MANAGEMENT REPORT OF THE BOARD OF DIRECTORS ON THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Ladies and Gentlemen,

We have called this Ordinary General Meeting to submit the financial statements for the year ended 31 December 2020 for your approval, to allow you to examine the reports of your Statutory Auditors and to decide on the allocation of the profit or loss.

First of all, we would like to provide you with some information on the economic context in which SIPH operates and on the key events of the year 2020.

KEY EVENTS AND OUTLOOK

KEY EVENTS

- **Global COVID crisis:**

The COVID-19 pandemic affected the Chinese economy from early 2020, significantly reducing demand for natural rubber. Then the whole planet was gradually affected, with lockdown measures leading to the shutdown of tyre manufacturing plants. Demand was therefore drastically reduced in the 2nd quarter.
Then, in the second half of the year, industrial activity recovered to a fairly intensive level, particularly in the last quarter.
This drop in demand was initially reflected in a very sharp fall in prices, down to 1.08 USD/kg on the April average. Then, from August onwards, prices recovered and stabilised above USD 1.50/kg in the last quarter.
From a health point of view, the SIPH group was able to react proactively and avoid contamination of production sites. The administrative and commercial departments, both in France and in the African subsidiaries, have managed to maintain their activity.

- **Rubber market:**

The market, which was quite buoyant at the end of 2019, collapsed at the end of the first quarter with the COVID crisis, and only really recovered in the second half of the year.
Although the market was most affected by strong demand fluctuations, supply was also slightly reduced.

- **Production**

In 2020, agricultural production was stable and satisfactory in all entities.
Industrial production rose sharply (+19%), despite deliberate slowdowns in the first half of the year to adapt to the fall in demand and logistical and commercial difficulties. This is the result of the capacity expansion efforts made in previous years (in particular the new Tsibu plant in Ghana), but also of the significant improvement in industrial performance, which allows better use of existing capacity.

- **Financial equilibrium 2020**

In 2020, volumes sold increased by 21% compared to 2019, with an average sales price of €1.140/ Kg, down 5% compared to 2019. Turnover increased by 14%.
In the second half of the year, the SIPH Group succeeded in partially offsetting the decline in activity in the first half. SAPH has weathered the crisis best, thanks to the good performance of its factories and its raw material supply policy. GREL and RENL suffered more from market-driven production cuts.

The Group's consolidated net result, impacted by an increase in financial expenses, remains stable at €8.8 million compared to €9.5 million in 2019.

Cash flow, at €40.7 million, is up slightly by 9% on 2019. However, this increase is largely offset by an increase in WCR of 11 million, due to the increase in inventories caused by the growth in production.

The investment programme was reduced to a strict minimum (€21 million), for the maintenance of the industrial plant, the maintenance of immature planting, and the replanting of aged areas.

The group's net debt decreased by €7 million, following the refinancing of the Colette project for €85 million, of which €60 million was raised in 2020 and €25 million remains to be raised.

The group's net debt amounted to €92.1 million compared to €98.8 million in 2019. (99.1 million including rental debt, vs. 106.2 million in 2019).

OUTLOOK

◗ Market

Prices have clearly reacted to the strong demand, and the trend of the 4th quarter of 2020 is accentuated in the 1st quarter of 2021, with a sustained demand and an average price around 1.75 USD/kg in March 2021. The seasonal drop in production, due to wintering in Asia, is also one of the causes of this upturn, which could therefore diminish when production resumes.
Although the fundamentals are improving it is difficult at this stage, as the pandemic continues to affect the global economy, to comment on the future evolution of demand, and therefore rubber prices.

◗ Development and financing

SIPH, which had invested heavily in increasing its industrial capacity over the last 5 years, has slowed down its industrial investments in 2020 in order to prioritise the start-up of the new Tsibu factory in GREL, and the optimisation of SAPH's existing capacity. At the same time, the study phase was concluded for the construction of a new plant in Soubré in Côte d'Ivoire, where work will commence at the beginning of 2021, with a view to start operating in 2022.

For the agricultural business, SIPH is continuing the replanting of old plantations, as well as the planting of new extensions. This extension programme slowed down in 2020 to adapt to the economic context, but new areas were planted in Nigeria, and the maintenance of the 14,000 hectares of immature areas, generated by plantings in previous years, also mobilised investments.
SIPH intends to maintain its strategic investments in order to have all the necessary assets for a sustainable market recovery.

This investment programme amounted to €21.4 million in 2020 (compared to €45 million in 2019), and will restart in 2021 with the construction of a new plant.

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 40.2% compared to 46% at the end of 2019, the Group has sufficient debt capacity to carry out its development strategy.

The launch of the construction of a plant with a capacity of 60,000 tonnes per year in Soubré, in the west of the Côte d'Ivoire, close to the main areas of supply of raw material, has been scheduled for February 2021.

POST CLOSING EVENTS

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.

In 2020, production amounted to 13 million tonnes, down 3.2% on the previous year.

