M O P O L I

Palmboomen Cultuur Maatschappij Mopoli
(Palmeraies De Mopoli) N.V.

ANNUAL REPORT

2019 / 2020

PALMBOOMEN CULTUUR MAATSCHAPPIJ MOPOLI
(PALMERAIES DE MOPOLI)
N.V.

Registered office : 10, Koningin Julianaplein-2595 AA LA HAYE
Headquarter : 2, Place du Champ de Mars-1050 BRUXELLES

MOPOLI
ANNUAL REPORT

106th FINANCIAL YEAR 2019/2020

General meeting of shareholders
as at 17h December 2020

Annual report

106th financial year 2019/2020

The managing directors of Palmboomen Cultuur Maatschappij Mopoli (Palmeraies De Mopoli) N.V. ("**Mopoli**" or the "**company**") have pleasure in submitting their report together with the financial statements for the year ended on 30 June 2020 (the "**Financial Statements**").

To be presented to the annual general meeting of shareholders of Mopoli to be held on 17 December 2020.

Palmboomen Cultuur Maatschappij Mopoli (Palmeraies De Mopoli) N.V.
Registered address: Koningin Julianaplein 10, 2595 AA The Hague, the Netherlands
Headquarter: 2, place du Champ de Mars 2/1, 1050 Bruxelles, Belgium
E: info.mopoli@mopoli.nl
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The Hague/Brussels, 28 October 2020

The Management Board
- Hubert Fabri
- Daniel Haas
- Philippe de Traux
- AFICO S.A. represented by Luc Boedt

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1. Business activities

Mopoli is a holding company investing in agro industry projects. It currently only invests indirectly by granting loans to related companies. On 30 June 2020 cash loans were provided to each of Socfinaf S.A. ("**Socfinaf**") and Afico S.A. ("**Afico**").

The company is listed on Euronext Belgium. The company has no routine business processes and has no employees.

The general meeting of shareholders has authorised the company to buy back its own shares. This program has been active for several years; however the availability of shares is limited. The strategy of the company remains to buy back its own shares in case any shares are offered to the market.

As such, the managing directors recognise that the main risk is credit risk regarding the recoverability of the loans. For this risk, the management board is willing to accept the risk and does not hedge or mitigate these factors.

No formal risk procedures are implemented to mitigate the identified risks.

2. Management board report

2.1. Composition of the management board

Managing directors are appointed, dismissed or suspended by the general meeting of shareholders. They are appointed for a mandate of six years. They can be reappointed. During the financial year 2019/2020 the management board consisted of four members:

Name	**First nomination**	**End of mandate**
Hubert Fabri	AGM 1998	AGM 2022
Philippe de Traux	AGM 2001	AGM 2020
Daniel Haas	AGM 2008	AGM 2020
AFICO represented by Luc Boedt	AGM 2014	AGM 2021

There were no changes to the management board during the financial year 2019/2020.

2.2. Business performance

At the closing date, the profit after taxes was EUR 0.56 million and came mainly from:
- financial earnings (interest): EUR 1.04 million;
- operational expenses made up of services and various goods: EUR 0.26 million;
- income tax: EUR 0.22 million.

The total equity is EUR 56 million compared to EUR 55 million a year ago.

As of 30 June 2020 the company is highly solvent as equity far exceeds the company's liabilities. The cash flow for this year has been positive. Furthermore, the liquidity position of the company is good and has proven to be stable. As such, the company does not expect any need to obtain external financing in the coming year.

All funds are deposit to ING Bank. The creditworthiness of the bank is verified through the evaluations of credit rating agencies.

2.3. Dividend and dividend policy

The company will not propose to pay any dividend over the financial year 2019/2020.

2.4. Outlook

Earnings will depend the proceeds received for the loans and cash deposits.

2.5. Risk management

Line of guidance
The purpose of the company is the exploitation of palm oil and rubber oil, either directly or indirectly. This is a sector risk and we do not have the skills and knowledge to achieve that goal as a holding company. The current policy is therefore to invest indirectly in this sector.

Business risk
As investor in tropical agro business projects, the company has to deal with potential high risks. That is why the company is not investing directly in the projects but through well-structured listed companies that have developed the know-how in that business and are designed to manage the risk.

Market risk
There is no market risk since the only activity on 30 June 2020 was the cash loan to Socfinaf and Afico.

