

FORACO INTERNATIONAL S.A.

Unaudited Condensed Interim Consolidated Financial Statements

**Three-month period and year ended
December 31, 2021**



Table of Contents

Unaudited condensed interim consolidated balance sheet - Assets	3
Unaudited condensed interim consolidated balance sheet – Equity and Liabilities	4
Unaudited condensed interim consolidated income statement	5
Unaudited condensed interim consolidated statement of changes in equity	6
Selected notes to the unaudited condensed interim consolidated financial statements	8
1. Basis of preparation	8
2. Selected notes on critical accounting policies and new accounting pronouncements	8
3. Financial risk management	10
4. Segment information	10
5. Property, plant and equipment	12
6. Goodwill	12
7. Inventories	13
8. Financial debt and lease obligations	13
9. Provisions	14
10. Share capital and change in equity	15
11. Expenses by nature	16
12. Income tax expense	16
13. Commitments and contingencies	16
14. Related-party transactions	17
15. Earnings per share calculation	17
16. Financial reorganization	17
17. Post balance sheet events	18

Foraco International S.A.**Unaudited condensed interim consolidated financial statements as of December 31, 2021****Unaudited condensed interim consolidated balance sheet - Assets**

in thousands of US\$	Note	December 31, 2021	December 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	39,681	36,090
Goodwill	(6)	63,504	69,482
Deferred income tax assets	(16)	20,356	29,846
Other non-current assets		854	906
		124,395	136,324
Current assets			
Inventories, net	(7)	37,057	31,387
Trade receivables, net		32,237	29,357
Other current assets		11,179	9,737
Cash and cash equivalents		23,924	20,960
		104,397	91,441
Total assets		228,792	227,765

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of December 31, 2021

Unaudited condensed interim consolidated balance sheet – Equity and Liabilities

in thousands of US\$	Note	December 31, 2021	December 31, 2020
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		2,499	1,772
Share premium, reserves and retained earnings		53,480	11,154
		55,979	12,926
Non-controlling interests		6,549	4,876
Total equity		62,528	17,802
LIABILITIES			
Non-current liabilities			
Borrowings - Non-current portion of long-term debt	(8) & (16)	94,101	153,993
Lease obligations – Non current portion	(8)	4,684	3,915
Deferred income tax liabilities		2,485	3,570
Provisions for other liabilities and charges	(9)	568	517
Current liabilities			
Trade payables		26,401	17,711
Other payables		23,830	23,086
Current income tax liabilities		3,182	2,319
Borrowings - Current portion of long-term debt	(8) & (16)	7,584	1,837
Borrowings - Current portion of drawn credit lines	(8)	1,913	1,299
Lease obligations - Current portion	(8)	1,382	1,568
Provisions for other liabilities and charges	(9)	135	149
Total liabilities		166,264	209,964
Total equity and liabilities		228,792	227,765
Net debt including operating lease obligations under IFRS 16		85,741	141,652

Net debt including operating lease obligations is a non IFRS measure and corresponds to the current and non-current portion of borrowings, net of cash and cash equivalents

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of December 31, 2021

Unaudited condensed interim consolidated income statement

In thousands of US\$	Note	Three-month period ended December 31		Year ended December 31,	
		2021	2020	2021	2020
Revenue	(4)	68,896	54,177	269,689	207,122
Cost of sales	(11)	(58,784)	(45,214)	(222,869)	(168,897)
Gross profit		10,112	8,963	46,820	38,225
Selling, general and administrative expenses	(11)	(5,825)	(5,586)	(22,693)	(21,040)
Other operating income / (expense), net		-	-	-	-
Operating profit / (loss)		4,287	3,377	24,127	17,185
Finance costs		(2,618)	(2,217)	(9,368)	(8,663)
Gain on refinancing	(16)	(350)	-	34,233	-
Profit / (loss) before income tax		1,319	1,160	48,992	8,522
Income tax (expense) / profit (*)	(12) & (16)	907	900	(9,982)	(1,003)
Profit for the period		2,226	2,060	39,010	7,519
Attributable to:					
Equity holders of the Company		2,269	1,604	35,487	4,236
Non-controlling interests		(43)	456	3,523	3,283
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US cents per share):					
- basic	(15)	2.26	1.79	37.65	4.72
- diluted	(15)	2.20	1.74	36.71	4.61
Operating profit before depreciation, amortization and non-cash share based compensation expenses		9,420	7,846	43,041	34,054