Thailand (4.62 million tonnes) and Indonesia (2.8 million tonnes) account for 57% of world production in 2020, compared with 63% in 2018. The production of these two leaders is decreasing, with 15% less over the same period.

Vietnam has become the world's third largest producer in recent years, with a harvest estimated at 1.3 million tonnes.

Asia therefore still accounted for 84% of natural rubber production in 2020. This production is highly fragmented due to the large number of growers.

Africa is increasing its contribution; with 7.4% of the world harvest. Within this zone, the Côte d'Ivoire remains the leading producer with more than 80% of the African harvest.

Global consumption of natural rubber:

Global consumption has been growing at an average of 2% per year for over 10 years.
This growth is driven by Chinese consumption, which accounted for 34% of consumption in 2010 and will reach 44% in 2020.

Global consumption in 2020 was 12.3 million tonnes, down 8.5% on 2019. This decrease in global consumption in 2020 is the result of the COVID-19 health crisis.

The rubber supply, penalised by the length of the maturity cycle of orchards, struggles to adapt to these changes in pace, and has been slightly but steadily in surplus since 2011/2012.

Although the annual oversupply is very small (2.7% of world consumption in 2020), this slight oversupply situation has appeared regularly since 2012 and continues to weigh on rubber prices.

The drop in the cycle that has persisted for several years is a deterrent for renewals and new schedules in Asia. Meanwhile, consumption remains sustained despite the current growth in China and emerging countries.

When Chinese growth resumes, supply will not be able to quickly adapt and will duly mark the bottom of the cycle.

(Natural rubber market source: LMC Q1 2021)

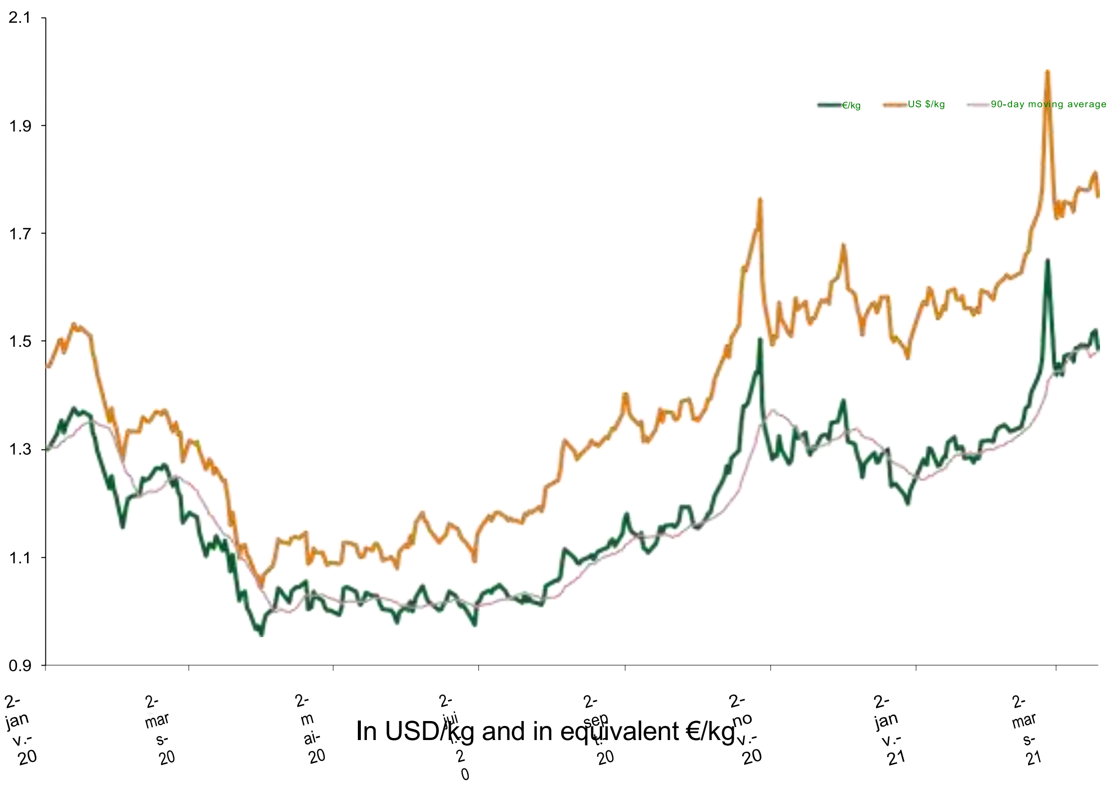
<u>Changes in SICOM 20</u>

Although the slight improvement in prices in the fourth quarter of 2019 continued into January and February 2020, the global Covid crisis caused a sharp drop in industrial tyre activity, and therefore in demand for natural rubber, from March onwards, with a drastic fall in prices until July.
Then demand picked up and prices gradually recovered from August onwards, stabilising above $1.50/kg in the last quarter.

The average price for 2020 was therefore $1.32/kg, or €1.15/kg.

The bullish rebound of the 4th quarter of 2020 was accentuated in the 1st quarter of 2021, reaching an average of $1.76/kg (€1.48/kg) in March.

