

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

Ladies and Gentlemen,

We have called this Ordinary General Meeting to submit the financial statements for financial year 2021 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 financial year 2021.

KEY EVENTS AND OUTLOOK

KEY EVENTS

□ 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 because of 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 renewal of surfaces with more efficient varieties and better-quality planting, but also reflecting efforts to optimise operating methods.

This increase is all the more remarkable 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 tyre 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, the volumes sold increased by 9% compared to 2020, with an average selling 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 2021.

Cash flow, at EUR 93.7 million (before tax) is up very sharply by 230% compared to 2021. 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 Proparco 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 activity, SIPH is continuing the renewal of old plantations, as well as the planting of new extensions. However, this programme 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 29.7% 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 finalised the Colette financing of EUR 85 million by collecting the share of the African Development Bank, intended for the Soubré plant for EUR 12.5 million.

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

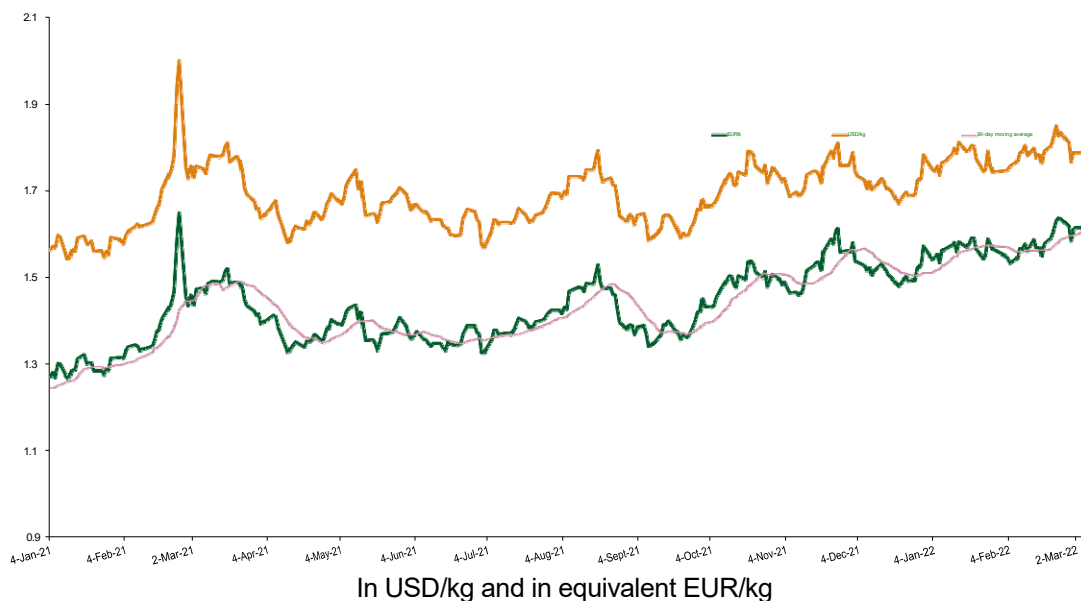
The market, which had collapsed in the 1st half of 2020 with the COVID crisis, had recovered well in the 2nd half of 2020, and this trend was confirmed in the 1st quarter of 2021, reaching a level which remained fairly stable on the Next 3 quarters, between USD 1.65 and USD 1.75. The annual average is 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 2021 to March 2021:



BUSINESS ANALYSIS

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

Production for financial year 2021					
	In thousands of tonnes DRC				
	SAPH	GREL	RENL	CRC	Total
Production	33 451	19 465	21 082	4 004	78 002
Purchases	195 097	63 492	767	4 081	263 437
Total	228 548	82 957	21 850	8 085	341 440
% purchases	85%	77%	4%	50%	77%

Production for financial year 2020					
	In 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%

In 2021, agricultural production increased by +5% compared to 2020. This increase is consistent across all entities, reflecting the effects of the gradual renewal of surfaces with more efficient varieties and better-quality planting, but also reflecting efforts to optimise operating methods.

This increase is all the more remarkable as tapping frequencies have decreased, in order to improve the productivity of staff dedicated to tapping.