(*) 2021 Income tax expense includes US\$ 8,994 thousand non cash related to the gain on refinancing

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of December 31, 2021

Unaudited condensed interim consolidated statement of changes in equity

in thousands of US\$	Attributable to equity holders of the Company			Non-controlling interests	Total Equity
	Share Capital	Share Premium, reserves and retained earnings	Total		
Balance at January 1, 2020	1,772	29,223	30,996	5,682	36,678
Profit / (loss) for the period	-	4,236	4,236	3,283	7,519
Currency translation differences	-	(22,337)	(22,337)	(1,554)	(23,891)
Employee share-based compensation	-	195	195	-	195
Treasury shares purchased (see Note 10)	-	(163)	(163)	-	(163)
Dividend paid to non controlling interests	-	-	-	(2,536)	(2,536)
Balance at December 31, 2020	1,772	11,154	12,927	4,875	17,802
Balance at January 1, 2021	1,772	11,154	12,927	4,875	17,802
Profit / (loss) for the period	-	35,486	35,486	3,523	39,010
Currency translation differences	-	(9,165)	(9,165)	(72)	(9,237)
Employee share-based compensation	-	233	233	-	233
Impact in modification of share par value	507	(507)	-	-	-
Share capital increase (See Note 16)	220	16,831	17,051	-	17,051
Treasury shares purchased (see Note 10)	-	(552)	(552)	-	(552)
Dividend paid to non controlling interests	-	-	-	(1,778)	(1,778)
Balance at December 31, 2021	2,499	53,480	55,979	6,549	62,528

Unaudited statement of comprehensive income

in thousands of US\$	December 31, 2021	December 31, 2020
Net profit / (loss) for the period	39,010	7,519
Currency translation differences	(9,237)	(23,891)
Total comprehensive profit / (loss) for the period	29,773	(16,372)
<i>Attributable to:</i>		
<i>Equity holders of the Company</i>	<i>26,321</i>	<i>(18,101)</i>
<i>Non-controlling interests</i>	<i>3,451</i>	<i>1,729</i>

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of December 31, 2021

Unaudited condensed interim consolidated cash flow statement

in thousands of US\$	Year ended December 31,	
	2021	2020
Profit / (loss) for the period	39,010	7,519
Adjustments for:		
- Depreciation, amortization and impairment (see note 11)	18,681	16,673
- Share-based compensation expenses (see note 11)	233	195
- Income tax expenses / (profit) (see note 12)	9,981	1,003
- Finance (profit) / cost, net (see note 16)	(24,865)	8,663
Cash generated from operations before changes in operating assets and liabilities	43,041	34,054
Changes in operating assets and liabilities:		
- Inventories	(6,985)	1,215
- Trade accounts receivable and other receivables	(5,628)	2,520
- Trade accounts payable and other payables	8,565	(386)
Cash generated from / (used in) operations	38,992	37,403
- Interest paid, net	(3,210)	(2,904)
- Income tax paid	(6,764)	(3,982)
Net cash flow from / (used in) operating activities	29,018	30,517
Purchase of property, plant and equipment (*)	(18,586)	(13,320)
Net cash generated from / (used in) investing activities	(18,586)	(13,320)
Proceeds from issuance of borrowings, net of issuance costs	187	1,565
Proceeds from issuance of bonds, net of issuance costs (see note 16)	95,564	-
Repayments of Bonds including costs paid (see note 16)	(96,125)	-
Repayments of borrowings	(3,674)	(2,107)
Repayments of lease obligations	(1,534)	(1,478)
Proceeds from / (repayment of) short term credit facilities	114	(7,219)
Acquisition of treasury shares (see note 10)	(552)	(163)
Dividends paid to Company's shareholders	-	-
Dividends paid to non-controlling interests	(1,778)	(2,536)
Net cash generated from / (used in) financing activities	(7,797)	(11,938)
Exchange differences on cash and cash equivalents	328	(354)
Net increase / (decrease) in cash and cash equivalents	2,963	4,905
Cash and cash equivalents at beginning of the period	20,960	16,053
Cash and cash equivalents at end of the period	23,923	20,960
<i>(*) Excluding acquisition financed through leases and right of use</i>	<i>3,210</i>	<i>739</i>

