SOCIETE INTERNATIONALE DE PLANTATIONS D'HEVEAS (International Rubber Plantation Company)

Statutory auditors' report on the consolidated accounts

(Financial year ending 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

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Statutory auditors' report on the consolidated accounts

Financial year ending 31 December 2021

To the General Meeting
SOCIETE INTERNATIONALE DE PLANTATIONS D'HEVEAS (International Rubber Plantation Company)
53, rue du Capitaine Guynemer 92400
Courbevoie

Opinion

In performance of the task entrusted to us by your General Meeting, we have audited the consolidated financial statements of the company SOCIETE INTERNATIONALE DE PLANTATIONS D'HEVEAS relating to the financial year ended 31 December 2021, as attached to this report.

We hereby certify that the consolidated accounts at the end of the financial year are regular and accurate with regard to the IFRS standards as adopted in the European Union, and give a true picture of the results of operations for the past financial year as well as of the financial situation and assets at the end of the financial year, for the entire Group consisting of the persons and entities included in the consolidation.

Basis of the opinion

Audit framework

We conducted our audit in accordance with the professional standards applicable in France. We believe that the elements we have collected are sufficient and appropriate to form a basis for our opinion.

The responsibilities assigned to us in accordance with these standards are set out in the section "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" in this report.

Independence

We carried out our audit process in compliance with the rules of independence provided for by the Code de Commerce (French Commercial Code) and the French Code of Ethics for Statutory Auditors over the period from 1 January 2021 to the date of issue of our report.

Justification of our assessments

The global crisis linked to the COVID-19 pandemic created unusual circumstances under which to prepare and audit the accounts for this financial year. This crisis, and the exceptional measures taken due to this health emergency, resulted in multiple consequences for companies, particularly impacting their activity and finances, as well as increased uncertainty about their future prospects. Some of these measures, such as the travel restrictions and remote working, also had an effect on the internal organisation of companies and on the way audits could be carried out.

It is in this complex and evolving context that, pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments to which we have proceeded, according to our professional judgement, to the appropriateness of the accounting principles applied and to the reasonableness of the significant estimates used, as well as to the overall presentation of the accounts, in particular with regard to:

- Notes 3.2 "Accounting assumptions and estimates", 3.10 "Impairment of tangible and intangible fixed assets", 6 "Goodwill and other intangible assets" and 7 "Tangible assets" to the consolidated financial statements describe the accounting treatments retained by your company relating to impairment tests of all assets, including goodwill. We have examined the methods for carrying out impairment tests as well as the consistency of the assumptions used and the cash flow forecasts, and checked that the information given was adequate;

- Notes 3-12 “Organic assets - producing plants” and 8 “Organic producing assets” in the appendix to the consolidated accounts describe the accounting treatments used by your company relating to rubber and palm plants. Our work consisted of examining the methodology adopted by your company, reviewing the assumptions made during the valuation of producing plants at historical cost and checking the appropriateness of the information given in the notes to the consolidated financial statements.

The assessments made form part of the context of the consolidated accounts audit taken as a whole, and of the formation of our opinion expressed above. We have not expressed an opinion on elements from these consolidated accounts taken in isolation.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verifications set out in the legal and regulatory texts on information relating to the Group, as given in the Board of Directors' Management Report.

We have no observations to make on their authenticity or on their consistency with the consolidated accounts.

We certify that the consolidated statement of non-financial performance provided for by Article L.225-102-1 of the French Commercial Code appears in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, the information contained in this declaration has not been the subject of our part of verifications of sincerity or consistency with the consolidated accounts and must be the subject a report by an independent third party.

Responsibilities of the leadership and the people making up the corporate governance body for the consolidated accounts.

It is the responsibility of the Management to prepare consolidated accounts presenting a true and fair view in accordance with IFRS standards, as adopted in the European Union, as well as to implement any internal checks they deem necessary to draw up consolidated accounts that are free from material misstatement, whether these result from fraud or errors.

In preparing the consolidated financial statements, it is the responsibility of management to make an assessment of the Company's ability to continue as a going concern, to disclose in those financial statements, where appropriate, the necessary information relating to the going concern basis of accounting and to apply the going concern basis of accounting unless the company is to be wound up or cease trading.

The consolidated accounts have been approved by the Board of Directors.

Responsibilities of the statutory auditors during the consolidated accounts audit

It is our responsibility to prepare a report on the consolidated accounts. Our objective is to be reasonably assured that the consolidated accounts, taken as a whole, do not contain any material misstatements. "Reasonable assurance" refers to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards can systematically detect every material misstatement. Misstatements may arise from fraud or result from errors and are considered material when it could be reasonably expected that they could influence the economic decisions that the account users make on their basis, whether taken individually or cumulatively.

As specified by Article L. 823-10-1 of the French Commercial Code, our role in certifying the accounts does not consist of guaranteeing the viability or the quality of the Management of your company.

As part of an audit carried out in accordance with the professional standards applicable in France, the statutory auditor shall exercise professional judgement throughout this audit.
Moreover:

- they shall identify and assess the risks of the consolidated accounts containing material misstatements, whether these result from fraud or result from errors; define and implement audit procedures to address these risks; and collect information that they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, because fraud may involve collusion, falsification, intentional omissions, false declarations or bypassing internal checks;

- they shall take note of the internal checks relevant to the audit in order to define the appropriate audit procedures in the circumstances, and not with the aim of expressing an opinion on the effectiveness of said internal checks;

- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as the information relating to it in the consolidated accounts;

- They assess the appropriateness of the management's application of the going concern accounting policy and, depending on the information collected, whether there is any material uncertainty relating to events or circumstances that is likely to affect the Company's ability to continue as a going concern. This assessment is based on the information collected up to the date of the report. However, it is noted that subsequent circumstances or events could call into question the going concern principle. If they conclude that there is a significant uncertainty, they shall draw the attention of the report readers to the information provided in the consolidated accounts about this uncertainty or, if this information is not provided or is not relevant, issue a reservation or refuse to certify;

- they shall assess the overall presentation of the consolidated accounts and evaluate whether the consolidated accounts reflect the underlying transactions and events so as to give a true and fair view;

- with regard to the financial information of the persons or entities included in the scope of consolidation, they shall collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and performance of the audit of the consolidated accounts as well as for the opinion expressed on these accounts.

Done in Neuilly-sur-Seine and at la Défense, on 23 May 2022

The auditors PricewaterhouseCoopers Audit	Ernst & Young Audit
23-05-2022 | 18:25 CEST	23-05-2022 | 19:19 CEST
	Pierre ABILY
Thierry Charron	Pierre Abily

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED ON 31 DECEMBER 2021

SOCIETE INTERNATIONALE DE PLANTATIONS D'HEVEAS (International Rubber Plantation Company)

Société Anonyme (French Public Limited Company) with a share capital of EUR 11,568,965.94
53, rue du Capitaine Guynemer, 92400 COURBEVOIE
RCS (Trade and Companies Register) Nanterre B 312
397 730

CONSOLIDATED BALANCE SHEET

ASSETS *(in thousands of EUR)*	As at 31/12/2021	As at 31/12/2020
Current assets		
Goodwill and other intangible fixed assets	14 620	15 643
Tangible fixed assets	113 994	102 790
Rights of use for tangible fixed assets	6 022	6 682
Bearer biological assets	145 861	142 501
Financial fixed assets	1 554	1 244
Deferred taxes	289	26
Other non-current assets	276	114
	282 616	**269 000**
Current assets		
Inventories and work-in-progress	105 300	83 314
Trade and other receivables	65 443	56 878
Other current financial assets	0	1 464
Cash and cash equivalents	34 392	39 892
	205 136	**181 549**
TOTAL ASSETS	**487 751**	**450 549**

LIABILITIES AND EQUITY *(in thousands of EUR)*	As at 31/12/2021	As at 31/12/2020
SHAREHOLDER EQUITY		
Capital and reserves attributable to the shareholders of the Company	11 569	11 569
Capital contributed		
Issue premiums	25 179	25 179
Consolidated reserves	122 782	119 142
Result for the financial year	34 703	6 161
	194 234	**162 052**
Minority interests	**94 455**	**84 127**
Total shareholder equity	**288 689**	**246 179**
LIABILITIES		
Non-current liabilities		
Borrowings	76 647	69 499
Rental liabilities	6 089	6 490
Deferred tax liabilities	6 422	4 528
Pension commitments and similar benefits	9 819	9 249
Other long-term liabilities	109	161
	99 086	**89 928**
Current liabilities		
Suppliers and other creditors	41 911	48 508
Income tax debts	7 663	1 360
Borrowings	46 827	62 549
Short-term rental liabilities	527	530
Other current financial liabilities	2 715	801
Total liabilities	**199 062**	**204 370**
Total shareholder liabilities and equity	**487 751**	**450 549**

Provisions for other liabilities	333	695
	99 977	**114 442**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of	As 31/12/2021	As 31/12/2020
Sales of rubber	466 043	347 334
Other sales	19 449	17 717
Total turnover	**485 492**	**365 051**
Total cost of goods sold	**-366 003**	**-290 043**
Margin on direct costs	**119 489**	**75 008**
Overheads	-32 927	-25 743
Depreciation and amortisation	-21 017	-22 166
Depreciation and amortisation of right of use	-669	-747
Current operating income	**64 876**	**26 352**
Gains and losses on disposals of fixed assets	-266	-90
Other operating income and expenses	-491	-5 570
Operating income	**64 119**	**20 692**
Net income from cash and cash equivalents	5 209	7
Gross cost of financial debt	-7 184	-6 395
Gross cost of financial debt IFRS 16	-593	-507
Net cost of financial debt	**-2 568**	**-6 895**
Income tax expense	**-13 760**	**-4 966**
Net profit	**47 791**	**8 830**
Attributable to		
- Group result	34 703	6 161
- Minority interests	13 087	2 669
	47 791	8 830

Total liabilities	**199 062**	**204 370**
Total shareholder liabilities and equity	**487 751**	**450 549**

(in thousands of EUR)	31/12/2021	31/12/2020
Net profit for the period	**47 791**	**8,830**
I. Items that can be subsequently recycled in the profit and loss account:		
Change in fair value of hedging instruments	-2 826	3 627
Income tax effect	*-636*	*-357*
Currency conversion adjustment	-651	-4 170
Sub-total I	***-4 114***	***-899***
II. Items not re-classifiable in the profit and loss account:		
Gain/loss - Actuarial gain/loss on pension obligation	-170	101
Income tax effect	*39*	*-7*
Sub-total II	***-131***	***93***
Consolidated total income for the period, net of tax	**43 546**	**8 024**
Attributable:		
To the shareholders of the Company	31 492	5 488
To non-controlling interests	12 054	2 537
	43 546	**8 024**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of EUR)	Notes	As 31/12/2021	As 31/12/2020
NET CASH FLOW FROM OPERATING ACTIVITIES			
Total consolidated net profit		47 791	8 830
Net provisions for depreciation and amortisation		23 894	24 438
Revaluation gains and losses at fair value	*Note 26.1*	1 058	-4 115
Other calculated income and expenses		-	-
Dividend income		-	-
Capital gains and losses on disposals		266	90
Net cost of financial debt		6 943	6 494
Tax expense		13 760	4 966
Elimination of spreading of derivatives		-	-
Cash flow from operations before cost of net financial debt and tax		**93 713**	**40 704**
Taxes paid		-6 539	-3 774
Change in working capital requirements	*Note 26.2*	-37 569	-11 157
NET CASH FLOW FROM OPERATING ACTIVITIES		**49 604**	**25 773**
NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES			
Acquisition of tangible and intangible fixed assets		-33 388	-21 417
Disposal of tangible fixed assets (net of change in receivables)		51	216
(Increase) / decrease in financial fixed assets		-196	95
Impact of changes in the scope of consolidation, net of cash acquired		-	-21 195
Dividends received		-	-
NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES		**-33**	**-42 300**
NET CASH FLOW RELATED TO FINANCING ACTIVITIES			
Capital increase			6 821
Dividends paid to minority shareholders of consolidated companies		-1 830	-
Dividends paid to shareholders of the parent company		131	-
Loan issues		10 841	52 800
Loan repayments		-21 824	7 244
Loan repayments IFRS 16			-578
Net financial interest paid		-6 894	-6 680
Net change in partners' current accounts		-	-
Other flows related to short-term financing operations		1 524	-11 923
Other flows related to financial instruments (derivatives)		2.60	-
NET CASH FLOW RELATED TO FINANCING ACTIVITIES		**-18 574**	**47 684**
Impact of changes in foreign exchange rates		142	-257
Impact of changes in accounting principles		-	-
CASH FLOW CHANGE		**-2 361**	**30 899**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	*Note 26.3*	**36 086**	**5 186**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*Note 26.3*	**33 725**	**36 086**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER EQUITY

	Attributable to the shareholders of the Company						Minority interests	TOTAL
	Capital	Premiums	Group reserves	Conv. diff.	Result for the period	Shareholder equity, Group share		Sharehol der equity
Shareholder equity as at 1 January 2019	**11 569**	**25 179**	**140 361**	**-26 665**	**6 562**	**157 006**	**74 622**	**231 628**
Allocation of 2019 profit to reserves			6 562		-6 562	**0**	0	**0**
Dividends paid			0		0	**0**	0	**0**
2020 result			0		6 161	**6 161**	2 669	**8 830**
Conversion differences - REN				-3 493		**-3 493**	-1 580	**-5 073**
Conversion differences - CRC				920		**920**	0	**920**
Fair value of financial instruments			2 204			**2 204**	1 066	**3 271**
Actuarial gains			56			**56**	37	**93**
Capital increase - GREL			4 382			**4 382**	2 439	**6 821**
Interest rate increase - GREL			-18 437			**-18 437**	-2 758	**-21 195**
Reclassification of SIPH/GREL debt			14 887			**14 887**	8 285	**23 172**
Reclassification PIDR - REN			-1 184			**-1 184**	-500	**-1 684**
Other			-249	-202		**-451**	-153	**-604**
Shareholder Equity as at 31 December 2020	**11 569**	**25 179**	**148 583**	**-29 440**	**6 161**	**162 053**	**84 127**	**246 180**
Shareholder equity as at 1 January 2021	**11 569**	**25 179**	**148 583**	**-29 440**	**6 161**	**162 053**	**84 127**	**246 180**
Allocation of 2020 profit to reserves and reclassification			6 161		-6 161	**0**	0	**0**
Dividends paid			-131		0	**131**	-1 830	**-1 961**
2021 result					34 703	**34 703**	13 087	**47 791**
Conversion differences - REN				215		**215**	96	**311**
Conversion differences - CRC				1 003		**-1 003**	0	**1 003**
Deferred tax asset reclassification CRC			438			**438**		**438**
Fair value of financial instruments			-2 361			**-2 361**	-1 101	**-3 462**
Actuarial gains			-106			**-106**	-25	**-131**
Other			262	-165		**427**	100	**527**
Shareholder equity as at 31 December 2021	**11 569**	**25 179**	**152 846**	**-30 063**	**34 703**	**194 234**	**94 455**	**288 689**

The share capital is composed of 5 060 790 fully paid-up shares with a par value of EUR 2.286 each and has not been subject to any changes during financial year 2021.

As at 31 December 2021, the Group's shareholding structure was as follows:

Shareholders	31/12/2019			31/12/2020			31/12/2021		
	No. of shares	% of the capital	% of voting rights	No. of shares	% of the capital	% of voting rights	No. of shares	% of the capital	% of voting rights
SIFCA	2 813 410	55.59%	54.82%	2 813 410	55.59%	54.82%	2 813 410	55.59%	54.82%
CFM	2 247 380	44.41%	45.18%	2 247 380	44.41%	45.18%	2 247 380	44.41%	45.18%
TOTAL	**5 060 790**			**5 060 790**			**5 060 790**		

Following the general meeting held on 25 June 2021, ruling on the accounts as at 31 December 2020, the net result for an amount of EUR 1.5 million was entirely allocated to retained earnings.

NOTE 1: CORPORATE INFORMATION

SIPH is a French public limited company (société anonyme), incorporated on 1 January 1900, with its registered office at 53 rue du Capitaine Guynemer, 92400 Courbevoie. The expiry date of the Company is set for 7 January 2056.