Credit risk
In 2014, we entered into a loan agreement with the company Socfinaf. We consider this as a limited credit risk since Socfinaf is a listed company with a low debt ratio. Funds are advanced in the context of new investments and a portion of the loan was already repaid. In 2016, a loan was granted to Afico. This is a limited credit risk since the company is a shareholder of Mopoli.

The results of the company depend heavily on the ability of the borrowers to service their debt. This risk has been taken into account, as the companies in question are listed and well managed the risk is deemed reasonable and controlled. That being said, an uncontrollable factor is the market prices of the raw materials that the companies sell; an important and lasting drop in these prices could affect the companies' ability to service the debt. The risk is very low and mitigated thanks to Socfinaf's and Afico's geographically diverse presence allowing it to profit from particular market mechanics.

Liquidity risk
Prudent liquidity risk management implies maintaining cash available for investment opportunities. Mopoli manages cash and short-term deposit according to the needs. Mopoli currently has limited liquidity risk.

Hedging of risks

The policy of the company is not to hedge any of the aforementioned risks.

Modifications
No significant changes are expected to be made to the risk management system.

2.6. Statements of the management board

With reference to section 5.25c DFSA and best practice provision 1.4.3 of the Dutch Corporate Governance Code, the management board states that, to the best of its knowledge:

- based on the current state of affairs, it is justified that the Financial Statements have been prepared on a going concern basis;
- this report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the next period of 12 months;
- the Financial Statements which have been prepared in accordance with IFRS adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code give a true and fair view of the assets, liabilities, financial position and profit or loss of Mopoli;
- the Management Board report provides a true and fair overview of the situation on the balance sheet date and of developments during the financial year of Mopoli whose information has been included in the Financial Statements, together with a description of the main risks the company faces.

Brussels, 28 October 2020

The Management Board

- Hubert Fabri
- Daniel Haas
- Philippe de Traux
- AFICO S.A. represented by Luc Boedt

3. Governance

3.1. Dutch corporate governance code

The Dutch corporate governance code contains principles and best practices on the governance of listed companies and their accountability to their shareholders on this topic. In December 2016 a revised version of the code was published (the "**Code**"). The Code was designated as the new corporate governance code by Decree on 7 September 2017 and entered into force as from the financial year 2017.

Compliance with the Code

The company is actively working towards complying with the Code. Immediately after the next annual general meeting in which new managing and supervisory directors will be nominated for appointment, new policies will be put in place which will largely comply with the Code.

3.2. Board structure

The management board is the executive body and is entrusted with the management of the company's group and responsible for the continuity, the goals, objectives, long-term value creation strategy, policies and results of Mopoli. The company has no supervisory board and no audit committee or other oversight board has been implemented.

3.3. Diversity

Mopoli values diversity and inclusion in all areas of its organisation. The management board currently consists of only male members. When a vacancy in the management board arises, gender diversity will be put on the list of criteria, besides other relevant criteria for the specific vacancy.

3.4. Related party transactions

Transactions made with shareholders, managing or supervisory directors of the company are described in "Note 9: Related parties" to the Financial Statements.

3.5. Dutch Takeover Directive

In accordance with the Dutch Takeover Directive (Article 10) Decree (*Besluit artikel 10 overnamerichtlijn*) this section provides information regarding the following matters:

a) *The company's capital structure, the types of shares and related rights and obligations, and the percentage of the outstanding share capital represented by each type of share*

The authorised capital of the company of EUR 2,768,059.32 consists of 120,000 ordinary shares with a nominal value of EUR 22.69 each and 100 preference shares with a nominal value of EUR 453.78 each.

The issued and paid-up share capital of EUR 2,314,279.10 is divided as follows:
- 100,000 ordinary shares with a nominal value of EUR 22.69 each (listed on Euronext Brussels) – 1 vote per share – 98.04% of the total issued share capital;

- 100 preference shares with a nominal value of EUR 453.78 each (not listed on the stock exchange) – 20 votes per share – 1.96% of the total issued share capital.