Selected notes to the unaudited condensed interim consolidated financial statements

1. Basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. All material intercompany balances have been eliminated. Because all the disclosures required by IFRS are not included, these interim statements should be read in conjunction with the audited financial statements of Foraco International S.A. and its subsidiaries (“Foraco” or the “Company”) for the year ended December 31, 2020.

Except when otherwise stated, all amounts are presented in thousands of US\$, which is the presentation currency of the Company.

2. Selected notes on critical accounting policies and new accounting pronouncements

2.1. Accounting policies

The accounting policies have been consistently applied with those of the annual financial statements for the year ended December 31, 2020 except for the following: during the year, the income tax expense is recognized based on Management’s best estimate of the average annual income tax rate expected for the full financial year on a tax jurisdiction by tax jurisdiction basis. In the last quarter of each fiscal year, Management determines the effective income tax rate for the full year based on the anticipated actual tax returns to be filed and the effective contribution of each tax jurisdiction to the consolidated financial statements.

2.2. Seasonal fluctuations

The worldwide presence of the Company reduces its overall exposure to seasonality and its influence on business activity. In West Africa, most of the Company’s operations are suspended between July and October due to the rainy season. In Canada, seasonal slow periods occur during the winter freeze and spring thaw or break-up periods. Depending on the latitude, this can occur anytime from October until late December (freezing) and from mid-April through to mid-June (break-up). Operations at mining sites continue throughout the year. Russia is also affected by the winter period during which certain operations are slowed down. In Asia Pacific and in South America, a seasonal slowdown in activity occurs around year-end during the vacation period. Certain contracts are also affected in Chile in July and August when the winter season peaks.

Foraco International S.A.

Unaudited condensed interim consolidated financial statements as of December 31, 2021

2.3. Covid-19

Key profitability indicators continued to improve period over period despite the continuing uncertainties linked to the Covid-19 pandemic. The market for commodities is supported by the global economic recovery and the increased demand for energy transition and water management.

2.4. Impairment testing

As at December 31, 2021, the Company performed impairment tests at the level of each geographic region using the carrying value of the Company's long lived assets based on the expected discounted cash flows method. Based on the internal forecasts and projections made, the expected discounted future cash flows exceeded each of the long-lived asset's carrying amount for each geographic region and accordingly no impairment was recognized as at December 31, 2021.

2.5. Deferred tax valuation allowance

The Company's policy is to recognize deferred tax assets only when they can be recovered within a reasonable timeframe. As a general rule, the Company recognizes deferred tax assets only when they can be used against taxable profit generally within five years or when available tax opportunities exist. On this basis, the Company has adopted a partial recognition based approach and has recorded certain valuation allowances.

2.6. New accounting pronouncements

The consolidated interim financial statements have been prepared using the same accounting policies and methods of evaluation as in the December 31, 2020 annual financial statements.

Standards, amendments and interpretations to existing standards that were applicable to the Company during the period

- IBOR reform Phase 2 amendments - applicable on January 1, 2021 – “Interest Rate Benchmark Reform”
- IFRS 16 amendment - applicable on April 1, 2021 – “Rent Concession”.

The application of these amendments has not had any material impact on the consolidated financial statements of the Company.

