Socfin

2023 ANNUAL REPORT

SOCIETE FINANCIERE DES CAOUTCHOUCS

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Group profile

1. Overview of the Group

Société Financière des Caoutchoucs S.A., abbreviated as "Socfin", is a Luxembourgish company (the "Company"), with its registered office at 4 avenue Guillaume, L-1650 Luxembourg. It was incorporated on 5 December 1959 and is listed on the Luxembourg Stock Exchange.

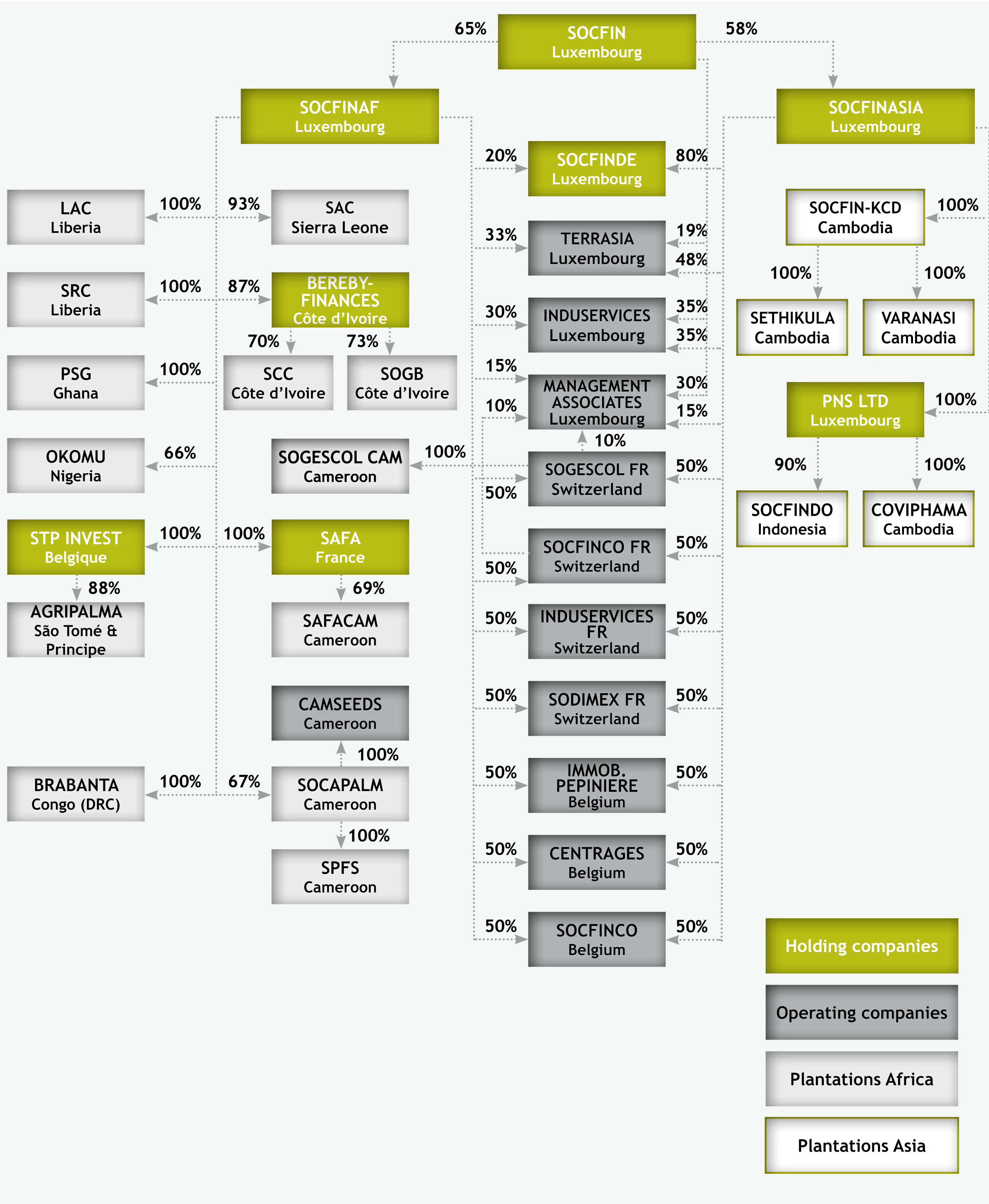
Socfin's principal activity is the management of a portfolio of shares. These shares mainly focus on the exploitation of more than 190,000 hectares of tropical palm oil plantations and rubber trees, located in Africa and South-East Asia. As of 2023, Socfin employs 33,809 people and has achieved a consolidated revenue of EUR 863 million over that same year.

2. History

- **05/12/1959** Constitution of the Société Financière Luxembourgeoise S.A., abbreviated as "Socfinal" in the form of a holding company.
- **09/06/1960** The Socfinal shares are listed on the Luxembourg Stock Exchange.
- **31/12/1960** Since its formation, Socfinal has invested, among others, in the following companies: Société Financière des Caoutchoucs "Socfin" (Belgium); Plantations Nord-Sumatra (Belgium); Selangor Plantations Company Berhad (Malaysia); Sennah Rubber Company Ltd (England) and various societies of Congolese equatorial cultures.
- **31/12/1965** The portfolio includes new investments in Indonesia, such as : Société de Cultures Asahan; Société de Cultures Batangara; Huileries de Deli and Société de Cultures Sungei Liput
- **31/12/1971** Socfinal invests in the Compagnie Internationale de Cultures "Intercultures" (former name of Socfinaf), a Luxembourgish company listed on the Luxembourg Stock Exchange; Socfin Industrial Development "Socfinde" (Luxembourg) and in Compagnie du Cambodge (France).
- **31/12/1972** Socfinal participates in the formation of Socfinasia (Luxembourg) in exchange for the shares of Indonesian companies Asahan, Batangara, Huileries de Deli and Sungei Liput. Socfinasia will be listed on the Luxembourg Stock Exchange in 1973.
- **31/12/1975** Disposal of Socfin (Belgium) shares from the portfolio.
- **31/12/1980** Acquisition of Selangor Holding shares, a Luxembourgish company listed on the Luxembourg Stock Exchange.
- **31/12/1994** Socfinal invests 60% in the capital of SOGB (Côte d'Ivoire) following the privatisation of this Ivorian plantation. This participation will be transferred to Intercultures.
- **31/12/1999** Sale of holdings Selangor Holding and Plantations Nord-Sumatra
- **31/12/2000** Sale of Sennah Rubber Company shares following the public tender on these shares.
- **15/11/2006** Following the distribution of Intercultures shares by Socfinasia (spin-off), Socfinal directly holds, onthe one hand, Socfinasia (Asia), and on the other, Intercultures (Africa).
- **10/01/2011** Extraordinary General Meeting, which ratified the abandonment of the holding 29 status, and the change of the name to Société Financière des Caoutchoucs, abbreviated as "Socfin". The name of Intercultures is changed to Socfinaf.
- **01/07/2011** The share is split by 20
- **29/08/2014** Socfin exchanges 9% of Socfinaf's shares against 100% of the shares of Société Anonyme Forestière and Agricole SAFA, the company incorporated under French law. The latter owns 68.93% of Safacam, a Cameroonian plantation company that exploits 5,400 hectares of palm oil trees and 4,400 hectares of rubber trees. Following this exchange, Socfin still holds 55.08% of Socfinaf.
- **31/12/2014** The SAFA participation is brought into Socfinaf through a capital increase by contribution in kind. Socfin holds 56.48% of Socfinasia's capital and 58.79% of Socfinaf's capital.

