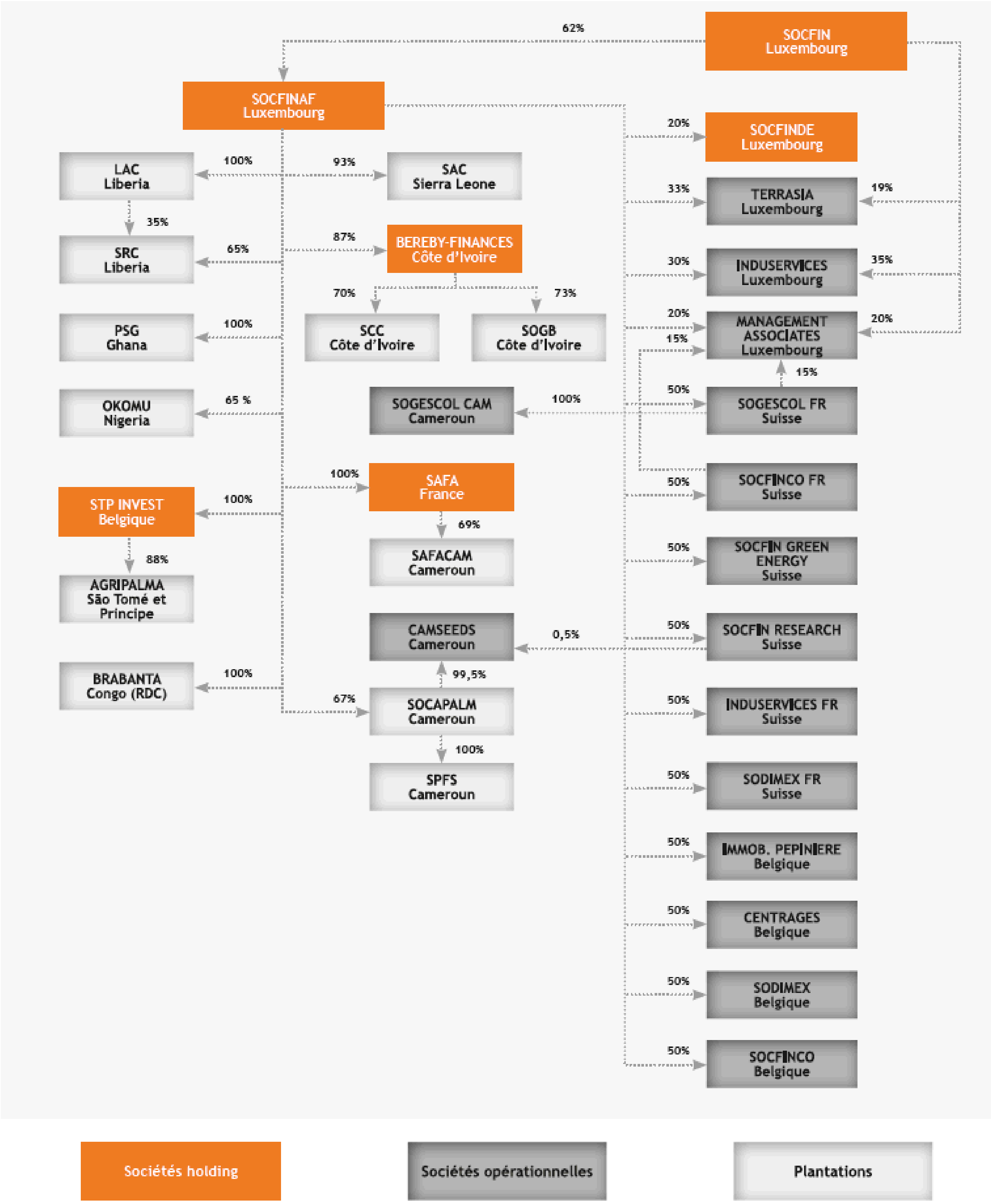
- **31/12/2001** Further increase in share capital which allowed Intercultures to increase its stake in Okomu Oil Palm Company Plc and in Befin (parent company of SOGB).
- **31/12/2006** Restructuring of Socfinal Group's holdings, including the distribution of Intercultures shares by Socfinasia S.A. (spin-off) and repositioning of the Group's operating companies.
- **31/12/2007** Intercultures acquired 99.8% of Brabanta, a company developing a palm oil plantation in Congo (DRC).

  On the other hand, Intercultures sold its holdings Weala Rubber Company Ltd (Liberia) and Palmci (Ivory Coast).
- **31/12/2008** Constitution of Sud Comoë Caoutchouc "SCC" (Ivory Coast) via the Ivorian holding Befin.

  Intercultures sold 60% of Red Lands Roses (Kenya).
- **31/12/2009** Capital increase in Brabanta (DRC).
  Increased participation in Salala Rubber Corporation "SRC" (Liberia).
- **17/03/2010** Sale of Socfinaf Company Ltd (Kenya).
- **10/01/2011** Extraordinary General Meeting which ratifies the abandonment of the status of Holding company 29 and change of the denomination to Socfinaf S.A.
- **01/07/2011** Share split by 10.
- **06/10/2011** Acquisition of 32.9% of Palmcam's shares which is totally owned by Socfinaf S.A.
- **31/12/2012** Acquisition of 3.4% of Okomu Oil Palm Company Plc's shares.

  Incorporation of Plantations Socfinaf Ghana Ltd "PSG".
- **23/10/2013** Acquisition of 100% of STP Invest S.A.'s shares, a Belgium company which owns 88% of Agripalma Lda, benefitting from a grant of 5 000 hectares concession on the island of São Tomé.
- **31/12/2014** Capital increase with the issue of 1 474 200 new shares subscribed by Socfin in exchange for 100% of the shares of Société Anonyme Forestière et Agricole "SAFA". It owns 68.93% of Safacam S.A. (Cameroon).
- **01/01/2015** Beginning of Sogescol Cameroon and Camseeds, which were formed in 2014 by Sogescol FR S.A. and Socfin Research S.A.
- **05/10/2015** Acquisition of shares in Socapalm to increase the percentage holding to 4.57%.
- **04/11/2015** Constitution of Sodimex FR and Induservices FR.
- **01/02/2016** Liquidation of Palmcam S.A. (Cameroon).

3. Group Structure



4. Information on Socfinaf S.A.'s holdings

Portfolio	Number of shares	Direct %
Sierra Leone		
Socfin Agricultural Company Ltd	119 970 000	93.00%
Liberia		
Liberian Agricultural Company	25 000	100.00%
Salala Rubber Corporation	516	64.91%
Ivory Coast		
Bereby-Finances S.A.	739 995	87.06%
Ghana		
Plantations Socfinaf Ghana Ltd	750 000	100.00%
Nigeria		
Okomu Oil Palm Company Plc	619 797 100	64.97%
Cameroon		
Socapalm S.A.	3 086 856	67.46%
Democratic Republic of Congo		
Brabanta S.A.	4 990	99.80%
France		
Société Anonyme Forestière and Agricole "SAFA"	577 200	100.00%
Belgium		
Socfinco S.A.	8 750	50.00%
Gaummes S.A.	17 670	50.00%
Centrages S.A.	7 500	50.00%
Immobilière de la Pépinière S.A.	3 333	50.00%
Sodimex S.A.	70 000	50.00%
STP Invest S.A.	1 800	100.00%
Luxembourg		
Socfinde S.A.	50 000	20.00%
Terrasia S.A.	3 328	33.28%
Induservices S.A.	3 000	30.00%
Management Associates S.A.	2 000	20.00%
Switzerland		
Sogescol FR S.A.	2 650	50.00%
Socfinco FR S.A.	650	50.00%
Socfin Green Energy S.A.	60	50.00%
Socfin Research S.A.	3 000	50.00%
Induservices FR S.A.	700	50.00%
Sodimex FR S.A.	675	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 Socfinaf S.A holds a direct or indirect participation.

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

Corporate data refers to consolidated data.

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

SOCFIN AGRICULTURAL COMPANY « SAC » LTD

Share Capital: USD 30 000 000

SAC is active in Sierra Leone in the production of palm oils.

Key data			
Area (hectares)		*Planted area*	
As at 31st December 2019	*Mature*	*Immature*	*Total*
Palm plantation	12 349	0	12 349

Concessions: 18 473 hectares
Permanent staff as at 31st December 2019: 1 434

Production and turnover	*Realized*	*Realized*
As at 31st December	*2019*	*2018*
Production (tons)		
Palm oil	24 297	19 155
Turnover (EUR 000)	12 457	11 030
Result (EUR 000)	-10 663	-5 325
Average sale price (EUR/kilo)		
Palm oil	0.51	0.58
Average rate EUR/USD	1.12	1.18
Closing rate EUR/USD	1.12	1.14

Key figures (USD 000)		
As at 31st December	*2019*	*2018*
Fixed assets	142 136	144 804
Current assets	5 162	6 435
Equity (*)	-1 721	10 212
Debts, provisions and third parties (*)	149 019	141 027
Results of the year	-11 934	-6 274
Socfinaf S.A.'s holding. (%)	93.00	93.00

(*) Before allocation

LIBERIAN AGRICULTURAL COMPANY « LAC »

Share Capital: USD 31 105 561

LAC is active in Liberia in the field of rubber cultivation and industrial rubber processing.

Key data

Area (hectares)	*Planted area*		
As at 31st December 2019	*Mature*	*Immature*	*Total*
Rubber plantation	10 213	2 604	12 817

Concessions: 121 407 hectares
Permanent staff as at 31st December 2019: 2 173

Production and turnover	*Realized*	*Realized*
As at 31st December	*2018*	*2017*
Production (tons)		
Rubber	24 939	21 384
Turnover (EUR 000)	29 750	22 799
Result (EUR 000)	-1 239	-1 675
Average selling price (EUR/kg)		
Rubber	1.19	1.07
Average rate EUR/USD	1.12	1.18
Closing rate EUR/USD	1.12	1.14

Key figures (USD 000)		
As at 31st December	*2019*	*2018*
Fixed assets	82 843	81 647
Current assets	16 805	15 381
Equity (*)	53 358	54 745
Debts, provisions and third parties (*)	46 290	42 282
Result for the year	-1 387	-1 974
Distributions	100.00	100.00

(*) Before allocation

SALALA RUBBER CORPORATION « SRC »

Share Capital: USD 49 656 328

SRC is active in Liberia in the rubber sector.

Key data			
Area (hectares)	*Planted area*		
As at 31st December 2019	*Mature*	*Immature*	*Total*
Rubber plantation	2 148	2 297	4 445

Concessions: 8 000 hectares
Permanent staff as at 31st December 2019: 736

Production and turnover	*Realized*	*Realized*
As at 31st December	*2019*	*2018*
Production (*) (tons)		
Rubber	2 208	2 342
Turnover (EUR 000)	1 846	1 939
Result (EUR 000)	-2 303	-1 882
Average selling price (EUR/kg)		
Rubber	0.84	0.83
Average rate EUR/USD	1.12	1.18
Closing rate EUR/USD	1.12	1.14

Key figures (USD 000)		
As at 31st December	*2019*	*2018*
Fixed assets	45 939	44 252
Current assets	1 792	2 726
Equity	6 661	9 238
Debts, provisions and third parties	41 070	37 740
Results for the year	-2 577	-2 217
Socfinaf S.A.'s holding (%)	64.91	64.91

(*) Agricultural production fully sold to LAC.

BEREBY-FINANCES « BEFIN » S.A.

Share Capital: CFA 8 500 000 000

This Ivory Coast holding company holds 73.16% of SOGB and 70.01% of SCC.

SOCIETE DES CAOUTCHOUC DU GRAND BEREBY « SOGB » S.A.

Capital: CFA 21 601 840 000

SOGB is active in Ivory Coast in the production and processing of palm oil and rubber.

Key data			
Area (hectares)	*Planted area*		
As at 31st December 2019	*Mature*	*Immature*	*Total*
Rubber plantation	11 933	4 499	16 432
Palm plantation	7 471	18	7 489
	19 404	***4 517***	***23 921***

Concessions: 34 712 hectares
Permanent staff as at 31st December 2019: 6 007

Production and turnover	*Realized*	*Realized*
As at 31st December	*2019*	*2018*
Production (tons)		
Rubber	62 678	58 416
Palm oil	38 579	33 152
Turnover (EUR 000)	93 588	86 439
Result (EUR 000)	6 891	4 539
Average selling price (EUR/kg)		
Rubber	1.14	1.09
Palm oil	0.53	0.62
Closing rate EUR/CFA	655.957	655.957

Key figures (CFA millions)		
As at 31st December	*2019*	*2018*
Fixed assets	66 438	66 918
Current assets	20 961	19 588
Equity (*)	52 875	51 378
Debts, provisions and third parties (*)	34 524	35 128
Result for the year	4 520	2 977
Distribution	3 024	10 369
Socfinaf S.A.'s indirect holding (%)	63.69	63.69

(*) Before allocation

SUD COMOË CAOUTCHOUC «SCC»

Share Capital: CFA 964 160 000

SCC is active in Ivory Coast in the industrial rubber processing sector.

Key data

Permanent staff as at 31st December 2019: 391

Production and turnover ***As at 31st December***	***Realized 2019***	***Realized 2018***
Production (tons)		
Rubber	38 233	30 288
Turnover (EUR 000)	44 950	33 654
Result (EUR 000)	4 169	2 525
Average selling price (EUR/kg)		
Rubber	1.17	1.10
Rate EUR/CFA	655.957	655.957

Key figures (CFA millions) ***As at 31st December***	***2019***	***2018***
Fixed assets	4 455	4 867
Current assets	8 189	6 289
Equity (*)	5 925	4 690
Debts, provisions and third parties (*)	6 720	6 466
Result for the year	2 735	1 656
Socfinaf S.A.'s indirect holding (%)	60.95	60.95

(*) Before allocation

PLANTATIONS SOCFINAF GHANA « PSG »

Share Capital: GHS 150 000 000

PSG is active in Ghana in the production of palm oil and rubber.

Key figures
Area (hectares)

	Planted area		
As at 31st December 2019	*Mature*	*Immature*	*Total*
Rubber plantation	0	958	958
Palm plantation	5 013	1 127	6 140
	5 013	**2 085**	**7 098**

Concessions: 18 303 hectares
Permanent staff as at 31st December 2019: 2 190

	2019	*2018*
Average rate EUR/GHS	5.87	5.42
Closing rate EUR/GHS	6.22	5.52

Key figures (GHS 000)

As at 31st December	*2019*	*2018*
Fixed assets	505 333	348 485
Current assets	23 081	13 140
Equity (*)	171 034	111 111
Debts, provisions and third parties (*)	357 380	250 514
Result for the year	-43 204	-33 094
Socfinaf S.A.'s holding (%)	100	100

(*) Before allocation

OKOMU OIL PALM COMPANY PLC

Share Capital: NGN 476 955 000

Okomu is active in Nigeria in the production and processing of palm oil and rubber.

Key figures			
Area (hectares)		***Planted area***	
As at 31st December 2019	***Mature***	***Immature***	***Total***
Rubber plantation	5 143	2 192	7 335
Palm plantation	17 178	1 883	19 061
	22 321	**4 075**	**26 396**

Concessions: 33 113 hectares
Permanent staff as at 31st December 2019: 1 431

Production and turnover	***Realized***	***Realized***
As at 31st December	***2019***	***2018***
Production (tons)		
Rubber	7 248	7 536
Palm oil	42 204	39 791
Turnover (EUR 000)	55 045	56 249
Result (EUR 000)	16 255	18 860
Average selling price (EUR/kg)		
Rubber	1.21	1.08
Palm oil	1.09	1.20
Average rate EUR/NGN	343	360
Closing rate EUR/NGN	344	351

Key figures (NGN 000)		
As at 31st December	***2019***	***2018***
Fixed assets	32 128 678	29 412 385
Current assets	11 068 291	8 992 343
Equity (*)	29 109 408	28 307 192
Debts, provisions and third parties (*)	14 087 561	10 097 535
Result for the year	5 571 766	6 792 213
Distributed profit	4 769 550	2 861 730
Gross dividend per share (NGN)	5.00	3.00
Socfinaf S.A.'s holding (%)	64.97	66.12

(*) Before allocation.

SOCAPALM S.A.

Share Capital: CFA 45 757 890 000

Socapalm is active in Cameroon in the production and processing of palm oil and the cultivation of rubber trees.

Key figures

Area (hectares)		*Planted area*	
As at 31st December 2019	*Mature*	*Immature*	*Total*
Palm plantation	30 549	2 036	32 584
Rubber plantation	1 861	206	2 067
	32 409	***2 242***	***34 651***

Concessions: 58 063 hectares
Permanent staff as at 31st December 2019: 2 244

Production and turnover	*Realized*	*Realized*
As at 31st December	*2019*	*2018*
Production (tons)		
Palm oil	140 349	135 641
Rubber	2 442	2 082
Turnover (EUR 000)	106 417	100 594
Result (EUR 000)	18 668	17 370
Average selling price (EUR/kg)		
Palm oil	0.74	0.73
Rubber	0.93	0.86
Rate EUR/CFA	655.957	655.957

Key figures (CFA millions)		
As at 31st December	*2019*	*2018*
Fixed assets	73 255	74 348
Current assets	22 848	25 542
Equity (*)	74 597	72 602
Debts, provisions and third parties (*)	21 505	27 288
Result for the year	12 245	11 394
Distributed profit	10 250	7 779
Socfinaf S.A.'s holding (%)	67.46	67.46

(*) Before allocation.

SOCIETE ANONYME FORESTIERE ET AGRICOLE « SAFA »

Share Capital: EUR 4 040 400

This French company owns 68.93% of Safacam S.A.

SAFACAM S.A.

Capital: CFA 6 210 000 000

Safacam is active in Cameroon in the production and processing of palm oil and the cultivation of rubber trees.

Key figures			
Surface (hectares)		*Planted area*	
As at 31st December 2019	*Mature*	*Immature*	*Total*
Palm plantation	4 995	333	5 328
Rubber plantation	3 154	1 154	4 307
	8 149	***1 486***	***9 635***

Owned agricultural land : 17 690 hectares
Permanent staff as at 31st December 2019: 2 288

Production and turnover	*Realized*	*Realized*
As at 31st December	*2019*	*2018*
Production (tons)		
Palm oil	16 065	17 053
Palm kernel oil	8 190	7 738
Rubber	7 393	6 524
Turnover (EUR 000)	26 731	25 351
Result (EUR 000)	1 230	872
Average selling price (EUR/kg)		
Palm Products	1.12	1.07
Rubber	1.18	1.10
Rate EUR/CFA	655.957	655.957

Key figures (CFA millions)		
As at 31st December	*2019*	*2018*
Fixed assets	23 915	24 392
Current assets	7 666	6 025
Equity (*)	19 599	19 363
Debts, provisions and third parties (*)	11 983	11 054
Result for the year	807	572
Distributed profits	571	1 473
Socfinaf S.A.'s indirect holding (%)	69.05	69.05

(*) Before allocation.

SOCIETE DES PALMERAIES DE LA FERME SUISSE « SPFS » S.A.

Share Capital: CFA 2 601 690 000

SPFS is a 100% subsidiary of Socapalm. SPFS is a palm oil refining company.

Key data

Permanent staff as at 31st December 2019: 33

Production and turnovers ***As at 31st December***	***Realized 2019***	***Realized 2018***
Production (tons)		
Olein	5 500	5 340
Turnover (EUR 000)	8 794	8 347
Result (EUR 000)	-133	-451
Average selling price (EUR/kg)		
Refined packaged oil	1.28	1.41
Refined oil in bulk	1.09	1.05
Rate EUR/CFA	655.957	655.957

Key figures (CFA millions) ***As at 31st December***	***2019***	***2018***
Fixed assets	1 307	1 538
Current assets	1 820	2 148
Equity	2 496	2 583
Debts, provisions and third parties	631	1 102
Result for the year	-87	-296
Socfinaf S.A.'s indirect holding (%)	67.46	67.46

AGRIPALMA Lda

Share Capital: STN 156 094 090

Agripalma is a company active in the production of palm oil on the island of São Tomé and Principe.