In addition, 2,400 founder’s shares are issued and outstanding with no nominal value (listed on Euronext Brussels) – no voting right.

b) *Each limitation imposed by the company on the transfer of shares or depositary receipts for shares*

Not applicable: Mopoli does not impose any limitation on the transfer of shares.

c) *Interests held in the company for which a disclosure obligation exists under Articles 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Act (Wet op het Financieel toezicht) ("**DFSA**")*

The following registrations were reported to the Authority for the Financial Markets (*Autoriteit Financiële Markten*) on 30 June 2020:

Shareholders	Number of shares	Percentage held	Voting rights	Date of notification
AFICO L-1650 Luxembourg	9,976	9.97%	9.78%	18-12-2019
Financière Privée Holding SA L-1650 Luxembourg	79,505*	79.43%	79.80%	18-12-2019
Hubert Fabri CH-1659 Rougemont	100	0.10%	0.10%	18-12-2019

* 79,405 ordinary shares and 100 preference shares

d) *special controlling rights attached to shares and the names of the party entitled thereto*

With the exception of the resolutions to appoint a managing director and to adopt the annual accounts, all resolutions of the general meeting require the approval of the meeting of holders of preference shares. To the extent the approval is requested in view of a proposal to resolve to dissolve the company, the approval should be obtained prior to the adoption of the resolution by the general meeting.

e) *The mechanism of control of an arrangement, that awards rights to employees to purchase or acquire shares in the capital of the company or a subsidiary thereof, if such control is not exercised directly by the employees*

Not applicable: the company does not have an employee share participation plan nor an employee share option plan.

f) *Each limitation of voting rights, terms for exercising voting rights and the issuance, with cooperation of the company, of depositary receipts for shares*

Not applicable: since there are no depositary receipts issued with the cooperation of the company there are no limitations on the exercising of voting rights thereon, the periods involved therewith and the issuance of such depositary receipts either

g) *Each agreement with a shareholder, to the extent known to the company, that may limit (i) the transfer of shares or depositary receipts for shares or (ii) voting rights*

Not applicable: the company is not aware of any agreement with a shareholder, that may result in a restriction in the transfer of shares or depositary receipts for shares issued with the cooperation of the company or in a limitation of voting rights.

h) *The provisions on the appointment and dismissal of managing and supervisory directors and the amendment of the company's articles of association*

The managing directors shall be appointed by the general meeting on the binding nomination of the meeting of the holders of preference shares. The company currently has no supervisory board. The general meeting may pass a resolution to amend the articles of association with a majority of two thirds of the votes cast in a meeting in which at least half of the issued capital is present or represented.

i) *The authorities of the management board, in particular in relation to the issuance of shares in the capital of the company and the acquisition by the company of shares in its own capital*

A decision to issue shares may only be taken by the general meeting of shareholders. The management board may only acquire shares in its own capital of the general meeting has authorised the management board to do so. Such authorisation will be valid for a period not exceeding eighteen months. The general meeting must determine in the authorisation the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set.

By resolution of 18 December 2019, the general meeting of shareholders authorised the management board for a period of 12 months as from 10 December 2019, to repurchase up to 10% of the issued share capital with due observance of article 2:98 of the Dutch Civil Code. Today, the company holds 5,904 ordinary shares and 219 founder's shares.

j) *Important agreements to which the company is a party and which can be executed, amended or terminated subject to a change of control of the company following a public bid as referred to in Article 5:70 DFSA, including the effects of such agreements, unless the agreements or effects thereof are such that disclosure may prejudice the company*

Not applicable: there are no agreements with Mopoli that contain change of control provisions.

k) *Each agreement of the company with a managing director or employee that relates to a payment upon the termination of employment as a result of a public bid as referred to in Article 5:70 DFSA.*

Not applicable: there are no agreements with directors or employees that provide for remuneration upon termination of employment as a result of a public bid.

3.6. Social and environmental responsibility

Mopoli's values are very much linked to that of its affiliate Société Financière des Caoutchoucs S.A. ("**Socfin**") and its subsidiaries (the "**Socfin Group**"). Mopoli adheres to and supports Socfin's code of conduct as well as its sustainability commitments. Socfin's commitments and sustainability report are available on Socfin's website (www.socfin.com).

4. Remuneration report

The remuneration of managing directors is regulated by article 12 of the articles of association stating that the fee of managing directors is equal to 10% of the distributed profit remaining after certain payments have been made on the preference shares and the ordinary shares. The managing directors did not receive any remuneration for the work they performed during the financial year 2019/2020.