However, purchases continue to increase significantly (+41 KT, or +19%). It is especially in Côte d'Ivoire that this growth is the most marked, with a transfer of raw materials also to GREL and CRC, to make better use of the industrial capacities still available.

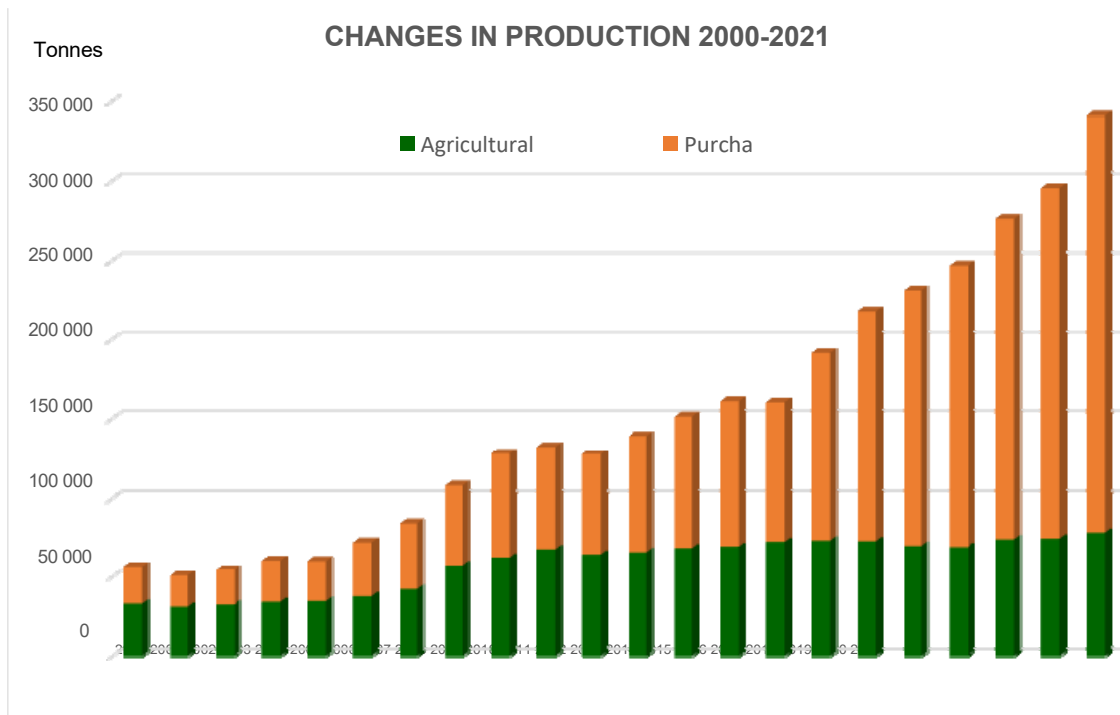
The industrial investments made in Côte d'Ivoire and Ghana in recent years therefore make it possible to support the growth of growers. The future Soubré factory, currently under construction, will make it possible to further increase these purchase volumes.

The share of purchases in the total production of the SIPH Group is constantly increasing and reached 77% in 2021.

The Group's production has increased by a factor of 2.7 since 2010, and 6-fold since 2000:

SIPH is reaping the benefits of its efforts to promote smallholder rubber cultivation and to support the growth of farmers.

Even if the growth of the Group's own agricultural production has been more modest over the past 10 years, due to the need to renew old plots, the Group's agricultural production has multiplied by 2.3 since 2000.



With a production of 341 thousand tonnes, the SIPH Group represents 27% of African production, thus consolidating its position as the leading rubber producer in Africa.

2°) TURNOVER AND MARKETING OF RUBBER

SIPH achieves a rubber turnover of EUR 466 million in 2021, up 34% on the previous financial year. The volumes sold increased by 9.3% with an average selling price of EUR 1.409/kg, up 24% compared to 2020.

Including related activities, total turnover amounted to EUR 365 million compared to EUR 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 420 thousand tonnes in 2026, and 445 thousand tonnes in 2031 : 1/4 own production and 3/4 purchased rubber

Production is expected to reach 420 thousand tonnes in 5 years and 445 thousand tonnes within 10 years (2031):

- With the effort to renew and extend crops, own production will reach 92 thousand tonnes in 2026, and 100 thousand tonnes in 2031.
- Driven by the dynamism of Ivorian and Ghanaian planters, and thanks to increases in industrial capacity, purchases should reach 345 thousand tonnes in 2031 (or more if other increases in industrial capacity were decided in this interval).