Key figures *Area (hectares)* *As at 31st December 2019*	*Planted area* *Mature*	 *Immature*	 *Total*
Palm plantation	2 100	0	2 100

Concessions: 4 917 hectares
Permanent staff as at 31st December 2019: 793

	2019	*2018*
Average rate EUR/STN	24.50	24.50
Closing rate EUR/STN	24.50	24.50

Key Figures (STN millions) *As at 31st December*	*2019*	*2018*
Fixed assets	806	750
Current assets	51	28
Equity	123	156
Debts, provisions and third parties	734	622
Result for the year	-33	0
Socfinaf S.A.'s indirect holding (%)	88.00	88.00

BRABANTA S.A.

Share Capital: CDF 34 243 622 100

Brabanta is a Congolese company (DRC) active in the production of palm oil.

Key data

Area (hectares)	*Concerned area*		
As at 31st December 2019	*Mature*	*Immature*	*Total*
Palm plantation	6 169	0	6 169

Concessions: 8 362 hectares
Permanent staff as at 31st December 2019: 2 915

Production and turnover	*Realized*	*Realized*
As at 31st December	*2019*	*2018*
Production (tons)		
Palm oil	16 243	17 841
Turnover (EUR 000)	9 265	11 049
Result (EUR 000)	-4 246	-2 404
Average selling price (EUR/kg)		
Palm oil	0.57	0.62
Average rate EUR/CDF	1 845	1 914
Closing rate EUR/CDF	1 879	1 873

Key figures (CDF millions)		
As at 31st December	*2019*	*2018*
Fixed assets	115 730	121 251
Current assets	72 623	72 922
Equity (*)	43 909	51 744
Debts, provisions and third parties (*)	144 443	142 429
Result for the year	-7 834	-4 600
Socfinaf S.A.'s holding (%)	99.80	99.80

(*) Before allocation

SOGESCOL FR S.A.

Share Capital: CHF 5 300 000

Sogescol FR is a Swiss company that sells rubber and palm oil.

The fiscal year ends on 31st December 2018 with a profit of USD 7 411 532. The Board of Directors will propose to the General Meeting of Shareholders a profit distribution of USD 7 000 000.

	2019	*2018*
Average rate EUR/USD	1.12	1.18
Closing rate EUR/USD	1.12	1.14

Key figures (USD 000)		
As at 31st December	*2019*	*2018*
Fixed assets	1 125	865
Current assets	38 511	39 071
Equity (*)	16 725	15 313
Debts, provision and third parties (*)	22 912	24 623
Result for the year	7 412	6 338
Detailed result	6 000	8 500
Gross Unit Dividend (USD)	1 132	1 604
Socfinaf S.A.'s holding (%)	50.00	50.00

(*) Before allocation

SOCFINCO FR S.A.

Share 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.

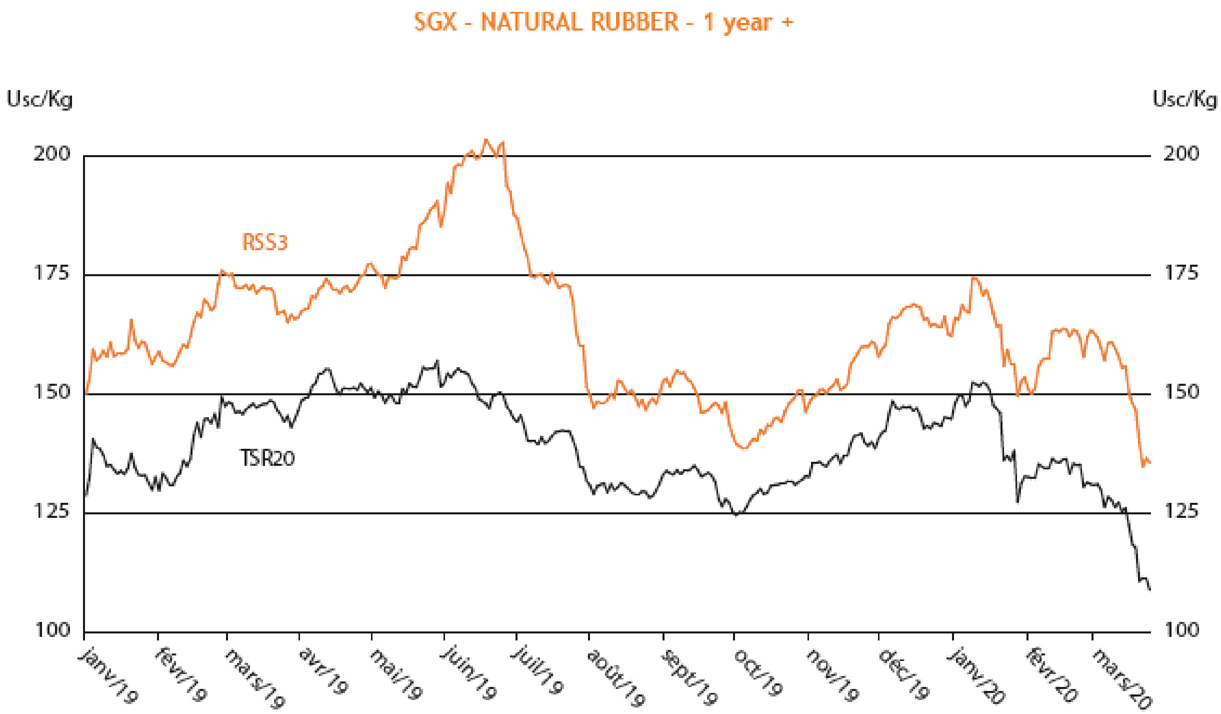
The financial year ended 31st December 2019 shows a profit of EUR 4 227 405. The Board of Directors will not propose any profit distribution.

Key Figures (EUR millions) *As at 31st December*	*2019*	*2018*
Fixed assets	3 911	944
Current assets	10 801	9 764
Equity (*)	9 775	9 548
Debts, provisions and third parties (*)	4 937	1 160
Sales and services	20 876	19 991
The result for the year	4 227	3 745
Distributed results	4 000	6 000
Gross unitary dividend (EUR)	3.077	4.615
Socfinaf S.A.'s holding (%)	50.00	50.00

(*) Before allocation

International Market for Rubber and Palm Oil

1. Rubber



The International Market in 2019

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

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

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

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

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

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

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

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

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

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

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

Outlook 2020

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

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

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

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

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

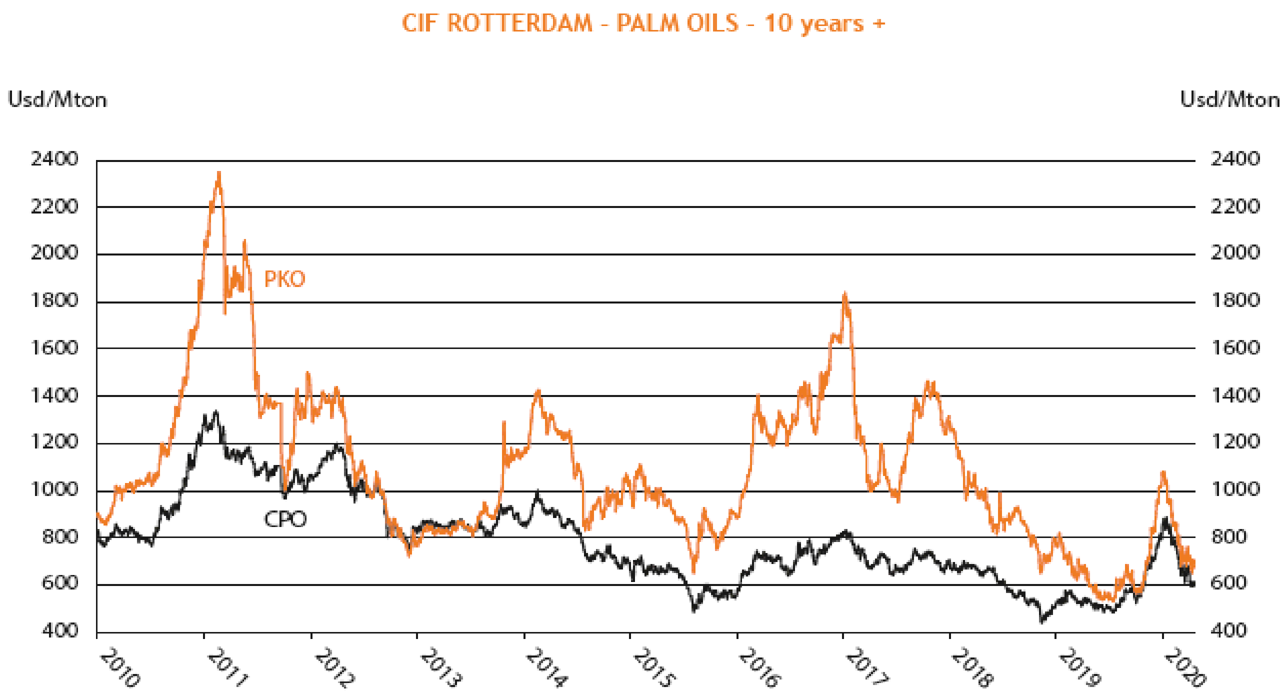
The impact of Covid-19 on world consumption of natural rubber will be profound in the coming months.

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

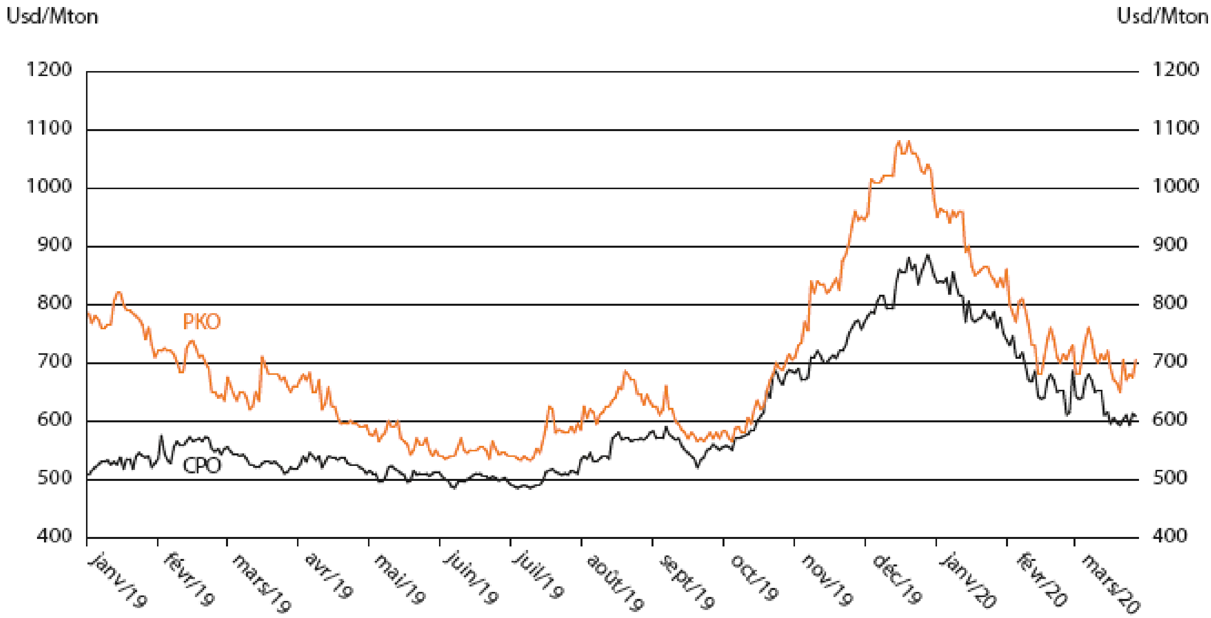
The coming months are likely to be complicated particularly in terms of demand.

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

2. Palm oil



CIF ROTTERDAM - PALM OILS - 1 year +



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

	2020(*)	2019(*)	2018	2017	2016	2015	2005	1995
Indonesia	44.7	43.3	41.6	36.8	32.1	33.4	14.1	4.2
Malaysia	19.9	20.0	19.5	19.9	17.3	20.0	15.0	7.8
Others	12.8	12.4	11.9	11.2	9.5	9.1	4.8	3.2
TOTAL	***77.4***	***75.7***	***73.0***	***67.9***	***58.9***	***62.5***	***33.9***	***15.2***

(*) Estimation.

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

	Oct 2019 to Sept 2020 (*)	2019(*)	2018	2017	2016	2015	2005	1995
Palm	76.3	75.7	73.0	67.9	58.9	62.5	33.9	15.2
Soy	57.6	56.6	56.8	53.9	51.5	48.8	33.6	20.2
Rapeseed	25.0	25.1	25.6	25.4	25.0	26.3	16.2	10.8
Sunflower	20.9	20.5	19.0	19.0	16.4	15.1	9.7	8.7
Cotton	4.7	4.6	4.7	4.2	4.1	4.7	5.0	3.9
Peanut	3.9	3.7	4.0	4.2	3.7	3.7	4.5	4.3
Palm-kernel	8.2	8.0	7.7	7.2	6.4	6.8	4.0	2.0
Coconut	2.7	2.9	2.9	2.4	2.7	2.9	3.2	3.3
TOTAL	***199.3***	***197.1***	***193.7***	***184.2***	***168.7***	***170.8***	***110.1***	***68.4***

(*) Estimation.

International Market 2019

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

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

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

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

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

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

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

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

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

Outlook 2020

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

- The announcement by India, the world's largest palm oil importer, to boycott palm oil imports from Malaysia. This decision comes in retaliation for the Malaysian government's criticism to Indian government's action in the Kashmir region.

- Concerns about the spread of the Coronavirus in China and the rest of the world. Indeed, the risk of a slowdown in world growth, and more particularly in Chinese growth, the world's second largest importer of palm oil, is weighing heavily on prices.

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

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

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

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

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

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

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

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

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

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

Environment and Social Responsibility

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

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

The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("Sustainable Development Report").

The corporate responsibility policy, the dashboard and the annual sustainable development report are available on the Group's website.

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

Key Figures

1. Activity indicators

Area (hectares)		Rubber		Palm
As at 31st December 2019				
Immature (by year of planting)				
2019		1 373		199
2018		2 189		3 347
2017		1 909		1 851
2016		1 479		0
2015		1 829		0
2014		2 935		0
2013		1 390		0
2012		642		0
2011		114		0
Total immature		**13 860**		**5 396**
Young	(8 to 11 years)	15 869	(4 to 7 years)	42 167
Mature	(12 to 22 years)	9 979	(8 to 18 years)	22 110
Old	(above 22 years)	8 653	(above 18 years)	21 547
Total in production		**34 501**		**85 824**
TOTAL		**48 361**		**91 220**

Area (hectares)	*2019*	*2018*	*2017*	*2016*	*2015*
Palm plantation	91 220	91 099	88 994	85 925	82 134
Rubber plantation	48 361	48 071	47 890	48 273	49 427
TOTAL	**139 581**	**139 170**	**136 884**	**134 198**	**131 561**

Production	*2019*	*2018*	*2017*	*2016*	*2015*
Palm oil (tons)					
Own production	244 551	231 522	210 927	174 765	163 805
Third party purchases	34 428	30 554	24 730	20 626	21 084
Rubber (tons)					
Own production	53 749	47 753	48 672	45 004	50 553
Third party purchases	94 102	81 920	66 297	65 050	58 543

Turnover (EUR 000)	*2019*	*2018*	*2017*	*2016*	*2015*
Palm	209.9	206.1	191.7	168.2	151.2
Rubber	163.5	135.4	155.0	119.3	121.1
Others	2.8	3.1	3.0	3.4	3.9
TOTAL	**376.1**	**344.6**	**349.8**	**290.9**	**276.2**

Staff	*2019*	*2018*	*2017*	*2016*	*2015*
Average workforce	24 166	22 707	22 113	19 154	20 544

2. Key figures from the consolidated income statement and the cash flow statement

(EUR millions)	*2019*	*2018*	*2017*	*2016*	*2015*
Turnover	376	345	350	291	276
Operating income	46	42	75	36	6
Result for the year attributable to the Group	2	5	22	5	-18
Operating cash flow	65	91	123	51	143
Free cash flow *	9	6	44	-30	19

* Free Cash Flow = Cash flow from operating activities + cash flow from investing activities.

3. Key figures from the consolidated statement of financial position

(EUR millions)	*2019*	*2018*	*2017*	*2016*	*2015*
Bearer biological assets	402	402	379	387	377
Other non-current assets	304	301	280	291	309
Current assets	169	140	128	134	146
Total equity	383	383	371	400	425
Non-current liabilities	194	137	151	161	137
Current liabilities	298	323	265	251	269

Stock market data

(EUR)	*2019*	*2018*	*2017*	*2016*	*2015*
Number of shares	17 836 650	17 836 650	17 836 650	17 836 650	17 854 200
Equity attributable to the Group	270 919 731	273 289 987	263 538 857	296 419 644	320 416 764
Consolidated net earnings per share attributable to the Group	0.09	0.27	1.23	0.30	-0.98
Dividend per share	0.00	0.10	0.10	0.10	0.00
Share price					
minimum	8.20	10.90	15.61	11.76	13.55
maximum	12.20	16.90	19.75	15.85	18.00
closing	12.00	11.40	16.10	15.61	15.00
Market capitalization *	214 039 800	203 337 810	287 170 065	278 430 107	267 813 000
Dividends paid / consolidated net profit	n/a	37.44%	8.13%	33.33%	n/a
Dividends / market capitalization	n/a	0.88%	0.62%	0.64%	n/a
Share price / net profit per share	135.65	42.68	13.09	52.03	-15.31

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

Financial highlights of the year

- Sale of 10 910 810 Okumu shares.

Corporate governance statement

1. Introduction

Socfinaf S.A. 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 by the implementation of an effective control systems for risk management and conflicts of interest.

2. Corporate Governance charter

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

3. Board of Directors

Composition of the Board of Directors

Name	*Nationality*	*Year of Birth*	*Position*	*First nomination*	*Term of office*
Mr. Hubert Fabri	Belgian	1952	Chairman [(a)]	AGM 1981	AGM 2022
Mr. Vincent Bolloré	French	1952	Director [(a)]	AGM 1993	AGM 2023
Mr. Philippe de Traux	Belgian	1951	Director [(b)] and General secretary	AGM 1997	AGM 2021
Bolloré Participations represented by Mr. Cyrille Bolloré	French	1985	Director [(a)]	AGM 2018	AGM 2024
Administration and Finance Corporation «AFICO» represented by Mr. Jean-Charles de Fauconval	Belgian	1959	Director [(a)]	AGM 1998	AGM 2020
Mr. Luc Boedt	Belgian	1955	Director [(b)]	AGM 2007	AGM 2025
Mr. Fulgence Koffy	Ivorian	1935	Director [(a)]	AGM 2011	AGM 2023
Mr. Gbenga Oyebode	Nigerian	1959	Director [(a)]	AGM 2011	AGM 2023
Mr. François Fabri	Belgian	1984	Director [(b)]	AGM 2014	AGM 2020
Mr. Pierre Lemaire	Belgian	1970	Director [(c)]	AGM 2019	AGM 2025

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

The term served as director by Administration and Finance Corporation "AFICO" expires this year. It will be proposed at the next Annual General Meeting not to renew this mandate.

In addition, the term served as director by Mr François Fabri expires this year. It will be proposed at the Annual General Meeting to appoint Mr. François Fabri as Executive-Director of the Company for a term of six years, expiring at the Annual General Meeting in 2026.

In addition, the Board will propose to the next Annual General Meeting the appointment of Mr Philippe Fabri as an additional Director for a term of six years, expiring at the Annual General Meeting in 2026.

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 Bolloré, Financière Moncey, Okomu Oil Palm Company, S.A.F.A. Cameroon "Safacam", Société Industrielle et Financière de l'Artois and La Forestière Equatoriale;
- Permanent representative of Administration and Finance Corporation "AFICO" at the Board of Société Camerounaise de Palmeraies "Socapalm".

Vincent Bolloré
Director

Positions and offices held in Luxembourg companies

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

Positions and offices held in foreign companies

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

Philippe de Traux
Director

Positions and offices held in Luxembourg companies

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

Positions and offices held in foreign companies

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

Bolloré Participations
Director

Positions and offices held in Luxembourg companies

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

Positions and offices held in foreign companies

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

Administration and Finance Corporation « AFICO »
Director

Positions and offices held in Luxembourg companies

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

Positions and offices held in foreign companies

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

Luc Boedt
Director

Positions and offices held in Luxembourg companies

- Director of Socfinaf et Socfinasia;
- Permanent representative of Administration and Finance Corporation «AFICO» on the board of directors of Société Financière des Caoutchoucs «Socfin».