Standards, amendments and interpretations to existing standards that are applicable on or after January 1, 2022

- IAS 1 amendments on classification - applicable on January 1, 2023 – “Classification of liabilities as current or non-current”,
- Amendments to IFRS 17 - applicable on January 1, 2023 – “Insurance contract”,
- Amendments on disclosure of accounting policies - applicable on January 1, 2023 - Disclosure of accounting policies”,

Foraco International S.A.

Unaudited condensed interim consolidated financial statements as of December 31, 2021

- IAS 8 amendments on accounting estimates - applicable on January 1, 2023 – “Definition of accounting estimates”,
- IFRS 17 - Applicable on January 1, 2023 – “Insurance contract”,
- IAS 16 amendments regarding proceeds before intended use - applicable on January 1, 2022 – “Plant and equipment - proceeds before intended use”.
- 2018-2020 annual improvements cycle - applicable on January 1, 2022,
- IAS 37 amendments regarding onerous contracts - applicable on January 1, 2022 – “Cost of fulfilling a contract”.
- IFRS 3 amendments updating a reference to the Conceptual Framework -applicable on January 1, 2022 – “Business combination”.

The impact on the consolidated financial statements of the Company of these standards, amendments and improvements are currently being evaluated.

3. Financial risk management

The Company is exposed to a variety of financial risks through its activity, including: liquidity risk, currency risk, cash transfer restriction, interest rate / re-investment risk, financial counter-party risk and credit risk.

A significant portion of the cash flows of the Company are denominated in Canadian Dollars, Euros, Australian Dollars, Brazilian Real, Chilean Pesos, Russian Rubbles and US Dollars. The financial performance and position as reported in US\$ are dependent on the fluctuations of the US\$ against the other mentioned currencies of the Group.

4. Segment information

The business segment information for the three-month periods ended December 31, 2021 and December 31, 2020 is as follows:

Three-month period ended	Mining		Water		Group	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue	60,724	45,007	8,172	9,170	68,896	54,177
Gross profit / (loss)	8,645	7,406	1,467	1,557	10,112	8,963
Operating profit / (loss)	3,552	2,765	735	612	4,287	3,377
Finance profit / (costs)	n/a	n/a	n/a	n/a	(2,968)	(2,217)
Profit / (Loss) before income tax	n/a	n/a	n/a	n/a	1,319	1,160
Income tax profit / (expense)	n/a	n/a	n/a	n/a	907	900
Profit / (loss) for the period	n/a	n/a	n/a	n/a	2,226	2,060

Foraco International S.A.**Unaudited condensed interim consolidated financial statements as of December 31, 2021**

The business segment information for the year ended December 31, 2021 and December 31, 2020 is as follows:

Year ended	Mining		Water		Group	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue	232,356	169,305	37,333	37,817	269,689	207,122
Gross profit / (loss)	39,342	29,347	7,478	8,878	46,820	38,225
Operating profit / (loss)	19,851	12,122	4,276	5,063	24,127	17,185
Finance profit / (costs)	n/a	n/a	n/a	n/a	24,865	(8,663)
Profit / (loss) before income tax	n/a	n/a	n/a	n/a	48,992	8,522
Income tax profit / (expense)	n/a	n/a	n/a	n/a	(9,982)	(1,003)
Profit / (loss) for the period	n/a	n/a	n/a	n/a	39,010	7,519

The following is a summary of sales to external customers by geographic area for the three-month periods ended December 31, 2021 and December 31, 2020:

Three-month period ended	December 31, 2021	December 31, 2020
North America	22,772	17,294
Europe, Middle East and Africa	18,889	18,228
South America	16,341	9,099
Asia Pacific	10,894	9,556
Net sales	68,896	54,177

The following is a summary of sales to external customers by geographic area for the year ended December 31, 2021 and December 31, 2020:

Year ended	December 31, 2021	December 31, 2020
North America	92,261	67,563
Europe, Middle East and Africa	81,875	68,209
South America	52,797	33,130
Asia Pacific	42,756	38,220
Net sales	269,689	207,122

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of December 31, 2021

5. Property, plant and equipment

Property, plant and equipment (PP&E) consists of the following:

	Land & Buildings	Drilling equipment & tools	Automotive equipment	Office furniture & other equipment	Rights of use	Total
Year ended December 31, 2020						
Opening net book amount	1,640	27,162	1,814	405	4,176	35,197
Additions	193	11,343	1,915	153	1,955	15,559
Exchange differences	88	1,547	96	(41)	467	2,157
Disposals or retirements	-	(303)	(38)	-	-	(341)
Depreciation expense	(118)	(14,323)	(685)	(169)	(1,187)	(16,482)
Closing net book value	1,803	25,426	3,102	348	5,411	36,090
Period ended December 31, 2021						
Opening net book amount	1,803	25,426	3,102	348	5,411	36,090
Additions	90	17,785	1,351	210	3,210	22,646
Exchange differences	(90)	(72)	(83)	(23)	(143)	(411)
Disposals or retirements	-	(32)	(1)	-	-	(33)
Depreciation expense	(107)	(15,522)	(986)	(148)	(1,914)	(18,676)
Closing net book value	1,696	27,647	3,384	388	6,564	39,681

The PP&E depreciation expense and the intangible asset amortization expense have been charged to the income statement as follows:

Period ended	December 31, 2021	December 31, 2020
Cost of sales	17,311	15,650
Selling, general and administrative expenses	1,370	1,023
Total depreciation and amortization	18,681	16,673

6. Goodwill

Goodwill can be analyzed as follows:

	December, 2021	December 31, 2020
Goodwill at beginning of period	69,482	75,936
Exchange differences	(5,978)	(6,454)
Goodwill at end of period	63,504	69,482

Foraco International S.A.

Unaudited condensed interim consolidated financial statements as of December 31, 2021

Goodwill is denominated in the functional currency of its primary economic environment and is allocated to the following geographic regions: South America (US\$ 41.6 million), North America (US\$ 8.9 million), Asia Pacific (US\$ 7.4 million) and Europe, Middle East and Africa (US\$ 5.6 million).

7. Inventories

Inventories break down as follows:

	December 31, 2021	December 31, 2020
Spare parts and consumables, gross	37,057	31,387
Less inventory allowance	-	-
Inventories, net	37,057	31,387

The Company continually assesses spare parts and consumables and writes off obsolete inventories as soon as they are identified.

8. Financial debt and lease obligations

On July 7, 2021, the Company finalized its financial reorganization related to the early redemption of its euro-denominated bonds amounting to US\$145,871 thousand as at June 30, 2021 maturing in May 2022. The Company raised US\$ 100 million of new bonds for the purpose of financing the transaction. The refinancing resulted in a reduction of the financial debt and the extension of the maturity through the end of 2025 as presented in the table below:

Debt as at July 1, 2021	154,338
Derecognition of former bonds	(145,871)
New Bonds	100,000
Costs related to the New Bonds (including OID)	(4,436)
Repayment of other borrowings	(3,674)
Other variation including interests accrued	2,710
Debt as at December 31, 2021	103,067

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of December 31, 2021

As at December 31, 2021, the maturity of financial debt can be analyzed as presented in the table below:

	December 31, 2021
Credit lines	1,382
Long-term debt	
Within one year	7,584
Between 1 and 2 years	10,183
Between 2 and 3 years	9,858
Between 3 and 4 years	74,061
Total	103,067

The borrowing presented above in the column is mainly denominated in US\$.

As part of the implementation of IFRS 16, the Company recognized lease obligations amounting to US\$ 6,597 thousand as at December 31, 2021.