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 63.5 thousand planted ha, including 3.1 thousand ha 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 ha since 2012, or +16%.

The total area planted with rubber and palm trees increased by 11 thousand ha, i.e. +21%, demonstrating the agricultural growth efforts of the SIPH Group.

HECTARES PLANTED WITH RUBBER & PALM TREES

31/12/2021 in ha	SAPH	GREL	RENL	CRC	Total
Immature	4 433	3 207	3 420	532	11 592
Areas undergoing tapping	17 883	12 113	11 666	4 650	46 312
Total rubber trees policy	22 316	15 320	15 086	5 182	57 904
Land under preparation	507	583	507	890	2 487
Total area dedicated to rubber cultivation	22 823	15 903	15 593	6 072	60 391
Palm area	2 269	204		679	3 152
Total rubber + planted palm	24 585	15 524	15 086	5 861	61 056
Total growing area	25 092	16 107	15 593	6 751	63 543

INFORMATION ON SUBSIDIARIES

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

CÔTE D'IVOIRE		
Currency	CFA (Local currency)	EUR1 = CFA 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:

The areas of SAPH dedicated to rubber are 22,823 ha at the end of 2021, including 4,433 ha of young immature plantations, and 507 ha of areas being prepared for planting in 2022.

The area dedicated to palm oil trees is 2,269 ha.

In 2021, SAPH's own production amounted to 33.4 thousand tonnes (up by +3%), and purchases at 211.7 thousand tonnes (up by +11%), of which 195.1 thousand tonnes for its own needs, and 16.6 thousand tonnes for resale to GREL and CRC.

In 2021, the installed capacity of the factories remained the same, but the yields improved, making it possible to produce 228 thousand tonnes, i.e. 10 thousand tonnes more than in 2020.

Improving quality, and better planning of production, and therefore sales, makes it possible to provide the grades of finished products most sought after by the tyre industry.

With a production of about 1.1 million tonnes in 2021, Côte d'Ivoire remains the African leader in natural rubber and has become the fourth largest producer worldwide. Ivory continues to grow, thanks to the dynamism of independent growers, strongly supported by agro-industrial companies. Installed industrial capacities in Côte d'Ivoire are growing, but still insufficient, and the surplus raw material is currently exported to Asia (238 KT in 2021 against 298 KT in 2020). This is why SAPH has launched a project to build a factory to produce 60 K 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 85% 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.

It should be noted that, with 2,269 ha of palm in production, SAPH produced 28 thousand tonnes of bunches, making a significant contribution to the result, while CPO prices are at their highest.

□ Perspectives:

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 renewal 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)	EUR 1 = 7.180 cedis as at 31/12/2020 6.379 cedis as at 31/12/2019
Capital	EUR 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)	

□ Business and prospects

The areas dedicated to rubber are 15,903 ha, including 12,113 ha in tapping, to which are added 3,207 ha of immature crops and 583 ha in preparation for planting in 2022. GREL's own production, which stagnated at less than 10,000 tonnes/year from 2000 to 2010, is 19.5 thousand tonnes in 2021 (an increase of +3%), and will continue to grow with tapping of new land planted in recent years, reaching 28,000 tonnes in 2026, and 31,000 tonnes from 2029, thanks to a significant improvement in agricultural yields.

GREL has significantly increased its raw material purchases on the Ghanaian market (51 KT in 2021 compared to 29 KT in 2020), but competition from raw material exports to Asia has not allowed GREL to acquire all the volumes desired to supply its new plant. This is why 12 KT were imported from Côte d'Ivoire.

Thanks to the excellent performance of its two factories, industrial production amounted to 74.4 thousand tonnes, up 17% compared to 2020. GREL's main priority now is to secure its raw material supplies in order to utilise the capacity of its two plants.