CHANGES IN SICOM 20
January 2020 to March 2021 :



1°) PRODUCTION 2020: THE SIPH GROUP CONTINUES TO GROW AND IS CONSOLIDATING ITS POSITION AS LEADER IN AFRICAN

PRODUCTION FOR THE YEAR 2020	Thousands of tonnes DRC				
	SAPH	GREL	RENL	CRC	TOTAL
Production	32,361	18,797	19,341	3,680	74,179
Purchases	191,149	30,016	862	70	222,097
Total	**223,510**	**48,813**	**20,203**	**3,750**	**296,276**
% purchases	86%	61%	4%	2%	75%

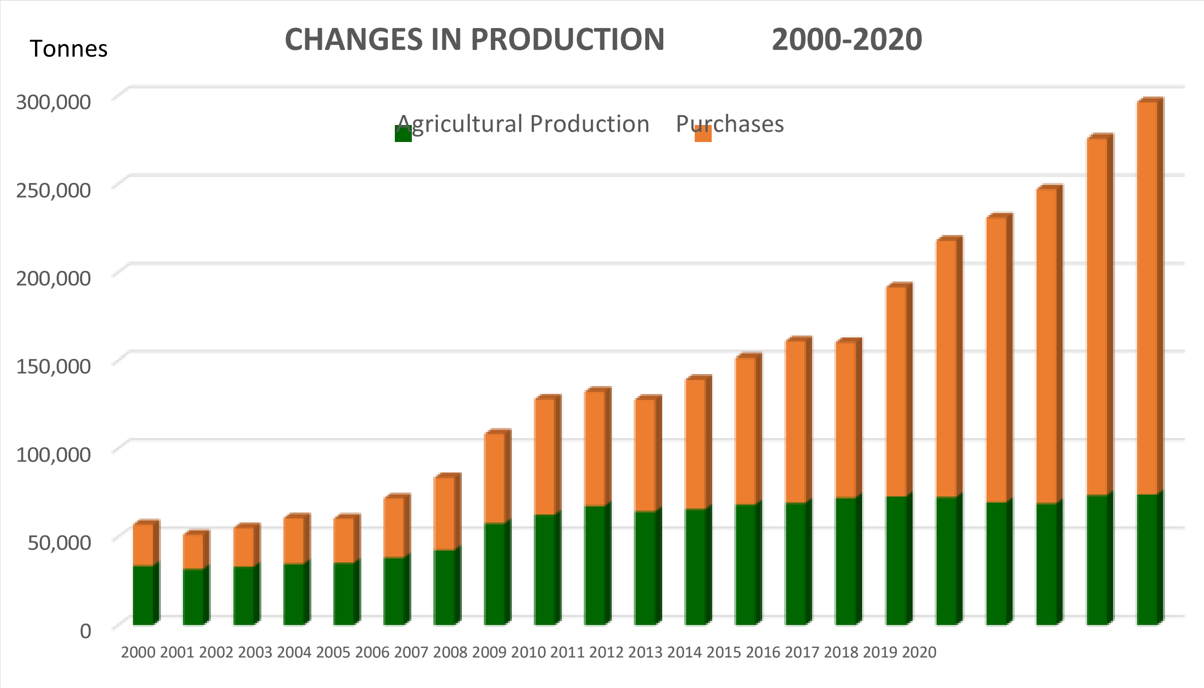
PRODUCTION FOR THE YEAR 2019	Thousands of tonnes DRC				
	SAPH	GREL	RENL	CRC	TOTAL
Production	32,177	18,511	19,730	3,184	73,602
Purchases	160,577	40,004	1,382	34	201,997
Total	**192,754**	**58,515**	**21,112**	**3,218**	**275,599**
% purchases	83%	68%	7%	1%	73%

Agricultural production is stable at 74 thousand tonnes, as the opening of young plots offsets the felling of plots at the end of their life.

The industrial investments made in the Côte d'Ivoire and Ghana will make it possible to support the growth of growers and to increase the tonnages purchased by 20,000 tonnes (+10%), from 202 thousand tonnes in 2019 to 222 thousand tonnes in 2020.

The share of purchases in the total production of the SIPH Group is constantly increasing and reached 75% in 2020.

The Group's production has increased by a factor of 2.3 since 2010, and fourfold since 2000: SIPH is reaping the benefits of its efforts to promote smallholder rubber cultivation and to support the growth of farmers.



With a production of 296 thousand tonnes, the SIPH Group represents 38% of African production, thus consolidating its position as the leading rubber producer in Africa.

2°) TURNOVER AND MARKETING OF RUBBER

In 2020, SIPH achieved rubber turnover of €347 million, up 14.3% on the previous year. Volumes sold rose sharply by 21%, but the average selling price of €1.140/g was 5% lower than in 2019.

Including related activities, total turnover amounted to €365 million compared to €318 million in 2019.

As the purchase price of the raw material is correlated to SICOM 20, SIPH sets the price of its sales in order to secure its margins. Margins on raw material and finished goods inventories are thus secured by the physical portfolio to be executed within two to three months, and also by the portfolio of forward sales hedges.