Positions and offices held in foreign companies

- Chairman of S.A.F.A. Cameroun «Safacam»;
- Director of Okomu Oil Palm Company and Société des Caoutchoucs du Grand Bereby «SOGB»;
- Permanent representative Socfinaf on the Board of Directors of Société Camerounaise de Palmeraies « Socapalm ».

Fulgence Koffy
Director

Positions and offices held in Luxembourg companies

- Director of Socfinaf.

Positions and offices held in foreign companies

- Director of Société des Caoutchoucs du Grand Bereby « SOGB ».

Gbenga Oyebode
Director

Positions and offices held in Luxembourg companies

- Director of Socfinaf.

Positions and offices held in foreign companies

- Chairman of Okomu Oil Palm Company.
- Director of Nestlé Nigeria.

François Fabri
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

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

Frédéric Lemaire
Director

Positions and offices held in Luxembourg companies

- Director of Socfinaf.

Appointments of Directors

The Board of Directors proposes the appointment of the Directors at the Annual General Meeting of shareholders. It specifies the term of service and verifies that the Director meets the criteria for independence.

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

The Board of Directors ensures that all financial and human resources are available and ensures that all the necessary structures are in place to achieve its objectives and ensure long-term value creation.
The Company's by-laws confer on the Board of Directors the power to perform all acts necessary to achieve the corporate purpose.

<u>Activity report of the meetings of the Board of Directors</u>

Number of annual meetings

At least two for the year-end and mid-year evaluations. During the 2019 financial year, the Board of Directors met 3 times.

Points generally discussed

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

Average attendance rate of Directors

- 2019: 71%
- 2018: 84%
- 2017: 78%
- 2016: 81%
- 2015: 83%

4. Committees of the Board of Directors

4.1. Audit Committee

The Committee is composed of two members. The term of service is for one year and the members are eligible for re-election.

At its meeting of 18th March 2020, the Board of Directors appointed Mr Hubert Fabri and Mr Frederic Lemaire as members of the Audit Committee.

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

The Audit Committee shall meet twice a year.

4.2. Appointment and Remuneration Committee

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

5. Remuneration

The remuneration allocated to the members of the Board of Directors of Socfinaf S.A. for the financial year 2019 amounts to EUR 982 916 compared to EUR 1 068 805 for the financial year 2018.

The Directors of Socfinaf S.A. did not receive any other payment in shares (stock options).

6. Shareholding status

On 31st December 2014, Socfinaf S.A. issued 1 474 200 new shares which brings to a total of 17 854 200 number of shares issued. All statements filed between 1st July 2011 and 31st December 2014 relate to the previous number of shares in place and the previous number of voting rights, i.e. 16 380 000.

Shareholder	Number of shares held = Number of voting rights	Percentage holding	Date of notification
Socfin L-1650 Luxembourg	10 497 046	58.85	01/02/2017
Bolloré (a) F-29500 Ergué Gaberic	80 642	0.49 (b)	03/09/2014
Compagnie du Cambodge (a) F-92800 Puteaux	1 157 929	7.07 (b)	03/09/2014
Société Industrielle et Financière de l'Artois (a) F-92800 Puteaux	176 636	1.08 (b)	03/09/2014
Compagnie des Glénans (a) F-29500 Ergué Gaberic	58 993	0.36 (b)	03/09/2014
Total Bolloré (all categories combined, based on aggregate voting rights)	1 474 200	9.00 (b)	

(a) = entities controlled by Vincent Bolloré.
(b) = before increase in share capital on 31st December 2014

7. Financial calendar

26th May 2020	Ordinary Annual General Meeting at 10 a.m.
End-September 2020	Consolidated half yearly results as at 30th June 2020
Mid-November 2020	Interim statement of the Board for Q3 2020
End of March 2021	Annual results of the holding company as at 31st December 2020
Mid-April 2021	Consolidated Annual Results as at 31st December 2020
Mid-May 2021	Interim Statement of the Board for Q1 2021
25th May 2021	Ordinary Annual General Meeting at 10 a.m.

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

8. External Audit

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

In 2019, the audit fees amount to EUR 281 015, VAT included.

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

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

9. Corporate, social and environmental responsibility

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

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

The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("Sustainable Development Report").

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

10. Other information

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

Statement of Compliance

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

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

(b) the management report 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
Ordinary Annual General Meeting of the Shareholders of 26th May 2020

Ladies and Gentlemen,

CONSOLIDATED FINANCIAL STATEMENTS

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

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

Consolidated results

For the 2019 financial year, the result attributable to the Group amounted to EUR 1.6 million compared to EUR 4.8 million in 2018. This results in earnings per share of EUR 0.09 compared to EUR 0.27 in 2018.

Consolidated revenue amounted to EUR 376.1 million in 2019 compared to EUR 344.6 million in 2018 (increase of EUR 31.5 million). This increase in revenue is mainly due to the increase in quantities sold.

Likewise, the operating profit increased to EUR 46.5 million, compared to EUR 42.3 million in 2018.

Other financial income decreased to EUR 2.9 million compared to EUR 4.5 million in 2018 and consisted mainly of foreign exchange gains of EUR 2.4 million compared to EUR 3.2 million in 2018.

Financial expenses amounted to EUR 16.7 million compared to EUR 14.7 million in 2018 and consisted mainly of interest expense of EUR 12.3 million (EUR 10.9 million in 2018) and foreign exchange losses of EUR 3.1 million (EUR 2.7 million in 2018).

The tax expense increased. Income taxes amounted to EUR 23.9 million euros compared to EUR 18.3 million in 2018.

Profit for the year from associates attributable to the Group increased to EUR 5.8 million compared to EUR 4.9 million in 2018.

Consolidated statement of financial position

The assets of Socfinaf S.A. consist of:

- Non-current assets of EUR 705.8 million compared to EUR 703 million in 2018. The adoption of IFRS 16 contributed to the accounting of EUR 7.2 million of right-of-use asset.

- current assets amounted to EUR 169.3 million compared to EUR 140.2 million in 2018.

The value of inventory increased by EUR 20.8 million. Cash flows also increased by EUR 4.4 million.

Shareholders' equity amounted to EUR 270.9 million compared to EUR 273.3 million in 2018. This decrease in shareholder's equity of EUR 2.4 million was mainly due to the change in the translation reserve (EUR -2.7 million) and in the profit for the year (EUR +1.6 million)

On the basis of consolidated shareholders' equity, the net value per share attributable to the Group was EUR 15.19 compared to EUR 15.32 a year earlier. As at 31st December 2019, the share price stood at EUR 12.00.

Current and non-current liabilities increased to EUR 491.9 million compared to EUR 460.1 million a year earlier. This change was mainly due to the accounting of EUR 9 million of leases liabilities generated upon implementation of IFRS 16.

Financial debts increased to EUR 235 million in 2019 compared to EUR 214 million in 2018. This mainly consist of loans to Socfinaf SA from Socfin for EUR 126.3 million as well as the advances from subsidiaries for an amount of EUR 108.7 million.

Deferred tax liabilities decreased to EUR 9.1 million compared to EUR 9.7 million in 2018 while current tax liabilities decreased to EUR 18.5 million compared to EUR 19.7 million in 2018.

Other liabilities include short-term advances from shareholders amounted to EUR 40.4 million as well as cash pooling advances of EUR 100.5 million.

Consolidated cash flows

As at 31st December 2019, net cash flows amounted to EUR 28.9 million, an increase of EUR 33.1 million for the year compared to a decrease of EUR 11.6 million in the previous financial year.

Net cash flow from operating activities amounted to EUR 64.8 million during the financial year 2019 (EUR 91.3 million in 2018). It resulted mainly from self-financing capacity of EUR 87.7 million (EUR 89 million in 2018), offset by EUR 6.5 million increase in inventories and EUR 5.7 increase in trade and other receivables.

Net cash flow from investing activities amounted to EUR 56.2 million (EUR 84.9 million in 2018). These activities are largely influenced by acquisitions of tangible fixed assets amounting to EUR 57.1 million (EUR 88.1 million in 2018).

Cash flow from financing activities generated EUR 24.3 million (EUR -18.5 million in 2018)

OUTLOOK FOR 2020

The results for the next financial year will depend to a large extent on factors external to the management of the Group, namely the political and economic conditions in the countries where the subsidiaries are established, the development of the price of rubber and palm oil and the evolution of 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 Africa. Given the economic and political instability in some of the African countries (Sierra Leone, Liberia, Ivory Coast, Ghana, Nigeria, Cameroon, São Tomé and DRC), these holdings present a risk in terms of exposure to political and economic changes.

EVENTS AFTER THE REPORTING DATE

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

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

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

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

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

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

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 70% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price

CORPORATE GOVERNANCE

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

GENERAL INTERNAL CONTROL SYSTEM ADAPTED TO THE SPECIFICICATIONS OF THE GROUP'S ACTIVITIES

Separation of functions

The separation of operational, commercial and financial functions implemented at each level of the Group reinforces the independence of internal control.
These different functions ensure the completeness and reliability of the information which is within their areas of responsibility. They provide regular updates of the completeness of information to local managers and to the Group’s headquarters (agricultural and industrial production, trade, human resources, finance, etc)

Autonomy and accountability of subsidiaries

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

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

Centralised control

The Human Resources Management policy of the top management of the entities within the Group is centralized at the Group's headquarters. It contributes to the smooth running of an effective internal control system through the independence of recruitment, the harmonization of the segregated functions, annual evaluations and training programs.

The operational, commercial and financial functions centrally define a set of standard reports which ensure the homogeneity of the presentation of information originating from the subsidiaries.

Treasury reporting process

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

Financial reporting process

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

Preparation of consolidated accounts

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

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

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

ENVIRONMENT AND SOCIAL RESPONSIBILITY

The Group has published its responsible management policy in 2017. It is based on the four principles of responsible development, improvement of management practices, respect for human rights and transparency.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("Sustainable Development Report").

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website

The Board of Directors

Audit report on the consolidated financial statements

To the Shareholders
SOCFINAF S.A.
4, avenue Guillaume
L-1650 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the audit of the consolidated financial statements

Opinion

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

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

Emphasis of matter

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

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

According to note 35, the scope of consolidation includes investments whose operating companies are located in various countries in Africa and Southeast Asia and which are exposed to risks of political and economic fluctuations

Basis of opinion

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

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

Key Audit matter

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

Impairment losses on biological assets

Description of the key audit matter

At 31st December 2019, the value of the Group's biological production assets amounted to EUR 402 million for a total balance sheet of EUR 875 million.

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

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

Note 24 "Impairment of assets" in the notes to the consolidated financial statements describes the methods used by the Group to verify whether there is an indication of impairment at the end of the reporting period and when an impairment occurs, the methods for determining the recoverable value of the biological assets on the basis of which an impairment loss may be recognized.

The impairment loss index adopted by the Group is a decline in prices of natural rubber (TSR20 first position on SGX) and crude palm oil (CIF Rotterdam) at the closing date of more than 15% compared to an average of values over 5 years. The Group also compares the 6-month average as well as the average over the last 12 months of these courses to the average of these same values over 5 years.

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

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

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

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

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

Audit response provided

To address this risk, we have implemented the following works:

- Assess the compliance of the methodology applied by the Group with the provisions of IAS 36

"Impairment of Assets";

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

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

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

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

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

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

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

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

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

- Verify the appropriateness of the information presented in Note 6 "Biological assets" and Note 24 "Impairment of assets" in the notes to the consolidated financial statements.

Other information

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

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

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

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No. 537/2014, with the law dated 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

The information required by article 68bis paragraph (1) letters c) and d) of the amended law of 19th December 2002 concerning the commercial and companies register and the accounting and annual accounts of the companies included in the consolidated management report financial statements and presented on pages 42 to 43 and in the Company’s management report and presented on pages 126 to 127 are consistent with the consolidated financial statements and have been prepared in accordance with applicable legal requirements.

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

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

Bertrange, 9th April 2020

C-CLERC S.A.
Cabinet de revision agréé

Mariateresa Di Martino
Réviseur d’entreprises agréé

Consolidated financial statements

1. Consolidated statement of financial position

ASSETS	Note	31/12/2019	31/12/2018
		EUR	EUR
Non-Current Assets			
Right-of-use of assets	3	7 206 479	0
Intangible assets	4	2 812 101	2 591 158
Property, plant and equipment	5	256 711 200	263 790 558
Biological assets	6	401 537 304	401 784 792
Investments in associates	8	24 839 331	24 205 267
Financial assets measured at fair value through other comprehensive income	9	91 902	91 902
Long-term advances		1 944 777	1 542 050
Deferred tax assets	10	9 008 775	8 926 034
Other non-current assets		1 669 262	80 693
		705 821 131	***703 012 454***
Current Assets			
Inventories	11	79 773 790	58 974 220
Trade receivables	12	24 173 479	17 394 515
Other receivables	13	14 684 340	15 695 035
Current tax assets	14	11 631 085	13 442 815
Cash and cash equivalents	15	39 056 804	34 700 835
		169 319 498	***140 207 420***
TOTAL ASSETS		***875 140 629***	***843 219 874***

EQUITY AND LIABILITIES	***Note***	***31/12/2019***	***31/12/2018***
		EUR	***EUR***
Equity attributable to the owners of the Parent			
Share capital	16	35 673 300	35 673 300
Share premium	16	87 453 866	87 453 866
Legal reserve	17	3 567 330	3 570 840
Consolidated reserves		182 186 079	178 626 421
Translation reserves		-39 538 678	-36 798 229
Profit for the year		1 577 834	4 763 789
		270 919 731	***273 289 987***
Non-controlling interests	7	***112 304 219***	***109 818 019***
Total equity		***383 223 950***	***383 108 006***
Non-current liabilities			
Deferred tax liabilities	10	9 129 790	9 707 343
Employee Benefits Obligations	18	9 729 372	9 849 311
Long term debt, net of current portion	19	158 935 834	109 878 039
Long term lease liabilities	3, 19	7 903 924	0
Other payables	20	8 001 208	7 739 836
		193 700 128	***137 174 529***
Current liabilities			
Short term debt and current portion of long-term debt	19	76 067 913	104 120 025
Short term lease liabilities	3, 19	1 099 533	0
Trade payables		47 655 804	44 786 254
Current tax liabilities	14	18 520 497	19 718 139
Provisions		623 064	2 856 665
Other payables	20	154 249 740	151 456 256
		298 216 551	***322 937 339***
TOTAL EQUITY AND LIABILITIES		***875 140 629***	***843 219 874***

2. Consolidated income statement

	Note	2019	2018
		EUR	EUR
Revenue	33	376 123 734	344 574 067
Work performed by entity and capitalized		21 667 081	33 618 587
Change in inventories of finished products and work in progress		1 128 219	947 225
Other operational products		6 979 343	5 834 239
Raw materials and consumables used		-133 509 832	-121 118 433
Other external charges		-96 911 833	-94 018 472
Staff costs	22	-67 410 520	-64 176 066
Depreciation and impairment expense	23	-49 951 736	-46 887 623
Other operating expenses		-11 663 418	-16 468 568
Operating profit		***46 451 038***	***42 304 956***
Other financial income	25	2 940 302	4 502 391
Gain on disposals		1 110 618	29 520
Impairment on disposals of assets		-197 683	-436 155
Financial expenses	26	-16 698 697	-14 730 598
Profit before taxes		***33 605 578***	***31 670 114***
Income tax expense	27	-23 936 077	-18 286 288
Deferred income / tax expense	27	418 117	875 748
Group's share of income from associates	8	5 754 101	4 934 657
Profit for the period		***15 841 719***	***19 194 231***
Profit attributable to non-controlling interests		***14 263 885***	***14 430 442***
Profit attributable to the owners of the Parent		***1 577 834***	***4 763 789***
Basic earnings per share	28	***0.09***	***0.27***

Number of Socfinaf S.A. shares	**17 836 650**	**17 836 650**
Basic earnings per share	0.09	0.27
Diluted earnings per share	0.09	0.27

3. Consolidated statement of other comprehensive income

	Note	2019 EUR	2018 EUR
Profit of the year		***15 841 719***	***19 194 231***
Other comprehensive income			
Actuarial losses and gains	18	1 325 366	-742 590
Deferred tax on actuarial losses and gains		-349 414	225 706
Subtotal of items that can not be reclassified to profit or loss		*975 952*	*-516 884*
Gains (losses) on exchange differences on translation of subsidiaries		-1 934 351	8 220 561
Share of other comprehensive income related to associates		133 933	441 765
Subtotal of items that can be reclassified to profit or loss		*-1 800 418*	*8 662 326*
Total other comprehensive income/(loss)		***-824 466***	***8 145 442***
Comprehensive income		***15 017 253***	***27 339 673***
Comprehensive income attributable to non-controlling interests		***15 352 893***	***15 824 557***
Comprehensive income attributable to the owners of the Parent		***-335 640***	***11 515 116***

4. Consolidated statement of cash flows

	Note	2019 EUR	2018 EUR
Operating activities			
Profit attributable to the owners of the Parent		1 577 834	4 763 789
Profit attributable to non-controlling shareholders		14 263 885	14 430 442
Income from associates	8	-5 754 101	-4 934 657
Dividends received from associates	8	5 046 264	7 670 517
Fair value of agricultural production	11	-762 313	3 414 137
Other adjustments having no impact on cash position (IFRS and others)		-2 136 699	-1 598 690
Depreciation, amortization and provisions and allowances		52 878 130	47 413 995
Net loss on disposals of assets		-912 935	406 635
Income tax expense	27	23 517 960	17 410 540
Cash flows from operating activities		***87 718 025***	***88 976 708***
Interest received		***11 915 659***	***9 744 737***
Income tax paid		***-23 936 077***	***-18 286 288***
Change in inventory		-6 472 456	-8 379 686
Change in trade and other receivables		-5 704 429	6 593 477
Change in trade and other payables		967 249	14 860 524
Accruals and prepayments		308 442	-2 182 921
Change in working capital requirement		***-10 901 194***	***10 891 394***
Net cash flows from operating activities		***64 796 413***	***91 326 551***
Investing activities			
Acquisitions / disposals of intangible assets		-135 076	-521 259
Acquisitions of property, plant and equipment		-57 086 687	-88 100 395
Disposals of property, plant and equipment		95 405	3 756 205
Acquisitions / disposals of financial fixed assets		975 401	-31 725
Net cash flows from investing activities		***-56 150 957***	***-84 897 174***
Financing activities			
Dividends paid to the owners of the Parent		0	-1 783 665
Dividends paid to non-controlling shareholders		-13 452 604	-13 349 176
Proceeds from borrowings		79 714 483	13 297 580
Repayment of borrowings		-28 854 945	-6 933 906
Repayment of lease liabilities		-1 229 380	0
Interest paid		-11 915 659	-9 744 737
Net cash flows from financing activities		***24 261 895***	***-18 513 904***
Effect of exchange rate change		206 693	480 936
Net cash flows		***33 114 044***	***-11 603 591***
Cash and cash equivalents as at 1st January	15	-4 241 485	7 362 106
Cash and cash equivalents as at 31st December	15	28 872 559	-4 241 485
Net increase/(decrease) in cash and cash equivalents		***33 114 044***	***-11 603 591***

5. Consolidated statement of changes in equity

EUR	*Share capital*	*Share premium*	*Legal reserve*	*Translation*	*Consolidated reserves*	*Equity attributable to the owners of the Parent*	*Non-Controlling Interests*	*TOTAL*
Balance as at 1st January 2018	***35 708 400***	***87 453 866***	***3 570 840***	***-43 710 124***	***180 515 875***	***263 538 857***	***107 642 899***	***371 181 756***
Profit/(loss) for the period					4 763 789	***4 763 789***	14 430 442	***19 194 231***
Actuarial losses and gains					-265 339	***-265 339***	-251 545	***-516 884***
Foreign currency translation adjustments				6 574 901	0	***6 574 901***	1 645 660	***8 220 561***
Change in comprehensive income of associates				336 994	104 771	***441 765***	0	***441 765***
Other comprehensive income				***6 911 895***	***4 603 221***	***11 515 116***	***15 824 557***	***27 339 673***
Cancellation of shares	-35 100				55 828	***20 728***	0	***20 728***
Dividends					-1 783 665	***-1 783 665***	-13 651 054	***-15 434 719***
Other changes					-1 049	***-1 049***	1 617	***569***
Transactions with shareholders	***-35 100***				***-1 728 886***	***-1 763 986***	***-13 649 437***	***-15 413 423***
Balance as at 31st December 2018	***35 673 300***	***87 453 866***	***3 570 840***	***-36 798 229***	***183 390 210***	***273 289 987***	***109 818 019***	***383 108 006***

EUR	Share capital	Share premium	Legal reserve	Translation	Consolidated reserves	Equity attributable to the owners of the Parent	Non-Controlling Interests	TOTAL
Balance as at 1st January 2019	***35 673 300***	***87 453 866***	***3 570 840***	***-36 798 229***	***183 390 210***	***273 289 987***	***109 818 019***	***383 108 006***
Impact of adoption of IFRS 16: Leases (Note 4)					-1 057 439	***-1 057 439***	-358 168	***-1 415 607***
Adjusted balance as at 1st January 2019	35 673 300	87 453 866	3 570 840	-36 798 229	182 332 771	272 232 548	109 459 851	381 692 399
Profit/(loss) for the period					1 577 834	***1 577 834***	14 263 885	***15 841 719***
Actuarial losses and gains					693 042	***693 042***	282 910	***975 952***
Foreign currency translation adjustments				-2 740 449	0	***-2 740 449***	806 098	***-1 934 351***
Transfer between reserves			-3 510		3 510	***0***		***0***
Change in comprehensive income of associates					133 933	***133 933***	0	***133 933***
Other comprehensive income			***-3 510***	***-2 740 449***	***2 408 319***	***-335 640***	***15 352 893***	***15 017 253***
Dividends					0	***0***	-11 503 075	***-11 503 075***
Interim dividends					0	***0***	-1 885 865	***-1 885 865***
Other movements					-977 177	***-977 177***	880 415	***-96 762***
Transactions with shareholders					***-977 177***	***-977 177***	***-12 508 525***	***-13 485 702***
Balance as at 31st December 2019	***35 673 300***	***87 453 866***	***3 567 330***	***-39 538 678***	***183 763 913***	***270 919 731***	***112 304 219***	***383 223 950***

	2019	2018
Dividends and interim dividends paid during the period	0	1 783 665
Number of shares	17 836 650	17 836 650
Dividend per share paid during the period	0.00	0.10

6. Notes to the consolidated financial statements

Note 1. General and accounting policies

Socfinaf S.A. (the "Company") was incorporated on 22nd October 1961. 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 holdings mainly focused on the exploitation of tropical oil palm and rubber plantations in Africa.