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. Land acquisitions and extensions of agricultural land should be able to resume, with the improvement of the economic situation

3°) NIGERIA (RENL)

NIGERIA		
Currency	NAIRA (Local currency)	EUR 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 2021, the areas dedicated to rubber represented 15 593 ha, including 11 666 ha in tapping, to which are added 3 420 ha of immature crops and 507 ha in preparation for planting in 2022.

Own production is up sharply, at 21.1 thousand tonnes, an increase of +9%. 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 268 ha of extensions in 2021. 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. Difficulties in accessing the port of Lagos (under construction), in addition to the global logistics crisis, have been overcome.

4°) CAVALLA RUBBER CORPORATION (CRC)

LIBERIA		
Currency	Liberian Dollar (Local currency)	EUR 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 orchard with significant potential for expansion.

At the end of 2021, 6 072 ha were dedicated to rubber cultivation, including 532 ha of immature and 890 ha in preparation or awaiting replanting.

CRC also farms 679 ha of palm trees.

Rubber production is 4 thousand tonnes (compared to 3.7 thousand tonnes in 2020), as a result of the tapping of young plots, which compensate for the drop in production of old plantations. 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.

The accentuation of the bottom of the cycle having weighed on SIPH's resources, the initial development program had been suspended to adapt to this context, but the plantings restarted in 2020, and will accelerate from 2022.

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 opening, in 2021, of the oil mill of the Sifca Group near CRC will allow a better enhancement 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:

- Business activity related to rubber (*sales of services and seedlings to external producers in particular*) and provision of services and technical assistance to planters, annexes to rubber;
- 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 business activities is presented under "other sales" in the consolidated accounts, and amounts to EUR 19.9 million in 2021, compared to EUR 17.7 million in 2020.

Non-rubber business 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. The wood and biomass business, still embryonic, should also develop in the medium and long term, given the prospects for the development of renewable resources. But the palm business, with the exploitation of its 3.1 thousand ha, is growing in scale for the future, and should reach very satisfactory levels of profitability.

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 2021 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.

During the GPSNR General Assembly in September 2020, SIPH was elected to the Executive Committee for 2020-2022 and became involved in the Presidency of the Executive Committee. 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. This presence has made the group and its sustainability commitment more visible to the main players in the global rubber industry.

<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 the experience of SIFCA and Michelin in terms of CSR, within the framework of their technical assistance. SIPH's CSR policy and its deployment are managed and implemented with the support of SIFCA's Sustainable Development Department.

SIPH's Sustainability Policy is that of the SIFCA Group:

SUSTAINABILITY POLICY

Both a challenge and an opportunity, sustainability is of strategic interest to companies that are moving towards more viable business models. Appropriating it constitutes a real strategic lever for commitment to sustainable production and consumption.

Sustainability is therefore essential in most sectors in response to changes in the environmental, socio-economic and community contexts. The SIFCA Group is particularly concerned because we contribute by adapting our activity to the new challenges related to Sustainability.

The SIFCA Group therefore intends to enhance its leadership in terms of Sustainability in order to innovate in the responses to the expectations of its stakeholders.

To do this, the Group is committed through four strategic areas:

- **Governance and Ethics**
- **Employment and Working Conditions**
- **Preservation of the Environment**
- **Community and Societal Innovation,**

To:

- promote corporate governance based on the values of responsibility, ethics and quality;
- ensure the working conditions of all workers, including contract, temporary workers;
- respect the rights of Local and Indigenous Communities;
- fight against child labour, forced labour, discrimination and harassment in all its forms within our subsidiaries and in our supply chain;
- contribute to the protection of high carbon stock (HCS) and high conservation value (HCV) areas in our supply chain;
- promote clean and sustainable agriculture and industry within all Group entities;
- adopt climate change adaptation and mitigation measures;
- prevent and reduce the negative impacts of our business activity on the environment.

This responsible management policy applies, without exception, to:

- All the operations of the SIFCA Group, through all the processing plants and plantations of its subsidiaries, as well as in its various holdings;
- All suppliers and subcontractors with whom we have a commercial relationship, including the purchase of raw materials.

The SIPH Group, which represents the Rubber Division of the SIFCA Group, declines this sustainability policy on axes more specific to its rubber business, through a “Sustainable Natural Rubber Policy”:

SUSTAINABLE NATURAL RUBBER POLICY

Introduction:

MISSION: To provide the market with the rubber it needs, by contributing to economic and social development by optimising the areas exploited, and by promoting private and village rubber cultivation.