Group profile

3. Group structure



4. Information on the holdings of Socfin

Portfolio	Number of shares	Direct %
1) Listed shares		
Luxembourg		
Socfinasia	11,413,822	58.25%
Socfinaf	11,528,898	64.64%
2) Non-listed shares		
Luxembourg		
Terrasia	1,891	18.91%
Induservices	3,500	35.00%
Management Associates	3,000	30.00%

The following pages contain a summary of the subsidiaries' activity. It also includes comments on the financial information regarding the past two financial years of the main companies in which Socfin holds a direct or indirect participation.

Unless indicated otherwise, equity includes capital, reserves and the results that were brought forward before the allocation of current year results.

Corporate data refers to consolidated data.

The balance sheet displays figures in the functional currency of the respective entities.

Group profile

SOCFINASIA

SOCFINASIA is a Luxembourgish entity with stakes in companies that operate directly or indirectly in South-East Asia, namely in the rubber and palm oil sectors.

Share capital: EUR 24,492,825.

The profit for the year, which ended on 31 December 2023, amounts to EUR 48,129,963. At the Annual General Meeting, which will take place on 29 May 2024, the Board of Directors will propose the payment of a dividend of EUR 4.00 per share. From this, EUR 2.00 per share has already been paid at the end of 2023 as an interim dividend for the financial year of 2023.

Key figures (thousands of EUR)		
At at 31 December	***2023***	***2022***
Fixed assets	357,705	405,668
Current assets	72,553	52,029
Equity (*)	424,074	452,144
Borrowings, provisions and third parties	6,183	5,552
Profit / (loss) for the period	48,130	70,685
Distribution	87,086	76,200
Share price (EUR)	15.40	14.80
Dividend per share (EUR)	4.00	3.50
Dividend / market capitalisation[G] (%)	25.97	23.65
Socfin's stake (%)	58.25	58.25

(*) Before profit allocation but after interim dividend.

Group profile

SOCFINAF

SOCFINAF is a Luxembourgish entity with stakes in companies that operate directly or indirectly in tropical Africa, mainly in the rubber and palm oil sectors.

Share capital: EUR 35,673,300.

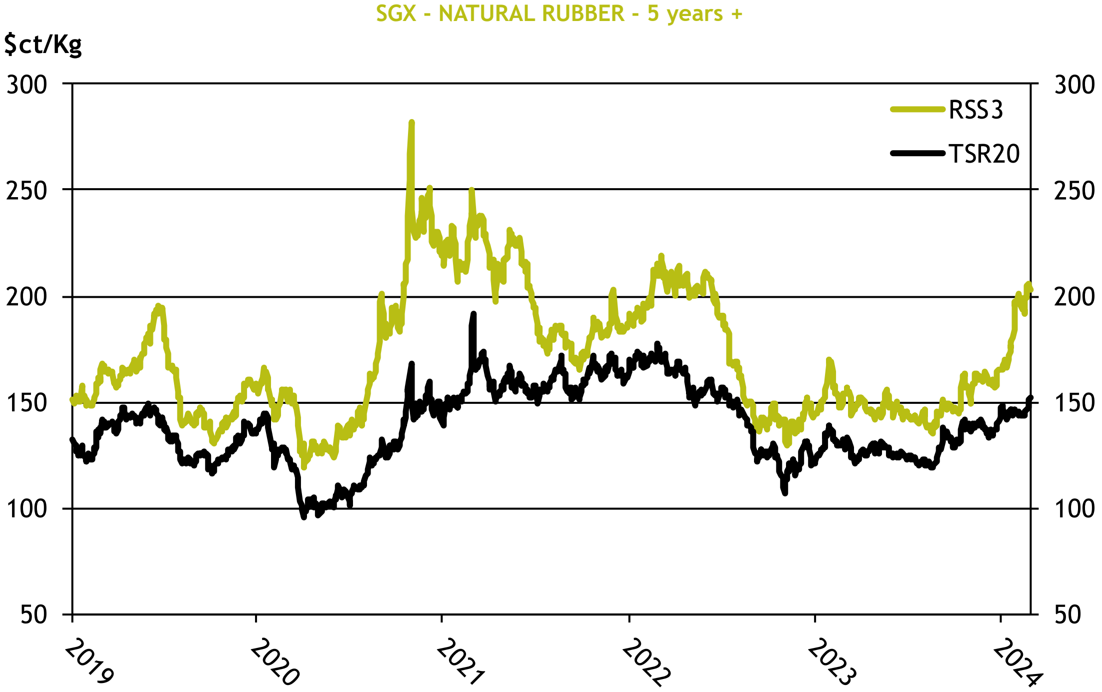
The profit for the year, which ended on 31 December 2023 amounts to EUR 2,658,856. At the Annual General Meeting, which will take place on 29 May 2024, the Board of Directors will propose not to pay any dividend for the financial year of 2023.