Socfinaf S.A. 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 at 4, avenue Guillaume, L-1650 in Luxembourg.

The Company is listed on the Luxembourg Stock Exchange and is registered in the commercial register under the number B 6225.

1.2. Statement of compliance

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

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

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

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

The impact of this new standard is detailed in Note 1.12 and in Note 3.

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

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

- Amendments to IFRS 9 "Financial Instruments":
On 12th December 2017, the IASB published an amendment to IFRS 9 entitled "Prepayment features with negative compensation" to deal with the frequent case of instruments containing an prepayment clause when the exercise of this clause results in repayment less than the sum of the principal and the interest still due.

This amendment modifies the existing IFRS 9 requirements for termination rights to allow for an amortized cost valuation (or, depending on the business model used, at fair value through other comprehensive income) even in the case of negative compensation payments.

- Amendments to IAS 28 "Investments in Associates" :

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

- Amendments to IAS 19 "Employee Benefits" :

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

- Annual Improvements to IFRSs: 2015-2017 cycle :

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

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

New IFRS standards and amendments applicable from 2020:

- "Conceptual Financial Reporting Framework":

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

- Amendments to IAS 1 "Presentation of financial statements" and to IAS 8 "Accounting methods, changes in accounting estimates and errors":

On 31st October 2018, the IASB published amendments to IAS 1 "Presentation of financial statements" and to IAS 8 in order to clarify the definition of "significant" and to harmonize the definitions given in the Conceptual Framework for Financial Reporting and in the standards themselves.

The Group does not expect that the adoption of these amendments will have a material impact on its consolidated financial statements.

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

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

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

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

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

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

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

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

1.4. Consolidation principles

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

All companies included in the scope of consolidation as at 31st December 2018 close their accounts on 31st December.

a) Subsidiaries

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

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

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

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

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

b) Investments in associates

An associate is a company over which Socfinaf 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 recognized at cost in the statement of financial position and subsequently adjusted to recognize the Group's share of movements in other comprehensive income.

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. An impairment test is performed if an objective index of impairment is identified. Depreciation is recognized, if necessary, in the income statement under the heading “Share in the net income of companies consolidated 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.

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

1.6. Goodwill

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

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

1.7. Negative goodwill

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

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

1.8. Foreign currency conversion

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

To hedge its exposure to certain foreign exchange risks, the Group uses forward exchange contracts. These financial instruments do not qualify for hedge accounting. They are classified in other instruments (see Note 1.17).

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

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

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

1 Euro equals to:	*Closing rate*		*Average rate*	
	2019	*2018*	*2019*	*2018*
CFA franc	655.957	655.957	655.957	655.957
Ghanaian Cedi	6.2166	5.5189	5.8724	5.4185
Nigerian Naïra	344.26	350.76	342.76	360.14
Dobra of São Tomé	24.50	24.50	24.50	24.50
Congolese franc	1 879	1 873	1 845	1 914
US Dollar	1.1234	1.1450	1.1192	1.1782

1.9. Intangible assets

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

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

The estimated useful lives are as follows:

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

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

1.10. Property, Plant, Equipment

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

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

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

The estimated useful lives are as follows:

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

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

Land is not subject to depreciation.

1.11. Biological assets

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

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

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

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

The estimated useful lives are as follows:

Biological assets - Palm	20 to 26 years
Biological assets - Rubber	20 to 33 years

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

Agricultural production

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

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

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

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

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

1.13. Leases

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

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

Rights to use assets have been measured on a retrospective basis as if the new rules had always been applied.

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

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

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

- property, plant and equipment: decrease by EUR 0.3 million
- rights of use of assets: increase by EUR 7.9 million
- deferred tax assets: increase by EUR 0.6 million
- borrowings: decrease by EUR 0.3 million
- liabilities related to lease contracts: increase by EUR 9.7 million.

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

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

The Group applies IAS 36 to determine whether an asset with a right-of-use asset is impaired and recognises any impairment loss as described in Note 24: Impairment of assets.

Accounting policy applicable before 1st January 2019

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

Assets held under finance leases are recognized as Group assets at the lower of the discounted value of the minimum lease payments and their fair value at the inception date of the lease.

The corresponding debt to the lessor is recorded in the statement of financial position for the same amount as a lease obligation. Financial expenses, which represent the difference between the total commitments of the contract and the fair value of the property acquired, are spread over the different periods covered by the lease in order to obtain a constant periodic interest rate on the outstanding liability balance for each accounting year.

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

1.13. Impairment of assets

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

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

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

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

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

An impairment loss recorded on goodwill cannot be subsequently reversed.

1.14. Inventories

Inventories are recorded at their lowest cost and net realizable value. Cost includes direct material costs and, if applicable, direct labor costs and directly attributable overhead costs. Where specific identification is not possible, the cost is determined on the basis of the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to complete the sale (primarily selling expenses).

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

As explained in Note 1.11. Biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.15. Trade receivables

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

1.16. Cash and cash equivalents

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

1.17. Financial instruments

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

Financial instruments derivatives

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

- *Hedging instruments:*

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

At the inception of the hedging relationship, the entity prepares documentation describing the relationship between the hedging instrument and the hedged item as well as its risk management objectives and strategy for performing various hedging transactions.

In addition, when the hedge is created and regularly thereafter, the Group indicates whether the hedging instrument is highly effective in offsetting changes in the fair value or cash flows of the hedged item attributable to the hedged risk.

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

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

- *Other instruments:*

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

For the periods under review, the two types of derivative financial instruments were used by the Group.

Loans

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

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

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

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

Equity instruments

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

Securities available for sale

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

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

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

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

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

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

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

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

1.18. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event which will probably lead to an outflow of economic benefits that can be reasonably estimated. Restructuring provisions are recognized when the Group has a formal and detailed plan for the restructuring that has been notified to the affected parties.

1.19. Pension obligations

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

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

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

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

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

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

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

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

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

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

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

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

1.20. 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 regard to the Group's activities, the recognition criteria are generally met:
(a) for export sales, where the products are made available to the carrier;
(b) for local sales, depending on the delivery conditions, either when the goods leave the premises or when the customer takes possession of the goods.

This is the moment when the Group has fulfilled its performance obligations.

Revenues are valued at the transaction price of the consideration received or receivable, which the Company expects to be entitled to.

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

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

1.21. Borrowing costs

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

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

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

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

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

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

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

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

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

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

1.24. Business combinations

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

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

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

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

1.25. 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.

1.26. 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 18), IAS 2 / IAS 41 (Notes 6 and 11), IAS 16 (Note 5), IAS 36 (Notes 5, 6 and 24), IFRS 9 (Note 21) and IFRS 16 (Note 3).

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

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

Note 2. Subsidiaries and associates

	% Group Interest 2019	% Group Control 2019	Consolidation Method (*) 2019	% Group Interest 2018	% Group Control 2018	Consolidation Method (*) 2018
AFRICA						
Rubber and Palm						
SOGB S.A.	63.69	73.16	FI	63.69	73.16	FI
PLANTATIONS SOCFINAF GHANA « PSG » LTD	100.00	100.00	FI	100.00	100.00	FI
OKOMU OIL PALM COMPANY PLC	64.97	64.97	FI	66.12	66.12	FI
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN « SAFACAM S.A. »	69.05	69.05	FI	69.05	69.05	FI
SOCIETE CAMEROUNAISE DE PALMERAIES « SOCAPALM S.A »	67.46	67.46	FI	67.46	67.46	FI
Rubber						
LIBERIAN AGRICULTURAL COMPANY « LAC »	100.00	100.00	FI	100.00	100.00	FI
SALALA RUBBER CORPORATION « SRC »	100.00	100.00	FI	100.00	100.00	FI
SUD COMOË CAOUTCHOUC « SCC »	60.95	70.01	FI	60.95	70.01	FI
Palm						
SOCFIN AGRICULTURAL COMPANY « SAC » LTD	93.00	93.00	FI	93.00	93.00	FI
SOCIETE DES PALMERAIES DE LA FERME SUISSE «SPFS»	67.46	100.00	FI	67.46	100.00	FI
AGRIPALMA LDA	88.00	88.00	FI	88.00	88.00	FI
BRABANTA S.A.	99.80	99.80	FI	99.80	99.80	FI
Other Activities						
BEREBY-FINANCES « BEFIN » S.A.	87.06	87.06	FI	87.06	87.06	FI
CAMSEEDS S.A.	67.15	99.54	FI	67.15	99.54	FI

	% Group Interest 2019	% Group Control 2019	Consolidation Method (*) 2019	% Group Interest 2018	% Group Control 2018	Consolidation Method (*) 2018
EUROPE						
Other Activities						
CENTRAGES S.A.	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.	30.00	30.00	EM	30.00	30.00	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
SOCIETE ANONYME FORESTIERE AGRICOLE « SAFA »	100.00	100.00	FI	100.00	100.00	FI
SOCFIN GREEN ENERGY S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFIN RESEARCH S.A.	50.00	50.00	EM	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.	20.00	20.00	EM	20.00	20.00	EM
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
STP INVEST S.A.	100.00	100.00	FI	100.00	100.00	FI
TERRASIA S.A.	33.28	33.28	EM	33.28	33.28	EM

(*) Consolidation method: FI: Full Integration - EM: Equity Method.

List of subsidiaries and associated companies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* SOCIETE DES PALMERAIES DE LA FERME SUISSE « SPFS » S.A. is active in Cameroon in the production, processing and marketing of palm oil.

* SODIMEX S.A. is a company incorporated under Belgian law active in the field of purchase and sale of planting material.

* SODIMEX FR S.A. is a company under Swiss law active in the field of purchase and sale of planting material.

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

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

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

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

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

Note 3. Leases

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

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

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

As the implicit interest rate is not known for all the Group's contracts, the incremental borrowing rate was used to discount the lease payments. The incremental borrowing rate is the rate that the lessee Group 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 entity as a starting point, adjusted to reflect the change in financing conditions since the financing was received;
- uses a build-up approach starting with a risk-free rate adjusted for credit risk for leases for entities with no recent external financing;
- makes lease specific adjustments (such as term, country, currency and collateral).

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

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

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

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

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

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

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

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

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

Right-to-use assets:

EUR	*Furniture, vehicles and other*	*Buildings*	*Land and concession of agricultural area*	*Total*
Impact of adoption of IFRS 16	**4 738 135**	**672 574**	**7 309 803**	**12 720 512**
Additions of the year	467 578	0	37 376	**504 954**
Foreign currency translation	34 699	41	23 051	**57 791**
Gross value as at 31st December 2019	***5 240 412***	***672 615***	***7 370 230***	**13 283 257**
Impact of adoption of IFRS 16	**-2 488 950**	**-368 342**	**-1 972 949**	**-4 830 241**
Depreciations of the year	-1 053 723	-38 394	-126 314	**-1 218 431**
Foreign currency translation	-19 391	-9	-8 706	**-28 106**
Accumulated depreciation as at 31st December 2019	***-3 562 064***	***-406 745***	***-2 107 969***	**-6 076 778**
Net book value as at 31st December 2019	**1 678 348**	**265 870**	**5 262 261**	**7 206 479**

Lease liabilities

EUR	*31/12/2019*	*01/01/2019 (*)*
Long-term lease liabilities	7 903 924	8 593 421
Short-term lease liabilities	1 099 533	1 096 967
Total	***9 003 457***	**9 690 388**

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

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

EUR	*2019*
Depreciation of right-of-use assets	1 218 431
Expenses related to short term leases and low-value assets	703 869
Interest expense (included in the financial expenses)	910 029
Total	***2 832 329***

Lease commitments under IAS 17:

Commitments for minimum lease payments are payable as follows:

2018 *EUR*	Within one year	2020	2021	2022	2023	2024 and over	*TOTAL*
Commitments for lease payments	2 118 309	1 680 870	1 329 091	742 170	700 248	24 351 007	**30 921 695**

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

EUR	*01/01/2019*
Lease commitments as at 31st December 2018	30 921 695
Discounted using the lessee's incremental borrowing at 1st January 2019	9 169 021
Debt related to finance leases as at 1st January 2019	274 878
Payments related to short term leases	-171 150
Adjustments for differences in the treatment of extension periods	417 639
Lease liabilities as at 1st January 2019	***9 690 388***
Due later than one year	8 593 421
Due within one year	1 096 967

Note 4. Intangible assets

EUR	*Concessions and patents*	*Software*	*Other intangible assets*	*TOTAL*
Cost as at 1st January 2018	***2 806 994***	***1 013 811***	***1 298 003***	***5 118 808***
Additions of the year	0	0	474 092	474 092
Disposals of the year	-278 087	0	-20 300	-298 387
Reclassifications to other asset classes	0	-271 656	104	-271 552
Foreign currency translation	-112 732	8 429	2 852	-101 451
Cost as at 31st December 2018	***2 416 175***	***750 584***	***1 754 751***	***4 921 510***
Accumulated depreciation as at 1st January 2018	***-131 183***	***-445 942***	***-1 159 285***	***-1 736 410***
Depreciation of the year	-54 482	-30 903	-513 661	-599 046
Foreign currency translation	5 500	2 456	-2 852	5 104
Accumulated depreciation as at 31st December 2018	***-180 165***	***-474 389***	***-1 675 798***	***-2 330 352***
Net book value as at 31st December 2018	***2 236 010***	***276 195***	***78 953***	***2 591 158***
Cost as at 1st January 2019	***2 416 175***	***750 584***	***1 754 751***	***4 921 510***
Additions of the year	0	9 578	282 685	292 263
Disposals of the year	0	0	-157 187	-157 187
Reclassifications to other asset classes	278 087	8 686	-241 677	45 096
Foreign currency translation	-300 156	-2 841	1 270	-301 727
Cost as at 31st December 2019	***2 394 106***	***766 007***	***1 639 842***	***4 799 955***
Accumulated depreciation as at 1st January 2019	***-180 165***	***-474 389***	***-1 675 798***	***-2 330 352***
Depreciation of the year	-50 271	-9 824	-22 367	-82 462
Depreciation reversals of the year	0	-130	0	-130
Reclassifications to other asset classes	0	0	-36 410	-36 410
Foreign currency translation	20 792	7 623	433 085	461 500
Accumulated depreciation as at 31st December 2019	***-209 644***	***-476 720***	***-1 301 490***	***-1 987 854***
Net book value as at 31st December 2019	***2 184 462***	***289 287***	***338 352***	***2 812 101***

Note 5. Property, plant and equipment

EUR	*Land and nurseries*	*Buildings*	*Technical Installations*	*Furniture, vehicles and others*	*Work in progress*	*Advances and prepayments*	*TOTAL*
Cost as at 1st January 2018	***10 988 653***	***191 383 553***	***78 749 247***	***189 854 797***	***31 924 490***	***4 579 944***	***507 480 684***
Additions of the year	1 845 957	5 904 114	9 712 771	11 352 047	16 980 277	6 856 410	52 651 576
Disposals of the year	-13 173	0	-2 344	-2 816 738	-3 008 025	0	-5 840 280
Reclassifications to other asset classes	-1 169 782	6 976 786	13 278 786	6 357 783	-15 522 532	-10 467 080	-546 039
Foreign currency translation	278 235	2 658 034	1 484 058	2 049 697	492 741	-52 807	6 909 958
Cost as at 31st December 2018	***11 929 890***	***206 922 487***	***103 222 518***	***206 797 586***	***30 866 951***	***916 467***	***560 655 899***
Accumulated depreciation as at 1st January 2018	***-1 235 283***	***-87 638 581***	***-51 043 767***	***-129 839 814***	***0***	***0***	***-269 757 445***
Depreciation of the year	-27 698	-9 081 880	-5 220 785	-12 314 998	0	0	-26 645 361
Depreciation reversals of the year	0	0	2 344	2 171 011	0	0	2 173 355
Reclassifications to other class of assets	0	-8 043	1 196	6 847	0	0	0
Foreign currency translation	-413	-757 182	-543 328	-1 334 967	0	0	-2 635 890
Accumulated depreciation as at 31st December 2018	***-1 263 394***	***-97 485 686***	***-56 804 340***	***-141 311 921***	***0***	***0***	***-296 865 341***
Net book value as at 31st December 2018	***10 666 496***	***109 436 801***	***46 418 178***	***65 485 665***	***30 866 951***	***916 467***	***263 790 558***

EUR	Land and nurseries	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and prepayments	TOTAL
Cost as at 1st January 2019	***11 929 890***	***206 922 487***	***103 222 518***	***206 797 586***	***30 866 951***	***916 467***	***560 655 899***
Additions of the year	993 061	846 950	2 995 586	4 842 490	27 196 972	190 569	37 065 628
Disposals of the year	0	0	-34 201	-3 004 712	0	0	-3 038 913
Reclassifications to other asset classes	-617 584	9 756 608	21 569 431	-6 367 072	-38 350 686	-961 025	-14 970 328
Foreign currency translation	110 769	268 501	128 923	459 730	-489 215	-1 698	477 010
Others	-272 118	0	0	0	0	0	-272 118
Cost as at 31st December 2019	***12 144 018***	***217 794 546***	***127 882 257***	***202 728 022***	***19 224 022***	***144 313***	***579 917 178***
Accumulated depreciation as at 1st January 2019	***-1 263 394***	***-97 485 686***	***-56 804 340***	***-141 311 921***	***0***	***0***	***-296 865 341***
Depreciation of the year	-26 437	-9 804 190	-6 528 724	-12 426 025	0	0	-28 785 376
Depreciation reversals of the year	0	0	34 201	2 998 106	0	0	3 032 307
Reclassifications to other asset classes	0	11 856	-17 390	1 669	0	0	-3 865
Foreign currency translation	128	-167 441	-189 337	-227 053	0	0	-583 703
Accumulated depreciation as at 31st December 2019	***-1 289 703***	***-107 445 461***	***-63 505 590***	***-150 965 224***	***0***	***0***	***-323 205 978***
Net book value as at 31st December 2019	***10 854 315***	***110 349 085***	***64 376 667***	***51 762 798***	***19 224 022***	***144 313***	***256 711 200***

On 31st December 2019, the Group has technical installations and professional equipment pledged as guarantees for borrowings of the Group for an amount of EUR 16 million. Details of these guarantees are provided in Note 31.