9. Provisions

Provisions comprise the following elements:

	Pension and retirement indemnities	Provision for tax uncertainty	Claims	Total
As at January 1, 2021	518	-	148	666
Charged to consolidated income statement				
- Addition to provisions	77	-	-	77
- Used amounts reversed	-	-	(18)	(18)
- Unused amounts reversed	-	-	-	-
- Exchange differences	(27)	-	5	(22)
As at December 31, 2021	568	-	135	703

Substantially all of the Group's employees, with the exception of those in France and Africa, are covered under Government sponsored health and life insurance benefit plans. In France and Africa, the Group contributes to the national pension system whereby its obligations to employees in terms of pensions are restricted to a lump-sum length of service award payable at the date the employee reaches retirement age, such an award being determined for each individual based upon years of service provided and projected final salary.

The Company operates in various countries and may be subject to tax audits and other employee related risks. The Company is currently facing such risks in certain countries but there is no existing or contingent liability at the balance sheet date. The Company regularly reassesses its exposure and accounts for provisions accordingly.

Foraco International S.A.

Unaudited condensed interim consolidated financial statements as of December 31, 2021

10. Share capital and change in equity

Number of shares outstanding

As at December 31, 2021, the total common shares of the Company are distributed as follows:

	Number of shares
Common shares held directly or indirectly by principal shareholders	34,155,191
Common shares held directly or indirectly by individuals in their capacity as members of the Board of Directors	1,164,754
Common shares held by the Company	378,460
Common shares held by the public (*)	63,553,393
Total shares issued and outstanding	99,251,798
Common shares held by the Company	(378,460)
Total common shares issued and outstanding	98,873,338

(*) The early redemption of the bonds as described in note 16 has been completed by the issuance of 9,300,000 ordinary shares of the Company.

Treasury shares

The Company filed a notice on June 17, 2020, in respect of a Normal Course Issuer Bid (“NCIB”) with the Toronto Stock Exchange (“TSX”). The Company was entitled to purchase up to 1,000,000 additional common shares. The NCIB was partially completed in 2021, 683,888 shares were purchased at an average purchase price of Can\$ 0.60.

The Company filed a notice on September 16, 2021, in respect of a Normal Course Issuer Bid (“NCIB”) with the Toronto Stock Exchange (“TSX”). The Company was entitled to purchase up to 1,000,000 additional common shares. As at December 31, 2021, the Company purchased 189,803 of its own shares at an average purchase price of Can\$ 2.19.

As at December 31, 2021, the Company owns 378,460 of its own shares (298,209 as at December 31, 2020).

The common shares held by the Company will be used for free share plans.

Foraco International S.A.

Unaudited condensed interim consolidated financial statements as of December 31, 2021

11. Expenses by nature

Operating expenses / (income), net by nature are as follows:

	Three-month period ended December 31		Year ended December 31,	
	2021	2020	2021	2020
Depreciation and amortization	(5,050)	(4,409)	(18,681)	(16,673)
Accruals increases / (reversals)	(20)	(317)	(116)	(428)
Raw materials, consumables used and external charges	(30,905)	(23,526)	(120,645)	(95,122)
Employee benefit expense	(28,448)	(22,090)	(104,868)	(75,990)
Taxes other than on income	(851)	(293)	(1,916)	(1,493)
Other operating (expenses) / profit, net	-	(166)	-	(231)
Total operating expenses	(65,274)	(50,801)	(246,227)	(189,937)

Share-based compensation expenses recognized within Employee benefit expense for the period ended December 31, 2021 amount to US\$ 233 thousand (US\$ 195 thousand in 2020).

12. Income tax expense

During the year ended December 31, 2021, the Company recognized an income tax expenses amounting to US\$ 10,981 thousand including US\$ 8,994 thousand non cash related to the gain on refinancing.

13. Commitments and contingencies

As part of the refinancing described in note 16, the Company granted a security package in favor of its new lender mainly consisting in a pledge on 100% of the shares held by Foraco International in certain of its subsidiaries and over certain materials and equipment, in Canada, Brazil and Australia.