5. Events after the balance sheet date

None

6. FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

ASSETS

(in thousands of euro)		Notes	30 June 2020	30 June 2019
NON-CURRENT ASSETS			9,000	9,000
I.	Other receivables	2	9,000	9,000
CURRENT ASSETS			46,629	46,108
II.	Other receivables	2	20,289	21,299
III.	Cash and short-term deposits	3	26,336	24,805
IV.	Other current assets		4	4
TOTAL ASSETS			**55,629**	**55,108**

EQUITY AND LIABILITIES

(in thousands of euro)

		Notes	30 June 2020	30 June 2019
EQUITY			**55,549**	**54,992**
I.	Share capital	4	2,314	2,314
II.	Statutory reserves	4	231	231
III.	Available reserves	4	523	523
IV.	Result for the year	4	560	651
V.	Retained earnings	4	55,295	54,647
VI.	Treasury Shares	4	-3,374	-3,374
CURRENT LIABILITIES			**80**	**116**
VII.	Trade and other payables	5	80	116
VIII.	Other current liabilities		0	0
TOTAL EQUITY AND LIABILITIES			**55,629**	**55,108**

STATEMENT OF COMPREHENSIVE INCOME
For the year-ended 30 June 2020

(in thousands of euro)			Notes		30 June 2020		30 June 2019
I.	Revenue				0		0
	A.	Dividends		0		0	
	B.	Other operating revenues		0		0	
II.	Other operating expenses				-262		-179
	A.	Administrative costs		-262		-179	
Operating profit					*-262*		*-179*
III.	Financial income		6		1,179		1,209
IV.	Financial expenses		6		-140		-114
Profit before tax					*777*		*916*
V.	Income tax expenses		7		-217		-265
Profit for the year					*560*		*651*

Other comprehensive income			30 June 2020	30 June 2019
Net other comprehensive income to be reclassified to profit or loss in subsequent periods			**0**	**0**
Total comprehensive income for the year, net of tax			**560**	**651**
Profit Attributable to equity holders of the parent			**560**	**651**
Total comprehensive income attributable to equity holders of the parent			560	651
Earnings per share (profit for the year attributable to common shares) :		8		
	Basic earnings per share		3.62	4.05
	Diluted earnings per share		3.62	4.05
Earnings per share (profit for the year attributable to founder shares) :		8		
	Basic earnings per share		87.27	98.04
	Diluted earnings per share		87.27	98.04

CASH FLOW STATEMENT
For the year ended 30 June 2020

(in thousands of euro)	Notes	30 June 2020	30 June 2019
Profit for the year	4	560	651
Adjustments for:			
Dividend income		0	0
Interest income	6	-1,179	-1,209
Changes in working capital			
Variation other current assets		0	0
Variation trade payables	5	-36	-44
Variation other current liabilities		0	-1
Variation other rec (excl. loan and accrued interest)	2	10	0
Dividends received		0	0
Interest received		1,179	1,210
Income taxes	7	224	261
Operating cash flows		**758**	**868**
Financial expenses / Interest paid		**138**	**113**
Income taxes		**-224**	**-261**
Loan granted	2	-1,000	-3,000
Loan repaid	2	2,000	3,000
Investing cash flows		**1,000**	**0**
Dividend paid	4	-3	-3
Purchase treasury shares		0	0
Financial expenses / Interest paid	6	-138	-113
Financing cash flows		**-141**	**-116**
Net cash flow		**1,531**	**604**
Cash and cash equivalent at beginning of year	3	24,805	24,201
Cash and cash equivalent at end of year		26,336	24,805
Movement of the year		**1,531**	**604**

STATEMENT OF CHANGES IN EQUITY
As at 30th June 2020

(in thousands of euro)	Number of Share	Share capital	Statutory reserves	Available reserves	Retained earnings	Profit for the year	Treasury Shares	Total
As at 30th June 2018	**100,100**	**2,314**	**231**	**523**	**54,169**	**481**	**-3,374**	**54,344**
Profit for the year						651		651
Total comprehensive Income for the year						*651*		*651*
Dividends					-3			-3
Transfer from previous year					481	-481		0
Treasury Shares							0	0
As at 30th June 2019	**100,100**	**2,314**	**231**	**523**	**54,647**	**651**	**-3,374**	**54,992**
Profit for the year						560		560
Total comprehensive income for the year						*560*		*560*
Dividends					-3			-3
Transfer from previous year					651	-651		0
Treasury shares							0	0
As at 30th June 2020	**100,100**	**2,314**	**231**	**523**	**55,295**	**560**	**-3,374**	**55,549**

See Note 4 for details

Notes to the Financial Statements

Note 1: Accounting Principles and Methods of Appraisal

A. Corporate information

Palmboomen Cultuur Maatschappij Mopoli (Palmeraies De Mopoli) NV (here after referred to as Mopoli) is a public limited company governed by Dutch law, subject to all legislative texts applicable to commercial companies in the Netherlands. It is registered at the Dutch Chamber of Commerce under number 27035538.