Key figures (thousands of EUR)		
At at 31 December	***2023***	***2022***
Fixed assets	317,047	361,924
Current assets	32,231	36,676
Equity	223,913	221,254
Borrowings, provisions and third parties	125,366	177,347
Profit / (loss) for the period	2,659	-37,543
Distribution	0	0
Share price (EUR)	10.80	11.80
Dividend per share (EUR)	0	0
Dividend / market capitalisation[G] (%)	0	0
Socfin's stake (%)	64.64	64.64

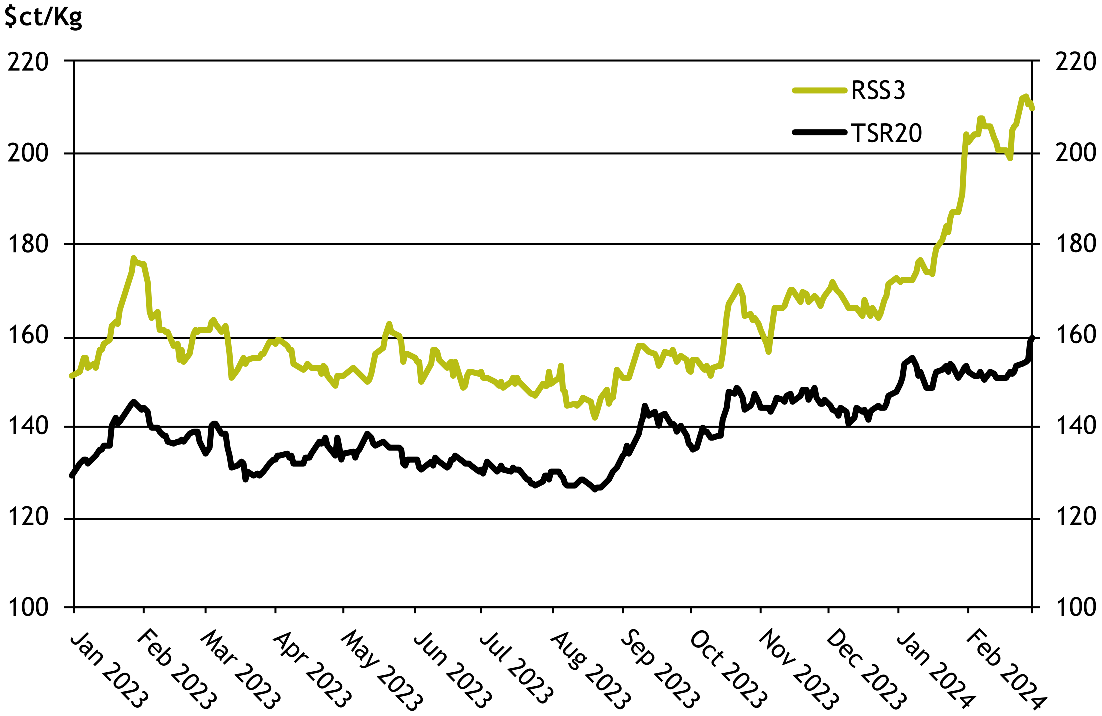
International market for rubber and palm oil

1. Rubber

SGX - NATURAL RUBBER - 5 years +



SGX - NATURAL RUBBER - 1 year +



International market for rubber and palm oil

The international market in 2023

The average natural rubber price (TSR20[G] 1st position on SGX[G]) for the year 2023 is USD 1,377/T FOB[G] Singapore compared with USD 1,548/T in 2022, a fall of 11%.

Converted into euros, the average TSR20[G] price in 2023 is EUR 1,273/T, compared with EUR 1,469/T in 2022.

The end of 2022 was marked by the end of the 'zero-covid' policy in China and high stocks of natural rubber in consumer countries. China, the world's leading consumer of natural rubber, saw one of its lowest rates of economic growth for 40 years in 2022, at 3%.

Hopes of a recovery in Chinese economic activity at the start of the year enabled natural rubber prices to reach levels close to USD 1,450/T at the end of January 2023. Indeed, the lifting of public health measures was expected to go hand in hand with a spectacular upturn in the Chinese economy. In reality, however, the country has not recovered, faced with a major property crisis, falling exports and sluggish domestic consumption.

Against this backdrop, and despite the start of the winter season in producing countries, prices remained under pressure from February onwards, fluctuating between USD 1,300 and USD 1,400/T against a backdrop of slowing consumption, the war in Ukraine, persistent inflationary pressures, restrictive monetary policies on the part of the main central banks and turbulence in the banking sector. In mid-August, natural rubber prices reached their lowest point of the year at USD 1,270/T.

The fall in demand for natural rubber was particularly felt in the European and American markets, leading to an increase in inventories at tyre manufacturers' plants.

The fall in production in Indonesia and Malaysia, due in particular to a rubber tree disease, did not have a positive effect on natural rubber prices, as it was offset by increased production in other countries such as Côte d'Ivoire and Cambodia. In 2023, Côte d'Ivoire recorded its strongest annual production growth (+26%) for five years, consolidating its status as the world's third producer with 1.68 million tons produced.

From the end of August, natural rubber prices recovered following measures taken by the Chinese government to stimulate economic growth and downward revisions to production in Thailand and Indonesia due to heavy rains hampering harvests.

At the end of December, natural rubber prices broke through the USD 1,500/T barrier and reached their highest level of the year at USD 1,561/T on the last closing day of 2023.

In stark contrast to 2021 and the first half of 2022, global logistics improved at the end of 2022 and ocean freight rates fell steadily during 2023 to return to pre-COVID levels. Freight rates out of Asia have fallen faster than out of Africa, making Asian rubber more competitive with African rubber.

However, the tensions that have arisen in the Red Sea have had an impact on freight rates from Asia to Europe, which began to rise sharply at the end of 2023. Shipowners are now having to divert their vessels to the Cape of Good Hope instead of the Suez Canal, and are imposing substantial freight surcharges for cargoes originating in Asia.

According to the latest forecasts published by GlobalData in February 2024, world natural rubber production in 2023 will be 14.15 million tons, down 1.1% on 2022, while world consumption will be 14.03 million tons, up 2.3% on 2022, resulting in a surplus of 118,000 tons in 2023 compared with 596,000 tons in 2022.

International market for rubber and palm oil

Outlook 2024

Natural rubber prices remained above USD 1,500/T at the start of the year, reaching USD 1,603/T at the end of February, their highest level since July 2022.