Guarantees given are as follows:

	December 31, 2021	December 31, 2020
Bid bonds	13	243
Advance payment guarantees	6,084	5,337
Performance guarantees	2,795	2,052
Retention guarantees	42	299
Financial guarantees	157	170
Total	9,048	8,101

The Company benefits from a corporate contract guarantee line confirmed until December 2022 amounting to €6.5 million (US\$ 7.4 million) of which €4.5 million (US\$ 5.2 million) was used as at December 31, 2021.

14. Related-party transactions

The Company accounted for certain related party transactions including lease of facility and equipment amounting to US\$ 1,337 thousand for the period ended December 31, 2021 (US\$ 843 thousand for the period ended December 31, 2020).

Compensation to key management for the period ended December 31, 2021 amounted to US\$ 1,739 thousand (US\$ 1,677 thousand for the period ended December 31, 2020).

15. Earnings per share calculation

For the three-month period ended December 31, 2021, the weighted basic average number of shares was 98,485,678 (89,733,838 in 2020) and the weighted diluted average number of shares was 101,095,694 (92,137,089 in 2020).

For the year ended December 31, 2021, the weighted basic average number of shares was 94,252,613 (89,824,744 in 2020) and the weighted diluted average number of shares was 96,666,257 (91,981,394 in 2020).

Diluted earnings per share

The dilutive earning per share calculation includes the impact of the Company's free share plan as if the related new shares were issued. Dilutive instruments cannot have an anti-dilutive effect in case of a net loss attributable to the equity holders of the Company. Therefore, the basic and diluted earnings per share are the same for loss making periods.

16. Financial reorganization

On July 7, 2021, the Company finalized its financial reorganization related to the early redemption of its euro-denominated bonds amounting to US\$145,871 thousand, maturing in May 2022. The early redemption of these bonds has been completed by way of a repayment of US\$ 90,997 thousand in cash and the issuance of 9,300,000 ordinary shares of the Company. The Company raised US\$ 100 million of new bonds for the purpose of financing the transaction.

Profit on the transaction

The difference between the fair value of the contribution paid to the former bond holders including the new shares issuance and the cash paid and the book value of the early redeemed bonds generate a financial gain for the Company. The gain, before tax is presented as follows taking into consideration the fact that the income tax payable is offset against previously recognized deferred tax assets:

Nominal value of the bonds as at July 7, 2021	146,347
Fair value of the 9,300,000 shares issued to the benefit of the former bond holders	(16,851)
Cash payable to the former bond holders	(90,997)
Profit before transaction costs	38,499
Costs related to the Bonds extinguishment	(4,266)
Gain on refinancing before tax	34,233

Foraco International S.A.

Unaudited condensed interim consolidated financial statements as of December 31, 2021

Adjustment on the borrowings

Management has assessed that the completion of the financial reorganization resulted in the derecognition of former bonds recorded in the balance sheet for an amount of US\$ 146,347 thousand as at July 7, 2021 and the recognition of a new debt for the original value of the new financing of US\$ 100,000 thousand before an Original Issue Discount (OID) of US\$ 3,000 thousand and related transaction cost of US\$ 1,436 thousand.

Adjustment on equity

As part of the transaction 9,300,000 common shares have been issued to the benefit of the former bond holders. The transaction has been accounted for using the fair value approach. For the purpose of the financial information, the fair value per share has been determined using a commonly accepted valuation methodology taking into account the adjusted net debt as it appeared post refinancing.

The fair value attributed to the 9,300,000 shares amounting to US\$ 16,851 thousand is allocated to par value for US\$ 220 thousand and to share premium for US\$ 16,631 thousand.

17. Post balance sheet events

The Company is deeply concerned by the recent events occurred between Russia and Ukraine. Although the Company does not have any direct or indirect interest in Ukraine, the conflict may affect its activity in the region and the Company is currently assessing its potential economic impact. To date, continuity of operations is not affected. As part of the Company's financial strategy, no significant cash balances are held in subsidiaries worldwide. Foraco is following up on any new regulatory decisions and will comply.