SIPH is the parent company of an international Group of which the main activity is the production and marketing of natural rubber.

This rubber is obtained in the plants located in Côte d'Ivoire, Ghana, Nigeria and Liberia from latex coming either from the Group's rubber plantations or from village farms and independent planters.

On an ancillary basis, the Group carries out commercial transactions on other types of products with the entities attached to the main shareholder. In addition, the Group has started the creation of palm oil plantations in Côte d'Ivoire, Ghana and Liberia, in addition to the operation of its rubber plantations.

On 13 April 2022, the Board of Directors approved the consolidated accounts as at 31 December 2021 and authorised their publication. They are expressed in thousands of EUR, unless otherwise indicated.

NOTE 2: KEY EVENTS OF THE YEAR

◗ Global COVID crisis:

The COVID-19 pandemic, which had significantly affected activity in the second quarter of 2020, had no economic impact on the level of activity and the market in 2021.
From a health point of view, the SIPH Group was able to react preventively and avoid contamination of production sites. An active prevention policy on the sites, combined with an incentive to vaccinate, enabled the production sites to avoid the impacts of the various waves that occurred in 2021.

◗ Rubber market:

The market, which had collapsed in the 1st half of 2020 with the COVID crisis, had recovered well in the 2nd half of 2020.
This trend was confirmed in the 1st quarter of 2021, reaching a level which remained fairly stable over the following 3 quarters, between USD 1.65 and USD 1.75. The annual average is therefore USD 1.676/kg (i.e. EUR 1.418/kg).
Demand remained fairly strong throughout the year, driven by the strong activity of the tyre industry, but also by the difficulties of global maritime logistics.

◗ Global logistics crisis:

Global maritime logistics have been heavily affected since the post-Covid recovery of 2020. This has caused difficulties in obtaining containers, port congestion, ship cancellations, and a decrease in shipping companies operating in West Africa.
However, the SIPH Group has succeeded in overcoming these difficulties, and ensuring record shipments of 330 KT, never before achieved (i.e. 28 KT more than in 2020, and 80 KT more than in 2019).

◗ Production

In 2021, agricultural production increases by +5% compared to 2020. This increase is consistent across all entities, reflecting the effects of the gradual replanting of areas with more efficient varieties and better-quality planting, but also reflecting efforts to optimize operating methods.
This increase is all the more significant as tapping frequencies have decreased, in order to improve the productivity of staff dedicated to tapping.

Industrial production continues to grow in 2021 (+9%, i.e. +28 KT), although installed capacities remained stable compared to 2020. This increase was possible thanks to the improvement in the performance of all the factories, but also thanks to the use of the capacities still available at GREL (Ghana) and CRC (Liberia), by sending raw materials from Côte d'Ivoire to supplement local supplies.

Note an expansion of the customer portfolio, through the approval of new major tire customers, thus allowing an increase in long-term contracts, and an improvement in sales prices, which will have a significant effect in the future.

◗ Financial equilibrium 2021

In 2021, volumes sold increased by 9% compared to 2020, with an average sales price of EUR 1.409 /kg, up 24% compared to 2020. Turnover increased by 33%.
The SIPH Group overcame the COVID crisis, by controlling its production costs and its supply chain in a difficult context. SAPH remains the main contributor to the result, but all the companies, with the exception of CRC, have returned to a strongly positive net profitability.

The Group's consolidated net income jumped to EUR 47.8 million compared to 8.9 million in 2020.

Cash flow, at EUR 93.7 million (before tax) is up very sharply by 130% compared to 2020. This makes it possible to finance an increase in WCR of EUR 37.6 million, essentially linked to the increase in activity and the development of a few export customers in Asia with payment terms of up to 90 days.

The EUR 33 million investment program mainly saw the start, in February 2021, of work on the Soubré plant, which should start production at the end of 2022.

The Colette financing, drawn down for EUR 60 million at the end of 2020, was supplemented by the drawing of the second tranche from Société Générale in January 2021 for EUR 12.5 million. The balance of the financing subscribed with the African Development Bank, intended for the financing of the Soubré plant, was disbursed in February 2022.

The Group's net debt, including rental liabilities, amounted to EUR 96.0 million, compared to EUR 99.2 million in 2020.,

OUTLOOK

◗ Market

Prices, which were fairly stable during the 2nd half of 2021 (around USD 1.70/kg), increased in the 1st quarter of 2022, under the effect of increases in all raw materials, and in particular oil prices. Prices are therefore around USD 1.80/kg in mid-March. This increase is accentuated in EUR, under the effect of the current depreciation of the euro against the dollar.
Even in the midst of the global crisis due to the events in Ukraine, demand remains strong, at a time when supply is limited by wintering in Asia (seasonal drop in production).
Even if the fundamentals continue to improve, it is very difficult at this stage to comment on the evolution of demand and rubber prices, while the consequences of the Ukrainian crisis and the ongoing sanctions are not yet clear. well known.

◗ Development and financing

SIPH resumed its industrial investments in 2021, with the launch of the construction of a new 10 T/hour plant, on a new site in Soubré, west of Côte d'Ivoire.

For the agricultural business, SIPH is continuing the renewal of old plantations, as well as the planting of new extensions. However, this program was further limited in 2021, with only 1,200 hectares (ha) planted, to adapt to the economic context. But the maintenance of the 13,000 ha of immature surfaces, generated by the plantings of previous years, also mobilised investments, and resulted in the tapping of 2,800 ha of new plots in 2021.

In 2021, SIPH resumed its social investments (housing construction and maintenance), in order to meet its commitments in this area.

SIPH intends to maintain its strategic investments in order to have all the necessary assets for a sustainable market recovery.

This investment program represented EUR 33 million in 2021 (compared to 21 million in 2020),
And it will continue in 2022, with the completion of the Soubré plant, and a resumption of agricultural investments.

These investments will be covered by the Company's own funds and by the loan taken out at the end of 2020.

With a debt-to-equity ratio of 45% compared to 40.2% at the end of 2020, the Group has sufficient debt capacity to carry out its development strategy.

POST CLOSING EVENTS

A fire at the Rapides Grah plant, SAPH's production site, unfortunately caused the death of two employees. There is no expected impact on the continuity of operations or on the level of margin expected in 2022.
On 11 February 2022, SIPH finalized the Colette financing of EUR 85m by collecting the share of the African Development Bank, intended for the Soubré plant for EUR 12.5m.
The ongoing war between the Russian Federation and Ukraine has not yet had an impact on SIPH's level of activity. However, the indirect consequences are not yet known and could impact rubber consumption in the months to come.

The market in 2021

Global production of natural rubber:

Given the maturity of the rubber tree, which produces 7 years after planting, trees planted from 2000 to 2012 during the price recovery are currently producing.

After the depressive effect of the 2020 Covid crisis, where world production had fallen to 13 MT, 2021 production returned to 13.6 million tonnes, which is quite stable compared to the years 2017-2018-2019.

Even though Thailand and Indonesia still represent 56% of world production in 2021, Côte d'Ivoire now exceeds 1 million tonnes, becoming the 4th largest producer in the world.

Asia therefore still accounts for 86% of natural rubber production in 2021, and Africa continues to increase its contribution, which reaches 9.5% of world production.

Global consumption of natural rubber:

World consumption in 2021 stands at 13.4 million tonnes, returning to its 2019 level, after falling to 12.5 MT in 2020 (Covid crisis).
China accounts for 42% of global consumption.

The trough in the cycle in recent years has been a deterrent to renewals and new plantings, which will limit the growth in supply over the next few years.
If demand returns to its growth level of the past 12 years, of around 2% per year, the market should confirm the exit from the trough in the cycle that is currently emerging.

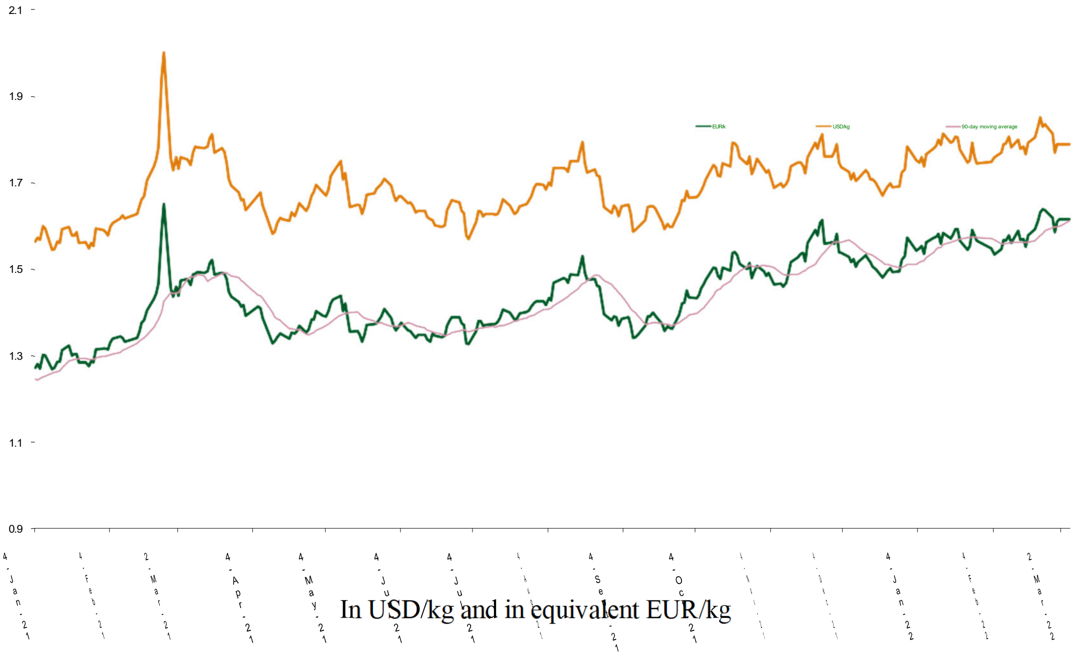
(Natural rubber market source: LMC 1st quarter 2022)

Changes in SICOM 20

The market, which had collapsed in the 1st half of 2020 with the COVID crisis, had recovered well in the 2nd half of 2020, and this trend was confirmed in the 1st quarter of 2021, reaching a level which remained fairly stable on the Next 3 quarters, between USD 1.65 and USD 1.75. The annual average is therefore USD 1.676/kg (i.e. EUR 1.418/kg).
Demand remained fairly strong throughout the year, driven by the strong activity of the tyre industry, but also by the difficulties of global maritime logistics.

Prices, which were fairly stable during the 2nd half of 2021 (around USD 1.70/kg), increased in the 1st quarter of 2022, under the effect of increases in all raw materials, and in particular oil prices. Prices are therefore around USD 1.80/kg in mid-March.
The average for the 1st quarter of 2022 is USD 1.78/kg (1.59/kg).

CHANGES IN SICOM 20
From January 2022 to March 2021:



In USD/kg and in equivalent EUR/kg

NOTE 3: ACCOUNTING PRINCIPLES

The main accounting methods applied during the preparation of the consolidated financial statements are described below. Unless otherwise indicated, these methods have been applied on a consistent basis across all years presented.

3-1 PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to European Regulation 16/06/2002 of 19 July 2002 on international standards, the consolidated financial statements of the SIPH Group for the year ended 31 December 2021 have been prepared in accordance with IFRS, as published by the IASB and adopted by the European Union as at 19 July 2022. They include, for comparative purposes, data relating to financial year 2020, presented according to the same rules. The accounting principles adopted are consistent with those used for the preparation of the consolidated financial statements for the financial year ended exception of the changes induced by the application of the standards below:

Application of Standard IFRS 16

IFRS 16 "Leases" to replace IAS 17 "Leases" as well as the corresponding interpretations (IFRIC 4, SIC 15 and SIC 27) aims for a more faithful representation of the assets and liabilities of companies, transparency and improved comparability between companies that use leasing to own an asset and those that borrow to buy an asset.
It provides for a single principle of accounting for all leases on the balance sheet of lessees, with recording of:

- an asset representing the right of use for the leased asset during the term of the contract,
- a debt in respect of the obligation to pay rent,
- an impact on shareholder equity net of deferred taxes.

In the profit and loss account, the rent expense is replaced by:

- amortisation of the right of use, and
- interest on rent debt

The SIPH Group has chosen to apply IFRS 16 using the simplified retrospective method as at 1 January 2019.
Leases were previously identified by the legal department and then reconciled with the lease expense accounts.
The analysis shows the following values:
Rental expenses that have not been the subject of any adjustment relate to one-off leases with terms of well under one year and/or with an underlying asset value of less than USD 5,000.

The treatment of property leases is governed by the following rules:

- ***Property leases other than long-term leases:*** The lease term corresponds to the non-cancellable period, plus any renewal options, the financial year of which is deemed reasonably certain by the Group. The ANC position has been retained for French commercial leases of type 3/6/9 for which the duration of the lease is limited to a maximum of nine years.
  Certain properties are the subject of leases concluded for a period of one year and tacitly renewed. Based on the significance of the value of the underlying asset and the perpetual renewal of these leases, the Group takes the option to consider the 20-year period from 1 January 2019 for the valuation of the right of use.

- ***Long-term leases:*** the term of these leases ranges from 20 to 99 years. Agreements including a building and land are broken down into land use right and building use right in order to take into account the indefinite life of the land.
  The Group does not depreciate the right of use related to long-term leases on land.

The implicit rate is only applied whenever it is mentioned in the legal documentation.

Otherwise, the Group determines a marginal borrowing rate. This corresponds to the rate generally used by financial institutions for Group entities when they have recourse to a loan.

The discount rates used on 1 January 2021 are the following:

	SIPH	SAPH	GREL	RENL	CRC
Discount rate	3.99%	7%	6.25%	7.50%	3.99%

Application of Standard IFRIC 23

IFRIC 23 clarifies the application of the provisions of IAS 12 "Income Taxes" concerning the recognition and measurement of tax when there is uncertainty about the accounting treatment in profit or loss. The uncertain tax liabilities previously presented in the provisions have been reclassified under corporate income tax liabilities.
The Group has chosen to apply the simplified retrospective method. The adoption of IFRIC 23 did not have a material impact on the Group's consolidated financial statements.

The Group analyses the possible impact of these texts on the consolidated financial statements, as well as those published by the IASB but not yet adopted by the European Union, the main ones being:

- IFRS 14 "Regulatory Deferral Accounts" concerning entities that are first-time adopters of IFRS with rate-regulated activities and which have recorded regulatory deferral account balances in their financial statements in accordance with their previous accounting framework.
- Amendment to IFRS 2: Classification and Measurement of Share-based Transactions.
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities - Applying the Consolidation Exception
- Amendments to IAS 12 "Recognition of deferred tax assets for unrealised losses"

Finally, the Group has elected not to apply in advance the standards, amendments and interpretations of which the mandatory application date is after 1 January 2021.

3-2 ACCOUNTING ASSUMPTIONS AND ESTIMATES

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the amounts reported in the financial statements, such as depreciation, amortisation and provisions. These estimates, based on the going concern assumption, are established on the basis of the information available at the time of their preparation. They may be revised if the circumstances on which they were based change as a result of new information. Actual results may differ from these estimates. Management is also required to exercise judgement in the application of the Group's accounting policies.
When an estimate is revised, it does not constitute an error correction. The areas where the issues at stake are the highest in terms of judgement or complexity or where assumptions and estimates are significant with respect to the consolidated financial statements concern the valuation of biological assets (Notes 3-12 and 8), pension obligations (Notes 3-20 and 19), all assets subject to impairment tests (Notes 3-10 and 6-1) and the valuation of inventories (Notes 3-13 and 11).

To a lesser extent, estimates and assumptions are also made in the following areas:

- Income taxes, including estimates of the recoverability of deferred taxes (Note 3-22 and Note 22),
- The valuation of financial instruments (Note 3-15),
- The valuation of provisions for other liabilities (Note 3-21).

3-3 METHODS OF CONSOLIDATION

The consolidated financial statements include the financial statements of SIPH and its subsidiaries. Subsidiaries are consolidated from the date on which the Group financial years significant influence over them until the date on which control is transferred outside the Group.