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

Note 6. Biological assets

EUR	*Palm*		*Rubber*		*Others*	*Total*
	Mature	Immature	Mature	Immature		
Cost as at 1st January 2018	***246 136 489***	***114 182 379***	***109 662 424***	***82 007 703***	***14 348***	***552 003 343***
Additions of the year	0	21 017 895	135 051	14 295 873	0	35 448 819
Disposals of the year	-3 375 191	-47 832	-2 194 250	-293 347	0	-5 910 620
Reclassifications to other asset classes	20 934 597	-21 247 986	10 799 812	-9 316 642	0	1 169 781
Foreign currency translation	3 330 415	1 559 213	2 163 144	1 686 616	0	8 739 388
Cost as at 31st December 2018	***267 026 310***	***115 463 669***	***120 566 181***	***88 380 203***	***14 348***	***591 450 711***
Accumulated depreciation as at 1st January 2018	***-81 688 867***	***0***	***-43 112 256***	***0***	***-10 097***	***-124 811 220***
Depreciation of the year	-11 142 039	0	-5 389 374	0	-56	-16 531 469
Depreciation reversals of the year	3 334 576	0	2 100 442	0	0	5 435 018
Foreign currency translation	-408 127	0	-917 733	0	0	-1 325 860
Accumulated depreciation as at 31st December 2018	***-89 904 457***	***0***	***-47 318 921***	***0***	***-10 153***	***-137 233 531***
Accumulated impairment as at 1st January 2018	***-17 854 586***	***-4 013 075***	***-5 063 248***	***-21 284 598***	***0***	***-48 215 507***
Impairment of the year	0	-3 111 747	0	0	0	-3 111 747
Reclassifications to other asset classes	-3 798 986	3 798 986	-2 529 661	2 529 661	0	0
Foreign currency translation	-220 534	85 685	-281 987	-688 298	0	-1 105 134
Accumulated impairment as at 31st December 2018	***-21 874 106***	***-3 240 151***	***-7 874 896***	***-19 443 235***	***0***	***-52 432 388***
Net book value as at 31st December 2018	***155 247 747***	***112 223 518***	***65 372 364***	***68 936 968***	***4 195***	***401 784 792***

EUR	Palm		Rubber		Others	Total
	Mature	Immature	Mature	Immature		
Cost as at 1st January 2019	***267 026 310***	***115 463 669***	***120 566 181***	***88 380 203***	***14 348***	***591 450 711***
Additions of the year	0	9 772 022	82 688	10 166 350	0	20 021 060
Disposals	-124 050	-4 539	-2 649 722	0	0	-2 778 311
Reclassifications to other asset classes	107 241 214	-107 359 666	17 461 318	-16 410 602	0	932 264
Foreign currency translation	-2 640 889	764 124	926 529	-134 062	0	-1 084 298
Cost as at 31st December 2019	***371 502 585***	***18 635 610***	***136 386 994***	***82 001 889***	***14 348***	***608 541 426***
Accumulated depreciation as at 1st January 2019	***-89 904 457***	***0***	***-47 318 921***	***0***	***-10 153***	***-137 233 531***
Depreciation for the year	-13 878 895	0	-5 986 516	0	-56	-19 865 467
Depreciation reversals of the year	6 232	0	2 585 956	0	0	2 592 188
Reclassifications to other asset classes	0	0	-314 681	0	0	-314 681
Foreign currency translation	152 160	0	-392 179	0	0	-240 019
Accumulated depreciation as at 31st December 2019	***-103 624 960***	***0***	***-51 426 341***	***0***	***-10 209***	***-155 061 510***
Accumulated impairments as at 1st January 2019	***-21 874 106***	***-3 240 151***	***-7 874 896***	***-19 443 235***	***0***	***-52 432 388***
Reclassifications to other asset classes	-3 111 747	3 111 747	-3 836 029	3 836 029	0	0
Foreign currency translation	683 408	453	-123 358	-70 727	0	489 776
Accumulated impairments as at 31st December 2019	***-24 302 445***	***-127 951***	***-11 834 283***	***-15 677 933***	***0***	***-51 942 612***
Net book value as at 31st December 2019	***243 575 180***	***18 507 659***	***73 126 370***	***66 323 956***	***4 139***	***401 537 304***

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

Note 7. Non-wholly owned subsidiaries in which non-controlling interests are significant

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

Name of subsidiary	Main location	Percentage of equity shares of non-controlling interests		Percentage of voting rights of non-controlling interests	
		2019	*2018*	*2019*	*2018*
Production of palm oil and rubber					
SOGB S.A.	Ivory Coast	36%	36%	27%	27%
OKOMU OIL PALM COMPANY PLC	Nigeria	35%	34%	35%	34%
SAFACAM S.A.	Cameroon	31%	31%	31%	31%
SOCAPALM S.A.	Cameroon	33%	33%	33%	33%

Name of subsidiary	Net income attributed to non-controlling interests in the subsidiary during the financial period		Accumulation of non-controlling interests in the subsidiary	
	2019	*2018*	*2019*	*2018*
	EUR	*EUR*	*EUR*	*EUR*
SOGB S.A.	2 426 308	2 307 512	30 158 631	29 427 906
OKOMU OIL PALM COMPANY PLC	5 516 491	6 218 914	30 701 118	28 200 753
SAFACAM S.A.	-191 741	-505 021	14 456 594	14 909 632
SOCAPALM S.A.	6 270 642	6 293 457	31 730 317	30 864 048
Subsidiaries that hold non-controlling interests not significant individually			5 257 559	6 415 680
Non-controlling interests			***112 304 219***	***109 818 019***

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

Name of the subsidiary	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
2018	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	29 862 158	102 016 176	47 916 212	5 636 196
OKOMU OIL PALM COMPANY PLC	25 636 809	83 853 534	14 939 458	13 848 212
SAFACAM S.A.	9 185 570	37 184 996	14 324 658	2 526 579
SOCAPALM S.A.	38 938 367	113 342 597	30 725 327	10 874 480
2019	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	31 954 534	101 284 416	35 386 831	17 245 405
OKOMU OIL PALM COMPANY PLC	32 150 890	93 326 564	9 544 570	31 376 618
SAFACAM S.A.	11 686 609	36 458 781	11 669 912	6 597 491
SOCAPALM S.A.	34 831 115	111 676 899	26 308 558	6 476 317

Name of the subsidiary	Revenue	Net Income for the year	Comprehensive income for the year	Dividend paid to non-controlling interests
2018	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	86 439 037	4 539 165	4 539 165	4 242 622
OKOMU OIL PALM COMPANY PLC	56 249 469	18 859 938	18 859 938	2 964 714
SAFACAM S.A.	25 350 850	871 674	871 674	697 030
SOCAPALM S.A.	100 593 943	17 370 413	17 370 413	3 858 690
2019	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	93 587 546	6 891 236	6 891 236	1 237 431
OKOMU OIL PALM COMPANY PLC	55 044 697	16 255 460	16 255 460	3 115 016
SAFACAM S.A.	26 730 831	1 229 630	1 229 630	270 349
SOCAPALM S.A.	106 416 554	18 667 650	18 667 650	5 084 392

Name of the Subsidiary	Net cash inflows (outflows)			Net cash inflows (outflows)
	Operating activities	Investing activities	Financing activities	
2018	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	14 476 102	-9 415 761	-19 807 005	-14 746 664
OKOMU OIL PALM COMPANY PLC	22 946 052	-15 879 732	-3 950 086	3 116 234
SAFACAM S.A.	3 384 991	-3 267 162	-3 472 589	-3 354 760
SOCAPALM S.A.	26 962 205	-12 385 574	-9 265 638	5 310 994
2019	*EUR*	*EUR*	*EUR*	*EUR*
SOGB S.A.	8 980 788	-5 826 748	16 961 067	20 115 106
OKOMU OIL PALM COMPANY PLC	4 442 022	-12 868 510	4 206 880	-4 219 608
SAFACAM S.A.	4 073 545	-2 464 880	7 912 103	9 520 769
SOCAPALM S.A.	38 583 687	-10 086 096	-22 219 464	6 278 127

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 8. Investments in associates

	2019	*2018*
	EUR	*EUR*
Value as at 1st January	***24 205 267***	***26 386 023***
Income from associates	5 754 101	4 934 657
Dividends	-5 046 264	-7 670 517
Fair value change for financial assets measured at fair value through other comprehensive income (loss)	133 933	104 771
Other movements	-207 706	450 333
Value as at 31st December	***24 839 331***	***24 205 267***

	Value of investment in associates	Income from associates	Value of investment in associates	Income from associates
	2019	*2019*	*2018*	*2018*
	EUR	*EUR*	*EUR*	*EUR*
Centrages S.A.	3 156 626	20 153	3 236 473	97 156
Immobilière de la Pépinière S.A.	1 921 744	-126 366	2 048 326	-118 334
Induservices S.A.	69 658	1 770	67 888	1 889
Induservices FR S.A.	-890 313	-197 716	-497 977	-267 103
Management Associates S.A.	-2 382	7 847	-10 229	-10 995
Socfin Green Energy S.A.	752 833	101 343	651 490	102 943
Socfin Research S.A.	1 774 935	-195 663	1 970 598	-219 755
Socfinco S.A.	872 578	103 170	1 069 408	250 756
Socfinco FR S.A.	4 809 598	2 015 068	4 760 965	1 915 028
Socfinde S.A.	2 080 919	53 714	2 027 204	64 750
Sodimex S.A.	167 446	57 309	210 137	-2 400
Sodimex FR S.A.	2 183 819	444 333	1 739 486	605 295
Sogescol FR S.A.	7 686 340	3 461 377	6 683 730	2 506 230
Terrasia S.A.	255 530	7 762	247 768	9 194
TOTAL	***24 839 331***	***5 754 101***	***24 205 267***	***4 934 654***

	Total assets	Revenue	Total assets	Revenue
	2019	*2019*	*2018*	*2018*
	EUR	*EUR*	*EUR*	*EUR*
Centrages S.A.	3 541 811	2 781 074	3 611 666	2 660 705
Immobilière de la Pépinière S.A.	4 390 218	449 334	4 647 630	460 918
Induservices S.A.	2 554 004	3 817 000	1 631 490	6 549 500
Induservices FR S.A.	5 507 277	2 007 530	4 721 333	1 705 640
Management Associates S.A.	14 582 030	4 375 932	12 300 416	3 245 758
Socfin Green Energy S.A.	1 537 392	488 823	1 339 394	386 209
Socfin Research S.A.	3 975 939	50 922	4 362 396	170 351
Socfinco S.A.	1 874 612	1 627 536	2 266 813	2 145 770
Socfinco FR S.A.	14 712 139	20 876 086	10 707 280	19 990 681
Socfinde S.A.	120 673 505	0	118 197 858	0
Sodimex S.A.	555 407	0	576 266	36 601
Sodimex FR S.A.	13 474 446	22 146 453	17 154 484	24 862 029
Sogescol FR S.A.	35 282 616	276 101 249	34 878 909	238 258 853
Terrasia S.A.	527 223	67 011	506 551	65 987
TOTAL	***223 188 619***	***334 788 950***	***216 902 486***	***300 539 002***

Main data of significant associates accounted for using the equity method

Name of the associate	Main location	Main activity	Dividend received 2019 EUR	Dividend received 2018 EUR
Socfinco FR S.A.	Switzerland	Rendering of services	2 000 000	3 000 000
Sodimex S.A.	Belgium	Purchase and sale of equipment	100 000	350 000
Sogescol FR S.A.	Switzerland	Trade of tropical products	2 690 342	3 632 789

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

Name of the associate	Current assets	Non-Current assets	Current liabilities	Non-current liabilities
2018	EUR	EUR	EUR	EUR
Management Associates S.A.	624 831	11 675 585	1 534 644	8 200 000
Socfinco FR S.A.	9 763 533	943 747	1 159 735	0
Socfinde S.A.	115 376 271	2 821 587	106 030 903	6 494 599
Sodimex S.A.	576 266	0	155 992	0
Sogescol FR S.A.	34 123 513	755 396	21 504 904	0
TOTAL	***160 464 414***	***16 196 315***	***130 386 178***	***14 694 599***
2019	EUR	EUR	EUR	EUR
Management Associates S.A.	3 583 984	10 998 045	3 777 023	8 200 000
Socfinco FR S.A.	10 800 684	3 911 455	2 173 231	2 763 958
Socfinde S.A.	109 597 805	11 075 700	108 237 979	6 494 599
Sodimex S.A.	555 407	0	351 227	0
Sogescol FR S.A.	34 280 953	1 001 663	20 394 982	0
TOTAL	***158 818 833***	***26 986 863***	***134 934 442***	***17 458 557***

Summary financial information of interests held in associates - Income statement

Name of the associate	Profit from operations	Net income for the year	Comprehensive income for the year
2018	**EUR**	**EUR**	**EUR**
Management Associates S.A.	-188 155	-188 155	-188 155
Socfinco FR S.A.	3 745 494	3 745 494	3 745 494
Socfinde S.A.	323 752	323 752	323 752
Sodimex S.A.	-4 800	-4 800	-4 800
Sogescol FR S.A.	5 379 327	5 379 327	5 379 327
TOTAL	***9 255 618***	***9 255 618***	***9 255 618***
2019	**EUR**	**EUR**	**EUR**
Management Associates S.A.	39 235	39 235	39 235
Socfinco FR S.A.	4 227 405	4 227 405	4 227 405
Socfinde S.A.	268 572	268 572	268 572
Sodimex S.A.	-16 094	-16 094	-16 094
Sogescol FR S.A.	6 622 199	6 622 199	6 622 199
TOTAL	***11 141 317***	***11 141 317***	***11 141 317***

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

Name of the associate company	Net assets of the associate	% stake held by the Group	Other IFRS adjustments	Value of stake held by the Group
2018	**EUR**		**EUR**	**EUR**
Management Associates S.A.	2 565 772	20%	-523 383	-10 229
Socfinco FR S.A.	9 547 545	50%	-12 808	4 760 965
Socfinde S.A.	5 672 356	20%	892 733	2 027 204
Sodimex S.A.	420 274	50%	0	210 137
Sogescol FR S.A.	13 374 005	50%	-3 273	6 683 730
TOTAL	***31 579 952***		***353 269***	***13 671 807***
2019	**EUR**		**EUR**	**EUR**
Management Associates S.A.	2 605 006	20%	-523 383	-2 382
Socfinco FR S.A.	9 774 950	50%	-77 877	4 809 598
Socfinde S.A.	5 940 927	20%	892 734	2 080 919
Sodimex S.A.	204 180	50%	65 356	167 446
Sogescol FR S.A.	14 887 634	50%	242 523	7 686 340
TOTAL	***33 412 697***		***599 353***	***14 741 921***

There is no goodwill attributed to the above associates.

Aggregated information relating to associates that are not significant individually

	2019 EUR	2018 EUR
Share of profit from operations attributable to the Group	158 786	462 041
Share of total profit attributable to the Group	158 786	462 041
Total book value of investments in associates held by the Group	10 097 410	10 533 460

After tax profit from discontinued operations and other comprehensive income for the year for 2019 and 2018 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 9. Financial assets at fair value through other comprehensive income

	2019 *EUR*	*2018* *EUR*
Fair value as of 1st January	***91 902***	***91 902***
Change in fair value	0	0
Fair value as of 31st December	***91 902***	***91 902***

EUR	*Cost (historical)*		*Fair value*	
	2019	*2018*	*2019*	*2018*
Financial assets at fair value through other comprehensive income	47 570	***47 570***	91 902	91 902

Note 10. Deferred taxes

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

	2019	2018
	EUR	EUR
IAS 2/IAS 41: Agricultural Produce	120 816	-36 108
IAS 12: Tax latencies	3 360 755	3 677 498
IAS 16: Tangible assets	4 024 519	4 048 323
IAS 19: Pension obligations	897 960	836 721
IAS 21: Translation differences	-61 118	3 711
IAS 37: Provisions for risks and charges	-345 300	-341 117
IAS 38: Formation expenses	1 280 930	1 237 204
IAS 38: Research costs	410 501	610 283
IFRS 9: Financial assets measured at fair value through other comprehensive income	44 201	44 201
IFRS 16: Leases	583 185	0
Others	-1 307 674	-1 154 682
Balance as at 31st December	***9 008 775***	***8 926 034***

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

	2019	2018
	EUR	EUR
IAS 2/IAS 41: Agricultural Produce	1 044 506	655 229
IAS 12: Tax latencies	-897 850	-1 065 571
IAS 16: Tangible assets	9 165 987	10 274 320
IAS 19: Pension obligations	-1 215 830	-1 151 461
IAS 37: Provisions for risks and charges	945 950	902 257
IAS 38: Intangible assets	-189	-44 648
IFRS 9: Financial assets measured at fair value through other comprehensive income	4 074	4,074
IFRS 3: Fair value of buildings	110 170	108 118
Others	-27 028	-27 043
Balance as at 31st December	***9 129 790***	***9 707 343***

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

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

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

Socfinaf has unused tax losses of EUR 51.5 million.

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

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

Note 11. Inventory

Carrying value of inventories by category

	2019	*2018*
	EUR	*EUR*
Raw materials	22 328 310	19 506 032
Consumables	23 211 146	22 884 294
Spare parts	17 967 576	0
Production in progress	1 046 693	768 161
Finished products	15 206 058	14 966 661
Down-payments and orders in progress	4 840 303	2 170 574
Gross amount before impairment as at 31st December	***84 600 086***	***60 295 722***
Inventory write-downs	-4 826 296	-1 321 502
Net amount as at 31st December	***79 773 790***	***58 974 220***

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

**** Reconciliation of inventories***

	2019	2018
	EUR	EUR
Balance as at 1st January	***60 295 722***	***56 541 906***
Change in inventory	23 422 854	6 493 296
Fair value of agricultural products	762 313	-3 414 137
Foreign exchange	119 197	674 657
Gross amount (before impairment) as at 31st December	***84 600 086***	***60 295 722***
Inventory write-downs	-4 826 296	-1 321 502
Net amount as at 31st December	***79 773 790***	***58 974 220***

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

*** Quantity of inventory by category**

2018	*Raw Materials*	*Production-in-progress*	*Finished goods*
Palm oil (tons)	0	0	8 819
Rubber (tons)	25 099	0	8 678
Others (units)	0	0	2 139 537

2019	*Raw Materials*	*Production-in-progress*	*Finished goods*
Palm oil (tons)	751	0	7 987
Rubber (tons)	27 973	0	8 621
Others (units)	0	0	1 814 353

Note 12. Trade receivables (Current assets)

	2019	2018
	EUR	EUR
Trade receivables	10 618 023	14 774 408
Advances and prepayments	13 555 456	2 620 107
Net total as at 31st December	***24 173 479***	***17 394 515***

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

The value adjustments on trade receivables amounted to EUR 1.8 million in 2019 and EUR 1.7 million in 2018.

Note 13. Other receivables (current assets)

	2019 EUR	2018 EUR
Social security	959 154	1 321 912
Other receivables	13 158 805	13 813 760
Prepayments	566 381	559 363
As at 31st December	***14 684 340***	***15 695 035***

Note 14. Current tax assets and liabilities

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

	2019 EUR	2018 EUR
As at 1st January	***13 442 815***	***9 899 990***
Tax income	1 188 709	77 789
Other taxes	-284 274	1 851 109
Taxes paid or recovered	-1 958 222	687 531
Tax adjustments	-738 339	896 778
Foreign exchange	-19 604	29 618
Current tax assets as at 31st December	***11 631 085***	***13 442 815***

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

	2019 EUR	2018 EUR
As at 1st January	***19 718 139***	***23 016 718***
Tax expense	23 468 291	17 311 248
Other taxes	23 272 001	23 322 667
Taxes paid or recovered	-45 583 520	-43 894 451
Tax adjustments	-2 500 592	-254 420
Foreign exchange	146 178	216 377
Current tax liabilities as at 31st December	***18 520 497***	***19 718 139***

Note 15. Cash and cash equivalent

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

	2019 EUR	2018 EUR
Current account	39 056 804	34 700 835
Balance as at 31st December	***39 056 804***	***34 700 835***

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

	2019 EUR	2018 EUR
Current account	39 056 804	34 700 835
Bank overdrafts	-10 184 245	-38 942 320
Balance as at 31st December	***28 872 559***	***-4 241 485***

Note 16. Share capital and share premium

Subscribed and fully paid up capital amounted to EUR 35.67million as at 31st December 2019 and 2018. There is a share premium of EUR 87.5 million added to the subscribed capital.