The correlation between the average sales price recorded in the turnover and the market prices thus takes place with a time lag of several months.

3°) A POTENTIAL of 413 thousand tonnes in 2025, and 440 thousand tonnes in 2030: 1/4 own production and 3/4 purchased rubber

Production is expected to reach 413 thousand tonnes by 2025 and 440 thousand tonnes by 2030:

- With the effort to renew and extend the crops, own production will reach 90 thousand tonnes in 2025.
- Driven by the dynamism of the Ivorian and Ghanaian growers, and thanks to increases in industrial capacity, purchases should reach 325 thousand tonnes in 2025.

4°) RENEWAL AND EXTENSION OF PLANTATIONS: 21% increase in planted areas since 2012

The SIPH Group continues to increase the production potential of its own plantations, which now cover 63 thousand planted hectares, including 3.1 thousand hectares of palm oil trees, with the aim of diversifying and making optimal use of the available land.

The group is also continuing its policy of rejuvenating old plots on all its sites, and expanding in particular in Ghana and Nigeria. The area under rubber trees has thus increased by 8 thousand hectares since 2012, or +15.6%.
The total area planted with rubber and palm trees increased by 11 thousand hectares, i.e. +21%, demonstrating the agricultural growth efforts of the SIPH group.

HECTARES PLANTED WITH RUBBER & PALM TREES

31/12/2020	SAPH	GREL	RENL	CRC	TOTAL
Immature	5,535	4,068	3,235	770	13,608
Areas undergoing tapping	17,055	11,634	12,072	5,345	46,106
TOTAL PLANTED WITH RUBBER TREES	22,590	15,702	15,307	6,115	59,714
Land under preparation	183	277	296	8	764
TOTAL AREAS DEVOTED TO GROWING RUBBER TREES	22,773	15,979	15,603	6,123	60,478
TOTAL PLANTED WITH PALM TREES	2,269	204	0	679	3,152
TOTAL PLANTED WITH RUBBER & PALM TREES	24,859	15,906	15,307	6,794	62,866
TOTAL AGRICULTURAL AREA	*25,042*	*16,183*	*15,603*	*6,802*	*63,630*

INFORMATION ON SUBSIDIARIES

1°) SOCIETE AFRICAINE DE PLANTATIONS D’HEVEAS (SAPH - African Rubber Plantation Company)

CÔTE D’IVOIRE		
Currency	CFA (Local currency)	€1 = 655.957 CFA
Capital	14,593 million CFA	Composed of 25,558,005 shares with a par value of CFA 571
SIPH's holding	68.06%	
Business	Rubber plantations, rubber processing plants	

- **Business**

Through SAPH, the area dedicated to rubber stood at 22,773 hectares at the end of 2020 (compared to 22,919 Ha at the end of 2019), including 5,535 Ha of young immature plantations, and 183 Ha of areas being prepared for planting in 2021. The area dedicated to palm oil trees is 2,269 ha.

In 2020, SAPH's own production amounted to 32 thousand tonnes and purchases to 191 thousand tonnes (an increase of +19%), i.e. a total production of 223 thousand tonnes against 192 thousand tonnes in 2019.
In 2020, despite the deliberate slowdown due to the crisis, the factories improved their performance, with full optimisation of installed capacity, improved quality, and better planning of production, and therefore of sales, in order to supply the grades of finished products most in demand by the tyre industry.

With a production of about 950 thousand tonnes in 2020, Côte d'Ivoire remains the African leader in natural rubber and has become the fourth largest producer worldwide. Côte d'Ivoire continues to grow, thanks to the dynamism of independent growers, strongly supported by agro-industrial companies. Ivorian processing capacity is still insufficient, and the surplus raw material is currently exported to Asia. This is why SAPH has launched a project to build a factory to produce 60,000 tonnes per year in the west of the country.

SAPH has maintained its position as the largest buyer of rubber in Côte d'Ivoire, and consolidated its position as market leader. The proportion of purchased rubber is very clearly predominant in SAPH's production: purchases, which represented less than 50% of production in 2000, now constitute more than 86% of production.

This development has led to rigorous management of the volatility risk: as the purchase price of the raw material is correlated to the market price, SAPH sets the price of its sales in order to secure its margins.

◗ Outlook:

SAPH's main short- and medium-term objectives remain unchanged:

- Continue to control costs and optimise performance to reduce the cost price of rubber;
- Continue to increase its industrial capacity to take advantage of the growth in Ivorian production, and adapt to the quality requirements of its customers;
- Maintain its programme of replanting of old plots, constantly improving the quality of the plantings and the potential of the plant material.