Control is the power, direct or indirect, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities, usually accompanied by the holding of more than half of the voting rights. All subsidiaries of the SIPH Group are fully consolidated from the date on which control was transferred to the Group.

3-4 ACCOUNTS CLOSING DATE

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

3-5 SEGMENT REPORTING

The Group's segment information breaks down as follows:

- Into "business segment" or "operating segment" *(Rubber and Other Businesses),* and
- Into "geographical segment", composed of the West African countries where the Group is established and France, where all marketing is carried out.

A business segment is a component of an entity:

- that engages in activities from which it may acquire revenue and incur expenses *(including revenue and expenses relating to transactions with other components of the same entity)*;
- of which the operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance; and
- for which isolated financial information is available.

Segment data for internal reporting and those presented in the notes to the financial statements follow the same accounting rules as those used for the consolidated financial statements.

A business segment is a distinguishable component of the enterprise that is engaged in providing a single product or service or a group of related products or services and that is subject to risks and returns that are different from the risks and returns of other business segments.

A geographical segment is a distinguishable component of the enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of other geographical segments operating in other economic environments.

Turnover is presented by geographical segment based on the geographical origin of the production sold, with the exception of France, which corresponds to "General Trade" sales made mainly for export with SIFCA Group companies.

The "Other activities" segment includes the supply of products or services incidental to the main activity "Rubber". The profitability of these activities is separate from that of the Rubber segment.
"Other activities" include:

- the provision of services
- the supply of seedlings to independent growers
- the production of palm oil
- the sale of palm oil and derivatives
- timber sales
- the export of equipment, consumables and spare parts
- commodity trading, which can lead to significant fluctuations in turnover but only makes a marginal contribution to earnings. Most of these transactions are carried out for companies in the SIFCA Group.

Segment assets are operating assets used by a segment in its operating activities. They include attributable goodwill, tangible fixed assets, biological assets and current assets used in the segment's operating activities. They do not include intangible assets (excluding goodwill), deferred tax assets, other non-current financial assets, other non-current assets and prepaid expenses. These assets are identified in the line item "Unallocated assets".

Segment liabilities are liabilities arising from the activities of a segment that are directly attributable to the segment or can reasonably be allocated to it. They include current and non-current liabilities, with the exception of deferred tax liabilities and non-current financial liabilities. These liabilities are identified in the line item "Unallocated liabilities".

3-6 CONVERSION OF FINANCIAL STATEMENTS DRAWN UP IN FOREIGN CURRENCIES

The operating currency of each of the Group's entities is the currency of the economic environment in which the entity operates. The Group's functional and presentation currency is the euro (EUR).
All assets and liabilities of consolidated entities of which the operating currency is not the euro are converted at the closing rate into EUR, the currency in which the consolidated financial statements are presented. Income and expenses are converted at the average exchange rate for the financial year ending. Exchange differences resulting from this treatment and those resulting from the conversion of the shareholder equity of subsidiaries at the beginning of the financial year based on closing rates are included under the category "Conversion differences" in the consolidated shareholder equity.
Goodwill and fair value adjustments arising on the acquisition of a foreign operation whose functional currency is not the EUR are treated as assets and liabilities of the foreign operation and are translated into euros at the closing rate. Biological assets are valued in foreign currency at the time of acquisition.
Exchange differences arising on the conversion of the net investment in foreign subsidiaries are accounted for in the shareholder equity.
On disposal of a foreign entity, these exchange differences are included in the profit and loss account as a profit or loss on disposal.
Nigeria, Liberia, Côte d'Ivoire and Ghana were not considered hyper-inflationary countries with regard to the criteria defining the phenomenon of hyperinflation and are therefore not subject to the provisions of IAS 29.

The exchange rates used for the preparation of the consolidated financial statements are shown in Note 5. The closing rate is used for the conversion of the balance sheet and the average rate for the period for the conversion of the profit and loss account and the cash flow statement.

3-7 CONVERSION OF FOREIGN CURRENCY TRANSACTIONS

Items included in the financial statements of each individual Group entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). Accordingly, transactions denominated in currencies other than the functional currency are recorded in the entity's accounts on the basis of the exchange rate prevailing at the date of the transaction. At the closing date, monetary assets and liabilities denominated in foreign currencies are converted into the entity's functional currency at the exchange rate prevailing at the closing date. All resulting conversion differences are recorded in recurring operating income, except for items that, in substance, form part of the net investment in foreign subsidiaries, which are recorded in the shareholder equity.

3-8 INTANGIBLE ASSETS (EXCLUDING GOODWILL) AND TANGIBLE ASSETS

In accordance with IAS 38 "Intangible Assets", only assets of which the cost can be reliably determined and for which it is probable that future economic benefits will flow to the Group are recognised as intangible assets.

A tangible asset is de-recognised when the risks and rewards of ownership of the asset have been transferred or when no future economic benefits are expected from its use or sale.
The Group's intangible assets *(excluding goodwill)* correspond mainly to software (Note 6-2).
In accordance with IAS 16 "Tangible Assets", only assets of which the cost can be reliably determined and for which it is probable that future economic benefits will flow to the Group are recognised as tangible assets.

A tangible asset is de-recognised when the risks and rewards of ownership of the asset have been transferred or when no future economic benefits are expected from its use or sale.

Any profit or loss arising on the de-recognition of an asset *(calculated as the difference between the net disposal proceeds and the book value of the asset) is* included in the profit and loss account in the financial year in which the asset is de-recognised.

Intangible and tangible fixed assets are recorded at their historical acquisition or production cost, less accumulated depreciation *(excluding land)* and any impairment losses.

Depreciation is accounted for as an expense on a straight-line basis over the useful life of the asset. These periods are mainly as follows:

Type of fixed assets	Term
- Buildings and infrastructure	From 10 to 25 years
- Industrial equipment	8 years
- Office and IT equipment	8 years
- Transport equipment	3 years
- Software	From 1 to 3 years

The initial and residual useful lives of assets are reviewed at each year-end and adjusted in the event of a significant change.

3-9 GOODWILL

In accordance with the revised IFRS 3R "Business Combinations", the difference between the acquisition cost of a business and the Group's share of its net assets measured at fair value is accounted for as goodwill. To date, all goodwill of the SIPH Group has been accounted for using the partial goodwill method.

Goodwill is allocated to the Group's Cash Generating Units (CGUs), which are identified according to the country in which the activities are carried out and the business segment, as indicated in Note 6-1 "Goodwill".

In accordance with the revised IFRS 3R, goodwill is not depreciated but is subject to an impairment test as soon as there is an indication of an impairment loss and at least once a year.

In accordance with IAS 36 "Impairment of Assets", the methodology used by the Group to determine any impairment of these assets consists of comparing the recoverable amounts of the Cash Generating Units with the book value of their respective assets.

In the event of an impairment loss, the impairment is recorded in operating income. Impairment losses recorded are irreversible.

The main procedures and conclusions resulting from the performance of these tests at the end of 2021 are presented in Note 6-1 "Goodwill".

3-10 IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Goodwill and intangible assets, which have an indefinite life and are not depreciated, are tested for impairment at least annually, or whenever events or changes in the market environment indicate a risk of an impairment loss. Similarly, when events or changes in the market environment indicate a risk of an impairment loss, depreciable intangible assets or property, plant and equipment are tested for impairment to determine whether their net book value is less than their recoverable amount. When this test shows that the value thus determined is lower than their net book value, the Group takes into account the effect of alternative investment strategies on future cash flows. In the event that a difference remains, a provision is recorded to reduce the net book value of both intangible and tangible fixed assets to the value determined on the basis of discounted future operating cash flows or the fair value if it exists.

In particular, at 31 December 2021, impairment tests concern non-current assets. The balance sheet value is compared to their recoverable amount. The latter is determined from discounted cash flow projections over just over thirty years based on the crop maturity cycle.

The recoverable amount of the CGU thus determined is then compared with the contributory value in the consolidated balance sheet of goodwill and economic assets *(tangible fixed assets, working capital requirements and share of support assets)*. Depreciation is accounted for, if necessary, if this balance sheet value is higher than the recoverable value of the CGU and is charged in priority to goodwill.

In order to determine their value in use, fixed assets to which it is not possible to directly attribute independent cash flows are grouped together within the cash generating unit (CGU) to which they belong. The CGUs correspond to homogeneous groups generating identifiable cash flows.

3-11 CONSOLIDATION OF BIOLOGICAL ASSETS (MATURE AND IMMATURE PLANTATIONS, NURSERIES AND INVENTORIES)

The grouping of areas of biological assets carried out as part of the determination of the fair value of plantations (biological assets) and the estimation of production inventories in terms of volume are carried out on the basis of physical inventories at the end of the financial year.

In rubber tree cultivation, saplings are prepared in nurseries for 2 to 3 years. The seedlings are then planted, and the tree is not bled (productive) for a period of about 6 to 7 years. After this period, the tree is strong enough to be bled (harvested) for a period of about 30 years.

Biological assets fall into three categories: mature and immature crops and nurseries. Mature crops correspond to the rubber trees of which the tapping has started. Immature crops correspond to un-tapped rubber trees. Nurseries, for their part, include young saplings, not yet planted, grafted or to be grafted, as well as the graft-wood garden (rubber clones). "Replanting" areas are those undergoing felling or land preparation. They have generally been bled in the past year and are intended to be replanted in the following year, and so are not valued in the biological assets.

As far as agricultural production is concerned, a distinction is made between raw material only from own plantations, not yet processed at the close (cup lump rubber) and raw material included in stocks of finished incomes (rubber ready for sale). These stocks are inventoried at each year-end.

3-12 BIOLOGICAL ASSETS - BEARER PLANTS

Regulation 2015/2113 dated 23 November 2015 endorsed the adoption of the changes (amendments) to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture", entitled "Agriculture: Bearer Plants".
These amendments provide that plants that are only used to produce agricultural products over several periods, called bearer plants, should be accounted for in the same way as tangible assets under the requirements of IAS 16 Property, Plant and Equipment, as their operation is similar to manufacturing activities.
SIPH opted for the historical cost option when it adopted the revised IAS 16.

RUBBER AND PALM TREE PLANTATIONS

Mature rubber and palm tree plantations are now depreciated using the straight-line method, which reflects the rate of economic benefits expected (mature crops):

- between 30 and 33 years for mature rubber plantations,
- between 20 and 25 years for mature palm oil plantations

The basis for depreciation of trees under IAS 16 corresponds to the gross value of the plantations at their maturity date.

3-13 INVENTORIES AND WORK-IN-PROGRESS

In accordance with IAS 2, inventories from external purchases (from private growers) are valued at purchase cost.

As for inventories from own plantations, they are valued at fair value at the date of harvest (IAS 41) represented by the purchase price from private growers in the given month. This purchase price is considered to be the fair value on the valuation date.
This purchase price paid to the growers is equal to the purchase cost, used to value stocks from external purchases, from which purchasing commissions and transport subsidies are deducted.
Inventories of goods are valued at their purchase cost.
Finished incomes are valued at production cost, which includes the cost of raw materials as well as processing costs.
A provision for depreciation is established when an impairment loss is identified.

3-14 FINANCIAL ASSETS AND LIABILITIES

The Group defines its financial assets in the following categories: assets measured at fair value through profit or loss, assets held to maturity, loans and receivables, assets available for sale, and debts at amortised cost. The classification depends on the reasons for which the financial assets were acquired. The Management determines the classification of its financial assets on initial accounting.

- ***Financial assets at their fair value in the profit and loss account***

Financial assets measured at fair value in the profit and loss account are financial assets held for trading. A financial asset is classified in this category if it was acquired principally for the purpose of selling in the short term. Derivative financial instruments are also designated as held-for-trading unless they qualify as hedges.

- ***Assets held to maturity***

Non-derivative financial assets with fixed or determinable payments and a fixed maturity are classified as held-to-maturity investments when the Group has the positive intention and ability to hold them to maturity. profits and losses are reported in the profit and loss account when these investments are de-recognised or depreciated.

- ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for their portion maturing more than twelve months after the financial year-end date. This is classified as a non-current asset.
Loans and receivables are accounted for at their amortised cost using the effective interest rate method.

At each balance sheet date, the Group assesses whether there is an objective indicator of impairment of a financial asset or group of financial assets.

- ***Assets available for sale***

Available-for-sale financial assets are non-derivative instruments included in this category or those not included in any other category. They are included in non-current assets unless the Management intends to sell them within twelve months of the financial year-end date. These assets are initially accounted for at fair value plus transaction costs and changes in fair value are accounted for in shareholder equity.

- ***Offsetting of financial assets and liabilities***

A financial asset and a financial liability are offset, and the net amount is presented in the balance sheet when the Group has a legally enforceable right to offset the amounts accounted for and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3-15 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

SIPH uses foreign exchange risk hedging instruments, as well as derivative financial instruments on rubber (forward sales contracts and swaps) *to secure its margin.*
To protect itself against the rise in the Euribor interest rate, on which the Colette financing interest rate is based, the Group also uses interest rate hedging.
Derivative financial instruments that meet the criteria for hedge accounting under IFRS 9 are classified in hedging instruments.
Derivatives that do not qualify for hedge accounting, although they are put in place for risk management purposes, are accounted for as instruments held for trading.
Derivative financial instruments are valued at fair value. The fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the hedged item is greater than 12 months and as a current asset or liability when the residual maturity of the hedged item is less than 12 months.
Derivative instruments held for trading are classified as current assets and liabilities.

3-16 TRADE AND OTHER RECEIVABLES

Trade receivables are initially accounted for at fair value and subsequently measured at depreciated cost using the effective interest rate method, net of provisions for impairment. Impairment of trade receivables is recorded when there is an objective indicator of the Group's inability to collect all amounts due under the conditions initially foreseen at the time of the transaction.

Significant financial difficulties encountered by the debtor, the likelihood of bankruptcy or financial restructuring of the debtor, and a default or failure to pay are indicators of impairment of a receivable. The amount of the depreciation represents the difference between the book value of the asset and the value of the estimated future cash flows, discounted at the initial effective interest rate.

Charges and reversals relating to the depreciation of receivables are included in "Other operating income and expenses" in the consolidated profit and loss account.

3-17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents recorded in the consolidated balance sheet include cash at bank and in hand, short-term deposits with a maturity of less than three months, and any short-term liquid monetary investment that is readily convertible to a determinable amount of cash.

In accordance with IFRS 9 "Financial Instruments", marketable securities are valued at their fair value at the financial year-end date. For investments considered as held for trading, changes in fair value are systematically accounted for in the financial result.

For the purposes of the consolidated cash flow statement, cash and cash equivalents include the cash and cash equivalents as defined above, net of bank overdrafts. Bank overdrafts are treated as financing, and are included in the current liabilities in the balance sheet under "Borrowings".

3-18 BORROWINGS

In accordance with IFRS 9 "Financial Instruments", borrowings are initially accounted for at the fair value of the amount received, net of transaction costs incurred.
Subsequent to their initial accounting, interest-bearing borrowings are valued at their amortised cost, using the effective interest rate method. The effective interest rate is the rate that equals the net cash position of the loan with the total cash flows generated by servicing the loan. The amortised cost is calculated by taking into account all issue costs and any redemption discounts or premiums.

Borrowings are classified as current liabilities, except when the Group has an unconditional right to defer settlement of the debt for at least twelve months after the balance sheet date, in which case these parts of the borrowings are classified as non-current liabilities.

3-19 SUPPLIERS AND OTHER CREDITORS

Trade payables and other current liabilities are recorded at their fair value and subsequently measured at their amortised cost using the effective interest rate method.

3-20PENSIONS, END-OF-CAREER INDEMNITIES AND OTHER EMPLOYEE BENEFITS

In accordance with the laws and practices in force in each country in which it operates, the Group provides its employees with various pension, welfare and medical plans.

In France, each Group employee benefits from an end-of-career indemnity. For other countries, the schemes depend on the local legislation of the country and the activity and historical practices of the subsidiary concerned.

In addition to the basic schemes, supplementary plans may be either defined contribution or defined benefit plans, and in the latter case fully or partially covered by dedicated *investments (equities, bonds, insurance contracts or other forms of dedicated investments, etc.).*

- ***Basic schemes***

In some countries, particularly in France, the Group participates in basic social security schemes for which the expense recorded is equal to the contributions called by state bodies.