Natural rubber prices should be supported in 2024 by tight supply and a recovery in demand. Poor weather conditions which disrupted production in the southern provinces of Thailand in late 2023 and early 2024 and the possibility of an early winter in the main producing countries linked to the El Nino phenomenon could amplify the natural rubber deficit forecast for 2024.

The end of interest rate rises and, depending on inflation trends, a probable easing of monetary policy by central banks in the USA and Europe could encourage an economic recovery with a positive impact in terms of demand for natural rubber.

Price trends will also depend on the effectiveness of the measures taken by the Chinese government to stimulate the economic recovery, which remains affected by an unprecedented property crisis and a global economic slowdown as a result of the fight against inflation.

The entry into force at the end of 2024 of the European "EUDR" regulation aimed at banning certain raw materials derived from deforestation should change the structure of the market. The strong demand from tyre manufacturers for traceable natural rubber destined for mainland Europe should enable producers who can prove that their supply chain is legal and does not come from deforested areas to obtain a substantial premium over the reference market. Rubber producers who do not comply with the EUDR will be forced to sell their production outside the single market at a lower premium.

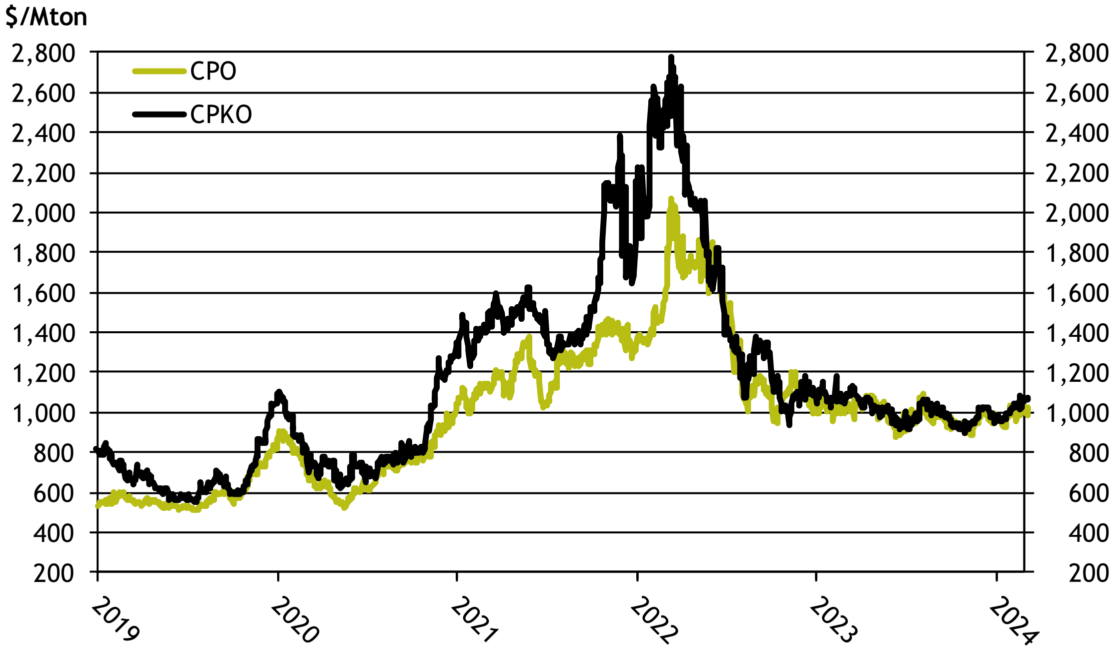
According to the IRSG's latest forecasts, published in August 2023, the IRSG estimates world production in 2024 at 14.90 million tons (up 2.2%) and world demand of around 14.95 million tons (up 2.7%), resulting in a rubber deficit of 48,000 tons. Consumption and production are therefore almost in balance.

The TSR20[G] 1st FOB[G] Singapore position on SGX[G] was quoted at USD 1,603/T on 23 February 2024.

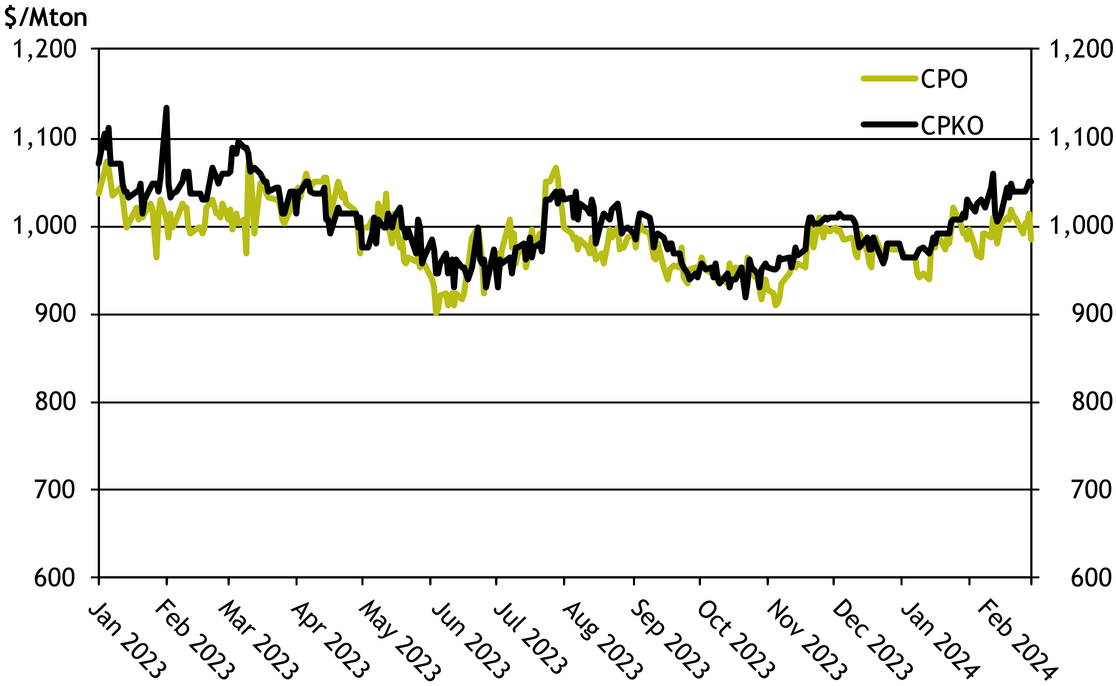
International market for rubber and palm oil