2°) GHANA RUBBER ESTATES LTD (GREL)

GHANA		
Currency	CEDI (Local currency)	€1 = 7.180 cedis as at 31/12/2020 6.379 cedis as at 31/12/2019
Capital	€8,177,680	Composed of 1,667 shares
SIPH's holding	64.25%	
Business	Rubber plantations, rubber processing plant, creation and supervision of village development projects (rubber trees)	

◗ Activity and prospects

The area dedicated to rubber trees was 15,979 ha (compared to 16,106 ha at the end of 2019), including 11,634 ha under tapping, to which should be added 4,068 ha of immature crops and 277 ha in preparation for planting in 2021.
GREL's own production, which stagnated at less than 10,000 tonnes/year from 2000 to 2010, is currently 18,800 tonnes, and will continue to grow with the tapping of new land

planted in recent years, reaching 27,000 tonnes in 2024 in 2025, and 31,000 tonnes in 2030 thanks to a significant improvement in crop yields.

GREL had to significantly reduce its raw material purchases from independent growers during the first half of 2020 due to the trade crisis caused by Covid. In the second half of the year, competition from raw material exports to Asia did not allow GREL to acquire the desired volumes, and purchases for 2020 amounted to only 30 thousand tonnes (compared to 40 thousand tonnes in 2019).

Thanks to the launch of its second plant at the end of 2019, industrial production amounted to 63.5 thousand tonnes, up 46% compared to 2019, but below the planned volumes, due to a lack of raw materials and commercial difficulties in the market. GREL's main priority now is to secure its raw material supplies in order to utilise the capacity of its two plants.

GREL makes a strong contribution to the economic and social development of the region and is an example of growth in harmony with its environment.

◗ Development:

The new plant built in 2019 will be able to gradually increase its capacity to cope with the planned increase in production, generated by growth in its own production and purchases.

3°) NIGERIA (RENL)

NIGERIA		
Currency	NAIRA (Local currency)	€1: 469.668 Naira as at 31/12/2020 404.898 Naira as at 31.12.2019
Capital	491,875,000 Naira	Composed of 491,875,000 shares with a par value of NGN 1
SIPH's holding	70.32%	
Business	Rubber plantations, rubber processing plant	

◗ Business:

At the end of 2020, the area dedicated to rubber represented 15,603 ha (compared to 14,458 ha at the end of 2019), including 12,072 ha under tapping, to which should be added 3,235 ha of immature crops and 296 ha in preparation for planting in 2021.

Own production is stable at 19.3 thousand tonnes in 2020, despite a social movement that disrupted production. This level of agricultural production is expected to remain fairly stable over the next 10 years, as the start-up of new extensions will compensate for the renewal of plots reaching the end of their life.

RENL maintained a steady growth of its areas, with the planting of 311 ha of extensions in 2020.
Purchases were not significant in a currently unstructured market, but they should continue to grow steadily, given RENL's village development efforts around its sites.

The quality level of the processed rubber is high, allowing sales mainly in premium grades.
The difficulties of access to the port of Lagos (under construction) have been overcome.

4°) CAVALLA RUBBER CORPORATION (CRC)

LIBERIA		
Currency	Liberian Dollar (Local currency)	€1: Local currency is not used in any transactions
Capital	78,978,958 USD (In functional currency)	Composed of 78,978,958 shares with a par value of USD 1
SIPH's holding	100.00%	
Business	Rubber plantations, rubber processing plant	

Located in the south-east of Liberia, on the border with Côte d'Ivoire, CRC has begun to develop new areas, and has an old plantation with significant potential for expansion.

At the end of 2020, 6,123 ha were dedicated to rubber cultivation, including 770 ha of immature trees and 8 ha in preparation. CRC also farms 679 ha of palm trees.
Rubber production stagnated at 3.7 thousand tonnes (compared to 3.2 thousand tonnes in 2019), due to the ageing of the plantation , which has not yet been compensated by the production of young plots. The revival of production should be long and gradual as it is the result of extension and replanting, but should eventually confirm its full potential.
As the downturn has put pressure on SIPH's resources, the initial development programme was suspended to adapt to this context, but plantings have restarted in 2020.

CRC's outlook is therefore to intensify its planting programme, and to optimise its processing plant by supplementing its own production with imported raw material from Côte d'Ivoire.
The forthcoming opening of the Sifca group's oil mill near CRC will allow for a better exploitation of the production of palm bunches.

Liberia represents a real growth potential for the Group's long-term production and an opportunity for geographical diversification, in a region very close to SAPH's activities in Côte d'Ivoire.

5°) OTHER ACTIVITIES

In addition to rubber sales, SIPH is involved in:

- Rubber-related activities *(e.g. sales of services and seedlings to outside producers)* and rubber-related services;
- The marketing of agricultural products *(by-products of the rubber business: rubber wood, rubber plants, etc.)* ;
- Palm bunches production, which started in 2017 at SAPH, and will soon reach full maturity, at SAPH and CRC.
- The export of agro-industrial equipment and products (referred to as "General Trade");

The turnover corresponding to these other activities is presented under "other sales" in the consolidated accounts, and amounts to €17.7 million in 2020, compared to €14.3 million in 2019.

Non-rubber activities are still incidental to the main activity. They do not have the same profitability as rubber, and still contribute only marginally to SIPH's results. But the palm activity, with the farming of its 3.1 thousand hectares, should grow in the future. The wood and biomass activity, still in its infancy, should also develop in the medium and long term, given the prospects for the development of renewable resources.