At 31st December 2019, the share capital is represented by 17 836 650 shares.

In accordance with the law passed on 28th July 2014 on the immobilization of bearer shares, 17 550 shares (i.e. 0.10% of the capital) have been cancelled, the holders of these shares having not registered with the depositary. The proceedings with the Caisse de Consignation are still in progress to date.

	Ordinary shares	
	2019	*2018*
Number of shares as at 31st December	17 836 650	17 836 650
Number of fully paid shares issued, with no designation of par value	17 836 650	17 836 650

Note 17. Legal reserves

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

Note 18. Pension obligations

Defined benefit pension plan and post-employment sickness

Besides the legislation on social security applicable locally, most of the employees of the Group in Africa enjoy a defined benefit pension plan. The subsidiaries pay benefits in the event of retirement and depending on countries, also in case of dismissal. The benefits paid are calculated as a percentage of salary and are based on the number of years of service. The benefits payable to the employees are not financed by any specific asset against the provisions.

	2019	*2018*
	EUR	*EUR*
Assets and liabilities recognized in the statement of financial position		
Present value of obligations	9 729 372	9 849 311
Net amount recognized in the statement of financial position for defined benefit plans	***9 729 372***	***9 849 311***
Components of the net charge		
Costs of services rendered	625 925	488 895
Financial costs	1 335 905	959 974
Actuarial gains and losses recognised during the year	83 832	0
Defined benefit plan costs	***2 045 662***	***1 448 869***
Movements in liabilities / net assets recognized in the statement of financial position		
At 01st January	***9 849 311***	***8 737 088***
Costs as per income statement	2 045 672	1 448 869
Contributions	-960 450	-1 269 609
Actuarial gains and losses of the year recognized in other comprehensive income	-1 325 366	742 590
Foreign exchange	120 205	190 373
As at 31st December	***9 729 372***	***9 849 311***

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

Actuarial gains and losses recognised in other comprehensive income

	2019 EUR	2018 EUR
Adjustments of liabilities related to experience	508 948	135 343
Changes in financial assumptions related to recognized liabilities	994 493	-626 922
Changes in demographic assumptions related to recognized liabilities	-178 075	-251 010
Actuarial gains and losses recognized during the period in other comprehensive income	***1 325 366***	***-742 590***

Actuarial valuation assumptions	2019	2018
AFRICA		
Average discount rate	6.92 to 20.96%	6.75 to 21.22%
Future salary increases	2 to 20%	1.74 to 18.99%
Average remaining active life of employees (in years)	19.80	20.05

Sensitivity Analysis of the Present Value of Defined Benefit Obligations

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

	2019 EUR	2018 EUR
Actuarial value of the obligation	**9 729 372**	**9 849 311**
Actuarial rate		
Increase of 0.5%	9 428 484	9 540 751
Decrease of 0.5%	10 027 286	10 155 021
Expected future salary increases		
Increase of 0.5%	10 017 706	10 144 755
Decrease of 0.5%	9 435 313	9 548 075

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

Impact of the defined benefit pension plan on future cash flows

	2020	2019
Estimated contributions for the next financial year (in euros)	1 101 231	841 250

	2019	2018
Weighted average duration of defined benefit plan obligations (in years)	6.1	6.1

Defined contribution pension scheme

	2019 EUR	2018 EUR
Total defined contribution pension plan	1 387 411	1 456 429

Note 19. Financial debts

2018 *EUR*	*Due within 1 year*	*Due later than 1 year*	*TOTAL*
Loans held by financial institutions	14 558 570	19 603 161	34 161 731
Short term bank loans	38 942 320	0	38 942 320
Other loans	50 619 135	90 274 878	140 894 013
TOTAL	***104 120 025***	***109 878 039***	***213 998 064***

2019 *EUR*	*Due within 1 year*	*Due later than 1 year*	*TOTAL*
Loans held by financial institutions	13 030 173	64 189 292	77 219 465
Short term bank loans	1 099 533	7 903 924	9 003 457
Bank overdrafts	10 184 245	0	10 184 245
Other loans	52 853 495	94 746 542	147 600 037
TOTAL	***77 167 446***	***166 839 758***	***244 007 204***

Most of the consolidated borrowings are denominated in Euros or CFA francs, whose parity is linked to the Euro. The fixed interest rates from financial institutions and which are pegged to the Euro vary between 4.90% and 6.00%.

As explained in Note 34, interest rate management is the subject of ongoing management attention.

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

2018 *EUR*	*Fixed rate*	*Rate*	*Variable rate*	*Rate*	*TOTAL*
Loans held by financial institutions					
Ivory Coast	1 548 538	5.50% to 6.00%	0	-	1 548 538
Nigeria	5 816 243	9.00% to 10.00%	0	-	5 816 243
Liberia	163 755	8.00%	0	-	163 755
Cameroon	12 074 625	4.90% to 6.00%	0	-	12 074 625
	19 603 161		***0***		***19 603 161***
Other loans					
Europe	90 000 000	4.80%	0	-	90 000 000
Nigeria	105 947	-	0	-	105 947
Ivory Coast	168 931	-	0	-	168 931
	90 274 878		***0***		***90 274 878***
TOTAL	***109 878 039***		***0***		***109 878 039***

2019 EUR	Fixed Rate	Rate	Variable Rate	Rate	TOTAL
Loans held by financial institutions					
Ivory Coast	12 978 252	5.50% to 6.50%	0	-	12 978 252
Nigeria	23 862 284	8.00% to 10.00%	0	-	23 862 284
Liberia	1 335 232	8.00%	0	-	1 335 232
Cameroon	12 498 473	5.00% to 7.09%	0	-	12 498 473
Ghana	13 000 003	4.00%	0		13 000 003
Sao Tomé	515 048	8.00%	0		515 048
	64 189 292		***0***		***64 189 292***
Other loans					
Europe	90 000 000	4.80%	0	-	90 000 000
Nigeria	2 713 888	3.00%	0	-	2 713 888
Ivory Coast	2 032 654	6.00%	0	-	2 032 654
	94 746 542		***0***		***94 746 542***
TOTAL	***158 935 835***		***0***		***158 935 835***

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

2018	EUR	CFA	NGN	USD	TOTAL EUR
Loans held by financial institutions	0	13 623 162	5 816 243	163 756	19 603 161
Other loans	90 000 000	168 932	105 946	0	90 274 878
TOTAL	***90 000 000***	***13 792 094***	***5 922 189***	***163 756***	***109 878 039***

2019	EUR	CFA	NGN	STN	USD	GHS	CDF	TOTAL EUR
Loans held by financial institutions	13 000 003	25 476 725	23 862 284	515 048	1 335 232	0	0	64 189 293
Other loans	90 000 000	2 032 655	0	0	2 713 888	0	0	94 746 542
Lease liabilities	0	5 955 517	285 681	309 896	1 251 400	52 527	48 902	7 903 923
TOTAL	***103 000 003***	***33 464 897***	***24 147 965***	***824 944***	***5 300 520***	***52 527***	***48 902***	***166 839 758***

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

2018

EUR	2020	2021	2022	2023	2024 and later	TOTAL
Loans held by financial institutions	8 512 392	5 025 977	2 967 316	2 634 833	462 643	19 603 161
Other loans	0	90 000 000	0	0	274 878	90 274 878
TOTAL	***8 512 392***	***95 025 977***	***2 967 316***	***2 634 833***	***737 521***	***109 878 039***

2019

EUR	2021	2022	2023	2024	2025 and later	TOTAL
Loans held by financial institutions	13 416 719	12 549 036	13 798 354	8 701 982	15 723 202	64 189 293
Lease liabilities	820 639	236 320	109 015	113 716	6 624 234	7 903 924
Other loans	3 730 214	91 016 327	0	0	0	94 746 541
TOTAL	***17 967 572***	***103 801 683***	***13 907 369***	***8 815 698***	***22 347 436***	***166 839 758***

*** Net debt**

	2019 EUR	2018 EUR
Cash and cash equivalents	39 056 804	34 700 835
Long term debt net of current portion	-158 935 834	-109 878 039
Short term debt and current portion of long-term debt	-76 067 913	-104 120 025
Lease liabilities	-9 003 456	0
Net debt	***-204 950 399***	***-179 297 229***
Cash and cash equivalents	39 056 804	34 700 835
Fixed interest rate bearing loans	-235 003 747	-213 998 064
Variable interest rate bearing loans	0	0
Lease liabilities	-9 003 456	0
Net debt	***-204 950 399***	***-179 297 229***

*** Reconciliation of net debt**

EUR	*Cash and cash equivalents*	*Long term debt, net of current portion*	*Short term debt and current portion of long term debt*	*Debt related to leases*	*Total*
As at 1st January 2018	***23 800 263***	***-123 654 846***	***-60 500 905***	***0***	***-160 355 488***
Cash flow	10 404 986	-13 029 558	-16 089 037	0	-18 713 609
Foreign exchange	495 586	-210 138	-513 580	0	-228 132
Transfers	0	27 016 503	-27 016 503	0	0
As at 31st December 2018	***34 700 835***	***-109 878 039***	***-104 120 025***	***0***	***-179 297 229***
Cash flow	4 198 042	-77 773 143	57 555 206	-8 461 007	-24 480 902
Foreign exchange	157 927	744 600	-7 856	-37 495	857 176
Transfers	0	27 970 748	-29 495 238	0	-1 524 490
Other movements with no impact on cash flow	0	0	0	-504 954	-504 954
As at 31st December 2019	***39 056 804***	***-158 935 834***	***-76 067 913***	***-9 003 456***	***-204 950 399***

Note 20. Other payables

	2019 *EUR*	*2018* *EUR*
Staff cost liabilities	5 304 994	5 465 894
Other payables (*)	155 788 204	152 886 126
Accruals	1 157 750	844 072
Balance as at 31st December	***162 250 948***	***159 196 092***
Non-current liabilities	8 001 207	7 739 836
Current liabilities	154 249 741	151 456 256

(*) Other payables consist mainly of shareholder loans amounting to EUR 40.4 million (EUR 40.4 million in 2018) as well as debt of EUR 100.5 million (EUR 99.1 million in 2018) relating to the cash pooling at the level of Socfinaf S.A.

Note 21. Financial Instruments

2018	*Derivative instruments (*)*	*Loans and borrowings*	*Financial assets at fair value through other comprehensive income*	*Other financial assets and liabilities*	*TOTAL*	*Loans and Borrowing*	*Other financial assets and liabilities*
EUR	*At fair value*	*At cost*	*At fair value*	*At cost*		*At fair value*	*At fair value*
Assets							
Financial assets at fair value through other comprehensive income	0	0	91 902	0	***91 902***	0	0
Long-term advance payments	0	1 244 975	0	297 075	***1 542 050***	1 244 975	297 075
Other current assets	0	0	0	80 693	***80 693***	0	80 693
Trade receivables	0	0	0	17 394 515	***17 394 515***	0	17 394 515
Other receivables	0	0	0	15 695 035	***15 695 035***	0	15 695 035
Cash and cash equivalent	0	0	0	34 700 835	***34 700 835***	0	34 700 835
Total assets	***0***	***1 244 975***	***91 902***	***68 168 153***	***69 505 030***	***1 244 975***	***68 168 153***
Liabilities							
Long term debts	0	109 878 039	0	0	***109 878 039***	109 886 483	0
Other non-current payables	0	0	0	7 739 836	***7 739 836***	0	7 739 836
Short term debts	0	65 177 705	0	38 942 320	***104 120 025***	65 177 705	38 942 320
Trade payables (current)	0	0	0	44 786 254	***44 786 254***	0	44 786 254
Other payables (current)	0	0	0	151 456 256	***151 456 256***	0	151 456 256
Total liabilities	***0***	***175 055 744***	***0***	***242 924 666***	***417 980 410***	***175 064 188***	***242 924 666***

2018	*Fair Value*			
EUR	*Level 1*	*Level 2*	*Level 3*	*TOTAL*
Financial assets at fair value through other comprehensive income	0	0	91 902	***91 902***

2019	*Derivative instruments (*)*	*Loans and borrowings*	*Financial assets at fair value through other comprehensive income*	*Other financial assets and liablities*	*TOTAL*	*Loans and Borrowing*	*Other financial assets and liablities*
EUR	*At fair value*	*At cost*	*At fair value*	*At cost*		*At fair value*	*At fair value*
Assets							
Financial assets at fair value through other comprehensive income	0	0	91 902	0	***91 902***	0	0
Long term advance payments	0	1 623 672	0	321 105	***1 944 777***	1 623 672	321 105
Other non-current assets	0	0	0	1 669 262	***1 669 262***	0	1 669 262
Trade receivables	0	0	0	24 173 479	***24 173 479***	0	24 173 479
Other receivables	0	0	0	14 684 340	***14 684 340***	0	14 684 340
Cash and cash equivalent	0	0	0	39 056 804	***39 056 804***	0	39 056 804
Total Assets	***0***	***1 623 672***	***91 902***	***79 904 990***	***81 620 564***	***1 623 672***	***79 904 990***
Liabilities							
Long term debts	0	158 935 834	0	0	***158 935 834***	158 938 040	0
Long term debt related to leases	0	7 903 924	0	0	***7 903 924***	7 903 924	0
Other non-current payables	0	0	0	8 001 208	***8 001 208***	0	8 001 208
Short term debts	0	65 883 668	0	10 184 245	***76 067 913***	65 883 668	10 184 245
Short term debt related to leases	0	1 099 533	0	0	***1 099 533***	1 099 533	0
Trade payables (current)	0	0	0	47 655 804	***47 655 804***	0	47 655 804
Other payables (current)	0	0	0	154 249 740	***154 249 740***	0	154 249 740
Total Liabilities	***0***	***233 822 959***	***0***	***220 090 997***	***453 913 956***	***233 825 165***	***220 090 997***

2019	*Fair Value*			
EUR	*Level 1*	*Level 2*	*Level 3*	*TOTAL*
Financial assets at fair value through other comprehensive income	0	0	91 902	***91 902***

(*) Changes recognised in other comprehensive income

Note 22. Staff costs and average number of staff

	2019 EUR	2018 EUR
Staff Costs		
Remuneration	61 140 236	58 330 451
Social security and pension expenses	6 270 284	5 845 615
Total as at 31st December	***67 410 520***	***64 176 066***

Average number of employees in the year	2019	2018
Directors	108	93
Employees	3 951	3 754
Workers (including temporary workers)	20 107	18 860
TOTAL	***24 166***	***22 707***

Note 23. Depreciation and impairment expense

	2019 EUR	2018 EUR
Depreciation		
Of right-of-use assets (Note 3)	1 218 431	0
Of intangible Assets (Note 4)	82 462	599 046
Of property, plant and equipment excluding biological assets (Note 5)	28 785 376	26 645 361
Of biological assets (Note 6)	19 865 467	16 531 469
Impairment		
Of biological assets (Note 6)	0	3 111 747
Total as at 31st December	***49 951 736***	***46 887 623***

Note 24. Impairment of assets

Goodwill

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

Intangible and tangible assets and right-of-use assets

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

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

Bearer biological assets

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

For this purpose, the Group assesses several indicators:

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

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

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

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

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

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

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

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

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

The identification of CGUs depends, in particular, on:

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

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

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

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

The value in use calculation has been very sensitive to:

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

Changes in realized margins

Initially, the Group determines separately the expected production of each category of bearer biological assets within the entity over their remaining life. This expected production is estimated on the basis of the surface areas planted at reporting date as well as the actual crop yield recorded during the financial year which depends on the maturity of the bearer biological asset. Production is then valued on average basis of five-year of the margins achieved by the entity in relation to agricultural activities. The value in use of the bearer biological asset is then obtained by discounting these cash flows. Average margins are considered constant over the duration of the financial projection. An indexing factor is not taken into account.

Based on the existence of an impairment loss index for the palm sector and following subsequent impairment tests, no impairment loss was considered necessary for SOGB.

At 31st December 2019, accumulated impairment losses in the palm business segment amounted to EUR 11.3 million for Brabanta, EUR 5.7 million for PSG, EUR 4.3 million for Socfin Agricultural Company and EUR 3.1 million for Agripalma. For the rubber segment, the accumulated impairment losses are EUR 2.1 million for PSG, EUR 1.4 million for Safacam and EUR 24 million for Salala Rubber Company (Note 6).

Note 25. Other financial products

	2019	*2018*
	EUR	*EUR*
Interest on receivables and cash flows	381 723	1 156 224
Exchange gains	2 372 777	3 164 177
Others	185 802	181 990
As at 31st December	***2 940 302***	***4 502 391***

Note 26. Finance charges

	2019 EUR	2018 EUR
Interest and finance charges	11 387 352	10 900 962
Interest expense linked to leased contracts	910 029	0
Exchange losses	3 092 607	2 749 268
Others	1 308 709	1 080 368
As at 31st December	***16 698 697***	***14 730 598***

Note 27. Tax expense

**** Components of the tax expense***

	2019 EUR	2018 EUR
Current income tax expense	23 936 077	18 286 288
Deferred tax expense/(income)	-418 117	-875 748
Tax expense as at 31st December	***23 517 960***	***17 410 540***

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

	2019 EUR	2018 EUR
IAS 19: Retirement commitments	-458 944	-156 788
IAS 38: Intangible assets	235 362	135 990
IAS 2 / IAS 41: Fair value of agricultural produce	229 975	-398 437
IFRS 3: Fair valuation buildings	-27	-15 010
IAS 12: Tax latencies	484 464	1 061 473
IAS 16: Tangible assets	-1 123 494	-1 889 006
IAS 37: Provisions for risks and charges	45 348	153 280
IAS 21: Foreign exchange differences	12 761	48 357
IFRS 16: Leases	-2 012	0
Other	158 450	184 393
Deferred tax expense/(income) as at 31st December	***-418 117***	***-875 748***

*** Reconciliation of income tax expense**	**2019 EUR**	**2018 EUR**
Profit before tax from continuing operations	***33 605 578***	***31 670 114***
Normal tax rate of the parent company	24.94%	26.01%
Normal tax rate of subsidiaries	24.9% to 38.5%	25% to 38.5%
Income tax at normal tax rates of subsidiaries	13 325 503	12 822 578
Unfunded taxes	18 863	246 745
Definitively taxed income	196 744	547 739
Use of capital allowances	-11 077 000	-7 707 617
Specific tax regimes in foreign countries	6 527 810	2 844 196
Non-taxable income	-58 928	-103 660
Non-deductible expenses	3 001 519	3 666 062
Use of accumulated tax losses	0	-235 350
Losses carried forward	7 982 499	5 470 245
Other tax benefits	-510 704	-132 631
Additional tax assessment	4 270 879	247 963
Impact of change in tax rate	-155 778	0
Other adjustments	-3 447	-255 730
Tax expense as of 31st December	***23 517 960***	***17 410 540***

***Change of rate for the subsidaries**

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

Following the 2017 reform, the tax rate for Socfinaf changed from 26.01% in 2018 to 24.94% in 2019.

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

**** Tax adjustments***

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

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

Note 28. Net earnings per share

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

	2019	*2018*
Net profit for the year (in Euro)	1 577 834	4 763 789
Average number of shares	17 836 650	17 836 650
Undiluted net earnings per share (in Euro)	***0.09***	***0.27***

Note 29. Dividends and directors' fees

The Board will propose to the Annual General Meeting of 26th May 2020 the non-payment of dividend.