2. Palm oil

CIF ROTTERDAM - PALM OILS - 5 years +



CIF ROTTERDAM - PALM OILS - 1 year +



International market for rubber and palm oil

World palm oil production in million tons
(source: Oil World)

	2024 (*)	2023	2022	2021	2020	2019	2018	2015	2005	1995
Indonesia	48.2	48.4	46.7	44.7	42.8	44.2	41.6	33.4	14.1	4.2
Malaysia	18.4	18.6	18.5	18.1	19.1	19.9	19.5	20.0	15.0	7.8
Other	14.8	14.4	14.0	13.1	12.2	12.4	11.9	9.1	4.8	3.2
TOTAL	***81.4***	***81.6***	***79.2***	***75.9***	***74.1***	***76.5***	***73.0***	***62.5***	***33.9***	***15.2***

(*) Estimated (December 2023).

Production of the main oils in million tons
(source: Oil World)

Oct 2023 to Sep 2024 (*)	2023	2022	2021	2020	2019	2018	2015	2005	1995
Palm	81.4	81.6	79.2	75.9	74.1	76.5	73.0	62.5	33.9	15.2
Soya	61.4	59.7	60.1	60.1	58.6	56.8	56.8	48.8	33.6	20.2
Rapeseed	30.9	30.6	25.7	26.9	25.3	24.9	25.6	26.3	16.2	10.8
Sunflower	22.3	22.3	19.7	18.9	21.3	20.7	19.0	15.1	9.7	8.7
Palm kernel	8.5	8.4	8.2	8.0	7.8	8.1	7.7	6.8	4.0	2.0
Cotton	4.5	4.4	4.4	4.4	4.6	4.6	4.7	4.7	5.0	3.9
Peanut	4.4	4.4	4.7	4.4	4.2	3.7	4.0	3.7	4.5	4.3
Copra	3.0	3.1	3.0	2.8	2.6	2.9	2.9	2.9	3.2	3.3
TOTAL	***216.6***	***214.5***	***205.1***	***201.4***	***198.5***	***198.2***	***193.7***	***170.8***	***110.1***	***68.4***

(*) Estimated (December 2023).

The international market in 2023

The average price for CIF Rotterdam[G] crude palm oil in 2023 is USD 964/T, compared with USD 1,352/T in 2022.

Whereas 2022 had been characterised by high price volatility, 2023 was marked by a degree of stability, with prices mostly fluctuating between USD 900 and USD 1,000/T.

In 2022, prices rose spectacularly in the first half of the year, triggered by a sudden restriction in supply due to the Russian-Ukrainian conflict and protectionist measures taken by Indonesia. Then, in the second half of the year, rising stocks and the massive return of Indonesian palm oil to the markets created strong downward pressure on prices. After losing almost USD 500/T in the space of a few months, the price of CIF Rotterdam[G] crude palm oil ended 2022 at around USD 1,000/T.

Over the first few months of 2023, prices stabilised at around USD 1,000/T, with the market torn between bullish and bearish news. The supply of vegetable oil on the markets remained strong, encouraging bearish sentiment. At the same time, fairly positive export statistics and difficult weather conditions likely to affect harvests helped to support prices during this period.

After several months without much volatility, palm oil prices finally eroded in May, falling from USD 1,000/T to USD 850/T CIF Rotterdam[G], before rebounding in June following announcements of a likely return of the El Niño weather phenomenon. In South-East Asia, El Niño is traditionally synonymous with drought, which can lead to sharp falls in production, and therefore a tightening of palm oil supply on the markets.

International market for rubber and palm oil

However, while the occurrence of this climatic phenomenon has now been confirmed, the forecasts for a "strong" El Niño have gradually faded. The impact on palm oil production could be delayed and less severe than expected.

Oil World forecasts global palm oil production at around 81.6 million tons in 2023.

Demand remains strong, despite the slowdown in the Chinese economy. India remains the biggest importer, with almost 10 million tons expected to be imported by 2023. But the biggest consumer is Indonesia, which absorbs more than 20 million tons of palm oil a year, or 40% of its production. The proportion destined for the biofuel industry (11 million tons) now exceeds that destined for the food industry (9 million tons).

At the end of 23 December 2023, the CIF Rotterdam[G] CPO[G] was trading at around USD 935/T.

Outlook 2024

After rising sharply in recent years, global palm oil production is now running out of steam. The two main palm oil producing countries, Indonesia and Malaysia (85% of world production), are experiencing a slowdown in production growth, with fewer areas available for planting and labour shortages. In addition, the possible effects of the El Niño phenomenon on palm plantations could also have an impact on palm oil production in 2024.

The available supply of palm oil could therefore prove insufficient to satisfy the growth in world demand. Demand remains strong, thanks in particular to the increase in the world's population and the continuing rise in demand for vegetable oils in developing countries.

Given the current global economic slowdown, however, demand could show signs of weakening, even if the main importing countries, led by India and China, do not see their consumption fall significantly.

The biofuels industry's increasingly ambitious programmes (B20 in Malaysia, B35 in Indonesia) should provide some support for palm oil prices. By 2023, it is estimated that over 20 million tons of palm oil (25% of global production) will have been used to make biodiesel.

Some experts also believe that the entry into force of the European regulation on imported products (EUDR) could create a two-tier palm oil market. From the end of 2024, this law will prohibit the arrival on European soil of raw materials originating from deforestation zones after 2020. This restrictive legislation could split the palm oil market in two: on the one hand, traceable palm oil produced by the largest plantations capable of complying with European regulations, and on the other, downgraded oil produced by smaller players that will be sold outside the European Union. This "non-labelled" oil would then see its price fall in relation to "EUDR" palm oil.

Palm oil prices are also likely to be affected by the trend in soya prices in 2024. Brazil, which accounts for almost 40% of global soya production, is currently experiencing severe weather problems (dry weather in Mato Grosso and heavy rain in Paraná) that are likely to affect the 2024 harvest and influence the overall supply of vegetable oils on the markets.