RISK MANAGEMENT

Risks and the management and control methods used by SIPH are described in detail in Note 30 to the consolidated financial statements.

SUSTAINABLE DEVELOPMENT

SIPH publishes non-financial information in accordance with the so-called "Grenelle II" law *(Art L225-102-1 & R.225-104 C. Com, 225 of the law of 12 July 2010, 12 of the law of 22 March 2012 and 1&2 of the decree).*

The main statements and key indicators are subject to verification by an independent third party.

See SIPH 2020 Non-Financial Performance Report.

◗ SIPH's involvement in the GPSNR platform (Global Platform for Sustainable Natural Rubber)

Sustainable rubber is the main challenge of the Global Platform for Sustainable Natural Rubber (GPSNR), launched in 2018 and of which SIPH is a founding member in the Producers, Processors and Traders category.

Tasked with improving the socio-economic and environmental performance of the natural rubber value chain, GPSNR is the result of a discussion that brings together all the players in the sector: tyre manufacturers and other rubber users, processors, car manufacturers, village growers and NGOs.

At the GPSNR General Assembly last September, SIPH was elected to the Executive Committee for 2020-2022. In addition, SAPH, the Ivorian subsidiary of SIPH, initiated a working group on the sustainability of the value chain in Côte d'Ivoire with local stakeholders and APROMAC which acquired the status of the first National GPSNR Working Group. SIPH participates in 5 of the 7 working groups launched at the GPSNR with high-level speakers.

https://sustainablenaturalrubber.org

◗ Commitment of SIPH's core shareholders

SIPH's core shareholders (SIFCA & MICHELIN) share the same convictions in terms of social, environmental and corporate responsibility.

SIPH benefits from Michelin's experience in CSR, as part of its technical assistance. SIPH's CSR policy and its deployment are managed and implemented with the support of SIFCA's Sustainable Development Department.

SIPH's action is based on the following 10 priority commitments:

1- Act with integrity and ethical behaviour in all business transactions and operations in accordance with our values (Responsibility, Ethics). Adhere to fair and proper business practices, prohibit all forms of corruption and other violations and ensure transparency of information in accordance with applicable regulations.

2- Meet customer expectations, as well as legal and regulatory requirements that have been ratified and are applicable at all levels: local, national and international.

3- Maintain security, order, and harmonious relations in all activities on the sites (agricultural and industrial) by prioritising consultation with stakeholders, and prohibiting all forms of intimidation and violence.

4- Respect and uphold human rights, including the right of employees to form trade unions and discuss issues collectively.
Not to discriminate on the basis of race, ethnic origin, nationality, religion, physical disability, gender, sexual orientation, trade union membership, political affiliation or age. Prohibit forced and illegal labour.

5- Protect female employees in the workplace by firmly prohibiting sexual harassment and violence against them, and by protecting their reproductive rights. We do not employ minors.

6- Consistently provide quality and environmentally friendly products while promoting customer satisfaction.

7- Strive to prevent environmental pollution and improve the carbon footprint by reducing emissions and promoting CO2 sequestration.

8- Prevent accidents at work and occupational diseases that may result from hazardous working conditions and activities.

9- Enforce zero burning in our land preparation and plantation renewal activities, and prohibit land clearing in protected areas, High Conservation Value (HCV) areas, peatlands and High Carbon Stock (HCS) forests.

10- Pursue continuous improvement in terms of environmental quality, health and safety at work, and product safety.

These commitments enshrined in the sustainability policy apply to the operational scope of the SIPH Group, as well as to other relevant stakeholders working for the company.

SIPH is committed to applying its sustainability principles to all its practices. These demonstrate the conviction that improving the social and environmental context is the condition for sustainable economic performance.
In particular, the development of human capital is essential for the improvement of Corporate Social Responsibility programmes.

The Group's strategy is especially based on the development and support of independent plantations. Ensuring harmonious growth between the agro-industry and independent growers is a major challenge for SIPH and a fantastic economic development lever for West African countries. The Group strives not only to optimally manage the impacts of its activities on all its stakeholders, but also to transform these impacts into opportunities for the company's development.

It should be noted that plantations are a large carbon sink, as the trees synthesise atmospheric CO2 and transform it into wood and rubber. This wood is partly recycled as fuel for the domestic needs of the surrounding population, for industry as a substitute for gas or diesel, and as organic matter preserving the quality of the soil. The rubber produced is used in industry as a substitute for synthetic elastomers, which are derived from oil and require large amounts of energy to polymerise. According to the standards established by the studies carried out on this sector, the group's plantations generate a balance of 7.9 tonnes of carbon/ha, or approximately 463,000 tonnes of carbon in 2019 (or 1.7 million tonnes of CO2).

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1°) CONSOLIDATED ACCOUNTS

Since 1 January 2016, the SIPH Group has applied the historical cost method (application of an option offered by the revised IAS 41 and IAS 16) as the valuation method for fixed biological assets, and no longer the fair value method. The application of this method now makes it possible to limit the effect of fair value volatility on the income statement.