- ***Defined contribution schemes***

The benefits paid to the beneficiaries of these schemes depend solely on the accumulation of contributions made and the return on investments of the latter. The Group's commitment is therefore limited to the contributions paid, which are recorded in the income statement in the financial year to which they relate.

• ***Defined benefit schemes***

The valuation of the Group's commitment under these plans is calculated annually by independent actuaries using, in accordance with IAS 19 "Employee Benefits", the "Projected Unit Credit" method.
Under this method, each period of service gives rise to the recognition of an additional unit of benefit entitlement, each of which is measured separately, to measure the final obligation. These calculations incorporate assumptions:

- of retirement dates,
- of staff turnover,
- of mortality,
- of future wage increases and inflation,
- of future returns on hedging assets, if any
- and finally, of discount.

The probable future benefits are discounted using country-specific rates. Discount rates are determined by reference to the rate of return on bonds issued by the government and major corporations, with the exception of the rate used at SAPH. Indeed, in Côte d'Ivoire, actuaries use the rate of return on short-term investments as a benchmark.

Supplementary pension plans, where applicable, are fully or partially covered by dedicated investments known as plan assets (shares, bonds, insurance contracts or other forms of dedicated investments, etc.). The supplementary pension plans set up within the Group for France (SIPH), Côte d'Ivoire (SAPH), Liberia (CRC), Nigeria (REN) and Ghana (GREL), respectively, are as follows:

Supplementary plans	SIPH	SAPH	CRC	REN	GREL
Defined benefit	✓	✓	✓	✓	✓
Defined contribution	×	×	×	×	×

Assets used to hedge bonds are measured at fair value (level 3) at the end of the financial year.

As part of the restatement of the consolidated financial statements at the end of December 2021, the amount used for end-of-career indemnities is the net amount between the plan assets measured at fair value and the provision recognised for defined benefits. To date, the Group's consolidated financial statements do not show any amount of net plan assets.

Actuarial profits and losses arise when differences are recorded between actual data and previous forecasts, or as a result of changes in actuarial assumptions; these actuarial profits and losses are recognised in equity in accordance with IAS 19 (revised).

The net expense for the financial year, corresponding to the sum of the current service cost, the discount cost less the expected return on plan assets, is fully recorded in recurring operating income.

3-21 PROVISIONS FOR OTHER LIABILITIES

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are accounted for when the Group has a present obligation *(legal or implied)* as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

The amount accounted for as a provision is the best estimate of the expenditure required to settle the current obligation at the financial year-end date. Where the effect of the time value of money is material, the amount of the provision is the current value of the expected expenditure that is expected to be required to settle the obligation.

However, provisions are not discounted as they are not material.
Provisions for litigation are analysed on a case-by-case basis and are valued on the basis of the opinions formulated by the lawyers in charge of the cases.

When the Group expects partial or total repayment of the provisioned amount, for example as a result of insurance cover or a liability guarantee, the repayment is accounted for only when it is certain.

3-22 DEFERRED TAXES

In accordance with IAS 12 “Income Taxes”, deferred taxes are calculated on temporary differences between the tax base and the consolidation value of assets and liabilities.
Taxable temporary differences arise mainly from:

- the elimination, in the consolidated financial statements, of entries recorded in the financial statements of subsidiaries pursuant to exemptions from tax options
- restatements made to the financial statements of consolidated subsidiaries to align the accounting principles used with those of the Group.

Deferred tax assets and liabilities are measured using the liability method, based on tax rates and regulations that are enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recorded and maintained in the balance sheet to the extent that it is more likely than not that they will be recovered in subsequent years, i.e. that future taxable profit will be available against which the temporary differences can be offset. Similarly, deferred tax assets on unused tax loss carry-forwards are accounted for to the extent that it is probable that the Company that generated the loss carry-forwards will have future taxable profits against which these unused tax losses can be offset.

The Group's assessment of its ability to recover these assets is based primarily on the following factors:

- forecasts of future tax results;
- the existence of taxable temporary differences;
- the analysis of the portion of exceptional expenses not expected to recur in the future, included in past losses;
- finally, the history of tax results for previous years.

3-23 TURNOVER

Turnover consists of sales of finished products and sales of goods within the framework of the Group's core business, net of value added tax, returns, discounts and rebates, as well as unrealised and realised results related to hedging transactions (forward sales of rubber).

In accordance with IFRS 15 "Revenue from contracts with customers", sales of goods and finished goods are recorded when the risks and rewards of ownership have been transferred to the buyer. Revenues from the provision of services are recorded on the basis of the services actually rendered during the financial year.

3-24 STATE SUBSIDIES

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions for granting these subsidies.

State subsidies relating to costs are deferred and recognised in the profit and loss account over the periods necessary to match them with the related costs they are intended to compensate.

State subsidies relating to the acquisition of property, plant and equipment are included in non-current liabilities as deferred state subsidies and credited to the profit and loss account on a straight-line basis over the expected useful life of the assets concerned.

3-25 OPERATING INCOME

Given the nature of the Group's business, the profit and loss account has been presented by function.

In accordance with the recommendations of the Conseil National de la Comptabilité (CNC - National Accounting Council) and the Autorité des Marchés Financiers (AMF - French Financial Markets Authority), the Group has opted to isolate significant non-recurring items within its operating income and, in this respect, reports current operating income and other non-recurring income and expenses. These include only a limited number of unusual, abnormal and infrequent items.

3-26 EARNINGS PER SHARE

Consolidated net earnings per share are calculated on the basis of the weighted average number of shares in circulation during the period.

Diluted earnings per share is obtained by dividing the consolidated income by the weighted average number of shares outstanding and taking into account the effects of all dilutive potential ordinary shares.

3-27 DISTRIBUTION OF DIVIDENDS

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders but have not yet been paid.

3-28 COMMITMENTS TO PURCHASE MINORITY INTERESTS

In the case of debt relating to put options granted to minority interests, the fair value of the debt is accounted for as a financial liability with a corresponding reduction in minority interests. When the value of the commitment exceeds the amount of minority interests, the balance is accounted for under shareholder equity, Group share.

NOTE 4 - CONSOLIDATION SCOPE

As at 31 December 2021, the companies included in the consolidation scope are as follows:

Names	Address
Société Internationale de Plantations d'Hévéas SA (SIPH)	53, rue du Capitaine Guynemer, 92400 Courbevoie (France)
Cavalla Rubber Corporation Inc (CRC)	Gedetarbo, Maryland County (Republic of Liberia)
Ghana Rubber Estates Ltd (GREL)	P.O Box 228 Takoradi (Ghana)
Société Africaine de Plantations d'Hévéas (SAPH	Rue des Gallions; Zone Portuaire Abidjan 01 (Côte d'Ivoire)
Rubber Estates Nigeria Limited (REN)	Ovia s/w LG (Nigeria)

The percentages of interest and control are as follows in 2021 and 2020:

Companies	Percentage of Control		Percentage of Interest	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
SIPH (parent company)	100.00	100.00	100.00	100.00
CRC	100.00	100.00	100.00	100.00
GREL	64.25	64.25	64.25	64.25
SAPH	68.06	68.06	68.06	68.06
REN	70.32	70.32	70.32	70.32

All of the above subsidiaries are fully consolidated.

NOTE 5 - CONVERSION OF FINANCIAL STATEMENTS

REN's financial statements included in the consolidation, denominated in Nigerian Naira (NGN), have been converted into EUR at the following rates in 2020 and 2020:

REN

	EUR/NGN rate
Rate as at 1 January 2020	404.898
Rate as at 31 December 2020	469.668
Average rate over financial year 2020	431.773
Rate as at 1 January 2021	469.668
Rate as at 31 December 2021	466.125
Average rate over financial year 2021	472.178

SAPH's financial statements included in the consolidation, denominated in CFA, have been converted into EUR at the following rates in 2021 and 2020:

SAPH

	EUR/FCFA rate
Rate as at 1 January 2020	655.957
Rate as at 31 December 2020	655.957
Average rate over financial year 2020	655.957
Rate as at 1 January 2021	655.957
Rate as at 31 December 2021	655.957
Average rate over financial year 2021	655.957

GREL's accounts are kept in EUR and are therefore not impacted by conversion issues.

CRC's financial statements included in the consolidation, denominated in USD, have been converted into EUR at the following rates in 2021 and 2020.

CRC

	EUR/USD rate
Rate as at 1 January 2020	1.121
Rate as at 31 December 2020	1.226
Average rate over financial year 2020	1.141
Rate as at 1 January 2021	1.226
Rate as at 31 December 2021	1.134
Average rate over financial year 2021	1.183

NOTE 6 – GOODWILL AND OTHER INTANGIBLE FIXED ASSETS

6-1 GOODWILL

Goodwill is allocated to the Group's cash-generating units, which are identified according to the country in which the activities are carried out and the sector of activity:

Cash-generating units / Categories	SAPH (Côte d'Ivoire)	REN (Nigeria)	CRC (Liberia)	Total
Net change as at 1 January 2020	**11 606**	**2.031**	**0**	**13 637**
Change in conversion difference Depreciation for the financial year	0 0	-280 0	0 0	-280 0
Net value as at 31 December 2020	**11 606**	**1 751**	**0**	**13 356**
Change in conversion difference Depreciation for the financial year	0 0	13 0	0 0	1.3 0
Net value as at 31 December 2021	**11 606**	**1 764**	**0**	**13 370**

At each year-end, the recoverable amount of each Group CGU is compared with its contributory value in the consolidated balance sheet, comprising goodwill and economic assets *(tangible fixed assets, working capital requirements and share of support assets)*.
Depreciation is accounted for, if necessary, if this balance sheet value is higher than the recoverable value of the CGU and is charged in priority to goodwill.

The Group has four cash-generating units, two of which have goodwill attached to them and are subject to a mandatory impairment test at the end of the year. At the end of each reporting period, SIPH assesses whether there is any indication that a CGU may be impaired. In the event of such indications, the recoverable amount of the CGU is calculated.

The recoverable amount of each CGU corresponds to its value in use within the meaning of IAS 36, which is determined according to multiple criteria *(WACC, SICOM, etc.*). The business plans reflect these assumptions and have been approved by the Management.

As at 31 December 2021, following the impairment test, no impairment was recognised on goodwill. As the recoverable amount of the CRC CGU is still zero, the economic asset continues to be maintained at zero.

The country discount rates used for Côte d'Ivoire (SAPH), Liberia (CRC), Nigeria (REN) and Ghana (GREL), respectively, are as follows as at 31 December 2021 and 31 December 2020. We have highlighted below the comparative discount rates between 2021 and 2019 on each of the CGUs.

Heading	SAPH			CRC			REN			GREL		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Discount rate	8.97%	9.10%	9.20%	15.02%	16.50%	20.20%	10.83%	10.60%	10.60%	13.25%	12.30%	12.60%

6-2 OTHER INTANGIBLE FIXED ASSETS

The "other intangible fixed assets" item fell from EUR 2 287 thousand to EUR 1 250 thousand as at 31 December 2021. This change is mainly explained by the annual depreciation of software (SAP in particular) at RENL, SIPH and GREL in accordance with the initial depreciation plan.

NOTE 7 - TANGIBLE FIXED ASSETS

As at 31 December 2021, this item breaks down by type as follows:

Categories	*Gross value as at 01/01/2021*	*Acquisitions*	*Disposals*	*Transfers (*)*	*Conversion diff.*	*Gross value as at 31/12/2021*
- Land	1 479	-	-	3 877	9	5 365
- Buildings	118 054	3 924	-	7 986	77	130 041
- Industrial equipment and tools	71 437	3 310	- 865	9 965	60	83 907
- Office equipment	6 954	384	- 252	278	12	7 376
- Transport equipment	16 735	1 610	- 541	1 058	29	18 890
- Installation and fittings	17 423	1 306	-	88	- 0	18
- Other tangible fixed assets	543	71	-	- 422	2	193
- Site preparation	8 421	866	-	- 636	- 0	8 651
- Other fixed assets in progress	6 609	11 803	- 3	- 7 384	2	11 028
- Advances and down-payments on tangible fixed assets	479	5 125	-	501	-	5 102
TOTAL	**248 134**	**28 397**	**- 1 661**	**14 308**	**192**	**289 371**

Categories	Depreciation and provisions as at 01/01/2021	Allocations	Write-backs	Disp osals	Transfers (*)	Conversion diff.	Depreciation s and provisions at 31/12/2021
- Land	0	0	0	0	0	0	0
- Buildings	56 177	5 916	0	0	486	34	62 613
- Industrial equipment and tools	55 610	6 708	0	-665	30	45	61 728
- Office equipment	5 811	581	0	-247	0	9	6 155
- Transport equipment	13 586	1 822	0	-530	470	21	15 369
- Installation and fittings	11 488	1 821	0	0	535	0	13 844
- Other tangible fixed assets	62	0	0	0		0	62
- Fixed assets in progress (α)	2 611	36	0	0	6 936	1	9 584
- Advances and down-payments on tangible fixed assets	0	0	0	0	0	0	0
TOTAL	**145 345**	**16 884**	**0**	**-1 443**	**8 457**	**111**	**169 355**

(*) The residual amounts in the "Transfers" column correspond to assets (gross value and depreciation) reclassified during the financial year as tangible assets and bearer biological assets.

The net value of tangible fixed assets decreased by EUR 10.54 million to EUR 120.02 million at the end of December 2021. They are detailed by type as follows:

Categories	Net value as at 01/01/2021	Allocation to provisions for asset impairment	Write-backs on provisions for asset impairment	Other Other net changes for the financial year	Net value as at 31/12/2021
- Land	1 479	-	-	3 886	5 365
- Buildings	61 877	-	-	5 551	67 428
- Industrial equipment and tools	15 827	-	-	6 352	22 179
- Office equipment	1 143	-	-	79	1 222
- Transport equipment	3 149	-	-	372	3 521
- Installation and fittings	5 935	-	-	-961	4 974
- Site preparation	8 421	-	-	230	8 651
- Other tangible fixed assets	481	-	-	-288	193
- Investments in progress	3 998	-	-	-2 617	1 381
- Advances and down-payments on tangible fixed assets	479	-	-	4 623	5 102
TOTAL	**102 789**	**-**	**-**	**17 227**	**120 016**

The Group has four cash-generating units, including two to which goodwill is attached and which are subject to a mandatory impairment test at the end of the year. At the end of each reporting period, SIPH assesses whether there is any indication that a CGU may be impaired. In the event of such indications, the recoverable amount of the CGU is calculated.
On the other hand, CRC's contributory assets have remained at zero since financial year 2015.

At the end of financial year 2021, following the impairment test on all of the Group's CGUs, no impairment was recorded on depreciable tangible assets.

In addition, an upward change in discount rates of 2% for each of the CGUs would not result in any impairment of depreciable tangible assets as at 31 December 2021.

We have highlighted below the comparative discount rates between 2017 and 2019 on each of the CGUs.

Category	SAPH			CRC			REN			GREL		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Discount rate	8.97%	9.10%	9.20%	15.02%	16.50%	20.20%	10.60%	10.83%	10.60%	13.25%	12.30%	12.60%

As a reminder, as at 31 December 2020, this item breaks down by type as follows:

Categories	Gross value as at 01/01/2020	Acquisitions	Disposals	Transfers (*)	Conversion diff.	Gross value as at 31/12/2020
- Land	1 515	2	0	0	-37	1 479
- Buildings	109 856	1 208	-36	8 581	-1 555	118 054
- Industrial equipment and tools	73 710	1 076	-810	-1 402	-1 137	71 437
- Office equipment	6 873	142	-83	237	-215	6 954
- Transport equipment	17 389	1 576	-2 085	298	-443	16 735
- Installation and fittings	18 503	542	-2 088	465	0	17 423
- Other tangible fixed assets	140	0	0	422	-20	543
- Site preparation	7 666	880	0	-130	6	8 421
- Other fixed assets in progress	15 311	6 980	-92	-15 589	-1	6 609
- Advances and down-payments on tangible fixed assets	101	421	0	-42	0	479
TOTAL	**251 064**	**12 826**	**-5 194**	**-7 161**	**-3 402**	**248 135**

(*) The residual amounts in the "Transfers" column correspond to assets (gross value and depreciation) reclassified during the financial year as intangible assets and bearer biological assets.