Its registered offices are located at 10, Koningin Julianaplein 2595 AA The Hague, and its administrative headquarters are located at 2, Place du Champ de Mars, 1050 Ixelles. The company is listed on Euronext Brussels.

Mopoli is a holding company investing in agro industry project.

B. Accounting policies

B.1 Basis of preparation

Statement of compliance

In application of European Regulation no. 1606/2002 of 19 July 2002 on International Accounting Standards, the accounts for the 2018-2019 financial period are draw up in conformity with IFRS (International Financial Reporting Standards) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. This reference system includes the International Accounting Standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor, the Standard Interpretation Committee (SIC).

The financial statements for an individual entity have been prepared on a historical cost basis.

The board of Directors have authorised the financial statement for issue on 17th December 2020.

The financial statements are presented in euros and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

Significant judgments, estimates and assumptions

In the process of applying the company’s accounting policies, management may have to use its judgements and made estimates in determining amounts recognised in the financial statements.

A treasury agreement was signed with Socfinaf.
Since the amount paid can be claimed on demand, this transaction has been recognized as a current receivable.
Despite the fact that this loan is outstanding since 20th November 2014, we consider it as a current receivable.
Indeed, we recovered a substantial portion of this loan in previous years.

Risk Management Policies

Line of Guidance
The purpose of the company is the exploitation of palm oil and rubber oil, either directly or indirectly. This is a sector of risk and we do not have the skills and knowledge to achieve that goal as an operating company.
The current policy is therefore to invest indirectly in this sector.

Business risk
As investor in tropical agro business projects, the company has to deal with potential high risk. That is why the company is not investing directly in the projects but through well structured listed companies that have developed the know-how in that business and are designed to manage the risk.

Market risk
There is no market risk since the only activity at 30 June 2020 is the cash loan to Socfinaf, Afico and Socfin.

Credit risk
In 2014, we have entered into a loan agreement with the company Socfinaf. We consider this as a limit credit risk since Socfinaf is a listed company with a low debt ratio. Funds are advanced in the context of new investments and a portion of the loan was already repaid.
In 2016, a loan was granted to Afico. This is a limited credit risk since the company is a shareholder of Mopoli.
A loan was also granted to Socfin this year but was fully repaid in October 2019. This is a limited credit risk since Socfin is a listed company with a low debt ratio.

Liquidity risk
Prudent liquidity risk management implies maintaining cash available for investment opportunities. Mopoli manages cash and short term deposit according to the needs. Mopoli currently has limited liquidity risk.

Hedging of risks
The policy of the company is not to hedge any of the aforementioned risks.

Modifications
No significant changes are expected to be made to the risk management system.

C. <u>Summary of significant accounting policies</u>

Conversion of foreign currency transactions
No foreign currency transactions occurred and was subject to conversion.
The functional currency is the euro.

Revenue recognition
Interest revenue is recognised as interest accrues using the effective interest rate.
Dividends from investment are accounted upon establishment of the right of the shareholders to receive payment.

Financial charges
The cost includes the interest charged on the debt.

Income taxes
The Company calculates current taxes on income in compliance with the applicable tax legislation.
According to IAS 12 standard "Income Taxes", any temporary difference between the accounting values of the assets and liabilities and their taxes bases will give rise to the computation of a deferred tax, according to the variable carry-forward method, using the tax rate adopted, or substantively-adopted, at balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available. This assessment is made annually.

Derecognition of financial assets and liabilities

Financial assets
The loans granted are valued at amortized cost.
A Financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flow the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Other receivables
Trade and other accounts receivables are current financial assets initially recognized at fair value; this generally corresponds to the nominal value, in the absence of a significant discounting effect.
Upon each closing, the receivables are appraised at amortized cost, minus any losses in value taking account of any possible risk of non-collection.

Cash assets and cash-equivalents
Cash and cash-equivalents consist of cash in hand, bank balances and short-term deposits in money market instruments. These investments, with maturities less than three months, are easily convertible into cash, and are subject to negligible risks of changes in value and risks of non-transferability.