SIPH - CONSOLIDATED FINANCIAL STATEMENTS - Produced Dec ember 2020			
CONSOLIDATED PROFIT AND LOSS ACCOUNT ***(in thousands of euros)***		**As at 31/12/2020**	**As at 31/12/2019**
Sales of rubber		347,334	303,995
Other sales		17,717	14,292
Total turnover		**365,051**	**318,287**
Total cost of goods sold	**-**	**290,043**	**-245,922**
Margin on direct costs		**75,008**	**72,365**
Overheads	-	25,743	-29,773
Depreciation and amortisation	-	22,166	-20,621
Depreciation and amortisation of rights of use	-	747	-750
Current operating income		**26,352**	**21,222**
Gains and losses on disposals of fixed assets	-	90	-531
Other operating income and expenses	-	5,570	-1,908
Operating income		**20,692**	**18,783**
Income & expenses from cash and cash equivalents		7	-257
Gross cost of financial debt	-	6,395	-3,246
Gross cost of financial debt IFRS 16	-	507	-512
Net cost of financial debt	**-**	**6,895**	**-4,015**
Income tax expense	**-**	**4,966**	**-5,296**
Net profit		**8,830**	**9,472**

➔ Rubber sales €347 million

Rubber sales for the year amounted to €347.3 million, compared to €304.0 million in 2019, with an average sales price of €1.140/kg, down -5% compared to 2019.

Tonnages sold amounted to 302.2 thousand tonnes, *compared to 249.5 thousand tonnes in 2019,* an increase of 21%.

Total revenue was €365.1m compared to €318.3m in 2019.

" **Other revenue**" covers rubber-related activities and the supply of goods and materials to SIFCA Group companies.

➔ Cost of Goods Sold, Operating Profit

Total rubber production increased by +7.5% to 296 thousand tonnes *(from 275 thousand tonnes in 2019)*. This increase is mainly due to the rise in external purchases in Côte d'Ivoire. The share of external purchases in total production is 75% *(compared to 73% in 2019).*

Cost of sales amounted to €290 million compared to €245.9 million in 2019.

In 2020, the margin on direct costs amounted to €75.0 million (20.5% of turnover), compared to €72.4 million in 2019 (22.7% of turnover).

Overheads amounted to €25.7 million compared to €29.8 million in the previous year. Other operational expenses net of income increased by €3.6 million, mainly due to the increase in CRC impairment (€2 million) and the increase in expenses amounting to €1.3 million (mainly an exchange loss on RENL for €2 million). Operating profit was €20.7 million compared to €18.8 million in 2019.

The financial result shows a charge of €6.9 million compared to a charge of €4 million in 2019. It includes €507k of financial costs related to the implementation of IFRS16.
The increase in financial expenses for GREL (+€700k), SAPH (+€900k) and SIPH (+€1.6m), together with a foreign exchange gain of €700k for SIPH, explain this €2.9m increase in the cost of financial debt. After taking into account €4.9 million in taxes, the consolidated net result amounts to €8.8 million compared to €9.4 million in 2019.

The group result is €6.2 million, and the share attributed to minority interests is €2.6 million, compared to €6.6 million and €2.9 million respectively in 2019.

The Group's cash flow from operations amounted to €40.7 million compared to €37.3 million in 2019. After changes in working capital requirements, net cash flow amounted to €25.8 million compared to €29.4 million in 2019.

Net investments continued with €42.3 million compared to €45.1 million in 2019. They include 21.2 million related to changes in the scope of consolidation and financing of the Colette project, and in particular the GREL capital increase.

Free cash flow (cash flow from operating activities + investment flows), amounted to -€16.5 million, compared to -€15.7 million in 2019.

After taking into account net financing flows (+47.7 million), including 11.9 million in short-term debt repayments (SIFCA + Michelin), the Group's cash position improved by €30.9 million to €36,086,000 after having decreased by €7.3 million in 2019.

Total consolidated equity was €246.2 million compared to €231.7 million at 31 December 2019, with this improvement coming from the result for the year (+8.3 million) and a negative impact of exchange rate variations on RENL of -3.5 million and the inclusion of the capital increase in GREL for +15 **million.**

2°) CORPORATE FINANCIAL STATEMENTS

⏭ CORPORATE FINANCIAL STATEMENTS

The **corporate result** for the financial year 2020 is + €1.499 *million,* compared to + €1.355 *million* in 2019.

SIPH did not receive any dividends from its subsidiaries in 2020.

Trade accounts payable at 31/12/2020 represented € 35.499 *million*, and included € 32.172 million due to SIPH subsidiaries for rubber purchases.

In 2020, SIPH advanced its subsidiary GREL €0.9 million net to finance the investment programme in Ghana. SIPH carried out a capital increase of €21.195 million in 2020. The balance was the subject of an intragroup loan of €24.805 million, which will be repaid according to the schedule set out under the Colette financing.