Categories	Depreciation and provisions as at 01/01/2020	Allocations	Write-backs	Disposals	Transfers (*)	Conversion diff.	Depreciation and provisions as at 31/12/2020
- Land	0	0	0	0	0	0	0
- Buildings	51 023	4 406	0	-18	0	765	56 177
- Industrial equipment and tools	48 669	7 570	0	0	0	-629	55 610
- Office equipment	5 353	629	0	-33	0	-138	5 811
- Transport equipment	14 182	1 991	0	-2 080	11	-519	13 586
- Installation and fittings	11 380	2 473	0	-2 088	0	-277	11 488
- Other tangible fixed assets	31	38	0	0	0	-7	62
- Fixed assets in progress (α)	11 313	0	0	-8 703	0	0	2 611
- Advances and down-payments on tangible fixed assets	0	0	0	0	0	0	0
TOTAL	**141 951**	**17 108**	**0**	**-12 920**	**11**	**-806**	**145 345**

Categories	Net value as at 01/01/2020	Allocation to provisions for asset impairment	Write-backs on provisions for asset impairment	Other net changes for the financial year	Net value as at 31/12/2020
- Land	1 515	0	0	-36	1 479
- Buildings	58 833	0	0	3 044	61 877
- Industrial equipment and tools	25 041	0	0	-9 214	15 827
- Office equipment	1 520	0	0	-377	1 143
- Transport equipment	3 207	0	0	-58	3 149
- Installation and fittings	7 123	0	0	-1 188	5 935
- Site preparation	7 666	0	0	755	8 421
- Other tangible fixed assets	109	0	0	372	481
- Fixed assets in progress	3 998	0	0	0	3 998
- Advances and down-payments on tangible fixed assets	101	0	0	378	479
TOTAL	**109 113**	**0**	**0**	**-6 324**	**102 790**

NOTE 7 A - RIGHT OF USE - TANGIBLE FIXED ASSETS

Following the application of IFRS 16, the changes in rights of use are detailed as follows:

Categories	Gross value 01/01/2021	Acquisitions	Disposals	Transfers (*)	Conversion diff.	Gross value 31/12/2021
- Land use rights	3 876				-188	3 688
- Right of use for buildings	4 006				-9	3 997
- Right of use for transport equipment	235					235
- Right of use for installation and fittings	55					55
TOTAL	**8 173**	**0**	**0**	**0**	**-197**	**7 975**

Categories	Depreciations and provisions as at 01/01/2021	Allocations	Write-backs	Disposals	Transfers (*)	Conversion diff.	Depreciations and provisions at 31/12/2021
- Right of use for buildings	486	1 177				-0	1 662
- Right of use for transport equipment	470		-235				235
- Right of use for installation and fittings	534		-478				56
TOTAL	**1 490**	**1 177**	**-713**	**0**	**0**	**-0**	**1 954**

NOTE 8 – BEARER BIOLOGICAL ASSETS

Bearer plants, which have been within the scope of the revised IAS 16 "Property, Plant and Equipment" since 1January 2016, are accounted for using the historical cost model.

The gross value of bearer plants is based on the capitalisation of capitalised costs in accordance with IAS 16 (Direct and indirect costs) and IAS 23 (Interest on borrowings).

The Group does not assess standing (pre-harvest) agricultural production. Indeed, by its very nature, this notion is not applicable to rubber trees of which the agricultural production (latex) is located inside the tree itself. In addition, the Group believes that the standing crop of palm trees cannot be reliably assessed with a sufficient degree of certainty without incurring costs disproportionate to the usefulness of the information thus collected.

Mature rubber and palm tree plantations are now depreciated using the straight-line method, which reflects the rate of economic benefits expected (mature crops):

- between 30 and 33 years for mature rubber plantations,
- between 20 and 25 years for mature palm oil plantations.

The basis for depreciation of trees under IAS 16 corresponds to the gross value of the plantations at their maturity date.

This item can be broken down as follows by the nature of the bearer plants:

Categories	***Net value as at 31/12/2021***	***Net value as at 31/12/2020***
Immature and mature rubber tree plantations	134 111	130 730
Immature palm oil plantations	7 669	8 455
Nursery	4 081	3 316
TOTAL	**145 861**	**142 501**
Of which:		
Rubber trees	**138 192**	**134 046**
- SAPH	*61 054*	*59 781*
- GREL	*49 870*	*48 319*
- REN (α)	*17 552*	*16 839*
- CRC	*9 717*	*9 107*
Oil palm tree	**7 669**	**8 455**
- SAPH	*7 064*	*7 751*
- GREL	*605*	*704*
- REN	*0*	*0*
- CRC	*0*	*0*
TOTAL	**145 861**	**142 501**

The changes in the book value of the producing plants are summarised as follows between 1 January and 31 December 2021:

Categories	***2021***	***2020***
As at 1 January	142 501	140 886
Net change in nurseries	824	96
Increase	6 059	7 759
Reduction	-98	-128
Transfers*	647	119
Depreciation and amortisation	-4 211	-3 672
Depreciation for loss of value	0	0
Currency conversion adjustment (a)	139	-2 560
As at 31 December 2021	**145 861**	**142 501**

(*) The amounts in the "Transfers" line correspond mainly to assets (gross value and depreciation) reclassified from tangible fixed assets to biological assets.

(α) The impact of translation differences on financial year 2021 is not significant.

Following the impairment test carried out at the end of financial year 2021, in comparison with the recoverable amount of the CRC CGU, with the contributory value of goodwill and economic assets recorded in the consolidated balance sheet, the value of the contributory assets of the CRC CGU remains at zero.
In addition, an upward variation in the discount rates of 2% for each of the CGUs would not result in any depreciation or reversal of additional provisions in the group's consolidated accounts. As a reminder, these provisions for depreciation are reversible.

We have highlighted below the comparative discount rates between 2021 and 2019 on each of the CGUs.

Category	**SAPH**			**CRC**			**REN**			**GREL**		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Discount rate	8.97%	9.10%	9.20%	15.02%	16.50%	20.20%	10.83%	10.60%	10.60%	13.25%	12.30%	12.60%

Nurseries are valued at historical cost and amounted to EUR 4,081k as at 31 December 2021 compared to EUR 3,316k at the end of December 2020.

During the year, the financial costs incorporated into the producing plants amounted to EUR 1 280 K, mainly at SAPH and GREL, for a weighted average capitalization rate of between 5.4% and 6.01%. By way of comparison, the amount of financial expenses capitalised in 2019 amounted to EUR 2,465k with a weighted average capitalisation rate of between 5.17% and 6.70%.
GREL's producing plants were given, in their entirety (within the limit of outstanding loans, i.e. EUR 8.5 million), as collateral for debt, jointly to SG Ghana and PROPARCO at the end of the financial year.
There are no producing plants of which the ownership is restricted by SAPH, REN and CRC. The Group does not receive any subsidy relating to these biological assets.

NOTE 9 - FINANCIAL FIXED ASSETS

This position includes:

Categories	Gross value 31/12/2021	Depreciation 31/12/2021	Net value as at 31/12/2021	Net value as at 31/12/2020
Non-consolidated equity interests Other financial fixed assets	131 2 059	0 -635	131 1 424	131 1 114
Total	**2 189**	**-635**	**1 554**	**1 244**

NOTE 10 - OTHER NON-CURRENT ASSETS

Categories	31/12/2021	31/12/2020
Other non-current receivables	276	114
Advances to growers	-	-
Total	**276**	**114**

NOTE 11 - STOCKS

Categories	31/12/2021	31/12/2020
Rubber		
Raw materials	55 389	40 123
Finished products:	30 251	25 950
Other		
Inventories of goods and other supplies	21 070	18 281
Impairment of inventories of goods and other supplies	-1 409	-1 040
Total	**105 300**	**83 314**

In application of IAS 2 (stocks) and IAS 41 (agricultural production), the quantities in stock are monitored by source (own plantations or purchases from village growers) and by age, which makes it possible to value:

- purchases from village growers made at their actual purchase cost for the period (purchase price to which incidental purchase costs are added);

- own production at fair value, corresponding to the purchase price from the village growers on the date of harvest; this purchase price is considered the fair value on the valuation date

The machined rubber (finished product) is valued by adding the machining costs to the average valuation of the cup bases.

As at 31 December 2021, rubber stocks of raw materials and finished products break down as follows:

Categories	*Quantity (in tonnes) as at 01/01/2021*	*Unit price (EUR/kg) as at 01/01/2021*	*Value in thousands of EUR as at 01/01/2021*	*Quantity (in tonnes) as at 31/12/2021*	*Unit price (EUR/kg) as at 31/12/2021*	*Value (in thousands of EUR) as at 31/12/2021*	*Variation (tonnes)*	*Variation (in thousands of EUR)*
Raw materials:								
SAPH	34 628	0.800	27 701	36 154	0.931	33 650	1 526	5 949
GREL	10 012	0.815	8 163	17 668	0.939	16 592	7 656	8 429
REN	3 810	1.010	3 847	2 869	1.124	3 225	-941	-623
CRC	501	0.820	411	2 098	0.916	1 922	1 596	1 511
Total	**48 951**	**0.820**	**40 123**	**58 789**	**0.942**	**55 389**	**9 838**	**15 266**

Categories	*Quantity (in tonnes) as at 01/01/2021*	*Unit price (EUR/kg) as at 01/01/2021*	*Value in thousands of EUR as at 01/01/2021*	*Quantity (in tonnes) as at 31/12/2021*	*Unit price (EUR/kg) as at 31/12/2021*	*Value (in thousands of EUR) as at 31/12/2021*	*Variation (tonnes)*	*Variation (in thousands of EUR)*
Finished products:								
SAPH	18 327	0.982	18 002	20 037	1.123	22 507	1 710	4 505
GREL	3 090	1.055	3 259	2 484	1.165	2 895	-606	-364
REN	3 619	1.170	4 234	2 736	1.275	3 488	-883	-746
CRC	431	1.055	455	1 231	1.106	1 361	800	906
Total	**25 467**	**1.019**	**25 950**	**26 488**	**1.142**	**30 251**	**1 022**	**4 300**

No depreciation was recorded on rubber inventories in the accounts as at 31 December 2021 and 31 December 2020.

As at 31 December 2020, rubber stocks of raw materials and finished products break down as follows:

Categories	*Quantity (in tonnes) as at 01/01/2020*	*Unit price (EUR/kg) as at 01/01/2020*	*Value (in thousands of EUR) as at 01/01/2020*	*Quantity (in tonnes) as at 31/12/2020*	*Unit price (EUR/kg) as at 31/12/2020*	*Value (in thousands of EUR) as at 31/12/2020*	*Variation (tonnes)*	*Variation (in thousands of EUR)*
Raw materials	60 578	0.751	45 486	48 951	0.820	40 123	-11 627	-5 363
Finished products	23 536	0.965	22 721	25 467	1.019	25 950	1 930	3 229

NOTE 12 - TRADE AND OTHER RECEIVABLES

Categories	2021	2020
Customer receivables and related accounts	45 437	34 452
*of which trade receivables **	43 984	34 290
of which financial current accounts	1 453	161
Impairment of customers and related accounts	-2 108	-2 268
Trade receivables - net	**43 329**	**32 183**
Other receivables	21 276	24 809
Depreciation of other receivables	-518	-464
Other receivables - net prepaid	**20 758**	**24 345**
expenses	**1 357**	**350**
Total	**65 443**	**56 878**

** For details by activity: see Note 28.1*

The book values of receivables and other debtors are mainly denominated in EUR. As at 31 December 2021, trade receivables amounted to EUR 43 984 K.
Impairment of trade receivables recorded a net decrease of EUR 160 K as at 31 December, 2021.
Provisioned receivables are related to activities other than rubber: the rubber activity having cash payment terms against documents. The prior classification of provisions for depreciation of trade receivables is indicated below:

	31/12/2021	31/12/2020
Between six months and one year	0	29
For more than one year	2 108	2239
Total	2 108	2 268

	Amounts in thousands of EUR
As at 1 January 2020	**4 600**
Provision for impairment of receivables	29
Reversal for provision that has become irrelevant	-4
Reclassification	-2 357
Currency translation adjustment	0
As at 31 December 2020	**2 268**
Provision for impairment of receivables	0
Reversal for provision that has become irrelevant	-160
Reclassification	0
Currency conversion adjustment	0
As at 31 December 2021	**2 108**

As at 31 December 2021, trade receivables amounted to EUR 43 984 K. These receivables relate to a number of customers who do not have a recent history of default. The classification by maturity of these receivables is indicated below:

	31/12/2021	31/12/2020
Due	0	0
Between 0 and 3 months	37 375	3 639
Between 3 and 6 months	3 156	23 527
Between 6 and 9 months	231	673
Between 9 months and 12 months	3 222	6 451
TOTAL	**43 984**	**34 290**

The customer payment methods usually practised within the Group (delivery of documents against payment) limit the credit granted to customers.
The other categories included in receivables and other receivables do not contain any significant impaired assets.

NOTE 13 - OTHER CURRENT FINANCIAL ASSETS / CURRENT FINANCIAL LIABILITIES

Categories	*31/12/2021*	*31/12/2020*	*VARIATION*
Other current financial assets	**- 0**	**1 464**	**- 1 464**
Fair value of rubber hedging contracts	- 0	951	- 951
Foreign currency accounts	-	513	- 513

Categories	*31/12/2021*	*31/12/2020*	*VARIATION*
Other current financial liabilities	**2 276**	**536**	**2 416**
Fair value of rubber hedging contracts	2 100	22	2 247
Foreign currency accounts	176	513	169

These positions include:

- forward hedging instruments to protect against the risk of volatility in rubber prices. These items are valued at their fair value.
- Currency forward contracts are used by the Group to deal with exchange risks on rubber purchase and sale contracts. These items are valued at their fair value.
- Hedging instruments (CAP option) to protect against the risk of a rise in the Euribor interest rate

MATERIAL DERIVATIVES FINANCIAL INSTRUMENTS

- *SWAP contracts*

As at 31 December 2021, the commitment given under the SWAP contracts is 32 661 tonnes of rubber maturing in 2022, or EUR 52 million. The valuation of these derivatives at the closing amounts to

Changes in the fair values of commodity derivatives directly recognised in equity:

Category	31/12/2021	31/12/2020	Variation
Other current financial assets			
Fair value of rubber hedging contracts	-	951-	951
Fair value of rubber hedging contracts	-	513 -	513
Fair value of rubber hedging contracts	663	-	663

Category	31/12/2021	31/12/2020	Variation
Other current financial liabilities			-
Fair value of rubber hedging contracts	2 100	0	2 100
Fair value of forward currency contracts	176	0	176

NOTE 14 - CASH AND CASH EQUIVALENTS

Categories	31/12/2021	31/12/2020
Cash (Note 26.3)	34 263	39 869
Short-term marketable securities and bank deposits (Note 26.3)	129	23
TOTAL	**34 392**	**39 892**

NOTE 15 - CONTRIBUTED CAPITAL AND ISSUE PREMIUMS

Categories	Number of actions	Capital (ordinary shares)	Issue premiums	Total
As at 1 January 2020	5 060 790	11 569	25 179	36 748
As at 31 December 2020	5 060 790	11 569	25 179	36 748
As at 31 December 2021	5 060 790	11 569	25 179	36 748

	2021	2020
Result attributable to the shareholders of the Company (in thousands of EUR)	34 703	6 161
Average number of shares in circulation	5 060 790	5 060 790
Basic and diluted earnings per share (EUR per share)	**6.86**	**1.22**

Following the general meeting held on 25 June 2021, ruling on the accounts as at 31 December 2020, the net result for an amount of EUR 1.5 million was entirely allocated to retained earnings.

Following the general meeting held on 5 June 2020 to approve the accounts for the year ending 31 December 2019, the net result of EUR 1.35 million was fully allocated to retained earnings.

Following the general meeting held on 27 May 2019 to approve the financial statements for the year ending 31 December 2018, it was decided to pay an exclusively cash dividend of EUR 0.79 gross per share, i.e. a total of EUR 3.99 million.