Segment reporting
No segment reporting is disclosed, since the business segment is unique, i.e., finance, and since the geographical segment is also unique (Belgian).

Cash flow statement
The cash flow statement is prepared by using the indirect method. The cash flow statement distinguishes operating, investing and financing activities. When applicable, cash flows in foreign currencies are converted at the average rates during the reporting period. Currency exchange differences are separately presented. Payments and receipts of corporate taxes as well as financial income (dividend, interest) and expenses are included in cash flows from operating activities. Cash flows resulting from acquisitions/divestures of financial interests in subsidiaries are included in cash flows from investments activities, net of cash acquired. Dividends paid are part of the cash flow from financing activities.

Treasury shares
Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

D. <u>IFRS Standards and IFRIC Interpretations</u>

New and amended standards and interpretations on the 1st January 2020

- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018)
- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (issued on 26 September 2019)
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)

Standards issued but not yet effective

- IFRS 17 Insurance Contracts (issued on 18 May 2017) effective on the 1st January 2023
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020)
- Amendments to :
    - IFRS 3 Business Combinations;
    - IAS 16 Property, Plant and Equipment;
    - IAS 37 Provisions, Contingent Liabilities and Contingent Assets
    - Annual Improvements 2018-2020(All issued 14 May 2020)
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020)
- Amendments to IFRS 4 Insurance Contracts –deferral of IFRS19 (issued on 25 June 2020)

None of the standards issued but not yet effective has been endorsed by the EU and none of these is expected to have significant impact.

Note 2 : Other receivables

(in thousands of euro)	30 June 2020	30 June 2019
Loan granted	29,000	30,000
Other receivables	0	0
Interest to be received on loan granted	289	299
Total of Other receivables	**29,289**	**30,299**
Other receivables whose recovery is awaited 1 year at the most	**20,289**	**21,299**
Other receivables whose recovery is awaited between 1 and 5 years	**9,000**	**9,000**

The loan of Socfinaf is unchanged to EUR 20,000,000.

Afico reimbursed EUR 1,000,000 in June 2018 for a remaining balance of EUR 9,000,000.

Socfin had a loan for a total of EUR 1,000,000. A new amount of EUR 1,000,000 was granted to Socfin in August 2019. Socfin refunded the toal loan (EUR 2,000,000) in October 2019.

These 3 loans are receivables on related parties. Also, the loan granted to Afico is a loan issued to a statutory director.

There is due interest on the loan to Socfinaf and Afico for the last quarter.

Note 3 : Cash and cash equivalents

Cash and cash-equivalents consist of cash in hand, bank balances and short-term deposits in money market instruments.

(in thousands of euro)	30 June 2020	30 June 2019
Cash at banks and in hand	26,336	24,805
Short-term deposits	0	0
Cash and cash equivalents	26,336	24,805

There are not undrawn borrowing facilities.
There is no restriction to the availability of cash and cash equivalents.

Note 4 : Equity

Capital (in units)	Common shares	Preferred shares	Founder shares
Number of shares as at 30 June 2018	**100,000**	**100**	**2,400**
Changes during the year	0	0	0
Number of shares as at 30 June 2019	**100,000**	**100**	**2,400**
Changes during the year	0	0	0
Number of shares as at 30 June 2020	**100,000**	**100**	**2,400**
Number of shares issued, fully paid	100,000	100	2,400

The subscribed and fully paid capital of EUR 2,314,279 is represented as follows:
100,000: Common shares of a nominal value of NLG 50 (EUR 22.69) (listed on Euronext Brussels)
100: Preferred stock of a nominal value of NLG 1,000 (EUR 453.78) (not listed)
2,400: Founder shares with no nominal value. (listed on Euronext Brussels)

Shares outstanding (in units)	Common shares	Preferred shares	Founder shares
Number of shares outstanding as at 30 June 2019	**94,096**	**100**	**2,181**
Changes during the year			
Converted shares	-1,517		-148
Number of shares outstanding as at 30 June 2020	**92,579**	**100**	**2,033**

At year end, the company owned 5,904 (2019 : 5,904) of its own common shares, and 219 (2019 : 219) of its founder shares.
The extraordinary general meeting as at 10th June 2008 authorised the company to acquire its own shares.
The general meeting as at 18th December 2019 renewed the authorization for 12 months from 10th December 2019. At the end of the year, 219 founder shares and 5.904 common shares have been bought back for a total of EUR 3.374 million, deducted from the Shareholder’s equity.