VALUES: RESPONSIBILITY, ETHICS, QUALITY.

SIPH VISION: To make SIPH a global reference in terms of responsible governance and operational performance. Maintaining sustained and balanced growth between agricultural activity and industrial activity

The Values and Vision of SIPH clearly establish its Sustainable Natural Rubber Policy, showing that the foundations of its strategy are based on Sustainability.

The Strategic Axes and Action Plans implement these principles of sustainability in the production, processing and marketing of natural rubber.

SIPH is committed to giving priority to the satisfaction of stakeholders, i.e. customers, employees, partners, shareholders, communities, governments, as well as the other stakeholders concerned.

SIPH, a specialist in natural rubber, assumes its social and environmental responsibility in all its business activities. In order to ensure a continuous and sustainable supply of natural rubber, SIPH considers it fundamental to take into account not only quality, cost and delivery time, but also the environment and human rights, thus making natural rubber a sustainable resource.

Based on these principles, SIPH was a founding member of the Global Platform for Sustainable Natural Rubber (GPSNR) set up by the World Business Council for Sustainable Development (WBCSD) in November 2017. SIPH has contributed to developing common objectives, and focuses its efforts on meeting these objectives

In order to ensure a sustainable natural rubber supply chain, it is vital to achieve understanding and cooperation with this supply chain, including industrial plantations, private planters, intermediary suppliers of raw materials and natural rubber processors.

Consequently, SIPH has defined areas of collaboration with suppliers, in the form of a Sustainable Natural Rubber Policy. Based on this policy, SIPH will continue to actively communicate and work on initiatives with a wide range of natural rubber supply chain stakeholders, business partners, industry associations, NGOs and industry experts.

Framework of SIPH's sustainable natural rubber policy, around 6 issues:

1. zero deforestation and environmental considerations (reduction of SIPH's ecological footprint);
2. respecting human rights;
3. ensuring total compliance;
4. improving transparency and traceability;
5. improving agricultural yields (supporting the upstream natural rubber supply chain);
6. promoting health and safety conditions.

These 6 issues are developed in the Sustainable Natural Rubber Policy, available on the SIPH website.



Social Responsibility.

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 takes care not only to optimally manage the impacts of its business on all of its

stakeholders, but also to transform them into business development opportunities.

It should be noted that plantations are a vast carbon sink, since trees synthesise atmospheric CO₂ to 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 per year (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.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>(in thousands of EUR)</i>	As at 31/12/2021	As at 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
	<u>47 791</u>	<u>8 830</u>

□ Rubber sales EUR 466 million

Rubber sales for the year amounted to EUR 466 million, compared to EUR 347 million in 2020, with an average sales price of EUR 1.409/kg, significantly up compared to 2020.

Tonnages sold amounted to 330 thousand tonnes, *compared to 302 thousand tonnes in 2020*, an increase of 9%.

Total revenue was EUR 485 million, compared to EUR 365 million in 2020.

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

□ Cost of goods sold. operating profit

Total rubber production increased by +15% to 341 thousand tonnes (from 296 thousand tonnes in 2020). This increase is mainly due to the rise in external purchases in Côte d'Ivoire, Ghana and Liberia. The share of external purchases in total production is 77% (*compared to 75% in 2020*).

Cost of sales amounted to EUR 366 million, compared to EUR 290 million in 2020, and represent 75% of consolidated sales compared to 79% in 2020.

In 2020, the margin on direct costs amounted to EUR 119. million (25% of turnover), compared to EUR 75 million in 2019 (20% of turnover).

Overheads amounted to EUR 32 million compared to EUR 26 million in the previous financial year. The 2020 general expenses showed an analytical allocation error for CFA 3.4 billion on SAPH in the consolidation package. This sum should have been in direct costs. The net drift excluding this error for SIPH is EUR 1.0 million, centred on SAPH. Other operating expenses net of products decreased, and represent only EUR 206 K.

Operating profit was EUR 64.2 million, compared to EUR 20.7 million in 2020.