SIPH's share capital is now exclusively held by SIFCA (55.59%) and CFM (44.41%).

	SIFCA		Michelin Financial Company	
	% capital	% voting rights	% capital	% voting rights
As at 31 December 2020	55.59%	54.82%	44.41%	45.18%
As at 31 December 2021	55.59%	54.82%	44.41%	45.18%

NOTE 16 - SUPPLIERS AND OTHER CREDITORS

Categories	*31/12/2021*	*31/12/2020*
Suppliers	24 659	31 637
Fiscal and social debts, excluding tax debts	12 720	10 160
Other debts	4 532	6 710
TOTAL	**41 911**	**48 508**

The “Suppliers” items recorded a decrease of EUR 6,978 thousand compared to the previous financial year; mainly due to the reduction in purchases in progress at SAPH for EUR 3,751 thousand and at GREL for EUR 3,250 thousand.

The “Other debts” item decreased by EUR 2,178 thousand mainly due to: Decrease in

other debts at GREL for EUR 1,886 thousand;
Decrease in other debts at SIPH and RENL for an amount of EUR 324 K.
Increase in other debts at SIPH and RENL for an amount of EUR 32 K.

The increase in “tax and social security debt, excluding tax debt” is EUR 2,560 thousand; mainly from:

- the increase in outstanding tax debts at SIPH for EUR 1 092 thousand;
- the increase in outstanding social debts at SAPH for EUR 531 thousand;
- the increase in outstanding social debts at SAPH for EUR 531 thousand;

NOTE 17 - INCOME TAX DEBTS

Categories	31/12/2021	31/12/2020	*Net variation*
SAPH	6 551	1 304	5 247
REN	1 112	56	1 056
TOTAL	**7 663**	**1 360**	**6 303**

The increase in income tax liabilities is mainly due to the increase in the amount outstanding at SAPH.

NOTE 18 - LOANS

Categories	31/12/2021	31/12/2020
Non-current		
Bond issues	0	0
Bank loans	76 647	69 499
	76 647	**69 499**
Current		
Bank overdrafts (Note 26-3)	548	3 635
Bank loans	18 076	32 235
Spot credit	28 203	26679
	46 827	**62 548**
Total borrowings	**123 474**	**132 048**

The "Non-current bank borrowings" item shows an increase of EUR 7.14 million due to:

- Receipt of the tranche of EUR 12.5 million borrowed from SIPH from Société Générale;

- loan repayments during the year amounting to EUR 13 million (*of which EUR 13 million at SAPH, EUR 2.99 million at GREL);*

- Reclassification of the GREL loan of EUR 8 million as a long-term bank loan*;*

The analysis of the change in the Current Bank Borrowings item can be presented as follows:

- The “spot credit” item concerns SAPH.

- the " bank overdraft " item decreased by EUR 3,087 million as at 31 December 2021. It mainly concerns SAPH.

The maturities of non-current loans are indicated below:

Categories	31/12/2021	31/12/2020
Between 1 and 2 years	38 003	5 370
Between 2 and 5 years	28 052	41 712
Over 5 years	10 592	22 417
	76 647	**69 499**

- *Interest rate swap*

Changes in the fair values of interest rate derivatives directly recognised in equity:

Header (in thousands of EUR)	Cashflow Rate flow coverage
As at 31December 2020	0
Change in value (excluding option premium)	373
Recycled as expenses & income	53
Fair value of interest rate hedging transactions	320

The characteristics of the main borrowings and spot credits contracted by the subsidiaries are summarised as follows:

Organisation		Rate	Rate fixed/variable	Amount due on 31/12/2021 (in thousands of EUR)	Amount due on 31/12/2020 (in thousands of EUR)
SIPH					
Société Générale		4.54%	Variable		
	Principal			72 500	60 000
				0	0
SAPH					
Ecobank		7.00%	Fixed		
	Principal			**0**	**5 183**
Ecobank (Spot credit)		7.50%	Fixed		
	Principal			**4 573**	**0**
SIB		5.00%	Fixed		
	principal			**0**	**3 659**
SIB (Spot credit)		8.00%	Fixed		
	principal			**0**	**3 811**
NSIA / BIAO		4.75%	Fixed		
	principal			**0**	**1 829**
NSIA / BIAO (Spot credit)		8.70%	Fixed		
	principal			**0**	**6 098**
BNI		4.75%	Fixed		
	principal			**9 642**	**9 642**
BNI (Spot credit)		8.5%	Fixed		
	principal			**1 524**	
SGBCI (Spot credit)		6.00%	Fixed		
	principal			**6 860**	**6 098**
BACI (Spot credit)		5.50%	Fixed		
	principal			**3 049**	**3 049**
BOA (Spot credit)		6.00%	Fixed		
	principal			**3 049**	**0**
BICICI (Spot credit)		6.50%	Fixed		
	principal			**4 573**	**4 573**
STANDARD (Spot credit)		5.00%	Fixed		
	principal			**4 573**	**3 049**
GREL					
French Development Agency.		2.50%	Fixed		
	Principal			**0**	**226**
Société Générale		Euribor 6 months + 6.25%	Variable		
	Principal			**0**	**2 813**
Proparco		Euribor 12 months + 4.50%	Variable		
	Principal			**0**	**8 069**
Sub-total Borrowings excluding the impact of amortised cost				**122 843**	**130 599**
Other *(including bank overdrafts and impact of amortised cost)*				**631**	**1 449**
Total				**123 474**	**132 048**

** fixed rate after hedging*

NOTE 19 - PENSION COMMITMENTS AND SIMILAR BENEFITS

In addition to the other long-term employee benefits of the REN & GREL subsidiaries for an amount of EUR 826 K as at 31 December 2021, this item includes the retirement benefits of the Group's employees summarised as follows:

	Balance as at 01/01/21	Actuarial gains/losses	Cost of services rendered	Financial costs	Paid benefits	Other	Conv. diff.	Balance as at 31/12/2021
Retirement benefits	9 249	488	473	1 086	-532	-54	-891	9 819

The main actuarial assumptions are summarised as follows *(the rate of inflation is taken into account in the rate of wage increase):*

Category	REN		SIPH		SAPH		GREL		CRC	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	13.30%	7.40%	0.34%	0.34%	3.50%	3.50%	21.10%	21.50%	15.00%	15.00%
Future rate of salary increase	13.00%	13.00%	2%	2%	2.00%	2.00%	14.00%	16.00%	5.00%	5.00%

NOTE 20 - OTHER LONG-TERMLIABILITIES

Categories	*31/12/2021*	*31/12/2020*
Other long-term liabilities	109	161
Total	**109**	**161**

This item remained stable between 2021 and 2020.

NOTE 21 - PROVISIONS FOR OTHER LIABILITIES

This item is made up of various provisions for litigation for a total amount of EUR 333 K as at 31 December 2021, which mainly concern the subsidiaries SAPH and CRC.

It shows a decrease of EUR 361 thousand.

Categories	*31/12/2021*	*31/12/2020*
Other provisions for charges within one year	-	362
Other provisions for risks within one year	312	312
Provisions for disputes within one year	21	21
Total	**333**	**695**

NOTE 22 - DEFERRED TAXES

Deferred tax assets and liabilities amounted to a net liability of EUR 6 134 thousand as at 31 December 2021, compared to a net liability of EUR 4 502 thousand as at 31 December, 2020.
The change in net deferred tax liabilities (or assets) during financial year 2021 is detailed below:

	Activation of financial charges	Price allocation on biological assets	Non-incorporable charges	Fair value of the agricultural production	Temporary differences	Prov. Neutralisation Regulated	Chargeable carryforward deficits	Tax credits on investments	Fair value of hedging instruments	Other	Total
As at 1 January 2020	**992**	**1 207**	**-603**	**1 248**	**560**	**3 507**	**0**	**-1 776**	**-173**	**-326**	**4 635**
Impact of reserves	-451	-226	0	0	0	0	0	0	0	77	-599
Debited from/(credited to) income statement	512	-211	0	1 320	-800	0	0	0	0	-355	466
As at 31 December 2020	**1 053**	**770**	**-603**	**2 569**	**-240**	**3 507**	**0**	**-1 776**	**-173**	**-604**	**4 502**
Impact of reserves	-451	-226	0	0	0	0	0	0	0	1 291	614
Debited from/(credited to) income statement	512	-157	0	-117	1 545	0	0	0	0	-764	1 019
As at 31 December 2021	**1 114**	**-387**	**-603**	**2 452**	**1 305**	**3 507**	**0**	**-1 776**	**-173**	**-78**	**6 134**

NOTE 23 – PERSONNEL EXPENSES

Personnel expenses are detailed as follows:

	31/12/2021	31/12/2020
Wages and salaries	47 986	45 890
Social charges	4 651	4 224
TOTAL	**52 636**	**50 114**

Staff costs increased by approximately EUR 2 523 K compared to the financial year 2020 and amounted to EUR 52 636 K at the end of December 2021.
They are presented excluding the impact of wage provisions *and* expenses paid on retirement

In addition, the average workforce of consolidated companies is as follows:

	31/12/2021	31/12/2020
Permanent	9 307	9 179
Not permanent	3 493	3 380
TOTAL	**12 800**	**12 559**

Non-permanent staff correspond to agricultural labour employed outside of a permanent employment contract, which is remunerated, according to the local context and in accordance with the legislation in force, by the task or by the season.

NOTE 24 – COST OF NET FINANCIAL DEBT

	31/12/2021	31/12/2020
Interest charges on long-term loans	-3 851	-3 206
Gross cost of financial debt	*-3 851*	*-3 206*
Securities income	8	7
Net exchange gains/(losses)	4 376	5 388
Other financial income	506	156
Other financial charges on short-term cash	-3 606	-9 240
Total net income from cash and cash equivalents	*1 283*	*-3 689*
Total cost of net financial debt	**-2 568**	**-6 895**

The cost of net financial debt increased by EUR 4 327 K and amounted to EUR -2 568 K as at 31 December 2021. This change is explained by the fall in interest charges on spot loans at SAPH.

NOTE 25 – CORPORATION TAX

The tax charge is analysed as follows:

	31/12/2021	*31/12/2020*
Current taxes	-12 743	-4 420
Other taxes due on income	-	-
Deferred taxes (Note 22)	-1 018	-546
Total	**-13 760**	**-4 966**

The rationalisation of the tax burden can be summarised as follows:

Categories	31/12/2021	31/12/2020
Result for the financial year	47 791	8 830
Charge/(tax income)	- -13 760	- 4 966
Pre-tax profit	**61 551**	**13 796**
Parent company tax rate	27.50%	27.50%
Theoretical tax charge/(benefit)	16 927	3 863
Reconciliation:		
- Differences in tax rates	- 587	1 216
- Distribution taxes	-	
- Deficit carried forward not capitalised (GREL)	-	
- Deferred deficit not capitalised (CRC)	879	
Difference on tax due	- 3 358	
- Other (permanent differences)	- 100	- 113
Actual /tax charge (income)	**-13 760**	**4 966**

(*) The difference in tax rate corresponds to the cumulative difference between the theoretical tax of the parent company, SIPH at 27.5% and the tax at the local rate for each subsidiary.

NOTE 26 – CONSOLIDATED TABLE OF CASH FLOWS

26-1 GAINS AND LATENT LOSSES RELATED TO CHANGES IN FAIR VALUE

	31/12/2021	31/12/2020
Valuation/fair value difference on inventories	1 058	-4 115
Total	**1 058**	**-4 115**

26-2 CHANGE IN WORKING CAPITAL REQUIREMENTS

	31/12/2021	31/12/2020
Inventory change	-23 574	3 246
Change in customers and other debtors	-8 023	-4 881
Change in suppliers and other creditors	-5 973	-9 521
Total	**-37 569**	**-11 157**

The variation in working capital requirement is due to the combination of the following factors:

- increase in outstanding inventories, mainly at SAPH, GREL and CRC;
- increase in outstanding receivables at SIPH;
- decrease in supplier receivables at SAPH and SIPH;

26-3 CASH AND CASH EQUIVALENTS AT THE BEGINNING AND END OF THE PERIOD

The items comprising cash and cash equivalents at the opening and closing of the period are as follows:

Categories	*Cash and cash equivalents as at 31/12/2021*	*Cash and cash equivalents as at 01/01/2021*	*Notes*
Investment securities	129	23	*Note 14*
Cash	34 263	39 869	*Note 14*
Accrued interest not yet due / cash	-	-	*Note 14*
Sub-total cash and cash equivalents	*34 392*	*39 892*	
Bank overdrafts	-548	-3 635	*Note 18*
Interest accrued not yet due – liabilities	-119	-172	
Total	**33 725**	**36 086**	

NOTE 27 – EXTRACT FROM THE SUMMARY CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2021

In millions of EUR	**As at 31/12/2021**	**As at 31/12/2020**
Sales of rubber	**466.0**	**347.3**
Total turnover	**485.5**	**365.1**
Costs of rubber products & expenses on sale	-369.7	-273.1
Stock variations raw materials & finished products	-175	-0.6
Cost of other sales	-13.8	-16.4
Cost of goods sold	-366.0	-290.1
Margin on direct costs	**119.5**	**75.0**
Overheads	-32.3	-25.7
Depreciation and amortisation	-20.9	-22.2
Depreciation and amortisation of rights of use	-0.7	-0.7
Current operating income	**65.6**	**26.3**
Operating income	**64.2**	**20.7**
Net debt cost	-2.6	-6.9
Income tax expense	-13.8	-5.0
Net profit	**47.8**	**8.8**
Net income, Group share	**34.7**	**6.2**

NOTE 28 – SEGMENT INFORMATION

In accordance with the Management rules and the Group's internal reporting, segment information is presented by activity and then by geographic region. The main operational decision-maker of the SIPH Group is its Managing Director.

28-1 INFORMATION BY ACTIVITY

Information by activity for financial years 2021 and 2020 is presented as follows:

INCOME STATEMENT	Rubber		Other activities		Total	
In thousands of EUR	2021	2020	2021	2020	2021	2020
Turnover	**466 043**	**347 334**	**19 449**	**17 717**	**485 492**	**365 051**
of which turnover achieved with third parties	466 043	347 334	19 449	17 717	485 492	365 051
including inter-sector turnover	0	0	0	0	0	0
Margin on direct costs	**113 828**	**73 701**	**5 661**	**1 307**	**119 489**	**75 008**
Overheads	-32 927	-25 743			-32 927	-25 743
Depreciation and amortisation	- 21 612	-22 914			- 21 612	-22 914
Current operating income	**59 289**	**25 044**	**5 661**	**1 307**	**64 950**	**26 352**
+/- value;	-266	-90			-266	-90
Other operating income & expenses	-491	-5 570			-491	- 5 570
Current operating income	**58 531**	**19 385**	**5 661**	**1 307**	**64 193**	**20 692**
Net debt cost	-2 568	-6 895			-2 568	-6 895
Income tax expense	-11 885	-4 516	-1 949	-450	- 13 835	-4 966
Profit for the period from continuing operations	**44 078**	**7 974**	**3 712**	**857**	**47 791**	**8 830**
Net profit from discontinued operations	0	0			0	0
Net income for the financial year	**44 078**	**7 974**	**3 712**	**857**	**47 791**	**8 830**

Other operating income and expenses break down as follows:

Other operating income and expenses	Rubber		Other activities		Total	
(in thousands of EUR)	2021	2020	2021	2020	2021	2020
Other purchase costs and external charges	-1 054	-3 777			-1 054	-3 777
Other management charges	-2 684	-3 313			-2 684	-3 313
Allocations to provisions for dep. Debt	-74	-105			-74	-105
Total other non-current charges	-3 812	-7 194			-3 812	-7 194
Other management income	4 120	4 023			4 120	4 023
Reversal of provisions for dep. Debt	231	528			231	528
Total other non-current income	4 351	4 551			4 351	4 551
Allocation to provisions for asset impairment (CRC)	-1 031	-2 927			-1 031	-2 927
Total other operating income & expenses	-491	-5 570			-491	-5 570