On the 1st January 2020, pursuant the provision of Dutch Conversion Act (wet omzetting aandelen aan toonder), 1,517 common shares and 148 founder shares were converted into registered shares by operation of law and have lost their voting right and right to dividend.

Reserves (in thousands of euro)	Statutory reserves	Available reserves
	Not distributable	Distributable
30 June 2018	**231**	**523**
Changes during the year	0	0
30 June 2019	**231**	**523**
Changes during the year	0	0
30 June 2020	**231**	**523**

The statutory reserves are relative to article 12, 3. a) of the company statutes. These reserves are no more funded as they reached 10% of the capital.

Distribution of profit (in thousands of euro)	Retained earnings	Result for the year
30 June 2018	**54,169**	**481**
Profit of the year	0	651
Dividends	-3	0
Transfer from previous year	481	-481
30 June 2019	**54,647**	**651**
Profit of the year	0	560
Dividends	-3	0
Transfer from previous year	651	-651
30 June 2020	**55,295**	**560**

The dividend of EUR 3,176 related to 2018/2019 was adopted at the AGM and paid in July 2020.

PROPOSAL FOR DISTRIBUTION OF PROFIT (in thousands of euro)

The Board of Directors will not propose to pay any dividend over de financial year 2019/2020.

(in thousands of euro)	
Net result of the financial	560
Profit brought forward	55,295
Profit to be distributed	55,855
First:	
Dividend to preferred shares	0
Transferred to profit carried forward	55,855

Note 5 : Trade and other payables

(in thousands of euro)	30 June 2020	30 June 2019
Trade	40	45
Other payables - current taxes	25	61
Other payables - others	15	10
Total of Trade and other payables	**80**	**116**
Trade and other payables whose recovery is awaited 1 year at the most	**80**	**116**

Note 6 : Financial income and expense

(in thousands of euro)	30 June 2020	30 June 2019
Interests	-138	-113
Other financial costs	-2	-1
Total of financial costs	**-140**	**-114**
Interests	1,179	1,209
Other financial revenue	**1,179**	**1,209**
Financial result	**1,039**	**1,095**

The interests received are mainly related to the loan granted to related parties, bearing a higher interest rate than the bank account.

The interest rate on cash deposit is negative since January 2017.

Note 7 : Income taxes

Components of income tax

(in thousands of euro)	30 June 2020	30 June 2019
Current income tax	224	261
Current income tax previous year	-7	4
Income tax expense	**217**	**265**

Reconciliation of income tax expense

Profit before tax	777	916
Income tax	-217	-265
Profit after tax	**560**	**651**
Profit before tax	777	916
Non-deductible expenses	7	0
Revenue exempt from tax	0	0
Notional interest deduction current year	-27	-34
Profit to be taxable	**757**	**882**
Applicable local rate	29.58%	29.58%
Tax at the applicable local rate	**224**	**261**

Note 8 : Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year and by dividing net profit for the year attributable to founder shares by the weighted average number of founder shares outstanding during the year.

The company did not issued any financing instrument requiring to disclose a diluted earnings per share.

(in thousands of euro)	30 June 2020	30 June 2019
Numerator		
Net profit from continuing operations	560	651
Preference dividends	-3	-3
Net profit	557	648
Net profit attributable to common shares	335	381
Net profit attributable to founder shares	177	214
Denominator		
Weighted average number of common shares	92,579	94,096
Weighted average number of founder shares	2,033	2,181
Net profit attributable to common shares per common share (in euro)	**3.62**	**4.05**
Net profit attributable to founder shares per founder share (in euro)	**87.27**	**98.04**

The common shares are entitled to a 5% interest distribution on the subscribed and fully paid share capital (2020: EUR 112k, 2019: EUR 113k). After this allocation 50% of the remaining Net profit is allocated to common shares (2020: EUR 223k, 2019: EUR 268k) and 40% is allocated to founder shares (2020: EUR 178k, 2019: EUR 214k). The remainder is not allocated, as when the AGM decides to pay out dividend the Board of Directors is entitled to 10% of the dividend.

It should also be noted that, in case of liquidation, the Board of Directors is not entitled to any remaining balances. In this case the EPS will exceed the above calculation. For further details we refer to the Statutory Provisions Concerning The Distribution of Profit, as included in the other information to these financial statements. The last time Mopoli paid out dividend was in 2001.