The financial result shows a loss of EUR 2.6 million, compared to a loss of EUR 6.9 million in 2020. It includes EUR 507 K of financial costs related to the implementation of IFRS16. After taking into account EUR 13.8 million in taxes, the consolidated net result amounts to EUR 47.7 million, compared to EUR 8.8 million in 2020.

The Group's profit was EUR 35 million, and the share allocated to minority interests was EUR 13 million, compared to EUR 6.1 million and EUR 2.7 million respectively in 2020.

The Group's cash flow amounted to EUR 93.7 million compared to EUR 40.7 million in 2020. After changes in working capital requirement, net cash flow amounted to EUR 49.6 million compared to EUR 25.8 million in 2020.

Net investments continued with EUR 33 million compared to EUR 42 million in 2019. 2019 included EUR 21.2 million related to changes in scope and financing on the Colette project, and in particular the capital increase of GREL.

The free cash flow (Cash flow generated by operating activities + flow of investment), amounts to EUR +16.2 million, compared to EUR -16.5 million in 2020.

After taking into account net financing flows (EUR -18.9 million), including EUR 9 million from the repayment of short-term debt to Michelin, the Group's cash position fell by EUR -2.4 million to EUR 33 686 K, after having increased in 2020, due to Colette financing at the end of the financial year.

Total consolidated equity is EUR 289 million compared to EUR 246 million as at 31 December 2020, this improvement mainly coming from the 2021 net income.

2°) CORPORATE FINANCIAL STATEMENTS

□ BUSINESS ACCOUNTS

The corporate **income** for the 2021 financial year is EUR +9.038 *million*, compared to EUR +1.499 *million* in 2020.

In 2021, SIPH received EUR 3.508 million in dividends from its subsidiaries.

The **supplier account** as at 31/12/2021 represented EUR 39.264 million, and included EUR 35.974 million due to SIPH subsidiaries for rubber purchases.

In 2020, SIPH advanced its subsidiary GREL EUR 0.9 million net to finance the investment program in Ghana. This loan was repaid in full in 2021. There is intra-group financing between SIPH and GREL (EUR 24.805 million), as well as between SIPH and SAPH (EUR 24 million)

The value of the investment in CRC on the asset side of the balance sheet is fully provisioned as at 31/12/2021.

In 2021, cash **net** of debt is negative at EUR 55.84 million, and includes in particular:

- A loan of EUR 72.5 million taken out in December 2020 for EUR 60 million and in January 2021 for EUR 12.5 million from credit institutions, in particular to support the development project of its subsidiary GREL in Ghana and SAPH in Côte d'Ivoire.
- **Short-term overdraft line:** EUR 0.32 million at 31/12/2021, compared to EUR -0.43 million at 12/31/2020.

- **Cash at 31/12/2021 represents EUR 16.980 million compared to EUR 14.437 million as at 31/12/2020.**

□ RESULTS OF THE COMPANY OVER THE LAST FIVE YEARS

YEAR	2017	2018	2019	2020	2021
CAPITAL AT YEAR-END					
Share capital in EUR 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
TRANSACTIONS AND RESULT FOR THE FINANCIAL YEAR					
Turnover before tax in EUR K	357 268	299 657	317 030	357 683	468 135
Net profit after tax in EUR K	8 583	8 091	1 357	1 499	9 038
PROFIT/LOSS IN EUR/SHARE					
Profit after tax but before depreciation and provisions	-2.6	1.64	1.24	1.4	2.73
Profit after tax, depreciation and provisions	1.7	1.6	0.27	0.3	1.79

3°) ALLOCATION OF PROFITS AND LOSSES

In accordance with Group policy, the Board of Directors distributes 50% of net income in the form of dividends, i.e. EUR 0.89 per share.

The allocation of the result will therefore be as follows:

Equity as at 01/01/2021	59 829
<i>Carried forward</i>	<i>6 948</i>
Result for financial year 2021	9 038
Allocation to dividends	-4 504

As at 31 December 2021, 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 financial year 2022.

The Cabinet Price Waterhouse Coopers was appointed Statutory Auditor by the General Meeting of 2021 to approve the 2020 accounts for a period of 6 years; his mandate will expire at the end of the meeting that will approve the financial statements for financial year 2026.

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 31/12/21 is provided in Note 16 to the parent company's 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.