On 23 February 2024, the CIF Rotterdam[G] CPO[G] was quoted at around USD 960/ton.

Environment and social responsibility

Along with its specific commitment to transparency, the Group has built a responsible management policy around its three pillars of commitment, namely: rural development, workers and local communities, and environment. These commitments form the basis of key initiatives that are aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy was defined and implemented since 2022.

A regularly updated dashboard, as well as a separate annual report ("Sustainable Development Report"), details the efforts and actions undertaken by the Socfin Group in this area.

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

Key figures

1. Activity Indicators

Area (hectares)		*Rubber*		*Palm*
As at 31 December 2023				
Immatures (by year of planting)				
2023		850		2,740
2022		559		2,748
2021		1,055		2,766
2020		1,190		0
2019		1,529		0
2018		2,361		0
2017		912		0
2016		167		0
2015		611		0
2014		74		0
2013		0		0
2012		3		0
2011		40		0
Total immatures		***9,351***		***7,984***
Young	(from 8 to 11 years)	15,325	(from 4 to 7 years)	21,816
Prime	(from 12 to 22 years)	26,729	(from 8 to 18 years)	57,668
Old	(above 22 years)	8,975	(above 18 years)	42,747
Total in production		***51,030***		***122,231***
TOTAL		***60,381***		***130,215***

Area (hectares)	*2023*	*2022*	*2021*	*2020*	*2019*
Palm	130,215	130,239	130,093	129,934	129,667
Rubber	60,381	60,800	61,826	62,560	63,190
TOTAL	***190,596***	***191,039***	***191,919***	***192,494***	***192,857***

Production	*2023*	*2022*	*2021*	*2020*	*2019*
Palm Oil (tons)	***550,951***	***529,160***	***536,508***	***503,926***	***468,441***
Own production[G]	508,118	488,060	489,733	468,303	434,013
Third party purchases[G]	42,833	41,100	46,775	35,623	34,428
Rubber (tons)	***164,722***	***160,185***	***167,278***	***160,411***	***162,975***
Own production[G]	83,460	71,941	70,880	64,082	68,873
Third party purchases[G]	81,262	88,243	96,397	96,329	94,102
Seeds (thousands)	***12,654***	***17,683***	***15,030***	***9,454***	***6,308***
Own production[G]	12,654	17,683	15,030	9,454	6,308

Key figures

Turnover (EUR million)	*2023*	*2022*	*2021*	*2020*	*2019*
Palm	525	583	471	347	309
Rubber	225	269	234	183	200
Other agricultural products	7	9	6	4	4
Trading activities[G]	96	119	119	64	72
Other	10	11	8	7	7
TOTAL	***863***	***992***	***838***	***605***	***592***

Staff	*2023*	*2022*	*2021*	*2020*	*2019*
Average workforce	33,809	35,226	34,945	33,834	34,916

2. Key figures in the consolidated income statement

(EUR million)	*2023*	*2022 Restated*	*2021*	*2020*	*2019*
Turnover	863	992	838	605	592
Operating income	179	259	235	92	81
Profit / (loss) for the period attributable to the Group	42	74	80	6	9
EBITDA[G]	271	355	294	172	152
Net cash flows from operating activities	187	283	252	141	93
Free cash flows[G]	115	209	179	59	-20

3. Key figures in the consolidated statement of financial position

(EUR million)	*2023*	*2022 Restated*	*2021 Restated*	*2020*	*2019*
Bearer biological assets	389	438	479	468	520
Other non-current assets	366	379	370	339	361
Current assets	339	374	329	224	227
Assets classified as held for sale	6	0	0	0	0
Total equity	767	809	737	576	640
Non-current liabilities	128	127	212	136	237
Current liabilities	205	256	228	319	229

Stock market data

(EUR)	2023	2022 Restated	2021 Restated	2020	2019
Number of shares	14,159,720	14,159,720	14,159,720	14,159,720	14,159,720
Equity attributable to the owners of the Company	425,338,285	431,235,365	380,256,719	284,874,406	317,582,175
Undiluted net profit per share	2.94	5.23	5.68	0.33	0.64
Dividend per share	1.00	1.25	0.60	0	0.55
Share price					
Minimum	20.00	19.20	18.60	18.20	23.20
Maximum	31.00	24.40	24.00	27.00	29.00
Closing	31.00	20.20	20.80	23.20	26.60
Market capitalisation[G]	438,951,320	286,026,344	294,522,176	328,505,504	376,648,552
Dividend paid / net profit attributable to the owners of the Company	34.01%	23.41%	10.56%	N/A	85.94%
Dividends / market capitalisation[G]	3.23%	6.19%	2.88%	N/A	2.07%
Market price / undiluted net profit per share	10.54	3.78	3.66	70.30	41.56

Corporate governance statement

1. Introduction

Socfin pays close attention to the evolution of the ten principles of corporate governance of the Luxembourg Stock Exchange. It commits to providing the necessary explanations for a comprehensive understanding on how the Company functions.

Corporate governance is a set of principles and rules whose main objective is to contribute to long-term value creation. It allows the Board to promote the interests of the Company and its shareholders while putting in place effective control systems, management of risks and conflicts of interests.

2. Corporate governance chart

The Board of Directors adopted the corporate governance chart on 21 November 2018. It was updated on 27 March 2024 and is available on the Group's website.

3. Board of Directors

Composition of the Board of Directors

Name	*Nationality*	*Year of Birth*	*Position*	*First nomination*	*Term of Office*
Mr. Hubert Fabri	Belgian	1952	Chairman (a)	AGO 1981	AGO 2027
Mr. Vincent Bolloré	French	1952	Director (a)	AGE 1990	AGO 2029
Mr. Cyrille Bolloré	French	1985	Director (a)	AGO 2022	AGO 2028
Mr. François Fabri	Belgian	1984	Director (b)	AGO 2014	AGO 2026
Mr. Philippe Fabri	Belgian	1988	Executive Director (b)	AGO 2020	AGO 2026

(a) Non-Executive Dependent Director

(b) Executive Dependent Director

The mandate of Mr. François Fabri, outgoing Director, is eligible for re-election. The Board will propose the renewal of this term of office at the next General Meeting. This renewal will hold for a period of six years, until the General Meeting of 2030.