BALANCE SHEET AND OTHER INFORMATION	Rubber		Other activities		Total	
(in thousands of EUR, excluding the workforce)	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20
SEGMENT ASSETS						
Goodwill	13 370	13 356			13 370	13 356
Tangible fixed assets	120 016	109 472			120 016	109 472
Financial fixed assets	1 554	1 244			1 554	1 244
Biological assets	137 332	134 046	8 530	8 455	145 861	142 501
Inventories and work in progress	105 194	83 113	107	202	105 300	83 314
Trade and other receivables	36 148	25 970	5 727	6 052	41 876	32 022
Other current assets	19 380	21 959	4 188	2 897	23 568	24 856
Unallocated assets					36 207	43 783
TOTAL CONSOLIDATED ASSETS					**487 751**	**450 548**
SECTOR LIABILITIES						
Financial debt, long-term share	82 735	74 465			82 735	74 465
Long-term provisions	9 819	9 015			9 819	9 015
Current provisions	333	695			333	695
Financial debt, short-term share	47 354	64 603			47 354	64 603
Suppliers	20 742	27 837	3 918	3 800	24 659	31 637
Social and tax debts	12 720	10 160			12 720	10 160
Other current liabilities	69	216			69	216
Unallocated liabilities					21 373	13 377
TOTAL CONSOLIDATED LIABILITIES					**199 062**	**204 168**
Acquisitions of tangible and intangible assets	33 290	21 327	99	90	-33 388	21 417
OTHER INFORMATION						**0**
Workforce (average)	13 604	12 559			**13 604**	**12 559**

28-2 INFORMATION BY GEOGRAPHIC AREA

Information by geographic area for financial years 2021 and 2020 is presented as follows:

(in thousands of EUR, excluding the workforce)		Turnover	Net assets by sector				Operating income	Acquisitions of tangible fixed, intangible and biological assets	Workforce (average)
			Goodwill	Tangible fixed assets	Biological assets	Financial fixed assets			
Côte d'Ivoire	2020	172 212	11 606	54 919	67 532	0	17 194	10 166	5 667
	2021	318 319	11 606	65 335	68 118	0	42 080	22 274	5 773
Ghana	2020	41 309	0	52 727	49 023	0	124	9 203	3 621
	2021	98 033	0	52 843	50 475	0	5 106	7 385	3 877
Nigeria	2020	26 875	1 764	9 122	17 646	0	996	2 006	2 430
	2021	31 306	1 764	10 726	17 552	0	6 186	3 630	2 405
Liberia	2020	7 671	0	0	0	0	-4 873	-48	776
	2021	7 803	0	-9 696	9 717	0	-1 098	0	1 527
Total Africa	2020	248 067	13 370	108 469	142 501	0	13 441	21 327	12 494
	2021	455 461	13 370	119 208	145 861	0	52 274	33 290	13 582
France	2020	19 800	0	1 003		1 554	7 250	90	20
	2021	27 741	0	807		1 554	11 844	99	22
Total	**2020**	**267 866**	**13 370**	**109 472**	**142 501**	**1 554**	**20 692**	**21 417**	**12 514**
	2021	**483 202**	**13 370**	**120 016**	**145 861**	**1 554**	**64 119**	**-33 388**	**13 604**

NOTE 29 – TRANSACTIONS WITH RELATED PARTIES

29-1 TRANSACTIONS BETWEEN SIPH, ITS SHAREHOLDERS AND RELATED COMPANIES

The consolidated accounts include transactions carried out by the Group in the normal course of its activities with its shareholders and their subsidiaries. Transactions are carried out at market price.

They can be summarised as follows for the financial years 2021 and 2020:

Company Service provider	Company Beneficiary	Expenses		Income		Nature of the transaction
		2021	2020	2021	2020	
SIPH	SIFCA			70	75	Sale of goods
SIFCA	SIPH	3 129	3 129			Technical assistance
SIPH	Michelin		2262			Sales of rubber
SIFCA	SAPH	117	117			Office space rental
PALMCI	SIPH	-	-			General Trade Purchases
SIPH	MOPP			-	-	General Trade Sales
SIPH	PALMCI			996	1 067	General Trade Sales
SIPH	SANIA			728	439	General Trade Sales
SIPH	SUCRIVOIRE			1 579	3 556	General Trade Sales
SIPH	SIFCA			48	75	General Trade Sales

Company Service provider	Company Beneficiary	Receivables		Nature of the transaction
		2021	2020	
SAPH	PALMCI	0	0	Financial current account
CRC	MOPP	1 453	161	Financial current account
SIPH	PALMCI	727	354	Operating receivables excluding down payments received
SIPH	SIFCA	18	0	Operating receivables excluding down payments received
SIPH	MOPP	0	0	Operating receivables excluding down payments received
SIPH	SANIA	141	210	Operating receivables excluding down payments received
SIPH	SUCRIVOIRE	728	1163	Operating receivables excluding down payments received
SAPH	SANIA	141	447	Operating receivables excluding down payments received
SAPH	MOPP	0	0	Operating receivables excluding down payments received
SAPH	SUCRIVOIRE	0	0	Operating receivables excluding down payments received

Company Service provider	Company Beneficiary	Debts		Nature of the transaction
		2021	2020	
COSMIVOIRE/SANIA	SIPH	0	32	Advances and down payments received/orders
SUCRIVOIRE	SIPH	686	1 183	Advances and down payments received/orders
PALMCI	SIPH	0	0	Advances and down payments

				received/orders
CFM	SIPH		9 000	Financial current account
SIFCA	SAPH	110	835	Trade dues
SIFCA	GREL	36	292	Trade dues
SIFCA	SIPH	-33	10	Trade dues
SIFCA	REN	329	227	Financial current account
SIFCA	SAPH	0	200	Financial current account

29-2 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

The gross remuneration paid in the SIPH Group (or by the companies that control it or that it controls) to the members of the Board of Directors and the Executive Board for the years 2020 and 2021 amount to EUR 796 095 and EUR 739 833 respectively. No details are given so as not to reveal individual remuneration.

None of the following remuneration terms are applicable by SIPH:

- **There is no share subscription or purchase plan**, neither for corporate officers nor for employees. As a result, no share subscription or purchase option was granted to SIPH “corporate officers” during financial year 2021, and no share subscription or purchase option was granted by the “corporate officers” of SIPH during financial year 2021.

- **There is no performance share allocation plan.** As a result, no performance shares were allocated to SIPH's corporate officers during financial year 2021, and no performance shares became available to SIPH's corporate officers during financial year 2021.

Corporate officers	Employment contract		Supplementary pension scheme		Indemnities or benefits due or liable to be due as a result of the termination or change of roles.		Compensation relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre BILLON Chairman of the Board of Directors		X		X		X		X
Bertrand VIGNES General Manager		X		X		X		X

29-4 Terms of guarantees given or received

Shareholders' agreement between Compagnie Financière du Groupe Michelin “Senard & Cie” Group, SIFCA and Parme Investissement and Immoriv

A shareholders' agreement was concluded on January 2020, in the presence of SIPH, between (i) Compagnie Financière du Groupe Michelin/"Senard & Cie", a private company limited by shares[1] (hereinafter referred to as "CFM"), (ii) SIFCA, public limited company under Ivorian law[2], and (iii) Parme Investissement, a company incorporated under Ivorian law and Immoriv, a public limited company incorporated under the law of the British Virgin Islands, which are the main shareholders of SIFCA (hereinafter referred to as “the main shareholders”).

The Shareholders' Agreement, concluded for a period of 20 years, will be automatically renewed for a further period of 10 years, unless previously terminated by CFM or SIFCA. The Shareholders' Agreement will automatically lapse on the day on which CFM or SIFCA, as the case may be, holds less than 5% of the share capital of SIPH.

[1] *Controlled by the Compagnie Générale des Etablissement Michelin*
[2] *Jointly controlled by the companies Parme Investissement (itself controlled by the Billon family) and Immoriv (itself controlled by the Doumbia family)*

This shareholder agreement governs:

- the Company's governance rules (appointment of directors, changes in capital, articles of association, approval of shareholders, level of debt, guarantees given, legal proceedings, budget)
  Voting rules for the board
- Commitment to maintain the level of participation.
- Forward call option by SIFCA on SIPH shares held by Michelin

As at 31 December 2021, the breakdown of SIPH shareholders is as follows:

Shareholders	31/12/2019			31/12/2020			31/12/2021		
	No. of shares	% of the capital	% of voting rights	No. of shares	% of the capital	% of voting rights	No. of shares	% of the capital	% of voting rights
SIFCA	2,813,410	55.59%	54.82%	2,813,410	55.59%	54.82%	2 813 410	55.59%	54.82%
CFM	2 247 380	44.41%	45.18%	2 247 380	44.41%	45.18%	2 247 380	44.41%	45.18%
TOTAL	**5 060 790**			**5 060 790**			**5 060 790**		

NOTE 30 - RISK MANAGEMENT

30-1 LIQUIDITY RISK

30-1-1 Group liquidity and solvency risk

Careful management of liquidity risk involves maintaining a sufficient level of liquidity and negotiable securities in a market, having financial resources through appropriate credit facilities, and being able to unwind positions in the market. Due to the dynamism of the Group's activities, the financial department aims to maintain financial flexibility while retaining the possibilities of mobilising short-term financing.

The tables below analyse the Group's financial liabilities, which will be settled on a net basis according to maturity ranges based on the residual contractual term of the liabilities at the closing date. In addition, in the event of non-compliance with prudential ratios contained in bank loan agreements, the related outstanding long-term debts are reclassified as short-term financial debts on the closing date.

The amounts shown in the table represent the undiscounted contractual cash positions.

Categories	31/12/2021	Less than one year	More than one year and less than two years	Between two and five years	More than five years
As at 31 December 2021					
Bank loans (excluding derivatives)	94 361	17 714	38 003	28 052	10 592
Derivatives*	0	0	0	0	0
Bank overdrafts and spot credit	29 112	29 112	0	0	0
Total financial liabilities	**123 473**	**46 826**	**38 003**	**28 052**	**10 592**
Suppliers and other debts (excluding tax debts and taxes)	41 911	41 911		-	-

(*) Having an impact on equity for the period

The Group's consolidated current assets *(cash + trade and other receivables)* amounted to EUR 98 835 K as at 31 December 2021 (EUR 98 235 K as at 31 December 2020), plus EUR 105 300 K of outstanding inventories to cover financial liabilities due within one year.

30-1-2 Fair value of financial instruments

As at 31 December 2020, the SIPH Group held different categories of financial instruments measured at fair value, which are presented in the following table:

Category	Book value	Fair value	IFRS level
Other current financial assets			
Fair value of rubber hedging contracts	-	-	Level 2
Fair value of hedging contracts	-	-	Level 2
Fair value of hedging contracts (incl. premium)	663	663	Level 2

Category	Book value	Fair value	IFRS level
Other current financial liabilities			-
Bank loans	92 452	92 452	Level 3
Fair value of rubber hedging contracts	2 100	2 100	Level 2
Fair value of forward currency contracts	176	176	Level 2
Fair value of hedging contracts (incl. premium)	-	-	Level 2

30-1-2-a Assessment techniques

Foreign exchange risk hedging contracts are valued on the basis of observable spot exchange rates, the yield curves of the currencies concerned, as well as the exchange differences between the currencies concerned.

The interest rate *swaps* are valued using valuation techniques based on yield curves of observable interest rates.

30-1-2-b Risk analysis related to financial instruments

The SIPH Group did not have any derivatives that did not qualify for hedging at the end of December 2021. The fair value of derivatives qualified as hedges breaks down as follows:

Category		> 1 year	Between 1 and 5 years	> 5 years
Derivatives qualified as cashflow hedges (incl. premium)	-	276	663	Level 2

➔ *Risks on derivative products intended to secure selling prices*

Derivatives qualified as fair value hedges correspond to forward hedging instruments used to protect against the risk of volatility in rubber prices. These items are valued at fair value at closing.

Indeed, SIPH carries out hedging transactions, without speculative purpose, but to secure its turnover and margins, in the form of swaps

In return, the risks of having to finance calls for margins on derivative contracts or deliveries on forward sales are taken into account, in the event of unfavourable market movements.

Since covers are used to secure the price of physical sales, it is essential that they do not exceed the physical delivery capacity. This risk is prudently managed by SIPH through commitments, the quantities and timing of which are appropriate to those of production and which remain within the commitment limits authorised by the Board of Directors.

The risk of late delivery or production - mainly in cases of a force majeure - cannot however be completely ruled out. However, prudence in making commitments on derivative products helps to minimise this risk."

30-2 RISK RELATED TO FLUCTUATIONS IN THE RUBBER MARKET

30-2-1 The rubber market

Given the maturity of the rubber tree, which produces 7 years after planting, trees planted from 2000 to 2012 during the price recovery are currently producing.

After the depressive effect of the 2020 Covid crisis, where world production had fallen to 13 MT, 2021 production returned to 13.6 million tonnes, which is quite stable compared to the years 2017-2018-2019.

Even though Thailand and Indonesia still represent 56% of world production in 2021, Côte d'Ivoire now exceeds 1 million tonnes, becoming the 4th largest producer in the world.

Asia therefore still accounts for 86% of natural rubber production in 2021, and Africa continues to increase its contribution, which reaches 9.5% of world production.

Global consumption of natural rubber:

World consumption in 2021 stands at 13.4 million tonnes, returning to its 2019 level, after falling to 12.5 MT in 2020 (Covid crisis).
China accounts for 42% of global consumption.

The trough in the cycle in recent years has been a deterrent to renewals and new plantings, which will limit the growth in supply over the next few years.
If demand returns to its growth level of the past 12 years, of around 2% per year, the market should confirm the exit from the trough in the cycle that is currently emerging.

(Natural rubber market source: LMC 1st quarter 2022)

The change in SICOM 20

The “TSR 20” grade listed in USD in Singapore (the SICOM 20) is representative of most of the SIPH Group's production. Sicom 20 serves as a reference market for setting the main selling prices of SIPH, and also for setting the purchase prices of the raw material.

The market, which had collapsed in the 1st half of 2020 with the COVID crisis, had recovered well in the 2nd half of 2020, and this trend was confirmed in the 1st quarter of 2021, reaching a level which remained fairly stable on the Next 3 quarters, between USD 1.65 and USD 1.75. The annual average is therefore USD 1.676/kg (i.e. EUR 1.418/kg).
Demand remained fairly strong throughout the year, driven by the strong activity of the tyre industry, but also by the difficulties of global maritime logistics.

Prices, which were fairly stable during the 2nd half of 2021 (around USD 1.70/kg), increased in the 1st quarter of 2022, under the effect of increases in all raw materials, and in particular oil prices. Prices are therefore around USD 1.80/kg in mid-March.
The average for the 1st quarter of 2022 is USD 1.78/kg (EUR 1.59/kg).

Rubber tree cultivation is carried out over a period of 40 years, including about 7 years before the first productions, in a cyclical market; the supply adapts to the evolution of demand with an inertia linked to the duration of cultivation and the immature period:

- going through a low cycle is inherent to the business. The possibility of deferring investments linked to replanting during the low cycle is a way for the company to adapt to its economic context;
- long-term replanting management allows SIPH to plan its production over the next 20 to 30 years with a regular increase. This asset-based management of replanting allows SIPH to avoid the risk of combining cyclical production with cyclical prices;

30-2-2 Risks linked with fluctuations in the rubber market

Rubber is a variable-price raw material, the volatility of which has increased in recent years. Four risk types linked to price fluctuations are identified:

a) A fluctuation of prices on income and cash and liquidity risk

i) The impact of price variation on the current operating profit

The Group's results are linked to rubber prices; the Group markets rubber from two origins: the Group's plantations on the one hand and purchases from village growers on the other.

These two rubber sources do not contribute in the same way to the creation of added value:

- the rubber from the Group's plantations has a production cost independent of the price level. Therefore, SIPH generates a positive or negative margin depending on whether the price is higher or lower than the cost price: beyond the break-even point, the margin increases in proportion to the prices;

- The purchase price from the village grower is set with reference to SICOM 20. The “20” quality quoted in USD in Singapore (SICOM 20) is representative of most of the productions of the SIPH Group. Therefore, the cost price of this rubber follows market fluctuations. Thus, in the event of a rise in prices, the margin per kilo generated on this purchased rubber does not increase as rapidly as that achieved on rubber from the Group's plantations.