The value of the shareholding in CRC on the assets side of the balance sheet was fully provided for at

31/12/2020. In 2020, cash flow **net** of debt is negative at €54.606 million, including:

- A loan of €60 million contracted on 15/12/2020 with credit institutions, notably to support the development project of its subsidiary GREL in Ghana and SAPH in Côte d'Ivoire.

- A €9 million advance from the shareholder Michelin, repayable in May 2021.
- **Short-term overdraft line**: -€0.43 million at 31/12/2020, compared to -€9.984 million at 31/12/2019.
- **Cash** at 31/12/2020 represents €14.437 million compared to €5.167 million at 31/12/2019.

RESULTS OF THE COMPANY OVER THE LAST FIVE YEARS

	2016	2017	2018	2019	2020
CAPITAL AT YEAR-END					
Share capital in €k	11,569	11,569	11,569	11,569	11,569
Number of shares issued	5,060,790	5,060,790	5,060,790	5,060,790	5,060,790
OPERATIONS AND PROFIT OR LOSS FOR THE YEAR					
Turnover before tax €k	265,375	357,268	299,657	317,030	357,682
Net profit after tax €k	(3,924)	8,583	8,091	1,357	1,499
PROFIT/LOSS IN € / SHARE					
Profit after tax but before depreciation and provisions	1.04	2.60	1.64	1.24	1.4
Profit after tax, depreciation and provisions	-0.78	1.70	1.60	0.27	0.3

3°) ALLOCATION OF PROFITS AND LOSSES

The Board of Directors proposes to distribute a gross dividend of € 0 per share.

The result for the financial year 2020, which amounts to + €1.499 million, is allocated:

- To retained earnings for the balance, i.e. +€1.499 million

Retained earnings, which were €5.449 million, will amount to €6.948 million after allocation.

4°) REMINDER OF DIVIDENDS PAID

In accordance with the provisions of Article 243 bis of the Code général des impôts (French General Tax Code), we would remind you that the amounts distributed as dividends for the three previous financial years were as follows:

- 2020 €0k
- 2019 €0k
- 2018 €3,998k

SIPH: INFORMATION REGARDING SHARE CAPITAL

Following the takeover bid by CFM together with SIFCA in December 2019, SIPH was delisted on 10 December 2019. The distribution of the share capital is now as follows, unchanged from 31/12/2019

⏭ SHAREHOLDERS

Table showing the distribution of SIPH's share capital and voting rights

Shareholders	31/12/2018			31/12/2019			31/12/2020		
	No. of shares	% of share capital	% of voting rights	No. of shares	% of share capital	% of voting rights	No. of shares	% of share capital	% of voting rights
SIFCA	2,813,410	55.59%	58.30%	2,813,410	55.59%	54.82%	2,813,410	55.59%	54.82%
CFM	1,822,344	36.01%	36.52%	2,247,380	44.41%	45.18%	2,247,380	44.41%	45.18%
Moneta Assets Mngt	255,402	5.05%	3.08%						
Public	169,634	3.35%	2.09%						
TOTAL	**5,060,790**			**5,060,790**			**5,060,790**		

⏭ CONTROLLED COMPANIES

None of the companies controlled by your company hold any shares in the share capital of your company.

⏭ PURCHASE BY THE COMPANY OF ITS OWN SHARES

In accordance with Article L. 225.209, we inform you that we have not purchased or resold any of the company's shares.

⏭ EMPLOYEE SHARE OWNERSHIP

In accordance with the provisions of Article L.225-102 of the Code de Commerce (French Commercial Code), the company shall report on the status of employee shareholding in the Company's capital.

The Company did not acquire any shares for employees during the past year.

As at 31 December 2020, the Company had not set up any company savings plan enabling employees to acquire, directly or indirectly, shares in SIPH or related companies.

Finally, the employees do not directly or indirectly hold any shares in the Company that are subject to a non-transferability clause provided for by the regulations in force.

STATUS OF THE STATUTORY AUDITORS' TERMS OF OFFICE

Ernst & Young was appointed as statutory auditor by the General Meeting of 28 June 2017; its term of office will expire at the end of the meeting that will approve the accounts for the financial year 2022.

The term of office of MAZARS, Primary Auditor, will expire at the end of the meeting that will approve the accounts for the financial year 2020.

ANALYSIS OF OVERDUE PAYMENTS TO CUSTOMERS AND SUPPLIERS

Pursuant to Decree no. 2015-1553 of 27 November 2015 on Article L.441-6-1- cc, the analysis of overdue payments of outstanding amounts due to suppliers and customers as at 31/12/2017 is provided in note 16 to the parent company financial statements.

INFORMATION ON THE EXPENSE NOT FISCALLY DEDUCTIBLE (ART. 39-4 OF THE C.G.I. (French General Tax Code)

None.

INFORMATION ON AGREEMENTS CONCLUDED BETWEEN THE DIRECTORS (OR MAIN SHAREHOLDERS) OF THE PARENT COMPANY WITH A SUBSIDIARY (ART. L. 225-102-1 CODE DE COMMERCE (French Commercial Code))

None.