Corporate governance statement

Other mandates held by the directors in listed companies

Hubert Fabri
Chairman

Positions and offices held in Luxembourgish companies
- Chairman and director of the Board of Directors of Société Financière des Caoutchoucs “Socfin”, Socfinaf and Socfinasia.

Positions and offices held in foreign companies
- Chairman and Director of the Board of Directors of Palmeraies de Mopoli;
- Vice-Chairman of Société des Caoutchoucs du Grand Bereby “SOGB”;
- Vice-Chairman and member of the Supervisory Board of Compagnie du Cambodge;
- Director of Compagnie de l’Odet, Financière Moncey, Okomu Oil Palm Company, S.A.F.A. Cameroon “Safacam”, Société Industrielle et Financière de l’Artois and La Forestière Equatoriale;
- Permanent representative of Administration and Finance Corporation “AFICO” at the Board of Société Camerounaise de Palmeraies “Socapalm”.

Vincent Bolloré
Director

Positions and offices held in Luxembourgish companies
- Director of Société Financière des Caoutchoucs “Socfin”, Socfinaf and Socfinasia.

Positions and offices held in foreign companies
- Chairman and Chief Executive Officer of Compagnie de l’Odet;
- Vice-Chairman of Société des Caoutchoucs du Grand Bereby “SOGB”;
- Director of Compagnie de l’Odet;
- Permanent representative of Bolloré Participations SE on the Boards of Directors of S.A.F.A. Cameroon “Safacam”, Société des Caoutchoucs du Grand Bereby “SOGB” and Société Camerounaise de Palmeraies “Socapalm”.

Cyrille Bolloré
Director

Positions and offices held in Luxembourgish companies
- Director of Société Financière des Caoutchoucs “Socfin” and Socfinasia;
- Permanent representative of Bolloré Participations SE on the Boards of Directors of Socfinaf.

Positions and offices held in foreign companies
- Chairman and Chief Executive Officer of the Board of Directors of Bolloré SE;
- Member of the Supervisory Board of Compagnie du Cambodge;
- Vice-Chairman of Compagnie de l’Odet;
- Director of Bolloré SE, Compagnie de l’Odet and Société Industrielle et Financière de l’Artois;
- Permanent representative of Compagnie du Cambodge on the Board of Financière Moncey;
- Member of the Supervisory Board of Vivendi SE;
- Non-Executive Director and member of the Compensation Committee of UMG N.V.

Corporate governance statement

François Fabri
Director

Positions and offices held in Luxembourgish companies
- Director of Société Financière des Caoutchoucs “Socfin”, Socfinaf and Socfinasia;
- Executive Director of Socfinaf.

Positions and offices held in foreign companies
- Permanent Representative of Administration and Finance Corporation “AFICO” on the Board of Société des Caoutchoucs du Grand Bereby “SOGB” and Société Industrielle et Financière de l’Artois;
- Managing Director of Palmeraies de Mopoli;
- Director of S.A.F.A. Cameroon “Safacam” and Société Camerounaise de Palmeraies “Socapalm”.

Philippe Fabri
Executive Director

Positions and offices held in Luxembourgish companies
- Director of Société Financière des Caoutchoucs “Socfin”, Socfinaf and Socfinasia;
- Executive Director of Société Financière des Caoutchoucs “Socfin”.

Positions and offices held in foreign companies
- Member of the Supervisory Board of Palmeraies de Mopoli;
- Permanent representative of Société Anonyme Forestière et Agricole “SAFA” on the board of S.A.F.A. Cameroon “Safacam”.

Appointments of Directors

The Board of Directors proposes the appointment of the Directors at the Annual General Meeting of shareholders.

In the event of a vacancy due to the passing of or following the resignation of one or more Directors, the remaining Directors will proceed to temporary co-optations. These co-optations will be subject to the approval of the Annual General Meeting at its following meeting. The Director appointed to replace another Director will complete the term of his predecessor.

Role and powers of the Board of Directors

The Board of Directors is the body responsible for the management of the Company and the control of day-to-day management. It acts in the interest of the Company.

The Board of Directors ensures that all financial and human resources are available and that all the necessary structures are in place to achieve its objectives and secure long-term value creation.

The Articles of Association empower the Board of Directors to perform all actions necessary to achieve the corporate purpose.

Activity report of the Board of Directors

Number of meetings
There are at least two meetings for the end and mid-year evaluations. During the 2023 financial year, the Board of Directors met 5 times.

Topics generally discussed
Periodic accounting situations;
Portfolio movements;
Inventory and valuation of the portfolio;
Evolution of significant holdings;
Management report;
Investment projects;
Corporate, social and environmental responsibility.

Average attendance rate of Directors
- 2023: 95%
- 2022: 92%
- 2021: 93%
- 2020: 92%
- 2019: 92%

4. Committees of the Board of Directors

4.1. Audit Committee

The Committee consists of three members, of which 2 are independents and one is assigned as President of the Audit Committee. The members of the Audit Committee are appointed for one year and are eligible for re-election. This Audit Committee is effective as of 1 January 2024 and has been in charge of supervising the preparation of the financial information for the year 2023.

The Board of Directors has proposed that its constitution will be as follows:

✓ Mrs. Valérie Hortefeux (Independent Member) - Chairperson
✓ Mr. Frédéric Lemaire (Independent Member)
✓ Mr. Philippe Fabri (Director)

The appointment of the non-executive members will be confirmed at the General Meeting of Shareholders on 29 May 2024.

The Audit Committee will assist the Board of Directors in its supervisory function and is responsible of the monitoring of the financial reporting, the audit process, the analysis and the control of financial risks.

The Audit Committee shall meet three times a year.

4.2. Appointment and Remuneration Committee

The principal shareholders set the remuneration of the operational management of Socfin. The Board of Directors does not consider it necessary to set up a Remuneration Committee. Similarly, for practical reasons and due to the size of the Company, the Board of Directors has chosen not to set up a Nomination Committee.

5. Remunerations

The remuneration allocated to the members of the Board of Directors of Socfin for the financial year of 2023 amounts to EUR 14,299,575, compared to EUR 18,071,177 for the financial year of 2022. The Directors of Socfin did not receive any other payment in shares (stock options).