Note 30. Information on related party

****Directors' remuneration***

	2019	*2018*
	EUR	*EUR*
Short term benefits	982 916	1 068 805
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	0	0
Share-based payment	0	0

**** Other related party transactions***

2018

EUR	*Parent*	*Associates*	*Other related parties*	*TOTAL*
Non-Current Assets				
Long-term advances	0	230 000	0	230 000
	0	***230 000***	***0***	***230 000***
Current Assets				
Trade receivables	0	11 153 256	0	11 153 256
Other receivables	0	1 485 853	7 892	1 493 745
	0	***12 639 109***	***7 892***	***12 647 001***
Non-Current Liabilities				
Financial debts	90 000 000	0	0	90 000 000
	90 000 000	***0***	***0***	***90 000 000***
Current Liabilities				
Financial debts	50 619 135	0	0	50 619 135
Trade payables	0	20 632 872	1 803	20 634 675
Other payables	0	101 405 614	40 442 307	141 847 921
	50 619 135	***122 038 486***	***40 444 110***	***213 101 731***

TRANSACTIONS BETWEEN RELATED PARTIES

Services and goods delivered	0	149 509 886	0	***149 509 886***
Services and goods received	0	36 943 396	106 236	***37 049 632***
Financial income	0	25 203	149 129	***174 332***
Finance expense	5 508 154	808 248	1 600 000	***7 916 402***

2019

EUR	*Parent*	*Associates*	*Other related parties*	*TOTAL*
Non-current assets				
Long-term advances	0	590 000	0	590 000
Current assets				
Trade receivables	0	8 429 182	1 083	8 430 265
Other receivables	0	3 306 710	7 695	3 314 405
	0	***11 735 892***	***8 778***	***11 744 670***
Non-current liabilities				
Financial debts	90 000 000	2 713 886	0	92 713 886
Current liabilities				
Financial debts	36 287 369	0	0	36 287 369
Trade payables	0	19 347 048	0	19 347 048
Other payables (Note 21)	0	104 230 494	40 403 288	144 633 782
	36 287 369	***123 577 542***	***40 403 288***	***200 268 199***

TRANSACTIONS BETWEEN RELATED PARTIES

Services and goods delivered	0	167 813 011	0	***167 813 011***
Services and goods received	0	29 395 707	28 810	***29 424 517***
Financial income	0	22 843	0	***22 843***
Finance expense	5 141 833	794 581	1 600 000	***7 536 414***

Related party transactions are made on commercial terms.

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

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

Bolloré Participations is a shareholder and director of Socfinaf.

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

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

Socfinaf S.A. did not pay any dividend in 2019 to its parent company Socfin (2018: EUR 1.1 million). Socfinaf has borrowed an amount EUR 126.3 million from Socfin. An annual interest at rates ranging from 2.25% to 4.8% is payable on these loans. As such, Socfinaf S.A has paid an interest of EUR 5.1 million in 2019 compared to EUR 5.5 million in 2018.

Note 31. Off balance sheet commitments

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

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

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

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

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

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

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

Note 32. Agricultural leases

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

Company (*)	Date of initial lease or renewal/ extension	Duration of the initial lease	Area conceded	
SOCFIN AGRICULTURAL COMPANY « SAC »	2011/2012/2013/2014	50 years	18 473 ha	(1)
LIBERIAN AGRICULTURAL COMPANY « LAC »	1959	77 years	121 407 ha	
SALALA RUBBER CORPORATION « SRC »	1960	70 years	8 000 ha	(3)
SOGB S.A.	1995	99 years	34 712 ha	
PLANTATIONS SOCFINAF GHANA	2013/2016	50 years	18 303 ha	
OKOMU OIL PALM COMPANY PLC	2001/2013	92 to 99 years	33 113 ha	
SOCAPALM S.A.	2005	55 years	58 063 ha	
AGRIPALMA LDA	2009	25 years	4 917 ha	(2)
BRABANTA S.A.	2015/2018/2019	25 years	8 362 ha	

(1) Renewable concessions for a term of 25 years.
(2) Concessions renewable tacitly for periods of 25 years.
(3) Extensible concessions up to 40 000 ha
(*) SAFACAM S.A. owns 17 690 ha.

Note 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 Europe, Sierra Leone, Liberia, Ivory Coast, Nigeria, Cameroon, São Tomé and Principe and Congo (DRC).

The products of the operating sectors of the Ivory Coast, Nigeria and Cameroon come from the sale of palm oil and rubber, those from the Liberia are only from the sale of rubber, those from Sierra Leone, Ghana, São Tomé and Principe and Congo (DRC) come from the sale of palm oil only and those in the Europe sector 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) as at 31st December, 2018**

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit/(loss)*
Europe	0	0	-4 688 476
Sierra Leone	11 029 893	0	-4 733 655
Liberia	22 799 416	0	-1 929 772
Ivory Coast	119 946 162	0	8 133 538
Ghana	2 217 248	0	-2 890 589
Nigeria	56 249 469	0	23 858 396
Cameroon	121 129 028	0	29 181 567
São Tomé and Principe	153 665	0	-1 470
Congo (RDC)	11 049 186	0	-2 036 839
TOTAL	**344 574 067**	**0**	**44 892 700**

Depreciation, amortization and impairment of biological assets	-3 322 582
Fair value of agricultural produce	-3 414 137
Other IFRS adjustments	1 992 095
Consolidation adjustments (intragroup and others)	2 156 879
Financial income	4 531 911
Finance expense	-15 166 753
Group share of income from associates	4 934 657
Income tax expense	-17 410 540
Net profit for the year	***19 194 231***

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

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit/(loss)*
Europe	0	0	-3 719 987
Sierra Leone	12 457 250	0	-9 786 310
Liberia	29 750 036	0	-1 468 935
Ivory Coast	138 361 953	0	15 173 778
Ghana	2 886 587	0	-1 420 684
Nigeria	55 044 697	0	23 582 323
Cameroon	128 215 070	0	29 973 108
São Tomé and Principe	143 499	0	-1 186 795
Congo (DRC)	9 264 642	0	-4 185 777
TOTAL	**376 123 734**	**0**	**46 960 721**

Depreciation, amortization and impairment of biological assets	-3 257 401
Fair value of agricultural produce	762 313
Other IFRS adjustments	-359 831
Consolidation adjustments (intragroup and others)	2 345 236
Financial income	4 050 920
Finance expense	-16 896 380
Group share of income from associates	5 754 101
Income tax expense	-23 517 960
Net profit for the year	***15 841 719***

**** Total segmental assets***

	2019 EUR	2018 EUR
Europe	238 048	369 956
Sierra Leone	130 429 641	131 297 574
Liberia	108 821 884	105 107 735
Ivory Coast	147 428 103	146 305 465
Ghana	84 091 394	64 824 210
Nigeria	124 072 886	105 880 433
Cameroon	190 480 436	189 377 986
São Tomé and Principe	30 829 958	27 621 793
Congo (RDC)	67 171 882	70 637 792
Total as at 31st December	***883 564 232***	***841 422 944***
IFRS 3/IAS 16 : Biological assets	-14 662 771	-11 801 101
IAS 2/IAS 41: Agricultural produce	3 342 885	2 593 502
Other IFRS adjustments	-6 188 270	-6 681 519
Consolidation adjustments (intragroup and others)	-61 991 399	-46 297 748
Total consolidated segmental assets	***804 064 678***	***779 236 078***

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

**** Total segmental liabilities***

	2019 EUR	2018 EUR
Europe	141 254 816	140 605 701
Sierra Leone	5 489 175	3 311 191
Liberia	14 581 944	7 904 390
Ivory Coast	19 597 816	22 809 255
Ghana	1 602 209	2 989 471
Nigeria	3 812 768	2 793 836
Cameroon	17 841 896	23 383 711
São Tomé and Principe	2 459 231	537 032
Congo (DRC)	2 909 108	1 848 158
Total as at 31st December	***209 548 963***	***206 182 745***
Other IFRS restatements	-58 054	-56 762
Consolidation adjustments (intragroup and others)	-7 585 365	-9 883 472
Total consolidated segmental liabilities	***201 905 544***	***196 242 511***

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

EUR	Intangible assets	Property, plant and equipment	Biological assets	TOTAL
Sierra Leone	0	5 356 297	4 873 407	10 229 704
Liberia	0	3 101 356	6 078 156	9 179 512
Ivory Coast	19 435	7 647 391	4 794 792	12 461 618
Ghana	0	9 834 982	4 811 286	14 646 268
Nigeria	0	9 317 853	9 569 904	18 887 757
Cameroon	156 270	13 998 263	2 732 613	16 887 146
São Tome and Principe	0	2 675 583	2 580 132	5 255 715
Congo (DRC)	0	719 851	8 529	728 380
TOTAL	***175 705***	***52 651 576***	***35 448 819***	***88 276 100***

**** Costs incurred for acquisition of segmental assets during 2019***

EUR	Intangible assets	Property, plant and equipment	Biological assets	TOTAL
Sierra Leone	0	4 723 487	0	4 723 487
Liberia	0	1 207 820	5 393 720	6 601 540
Ivory Coast	24 534	4 512 806	2 395 829	6 933 169
Ghana	0	7 635 217	2 158 921	9 794 138
Nigeria	0	5 478 630	7 448 259	12 926 889
Cameroon	267 729	11 525 497	1 247 116	13 040 342
São Tomé and Principe	0	1 684 598	1 376 850	3 061 448
Congo (RDC)	0	297 573	365	297 938
TOTAL	***292 263***	***37 065 628***	***20 021 060***	***57 378 951***

**** Information by category of revenue***

Revenue from external customers

	2019 EUR	2018 EUR
Palm	209 870 679	206 065 645
Rubber	163 502 189	135 390 389
Others	2 750 866	3 118 033
TOTAL	***376 123 734***	***344 574 067***

**** Information by geographical region***

Revenue from external customers by country and by geographical area

EUR									2018
Origin / Geographical location	Europe	Ivory Coast	Nigeria	Cameroon	Congo	Sierra Leone	Other African countries	Rest of the world	TOTAL
Sierra Leone	250 677	0	589 672	914 659	0	1 638 332	7 636 559	0	11 029 897
Liberia	22 799 416	0	0	0	0	0	0	0	22 799 416
Ivory Coast	77 644 313	18 583 629	0	0	0	0	2 053 076	21 665 139	119 946 157
Ghana	0	0	0	0	0	0	2 217 248	0	2 217 248
Nigeria	8 112 017	0	48 137 452	0	0	0	0	0	56 249 469
Cameroon	9 897 776	0	0	110 635 082	0	0	596 170	0	121 129 028
São Tomé and Principe	0	0	0	0	0	0	153 665	0	153 665
Congo (DRC)	0	0	0	0	11 049 186	0	0	0	11 049 186
TOTAL	***118 704 199***	***18 583 629***	***48 727 124***	***111 549 741***	***11 049 186***	***1 638 332***	***12 656 718***	***21 665 139***	***344 574 067***

EUR									2019
Origin / Geographical location	Europe	Ivory Coast	Nigeria	Cameroon	Congo	Sierra Leone	Other African countries	Rest of the world	TOTAL
Sierra Leone	673 235	0	0	332 537	0	9 427 621	2 023 857	0	12 457 250
Liberia	29 750 036	0	0	0	0	0	0	0	29 750 036
Ivory Coast	93 407 626	17 199 120	3 191 957	0	0	0	1 437 230	23 126 019	138 361 952
Ghana	0	0	0	0	0	0	2 886 587	0	2 886 587
Nigeria	0	0	55 044 697	0	0	0	0	0	55 044 697
Cameroon	8 721 082	10 500	0	119 443 181	0	0	40 308	0	128 215 070
São Tomé et Principe	0	0	0	0	0	0	143 500	0	143 500
Congo (DRC)	0	0	0	0	9 264 642	0	0	0	9 264 642
TOTAL	***132 551 979***	***17 209 620***	***58 236 653***	***119 775 718***	***9 264 642***	***9 427 621***	***6 531 481***	***23 126 019***	***376 123 734***

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

Revenue from external customers by business segment and revenue category:

EUR				*2018*
Category / *Business segment*	*Palm*	*Rubber*	*Other agricultural products*	*TOTAL*
Sierra Leone	11 020 695	0	9 198	11 029 893
Liberia	0	22 799 416	0	22 799 416
Ivory Coast	20 467 237	97 296 046	2 182 879	119 946 162
Ghana	2 136 622	0	80 626	2 217 248
Nigeria	47 617 474	8 112 017	519 977	56 249 469
Cameroon	113 620 767	7 182 910	325 351	121 129 027
São Tomé and Principe	153 665	0	0	153 665
Congo (DRC)	11 049 186	0	0	11 049 186
TOTAL	***206 065 645***	***135 390 389***	***3 118 032***	***344 574 067***

EUR				*2019*
Category / *Business segment*	*Palm*	*Rubber*	*Other agricultural products*	*TOTAL*
Sierra Leone	12 297 304	0	159 947	12 457 250
Liberia	0	29 750 036	0	29 750 036
Ivory Coast	20 299 230	116 295 854	1 766 869	138 361 953
Ghana	2 848 255	0	38 332	2 886 587
Nigeria	46 092 422	8 735 218	217 057	55 044 697
Cameroon	118 925 326	8 721 082	568 661	128 215 069
São Tomé and Principe	143 499	0	0	143 499
Congo (DRC)	9 264 642	0	0	9 264 642
TOTAL	***209 870 679***	***163 502 189***	***2 750 866***	***376 123 734***

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. On 31 December 2014, Socfinaf S.A. issued 1 474 200 new shares. Socfin fully subscribed to this capital increase and through a contribution in kind, it released 577,200 shares of Société Anonyme Forestière et Agricole SAFA.

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 commerce sector.

**** Foreign currency risk***

<u>Potential risk</u>

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

Risk Management and Opportunities

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

**** Interest rate risk***

Potential risk:

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

Risk Management and Opportunities:

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

Credit Risk

Potential risk:

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

Risk Management and Opportunities

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

Liquidity risk

Potential risk:

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

Risk Management and Opportunities:

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

Emerging Market Risks

Potential Risk:

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

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

Risk Management and Opportunities

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

Risk of expropriation

Potential Risk

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

Risk Management and Opportunities

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

Credibility risk

Potential risk

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

Risk Management and Opportunities:

The Group has published its responsible management policy in 2017. This complements the Group's sustainable development commitments, formalized in 2012.
The Group's initiatives to take this risk into account are detailed in the information provided in the annual sustainable development report available on request at Group headquarters.

Risk sensitivity

**** Exchange rate Risk***
Local turnover of EUR 209.9 million in 2019 were made in the local currency. Export sales are made in dollar or euro. Where the currency from sale is not the functional currency of the company and that currency is linked to a strong currency, the conversion is ensured at the time of the conclusion of the contract.

The impact on the result of a 5% increase or decrease (EUR/USD) in foreign currency financial instruments amounts to EUR 0.7 million.

**** Interest rate risk***
The breakdown of fixed rate loans and variable rate loans is described in Note 19. As at 31st December 2019, there are no loans associated with floating rates.

**** Credit risk***

As at 31st December 2019, the trade receivables from local customers amount to EUR 24.2 million. 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 intervenes either on the physical markets or directly with end customers.

	2019	*2018*
	EUR	*EUR*
Trade receivables	25 964 060	19 117 287
Provision under lifetime expected credit loss model (IFRS 9)	-1 790 581	-1 722 772
Other receivables	14 684 340	15 695 035
Total net receivables	***38 857 819***	***33 089 550***
Amount not due	38 554 104	30 677 890
Amount due less than 6 months	112 045	70 819
Amount due for more than 6 months and less than one year	165 096	1 910 784
Amount due for more than one year	26 574	430 057
Total net receivables	***38 857 819***	***33 089 550***

**** Liquidity risk***

The Group's exposure to liquidity risk is mentioned in Notes 15 and 19.

Note 35. Political and economic environment

The Company holds interests in subsidiaries operating in Africa.

Given the economic and political instability in some of the related African countries (Sierra Leone, Liberia, Ivory Coast, Ghana, Nigeria, Cameroon, São Tomé and Principe and Congo DRC), these investments represent a risk in terms of exposure to political and economic changes.

Note 36. Events after the closing date

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

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

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

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

The board of Directors expects a sharp decline in rubber demand from tyre manufacturers from April onwards.

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

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 70% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price.

Note 37. Auditor's fees

	2019	*2018*
	EUR	*EUR*
Audit (VAT included)	281 015	272 990

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

Company's Management report

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

Ladies and gentlemen,

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

Activities

Socfinaf S.A. holds financial interests in portfolio companies which operate directly or indirectly in tropical Africa in the rubber and palm oil sectors.

The result of the exercise

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

(million EUR)	*2019*	*2018*
INCOME		
Income from financial fixed assets	37.0	35.6
Reversal of value adjustment	0.0	0.1
Proceeds from financial elements of current assets	0.0	0.1
Total income	***37.0***	***35.8***
EXPENSES		
Impairment on financial assets	1.3	0.0
Other external charges	3.7	4.7
Interest payable and other financial expenses	7.5	8.6
Income tax	2.9	2.2
Total expenses	***15.4***	***15.5***
PROFIT OF THE PERIOD	***21.6***	***20.3***

Revenue from financial assets

(EUR million)	***2019***	***2018***
Dividends		
Socapalm	10.5	8.0
Befin	8.7	7.7
Okomu	7.8	5.3
Sogescol FR	2.7	3.6
Socfinco FR	2.0	3.0
Safa	1.2	4.9
Others	0.5	1.0
Balance of dividends	***33.4***	***33.5***

Interest income on long term loan receivables amounted to EUR 2.5 million.

A capital gain on the sale of Okomu shares of EUR 1 million was recorded.

Profit for the year amounted to EUR 21.6 million compared to EUR 20.3 million in 2018.

Balance sheet

As at 31st December 2019, Socfinaf S.A.'s total assets amounted to EUR 548.5 million compared to EUR 540.6 million as at 31st December 2018.

Socfinaf S.A.'s assets mainly consist of financial fixed assets of EUR 239 million, long term loan receivables of EUR 304.1 million and other receivables for EUR 4.9 million.

Equity amounted to EUR 280.9 million before appropriation of income.

Portfolio

Movements

During the year 2019, Socfinaf sold 10 910 810 Okomu shares for an amount of EUR 1.4 million. Impairment losses on Sodimex and Socfin Research investments were recorded for a total amount of EUR 1.3 million.

Valuation

The investments are estimated at a total value of EUR 484.9 million and includes an unrealized gain of EUR 245.8 million compared to their acquisition costs, potentially adjusted.