Note 9 : Related parties

(in thousands of euro)	30 June 2020	30 June 2019
Attendance fees (1)	0	0

(1) Amount actually paid to the Directors during the year

According to a declaration of participation (18 December 2019) Financière Privée holding holds 79% of ordinary shares and 100% of the preferred shares of Mopoli.

The company paid an amount of EUR 75,592 for administrative assistance to Centrages, a company indirectly held by Socfin. All administrative and accounting services are provided by Centrages.

The Company has granted a loan of EUR 35 million to Socfinaf, a company affiliated to Socfin. Socfinaf repaid EUR 15 million during 2016-2017. This loan bears an interest rate of 4% and has an indefinite term, but it can be recalled at any time.
The Company has granted a loan of EUR 10 million to Afico, a shareholder company. This loan bears an interest rate of 4% and the term is fixed at 31th December 2021. A partial reimbursement of EUR 1 million is effective in June 2018 for a remaining balance of EUR 9 million.
A loan was granted to Socfin. This loan bears an interest rate of 4% and has an indefinite term, but it can be recalled at any time. The maximum amount which can be granted is EUR 5 million. During the year, the loan increased to EUR 2 million and was fully repaid.

These loans are measured at amortized cost, which is equal to the nominal value of the loan.
The fair value of the loans equals the valuation at amortized cost. No guarantees have been issued on these loans. A provision for doubtful debts related to the amount of outstanding loans granted to Socfinaf, Afico and Socfin is not deemed necessary.

The transactions with related parties are done at arm’s length.

Note 10 : Off balance sheet rights and commitments

(in thousands of euro)	30 June 2020	30 June 2019
Statutory deposits	1	1
Total of rights and commitments received	**1**	**1**

Note 11 : Subsequent events

None

Note 12 : Board remuneration

No remuneration was paid to directors this year.

Note 13 : Auditor fees

(in thousands of euro)

	2020	2019
Baker Tilly (Netherlands) N.V.	4.0	50.0

These fees solely relate to the audit of the financial statements 2018-2019.

BOARD OF DIRECTORS

Mr Hubert FABRI, President

Mr Philippe de TRAUX, Director

AFICO, represented by Mr Luc BOEDT

Mr Daniel HAAS, Director

7. OTHER INFORMATION

STATUTORY PROVISIONS CONCERNING THE DISTRIBUTION OF PROFIT (TRANSLATION)

Statutory provisions covered in article 12, for as long as they are applicable, state that:*
1. The Meeting, under article 14, decides what amortisations to apply.

2. After deduction of the aforementioned amortisations/ depreciation, at first a 7% dividend amount over the subscribed and paid preferred shares will be paid to the preferred shareholders.
The annual dividend payment on these preferred shares will never exceed 7%.

3. Of the amount after this distribution to preferred shareholders if possible:

a) an amount of 5% will be used to add to a reserve. As soon (and as long) as this reserve is 10% of the issued and paid up capital, no additional profits can be reserved for this purpose.

b) After this an amount will be due as a 5% interest amount on the subscribed and paid common shares.

4. The remaining profit after the aforementioned deductions and dividend payments will be distributed as follows:

10% to the Board of Directors
50% to the common shareholders
40% to founder shareholders

5. However, the Ordinary Annual Meeting of Shareholders can decide upon request of the Board of Directors that the 50% intended for ordinary shareholders will be fully or partially transferred to a special account or will be allocated to a special reserve.

6. The date on which the dividend amounts are payable, will be decided by the ordinary shareholders meeting.

7. Dividend amounts which are not claimed, five years after the date on which the dividend amount have been declared payable, will be released and booked as profit in the profit and loss account of the entity.

8. When a loss is recorded according to the income statement, which can not be compensated by any other reserve, no dividend payments will take place, as long as these losses are not compensated first.

Statutory provisions covered in article 22, for as long as they are applicable, state that:

The remaining balance after liquidation will at first and for all be used to repay the paid capital of the preferred shareholders including the arrears of the annual 7% dividend due on those preferred shares. After this the remaining balance will be used to repay the paid up capital to the common shareholders.

In case any balances remain after the distributions stated above, this will be distributed as follows:
55% to common shareholders;
45% to founder shareholders.

The payments will be made at the time and place to be determined by the ordinary shareholder meeting.

* As an interpretation of the above we distribute profits by paying out the 7% dividend on the preferred shares and adding the remainder of the result for the year to the retained earnings.