Thanks to these two sources of rubber, the Group has:

- a leverage effect in the event of an increase in prices, due to the margins achieved on its own productions;

- a “shock absorber” effect in the event of a fall in prices, the positive contribution of the rubber purchased, making it possible to lower the break-even point.

In order to guard against the risk of volatility in these prices, and to hedge against a drop in prices that could affect the Group's margin on sales of rubber from its subsidiaries, SIPH has put in place hedges, with firm or optional derivative products.

ii) An evaluation of organic assets

From the financial years beginning on 1 January 2016, applying the amendments to IAS 16 and IAS 41, the production plants now fall within the scope of the revised IAS 16 “Tangible fixed assets” standard and are therefore recognised according to the cost model.

The SIPH Group has chosen the cost model for recognition of its biological assets and has opted for the return to the historical cost of its rubber and palm plantations as their last book value as at 31 December 2015, replacing their fair value.

b) The risk of price fluctuations between production and sales

Raw materials: The purchase price of rubber (raw materials) purchased from independent producers (70% of SIPH's production) is established with reference to a floor price set by organizations in the sector (in correlation with international prices). Incidental purchase costs are added to this price, as do other market participants.

Finished products: Sales are concluded as production progresses, between 1 to 3 months before shipment. The sale price is set when the sale is concluded, on the basis of international prices as at that date.

SIPH markets all of its products as they are harvested or purchased. Stocks are therefore covered by sales made but not yet shipped.

The terms for marketing and engagement are regularly set and reviewed by the Board of Directors.

In order to guard against the risk of volatility in these prices, and to hedge against a drop in prices that could affect the Group's margin on sales of rubber from its subsidiaries, SIPH relies on firm or optional derivative products.

c) Risks on derivative products intended to secure selling prices:

SIPH secures its turnover by setting up derivative products (the sale of hedges and swaps).

As derivative products are used to secure the price of physical sales, it is essential that these sales of covers never exceed physical delivery capacity. This risk has been prudently managed by SIPH through commitments, the quantities and timing of which are appropriate to those of production and which remain within the commitment limits authorised by the Board of Directors.

The risk of late delivery or production - mainly in cases of a force majeure - cannot however be completely ruled out.

Prudence in making commitments on derivative products helps to minimise this risk.

d) Stock risk

Stocks are covered by sales made but not yet shipped.

30-3 CLIENT RISK

A concentration of "tyre manufacturers" limits the number of customers.

Michelin is the Group's main customer, and represented 29.24% of consolidated rubber sales in 2021. The top ten customers of the Group represent more than 85% of rubber sales.

Security of the collections is achieved on the one hand, by the inclusion of commercial relations in a long-term industrial partnership and, on the other hand, by the practice of "payment against document", which does not authorise delivery of merchandise to the customer until after receipt of payment. However, in a difficult and volatile market, the risk that customers will refuse deliveries on the grounds of any quality defect is likely to increase.

30-4 RISK OF CHANGE

All accounts between SIPH and its subsidiaries are denominated in euros (EUR), with the exception of financial current accounts between SIPH and CRC denominated in US dollars (USD). Rubber is quoted in USD. SIPH sales are made in EUR.
Consequently, in the SIPH Group, production tools and customer accounts retain their values in hard currency. Liabilities are in local currency, with the exception of certain clearly identified commitments *(of which the main item is GREL's long-term debt, denominated in EUR*).

Due to the nature of its commercial assets in *(receivables)* and the management of its cash flow, which only keeps the resources corresponding to current foreign exchange needs in foreign currency, SIPH is not very sensitive to the operational exchange rate risk linked to exchange rate fluctuations on its assets, liabilities and commercial and monetary commitments.

◗ SAPH (Côte d'Ivoire)

SAPH keeps its accounts in francs (CFA), a currency which has a fixed parity with the euro.

Financing of the SAPH subsidiary being denominated in CFA, as well as its accounts payable, a possible devaluation of the CFA would be favourable to it. The charges (including the payroll) and financial commitments would then be devalued. Indeed, the majority of charges are expressed in CFA while turnover is invoiced in EUR. Consequently, this would result in an immediate improvement both in the profitability of the activity, but also in the balance sheet situation *(value of assets retained against devaluation of liabilities)*.

◗ GREL (Ghana)

GREL has obtained authorisation from the Ghanaian government to keep its accounts in EUR. The Ghanaian currency, the Cedi (GHS), is therefore treated in the SIPH Group's accounts as a currency. The keeping of GREL's accounts in EUR in a country of which the local currency is likely to experience devaluation realistically reflects the commitments of this company.

GREL's cash and cash equivalents are invested in EUR, with the exception of current requirements which are available in Ghanaian currency.

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◗ REN (Nigeria)

REN keeps its accounts in the local currency, the Naira (NGN).

The integration of REN's accounts into the consolidation of SIPH is therefore likely to generate exchange differences.

◗ CRC (Liberia)

The CRC maintains its accounts in USD. CRC's debts are denominated in USD.

The integration of CRC's accounts into the consolidation of SIPH is therefore likely to generate exchange differences, depending on EUR/USD parity.

30-5 CAPITAL RISK

As part of the management of its capital, the Group aims to preserve its continuity of operations in order to provide a return to shareholders, to provide advantages to other partners, and to maintain an optimal capital structure in order to reduce the cost of capital. To preserve or adjust its capital structure, the Group may in particular adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

In accordance with industry practice, the Group closely monitors its capital by controlling its debt ratio. This ratio represents the net debt to total shareholder equity. The net debt corresponds to the total borrowings as they appear in the consolidated balance sheet, less cash and cash equivalents.

30-6 LEGAL RISK

30-6-1 A legal risk on compliance with laws and regulations

The legislative and regulatory context in the countries included in the SIPH Group is susceptible to rapid changes. SIPH and its subsidiaries shall ensure the correct application of the latest developments, in particular by using experts, specifically in the areas of tax law and labour law.

30-6-2 A legal risk on product marketing method

SIPH's sales of raw materials are subject to the provisions of international contracts adapted to the products marketed:

- rubber sales are made under the conditions of the RTAE *(Rubber Trade Association of Europe)*;
- palm oil sales are made according to the conditions set by the FOSFA *(Federation of Oils, Seeds and Fats Association)*;
- sales of cotton-seed meal are made under GAFTA conditions *(Grain and Feed Trade Association)*;
- sugar sales are made according to *"Sugar Association of London"* conditions.

30-6-3 Exceptional events and disputes

Based on the information available to the Company to date, there are no other exceptional facts or disputes, other than those indicated in the consolidated accounts and appendix, which may have or have had in the recent past, a significant impact on the activity, results, financial situation or assets of SIPH or its subsidiaries, with the exception of a tax audit in progress on the subsidiary SAPH as at 31/12/2021, and which will continue in 2022. The expected adjustments cannot be assessed with certainty.

30-6-4 A legal risk on intellectual property, franchises and licenses

The Group is not affected by this kind of risk.

30-7 SHARES RISK

SIPH does not intervene in its shares, and does not hold any shares in the treasury at this time.

The SAPH subsidiary is listed on the Abidjan stock exchange. SIPH is not intended to intervene on the SAPH security market within the framework of price regulation and the shares it owns do not constitute a short-term cash investment.

NOTE 31 - COMMITMENTS GIVEN AND RECEIVED

31-7 COMMITMENTS GIVEN

- SAPH and GREL: For the EUR 72.5 million loan contracted by SIPH with Société Générale (Colette loan), SAPH and GREL have given a joint and several guarantee on the payment of the instalments up to the value of the intragroup loans in their accounts.

- For the EUR 72.5 million loan contracted by SIPH with Société Générale (Colette loan), pledging of 9 188 000 SAPH shares to the lenders through a pledged securities account.

- For the EUR 72.5 million loan contracted by SIPH with Société Générale (Colette loan), pledge of the fruit account and income from the pledged securities account as long as no blocking event occurs.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), a commitment not to pledge any assets for SIPH and the Group.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), a commitment not to dispose of any assets.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), any accelerated repayment of the intragroup loans will result in a repayment of the same amount of Colette.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to maintain a ratio of net debt to equity of less than 3 in December 2020 and June 2021, 2 in December 2021 and June 2022 and 1.5 from December 2022 until maturity if the price of natural rubber is above EUR 1.25.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to maintain a ratio of net debt to equity of less than 3.5 in December 2020 and June 2021, 2.5 in December 2021 and June 2022 and 1.5 from December 2022 until maturity if the price of natural rubber is less than EUR 1.25.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to maintain a general liquidity ratio of less than 1.2.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), SIPH undertakes to maintain its social debt at a level of at least 40% of the Group's debt between 2020 and 2023 and at least 30% after 2024.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), GREL has undertaken to maintain a ratio of net debt to equity below 1.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), SAPH has undertaken to maintain a ratio of net debt to equity of less than 1.

- For the EUR 72.5 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to allocate the repayment flows of the intragroup loans and the interest flows to the repayment of the Colette loan.

- SICAV blocking commitment for the amount of EUR 32 500 at Société Générale, as a guarantee for a deposit given by Société Générale for the benefit of the lessor of the offices occupied by SIPH in Courbevoie.

- For the EUR 7.5 million loan taken out by GREL with Société Générale Ghana in 2014, over a period of 10 years, a letter of comfort was provided by SIPH. GREL will have to domicile part of the collections from its export sales including, but not limited to, transactions carried out with companies in the SIPH Group, up to the share of SG Ghana in the total financing of GREL. A mortgage has been granted to SG on land and buildings on the concession for a value of EUR 7.5 million . GREL's organic assets, in addition, had been jointly pledged to SG Ghana and Proparco as collateral for debts (within the limit of outstanding debts at each closing), amounting to EUR 20 506 K as at 31 December 2017. The remaining capital due amounted to EUR 2.330 million at the end of December 2021.

- For the loan of EUR 17.5 million contracted by GREL with PROPARCO in 2015 for a period of 10 years, GREL has undertaken to maintain a ratio between net debt and equity of less than 1 - a ratio between the net change in cash and debt service greater than or equal to 1.2 and a ratio between net debt and an EBIDTA less than or equal to 3.5. The financial ratios shall be calculated at each of the annual and half-yearly ends, taking into account the last twelve months of activity. A mortgage was given to PROPARCO on land and buildings present on the concession for a value of EUR 17.5 million.

- Since February 2016, SIPH has committed (by a comfort letter) to having sufficient resources to ensure the support of its subsidiary (CRC) for a period of twelve months. The comfort letter currently in progress, approved by SIPH Board of Directors, covers the period 12/01/2022 to 11/01/2023.

- The main commitments given in the CRC concession agreement:
    - CRC will have to invest USD 78 000 000, broken down as follows: USD 35 000 000 during the rehabilitation period and USD 43 000 000 over 30 years. As at 31 December 2021, all the investments made amounted to approximately USD 52 000 000.
    - CRC must set up a programme for planting and/or replanting rubber and palm trees meeting the following obligations:
        - ✓ at least 40% of the concession must be planted or replanted by the end of the 10th year
        - ✓ at least 80% at the end of the 20th year
        - ✓ 100% at the end of 25th year
    - CRC will have to adhere to modern sanitary conditions, provide drinking water, homes, elementary and secondary schools and dispensaries.
    - Debt-to-covenant ratio: CRC must respect the debt ratio of 3:1 (maximum debt/equity).

- For the loan of EUR 46 million contracted by SAPH from a consortium led by Ecobank Côte d'Ivoire, in 2014, over a period of 7 years, the following commitments were given:
    - From signature of the Agreement (December 2014):

- ✓ A 1st rank pledge on debts in the amount of CFAF 5 billion
  - ✓ A 1st rank pledge for the revenue domiciliation account in the amount of CFAF 2 billion
  - ✓ A 1st rank pledge of the settlement account in the amount of CFAF 2 billion
- 12 months after the signing (December 2015), a 1st rank Material Pledge on the assets financed to the tune of CFAF 19.4 billion.
- From the end of the grace period, from the annual accounts for the end of 2017:
  - ✓ A “Net Debt/EBITDA” ratio less than or equal to 4.0x
  - ✓ Debt Service Coverage Ratio (“DSCR”): “(EBE decreased if it is positive and increased if it is negative, (i) the change in WCR, (ii) the amount of investments and, (iii) IS tax/debt service" greater than or equal to 1.25x
- A direct debit account supplied by:
  - ✓ 20% of receipts for the 2 years of the grace period
  - ✓ then CFA 30 billion over 12 months in the 3rd year,
  - ✓ and from the 4th year an annual amount equivalent to the outstanding amount of the facility on 1 January of the current year.

▪ Commitments given to Société Générale and BNP to cover purchases in dollars by the rubber business: EUR/USD 1 200 K, maturing in 3 to 6 months.

▪ Commitments given on rubber futures as at 31 December 2021
  - SWAP EUR contracts covering 32 661 tonnes

31-2 COMMITMENTS RECEIVED

▪ Guarantees for assets and liabilities granted to SIPH by the Compagnie Financière Michelin as part of the operation to contribute REN's securities to SIPH:

  - A specific guarantee concerning the tax losses of AREL, ORREL and WAREL subsidiaries attributable to future results; on 1 January 2006, these deficits amounted to approximately EUR 1.6 million. This guarantee is not subject to any time limit;
  - A specific guarantee concerning certain tax risks identified for an amount of approximately EUR 2.8 million. This guarantee is not subject to any time limit.
  - These guarantees were not called into play during financial year 2021.

▪ Commitments received on rubber futures as at 31 December 2021
  - SWAP EUR contracts covering 32 661 tonnes

▪ A credit line with Crédit Agricole for an amount of EUR 5 million: Euribor 1 month + a margin of 1.5%

▪ As at 31 December 2021, the SIPH Group had EUR 151 million in confirmed credit lines (of which EUR 127 million were undrawn), detailed as follows:

Agencies (in thousands of EUR)	Cash facilities			
	Confirmed	Drawn	Undrawn	Due date
Long-term				
SIPH				
Société Générale	72 500	72 500		
GREL				
SG Ghana	2 581	2 581	-	May 2024
Proparco	6 668	6 668	-	December 2024
SAPH				
ECOBANK	626	626	-	December 2022
SIB	626	626		December 2022
BNI	8 217	8 217		December 2024
Sub-total - Long term	**103 718**	**103 718**	**-**	
Short term				
-				
SAPH				
Ecobank	9 147	-	9 147	December 2021
SGCI	7 622	6 860	762	January 2022
SIB	4 573		4 573	December 2021
BNI	3 811	1 524	2 287	December 2021
NSIA	6 098		6 098	December 2021
BICICI	5 336	4 573	762	December 2021
STANDARD	4 573	4 573		December 2021
BACI	3 049	3 049	-	December 2021
BOA CI	3 049	3 049		April 2022
Subtotal - Short term	**47 259**	**23 628**	**23 628**	
Total - Cash facilities	**150 976**	**127 346**	**23 628**	

NOTE 32 - SUBSEQUENT EVENTS

A fire at the Rapides Grah plant, SAPH's production site, unfortunately caused the death of two employees. There is no expected impact on the continuity of operations or on the level of margin expected in 2022.
On 11 February 2022, SIPH finalised the Colette financing of EUR 85 million by collecting the share of the African Development Bank, intended for the Soubré plant for EUR 12.5million.
The ongoing war between the Russian Federation and Ukraine has not yet had an impact on SIPH's level of activity. However, the indirect consequences are not yet known and could impact rubber consumption in the months to come.

NOTE 33 – Statutory auditors' fees

	PWC		EY		Mazars		Total	
	Amount (ex. tax) in EUR		Amount (ex. tax) in EUR		Amount (ex. tax) in EUR		Amount (ex. tax) in EUR	
	2021	2020	2021	2020	2021	2020	2021	2020
Audit								
Statutory audit, certification, review								
of individual and consolidated accounts								
- Issuer	110 000		122 500	122 498	13 160	122 500	245 660	244 998
- Fully consolidated subsidiaries	339 580		223 533	101 555	223 533	182 939	786 647	284 494
Other due diligence and services							-	-
task of the statutory auditor							-	-
- Issuer						-	-	-
- Fully consolidated subsidiaries							-	-
Total	449 580	-	346 033	224 053	236 693	305 439	1 032 307	529 492