Investments

The main direct and indirect investments have evolved during the last months as follows:

Projets en exploitation - T4 2019

000 EUR		AFRIQUE										TOTAL AFRIQUE
		Sierra Leone	Liberia	Cote d'Ivoire		Nigeria	Ghana	Sao Tomé	Cameroun		RDC	
		SAC	LAC & SRC	SOGB	SCC	OKOMU	PSG	AGRIPALMA	SAFACAM	SOCAPALM*	BRABANTA	
CHIFFRE D'AFFAIRES	Réalisé 2018	11.010	22.778	84.324	33.442	55.681	-	-	25.361	100.450	11.042	344.088
	Réalisé 2019	**12.294**	**29.929**	**91.841**	**44.732**	**54.819**	**2.846**	**143**	**26.744**	**106.194**	**9.263**	**378.807**
	Budget 2019	14.982	29.585	93.743	41.625	54.359	3.931	2.625	26.482	93.952	10.953	372.238
	Budget 2020	18.761	35.094	101.906	43.783	60.282	10.238	6.886	28.475	105.504	11.672	422.600
RESULTAT NET	Réalisé 2018	-5.320	-3.554	4.539	2.525	18.843	-	-	872	17.370	-3.104	32.171
	Réalisé 2019	**-10.660**	**-3.541**	**6.891**	**4.169**	**16.057**	**-7.459**	**-1.355**	**1.221**	**18.668**	**-4.245**	**19.746**
	Budget 2019	-7.218	-2.448	6.767	3.165	10.772	-9.885	7	1.673	14.045	-1.927	14.950
	Budget 2020	-2.620	-969	11.989	3.893	10.439	-4.748	1.040	2.262	18.386	-1.656	38.017
	PALMIER											
SURFACES (HA)	Mature	12.349	-	7.471	-	17.178	5.013	2.100	4.995	30.549	6.169	85.823
	Immature	-	-	18	-	1.883	1.127	-	333	2.036	-	5.396
	Total	**12.349**	**-**	**7.489**	**-**	**19.061**	**6.140**	**2.100**	**5.328**	**32.584**	**6.169**	**91.219**
PRODUCTION FFB	Réalisé 2018	88.879	-	141.554	-	182.414	-	-	76.970	475.560	78.754	1.044.131
	Réalisé 2019	**110.106**	**-**	**162.053**	**-**	**190.529**	**6.823**	**-**	**73.943**	**484.028**	**67.723**	**1.095.205**
	Budget 2019	124.634	-	150.920	-	184.015	19.165	24.589	69.492	447.778	91.962	1.112.555
	Budget 2020	146.734	-	151.918	-	236.719	74.317	44.769	73.608	476.219	83.138	1.287.422
PRODUCTION HPB	Réalisé 2018	19.155	-	33.152	-	39.791	-	-	17.053	135.642	17.841	262.634
	Réalisé 2019	**24.297**	**-**	**38.579**	**-**	**42.204**	**1.523**	**1.075**	**16.068**	**140.349**	**16.243**	**280.338**
	Budget 2019	26.609	-	35.757	-	40.023	3.929	5.000	15.365	122.911	18.893	268.487
	Budget 2020	30.039	-	36.014	-	48.527	16.350	9.000	16.208	139.222	17.950	313.310
TAUX D' EXTRACTION	Réalisé 2018	21,55	-	22,45	-	21,56	-	-	22,08	22,48	22,36	22,20
	Réalisé 2019	**22,37**	**-**	**22,51**	**-**	**22,19**	**22,32**	**18,25**	**21,64**	**22,43**	**23,50**	**22,40**
	Budget 2019	21,35	-	22,50	-	21,75	20,50	20,33	22,00	21,77	22,00	21,80
	Budget 2020	22,40	-	22,52	-	20,50	22,00	22,50	21,90	22,14	22,00	21,89
CHIFFRE D'AFFAIRES	Réalisé 2018	11.010	-	20.470	-	47.576	-	-	18.177	98.664	11.042	206.939
	Réalisé 2019	12.294	-	20.299	-	46.086	2.846	143	18.023	103.914	9.263	212.869
	Budget 2019	**14.982**	**-**	**20.618**	**-**	**44.410**	**3.931**	**2.625**	**17.644**	**91.619**	**10.953**	**206.781**
	Budget 2020	18.761	-	23.639	-	50.108	10.100	6.886	18.961	102.799	11.672	242.925
	CAOUTCHOUC											
SURFACES (HA)	Mature	-	12.361	11.933	-	5.143	-	-	3.154	1.861	-	34.452
	Immature	-	4.901	4.499	-	2.192	958	-	1.154	206	-	13.909
	Total	**-**	**17.262**	**16.432**	**-**	**7.335**	**958**	**-**	**4.307**	**2.067**	**-**	**48.361**
PRODUCTION	Réalisé 2018	-	21.642	58.416	30.288	7.536	-	-	6.524	-	-	124.406
	Réalisé 2019	**-**	**24.939**	**62.678**	**38.241**	**7.248**	**-**	**-**	**7.393**	**-**	**-**	**140.499**
	Budget 2019	-	26.296	65.000	37.000	8.820	-	-	9.856	-	-	146.972
	Budget 2020	-	29.000	66.000	38.000	8.504	-	-	8.257	-	-	149.761
CHIFFRE D'AFFAIRES	Réalisé 2018	-	22.778	63.854	33.442	8.105	-	-	7.184	-	-	135.363
	Réalisé 2019	**-**	**29.929**	**71.543**	**44.732**	**8.734**	**-**	**-**	**8.721**	**-**	**-**	**163.659**
	Budget 2019	-	29.585	73.125	41.625	9.950	-	-	8.838	-	-	163.123
	Budget 2020	-	35.094	78.267	43.783	10.174	138	-	9.514	-	-	176.969

The production data correspond to the quantities in tons of Milled Rubber and Crude Palm Oil. This table does not include refined oil production data (SPFS). Rubber production and sales are presented after elimination of intercompany transactions. Consolidated figures may however differ.

The above table has not been translated and kept in its original French version. The key translation keys are as follows:

French	***English***
Projets en exploitation	Projects in operation
Réalisé	Realised
Chiffre d'Affaires	Turnover
Resultat Net	Net Result
Palmier	Palm product
Surfaces	Surface area
Production HPB	Crude Production
Caoutchouc	Rubber

Allocation of profit

The profit for the year amounting to EUR 21 577 356.83, retained earnings of EUR 131 986 469.61 brought forward result in total earnings of EUR 153 563 826.44 which has been proposed to be carried forward.

After this distribution of profit, total reserves will amount to EUR 157 819 503.36 and will be allocated as follows:

Reserves	EUR
Legal reserve	3 567 330.00
Other reserves	628 717.42
Available reserve	59 629.50
Retained earnings	153 563 826.44
	157 819 503.36

Treasury shares

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

Research and development

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

Financial instruments

During the financial year 2019, the Company did not make use of any financial instruments.

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

Branch

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

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

a) b) f) The subscribed share capital of the Company is set at EUR 35 673 300 represented by 17 836 650 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 a 58.85% direct stake in Socfinaf S.A.

On 3rd September 2014, Compagnie du Cambodge declared that it holds a direct and indirect stake of 9% in the capital of Socfinaf SA. 7.07% is held by Compagnie du Cambodge, 1.08% by Société Industrielle et Financière de la Artois, 0.49% by Bolloré SA and 0.36% by Compagnie des Glénans.

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

Art. 23. of the statutes: "*In the event of the death or resignation of a Director, he may be provisionally replaced by observing in this respect the formalities provided for by law. In this case the General Assembly at its first meeting shall proceed to the final election.*"

Art. 32. of the statutes: "*The present statutes can be modified by decision of the General Assembly specially convened for this purpose, in the forms and conditions prescribed by articles 450-3 and 450-8 of the law of 10th August 1915 on the commercial companies, as amended.*"

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

In addition, the statutes provide in Art. 5 §3 and 4: "*The authorized capital and the subscribed capital may be increased or reduced by decision of the Extraordinary General Meeting in a similar way as to the amendments to the articles of association.*"

The Company may, to the extent and subject to the conditions permitted by law, repurchase its own shares."

The other points of Art. 11 (1) are not applicable, namely:
- title holding including 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 22nd March 2017, the Group adopted its new corporate responsibility policy. It is based on the four principles of responsible development, improvement of management practices, respect for human rights and transparency.

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

The efforts and actions undertaken by the Socfin Group in this area are detailed in a dashboard regularly updated as well as in a separate annual report ("sustainable development report").

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

Estimated value of the share (company accounts)

The estimated value of Socfinaf SA as at 31st December 2019 before appropriation of the result for the financial year amounts to EUR 526.8 million, being EUR 29.53 per share compared to EUR 30.80 in the previous financial year. This valuation incorporates the unrealized capital gains of the portfolio.

As a reminder, the market share price was EUR 12.00 at the end of 2019 against EUR 11.40 a year earlier.

Significant events after the reporting date

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

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

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

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

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

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

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 70% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price

Main risks and uncertainties

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

Perspectives

The result for the 2020 financial year will depend to a large extent on the dividend distributions of the subsidiaries; these are not yet fixed.

Statutory appointments

The term served as director by Administration and Finance Corporation « Afico » expires this year. At the next General Meeting, the Board of Directors will propose not to renew his mandate.

The term served as director by Mr. François Fabri expires this year. At the next General Meeting, the Board of Directors will propose to appoint Mr. François Fabri as Executive Director for a term of six years until the Annual General Meeting of 2026.

At the next General Meeting, the Board of Directors will propose to appoint Mr. Philippe Fabri as an additional Director for a term of six years until the Annual General Meeting of 2026

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

The Board of Directors

Audit report on the Company's financial statements

To the shareholders of
Socfinaf S.A.
4, Avenue Guillaume
L-1650 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SOCFINAF SA (the "Company") comprising the balance sheet as at 31st December 2019 and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of the main accounting policies.

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

Basis of opinion

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

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 7 "Political and economic environment". The Company holds investments where the operational companies are located in various African countries and which are exposed to the risk of political and economic fluctuations.

Key Audit issues

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

Valuation of shares in related companies

Description of the key audit matter

As at 31st December 2019, the net value of the shares in affiliated companies amounted to EUR 239 million, representing 44% of the balance sheet total.

These shares in affiliated companies are valued at the lower of their acquisition price or the estimated realizable value by the Board of Directors.

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

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

Audit response provided

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

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

Our work also consisted of:

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

Other information

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

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

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

We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

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

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

Auditors Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

The information required by article 68bis paragraph (1) letters c) and d) of the amended law of 19th December 2002 concerning the commercial and companies register and the accounting and annual accounts of the companies included in the consolidated management report and presented on pages 42 to 43 and in the Company's management report and presented on pages 126 to 127 are consistent with the Company's financial statements and have been prepared in accordance with applicable legal requirements.

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

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

Bertrange, 9th March 2020

C-CLERC S.A.
Cabinet de revision agréé

Mariateresa Di Martino
Réviseur d'entreprises agréé

Company Financial Statements

1. Balance sheet as at 31st December 2018

ASSETS	Note	2019 EUR	2017 EUR
FIXED ASSETS			
Financial fixed assets	3		
Shares in affiliated undertakings		239 027 474.05	240 686 923.24
Loans to affiliated undertakings		304 096 770.27	298 619 716.61
		543 124 244.32	***539 306 639.85***
Current assets			
Receivables			
Amounts owed by affiliated undertakings becoming due and payable within one year		2 813 410.86	8 183.71
Other receivables becoming due and payable within one year		2 116 543.89	740 124.38
		4 929 954.75	***748 308.09***
Transferable securities			
Shares in affiliated undertakings		***248 406.09***	***248 406.09***
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		***168 020.13***	***284 605.03***
TOTAL ASSETS		***548 470 625.29***	***540 587 959.06***

The notes form an integral part of the annual accounts.

LIABILITIES	Note	2019 EUR	2017 EUR
SHAREHOLDERS 'EQUITY	4		
Share capital		35 673 300.00	35 673 300.00
Share premiums		87 453 866.21	87 453 866.21
Reserves			
Legal reserve		3 567 330.00	3 570 840.00
Other reserves, including the fair value reserve			
Other available reserves		688 346.92	688 346.92
		4 255 676.92	***4 259 186.92***
Retained earnings		131 986 469.61	111 698 916.51
Results for the financial year		21 577 356.83	20 284 043.10
		280 946 669.57	***259 369 312.74***
LIABILITIES			
Amounts owed to affiliated undertakings			
Becoming due and payable after more than one year		90 000 000.00	90 000 000.00
Becoming due and payable within one year		137 019 083.12	150 487 094.37
Other debts			
Becoming due and payable within one year		40 504 872.60	40 731 551.95
		267 523 955.72	***281 218 646.32***
TOTAL LIABILITIES		***548 470 625.29***	***540 587 959.06***

The notes form an integral part of the annual accounts.

2. Income statement for the year ended 31st December 2019

	Note	2019 EUR	2018 EUR
Raw materials and consumables and others external charges			
Other external charges		-3 066 883.19	-4 055 430.29
Value adjustments			
on current assets		0.00	149 128.52
Other operating expenses		-644 149.53	-619 957.05
Income from participating interests			
from affiliated undertakings	5	36 999 400.78	35 585 734.06
Other interest receivable and other financial income			
Other interests and financial income		22 906.60	25 203.09
Impairment losses on financial assets and securities held as current assets		-1 301 090.27	0 00
Interest and other financial expenses			
Other interest and financial charges		-7 486 494.12	-8 600 876.27
Income tax		-2 462 173.44	-1 807 578.96
Results after taxation		22 061 516.83	20 676 223.10
Other taxes not shown above		-484 160.00	-392 180.00
Results for the financial year		***21 577 356.83***	***20 284 043.10***

Proposed distribution of profits

	2019 EUR	2018 EUR
Retained earnings	153 563 826.44	131 986 469.61
From the balance:		
10% to the Board of Directors	0.00	0.00
90% to 17 836 650 shares	0.00	0.00
	153 563 826.44	***131 986 469.61***
Dividend per share	***0.00***	***0.00***

The notes form an integral part of the annual accounts.

3. Notes to the parent company financial statements for the 2019 financial year

Note 1. Overview

The Company was incorporated on 22nd October 1961 as a public limited company and adopted the status of "Soparfi" on 10th January 2011.

The duration of the Company is unlimited, and its registered office is established in Luxembourg. The Company is registered in the Register of Commerce and Companies under number B 6225.

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 provisions and generally accepted accounting practices.

Although the Company is included in the consolidated financial statements of Société Financière des Caoutchoucs, abbreviated as "Socfin", the Company prepares consolidated financial statements as a result of its listing on the Luxembourg Stock Exchange. The consolidated financial statements can be consulted on the website www.socfin.com.

Currency conversion

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

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

At the balance sheet date:

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

- bank accounts expressed in a currency other than the currency of the balance sheet are valued on the basis of the exchange rate prevailing on the balance sheet date;

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

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

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

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

Revaluation of financial assets

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

The purchase price includes the purchase price and incidental expenses.

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

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

Receivables

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

Securities

Securities are valued at the lowest cost, including incidental costs or market value. A value adjustment is recorded when the market price is lower than the purchase price.

Liabilities

Liabilities are recorded at their nominal value.

Note 3. Financial fixed assets

	Shares in affiliated undertakings		Loans to affiliated undertakings		Total	
	2019 EUR	2018 EUR	2019 EUR	2018 EUR	2019 EUR	2018 EUR
Acquisition cost/nominal value at the beginning of the year	***244 708 284.16***	***245 568 061.66***	***298 619 716.61***	***258 747 622.49***	***543 328 000.77***	***504 315 684.15***
Increases	0.00	0.00	6 706 263.75	40 077 526.81	6 706 263.75	40 077 526.81
Decreases	-358 358.92	-859 777.50	-1 229 210.09	-205 432.69	-1 587 569.01	-1 065 210.19
Acquisition cost/nominal value at the end of the year	***244 349 925.24***	***244 708 284.16***	***304 096 770.27***	***298 619 716.61***	***548 446 695.51***	***543 328 000.77***
Value adjustments at the beginning of the year	***-4 021 360.92***	***-4 881 138.42***	***0.00***	***0.00***	***-4 021 360.92***	***-4 881 138.42***
Impairments	-1 301 090.27	0.00	0.00	0.00	-1 301 090.27	0.00
Reversals	0.00	859 777.50			0.00	859 777.50
Value adjustments at the end of the year	***-5 322 451.19***	***-4 021 360.92***	***0.00***	***0.00***	***-5 322 451.19***	***-4 021 360.92***
Net book value at the end of the year	***239 027 474.05***	***240 686 923.24***	***304 096 770.27***	***298 619 716.61***	**543 124 244.32**	**539 306 639.85**

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

Dénomination	Country	% help	Net book value EUR	Year end	Currencies of the annual accounts	Equity in foreign currency (including net income)	Net income in foreign currencies
Plantations Socfinaf Ghana (*)	Ghana	100.00	32 503 775	31 December 2019	GHS	171 033 564	-43 203 858
Socfin Agricultural Company Ltd (*)	Sierra Leone	93.00	20 445 954	31 December 2019	USD	-1 721 407	-11 933 525
Liberian Agricultural Company (*)	Liberia	100.00	13 793 904	31 December 2019	USD	53 358 447	-1 387 050
Salala Rubber Corporation (*)	Liberia	64.91	21 580 186	31 December 2019	USD	6 661 174	-2 577 000
Bereby-Finances S.A. « BEFIN » (*)	Ivory Coast	87.06	13 604 405	31 December 2019	XAF	14 265 671 581	2 826 731 638
Socapalm S.A. (*)	Cameroon	67.46	40 640 840	31 December 2019	XAF	74 597 497 414	12 245 177 253
Okomu Oil Palm Company Plc (*)	Nigeria	64.97	20 356 859	31 December 2019	NGN	29 109 408 266	5 504 938 101
Brabanta S.A. (*)	Congo (DRC)	99.80	24 971 342	31 December 2019	CDF	43 909 424 147	-7 834 332 538
Induservices S.A.	Luxembourg	30.00	30 000	31 December 2019	EUR	232 194	5 900
Management Associates S.A.	Luxembourg	20.00	400 000	31 December 2019	EUR	2 605 007	39 235
Socfinde S.A. (*)	Luxembourg	20.00	801 000	31 December 2019	EUR	5 940 928	268 572
Terrasia S.A.	Luxembourg	33.28	246 705	31 December 2019	EUR	527 209	23 319
SAFA	France	100.00	26 535 600	31 December 2019	EUR	20 310 160	495 861
Induservices FR S.A.	Switzerland	50.00	642 202	31 December 2019	EUR	762 681	-5 359
Socfinco FR S.A. (*)	Switzerland	50.00	486 891	31 December 2019	EUR	9 774 951	4 227 405
Sogescol FR S.A. (*)	Switzerland	50.00	1 985 019	31 December 2019	USD	16 724 768	7 411 532
Socfin Green Energy S.A.	Switzerland	50.00	48 780	31 December 2019	EUR	1 505 666	202 686
Socfin Research S.A.	Switzerland	50.00	1 968 120	31 December 2019	EUR	3 936 243	-391 325
Sodimex FR S.A. (*)	Switzerland	50.00	621 424	31 December 2019	EUR	3 745 512	406 925
Centrages S.A.	Belgium	50.00	4 074 577	31 December 2019	EUR	3 020 755	170 107
Gaummes S.A.	Belgium	50.00	47 532	31 December 2019	EUR	103 055	-8 547
Immobilière de la Pépinière S.A.	Belgium	50.00	3 165 450	31 December 2019	EUR	3 901 897	-206 935
Socfinco S.A.	Belgium	50.00	1 680 763	31 December 2019	EUR	1 739 330	194 686
Sodimex S.A. (*)	Belgium	50.00	102 200	31 December 2019	EUR	204 180	-16 094
STP Invest S.A.	Belgium	100.00	3 000 090	31 December 2019	EUR	1 777 008	-1 157
			233 733 618				

(*) : Based on Audited Financial Statements

Note 4. Equity

	Capital subscribed EUR	Share premium EUR	Legal reserves EUR	Other reserves EUR	Retained earnings EUR	Profit for the financial year EUR	Interim dividends EUR
Balance as at 1st January 2018	***35 708 400.00***	***87 453 866.21***	***3 570 840.00***	***632 518.92***	***104 670 732.11***	***9 010 034.40***	***0.00***
Allocation of the result for the 2017 financial year following decision of the Annual General Meeting held on 31st May 2018:							
• Retained earnings					7 028 184.40	-7 028 184.40	
• Dividends						-1 783 665.00	
• Directors' fees						-198 185.00	
Cancellation of 17 550 shares	-35 100.00			55 828.00			
Results for the financial year						20 284 043.10	
Balance as at 31st December 2018	***35 673 300.00***	***87 453 866.21***	***3 570 840.00***	***688 346.92***	***111 698 916.51***	***20 284 043.10***	***0.00***
Allocation of the result for the 2018 financial year following decision of the Annual General Meeting held on 28th May 2019:							
• Retained earnings			-3,150.00		20 287 553.10	-20 284 043.10	
Results for the financial year						21 577 356.83	
Balance as at 31st December 2019	***35 673 300.00***	***87 453 866.21***	***3 567 330.00***	***688 346.92***	***131 986 469.61***	***21 577 356.83***	***0.00***

Subscribed capital and share premium

As at 31st December 2019, the subscribed and fully paid up share capital is EUR 35 673 300. It is represented by 17 836 650 shares without par value designation. In accordance with the law of 28th July 2014 on the immobilization of bearer shares, 17 550 shares have been cancelled.

As at 31st December 2019 and 2018, the share premium amounts to EUR 87 453 866.

Legal reserve

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

Other reserves

Other reserves were established in 2002 for an amount of EUR 807 552. They were increased during this financial year by an amount of EUR 55 828 which corresponds to the cancellation of the 17 550 shares.

Note 5. Income from equity investments

	2019 EUR	2018 EUR
Dividends received	33 458 705.96	33 453 814.13
Interest on related companies' receivables	2 522 687.05	2 131 919.93
Capital gain on disposal of financial fixed assets	1 018 007.77	0.00
	36 999 400.78	**35 585 734.06**

Note 6. Remuneration of the Board of Directors

During the 2019 financial year, the members of the Board of Directors received EUR 9 687 in attendance fees and EUR 629 660 in directors' fees.

Note 7. Political and economic environment

Most of the investments are held directly or indirectly in companies operating in Africa, particularly in the following countries:

- Sierra Leone,
- Liberia,
- Ivory Coast,
- Ghana,
- Nigeria,
- São Tomé et Principe,
- Cameroon,
- Congo (DRC).

Given the political instability that exists in these countries and their economic fragility (dependence on international aid, inflation in some cases, civil wars, etc), the investments held by the Company present a risk in terms of exposure to political and economic fluctuations.

Note 8. Significant events after the end of the year

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

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

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

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

The Board of Directors expect a sharp decline in rubber demand from tyre manufacturers from April onwards.

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

The situation is being closely monitored by the management teams. However, it is too early to assess the full impact of the Covid-19 epidemic on the financial year 2020. First quarter operations were not affected by this crisis. Moreover, 70% of palm oil is sold locally on markets that offer a price which is sustainably higher than the world market price.