6. Shareholding status

Shareholder	*Number of shares held = Number of voting rights (*)*	*Percentage holding*	*Date of notification*
Hubert Fabri	5,083,420	35.90	31/05/2023
AFICO S.A. L-1650 Luxembourg	2,834,772	20.02	06/10/2023
Total Hubert Fabri (direct and indirect)	**7,918,192**	**55.92**	
Bolloré Participations SE F-29500 Ergué Gaberic	1,000	0.01	07/06/2023
Bolloré SE F-29500 Ergué Gaberic	2,110,698	14.91	07/06/2023
Compagnie du Cambodge F-92800 Puteaux	1,747,220	12.34	07/06/2023
Technifin CH-1705 Fribourg	1,416,062	10.00	07/06/2023
Plantations des Terres Rouges L-1724 Luxembourg	268,080	1.89	07/06/2023
Compagnie des Glénans F-29500 Ergué Gaberic	80,000	0.56	07/06/2023
Compagnie de l'Odet F-29500 Ergué Gaberic	5,534	0.04	07/06/2023
Total Bolloré Participations SE (direct and indirect)	**5,628,594**	**39.75**	

7. Financial calendar

29 May 2024	Annual General Meeting at noon
8 June 2024	Payment of the balance of dividend for 2023 (coupon number 84)
End of September 2024	Half-year stand-alone and consolidated results as at 30 June 2024
Mid-November 2024	Interim Management statement for 3rd quarter of 2024
End of March 2025	Annual stand-alone results as at 31 December 2024
Mid-April 2025	Consolidated annual results as at 31 December 2024
Mid-May 2025	Interim Management statement for the 1st quarter of 2025
28 May 2025	Annual General Meeting at noon

The results of the Company are published on the website of the Luxembourg Stock Exchange www.bourse.lu and on the website of the Company www.socfin.com.

8. External audit

Independent statutory auditor
(Réviseur d'entreprises agréé)
Ernst & Young "EY"
35E Avenue John F. Kennedy
L-1855 Luxembourg.

In 2023, the audit fees amount to EUR 1,529,754 VAT included.

The audit fees include all fees paid to the independent statutory auditor of the Group, as well as those paid to member firms within their network for the year. No material consulting work or other non-audit services have been performed by those companies in 2023.

9. Corporate, social and environmental responsibility

Along with its specific commitment to transparency, the Group has built a responsible management policy around its three pillars of commitment, namely: rural development, workers and local communities, and environment. These commitments form the basis of key initiatives that are aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy has been defined and implemented since 2022.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a regularly updated dashboard as well as in a separate annual report ("Sustainable Development Report").

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

10. Other information

Following the Regulation 2016/347 of the European Commission of 10 March 2016, which specifies the modalities for updating insider lists, a list of insiders has been drawn up and is updated continuously. The persons concerned were informed of their inclusion on this list.

Statement of compliance

Mr. Philippe Fabri, Director and Mr. Daniel Haas, Chief Financial Officer, indicate that, to their knowledge:

(a) in accordance with the international accounting standards adopted by the European Union, the consolidated financial statements prepared for the year which ended on 31 December 2023, provide a true and fair view of the assets and liabilities, the financial position and the profits or losses attributable to Socfin and all of the entities included in consolidation; and

(b) the management report presents the following information in a fair manner: the evolution and results of the Company, the financial position of the Group and all the entities that are included in the consolidation, as well as a description of the main risks and uncertainties they face.

Consolidated management report

Directors' report on the consolidated financial statements

presented by the Board of Directors to the Annual General Meeting of the Shareholders of 29 May 2024

Ladies and Gentlemen,

1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2023 include the financial statements of Socfin and of all subsidiaries and direct and indirect associate companies. The details are given in Note 2 of the notes to the consolidated financial statements.

As stated in Note 1 to the consolidated financial statements, the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS[G]) as adopted by the European Union. Socfin (the Group) adopted IFRS for the first time in 2005, and implemented all the standards applicable to the Group as at 31 December 2023.

Consolidated results

For the 2023 financial year, the result attributable to the Group as the parent company amounted to EUR 41.6 million compared to EUR 74.0 million in 2022. This resulted in net earnings of EUR 2.94 per share against EUR 5.23 in 2022.

The consolidated revenue on 31 December 2023 amounted to EUR 862.5 million compared to EUR 991.5 million in 2022 (EUR -129.0 million). This change in revenue is mainly due to a decrease in the price (EUR -47.0 million) and a variation of transactional currency versus the Euro (EUR -87.7 million).

The operating profit amounted to EUR 178.7 million compared to EUR 259.3 million during the previous period. As a reminder, in 2022 the fixed assets were subject to a non-recurring impairment of EUR 27.3 million.

Other financial income decreased to EUR 34.1 million compared to EUR 39.2 million in 2022. They mainly consisted of foreign exchange gains of EUR 29.6 million and interests from current assets of EUR 4.2 million.

Financial expenses amounted to EUR 49.8 million compared to EUR 56.5 million during 2022. They mainly consisted of foreign exchange losses of EUR 36.8 million and interests on loans of EUR 6.1 million.

Furthermore, the tax expense decreased, with income taxes amounting to EUR 60.0 million compared to EUR 71.3 million in 2022. Deferred income tax amounted to EUR -4.6 million compared to EUR -8.5 million in 2022.

Consolidated statement of financial position

Socfin's assets consist of:

- non-current assets of EUR 755.3 million compared to EUR 817.0 million on 31 December 2022. There is thus a decrease of EUR -61.7 million, which is mainly due to a decrease in the non-current biological assets of EUR -48.8 million, in the property, plant and equipment of EUR -32.3 million, and to the increase in right-of-use assets of EUR 21.6 million;
- current assets that amount to EUR 339.0 million compared to EUR 374.2 million on 31 December 2022. This is mainly due to a decrease in the cash and cash equivalents of EUR 17.9 million and in inventories of EUR 16.5 million.

The shareholders' equity amounted to EUR 425.3 million compared to EUR 421.0 million on 31 December 2022. The variation in the shareholders' equity of EUR +4.4 million is mainly due to the profit during the period (of EUR +41.6 million), the impact of hyperinflation (of EUR +10.3 million), the dividend paid during the period (with an impact of EUR -14.1 million) and the variation of translation reserve (with an impact of EUR -34.2 million).

Based on the consolidated shareholders' equity, the net value per share[G] before the distribution of dividend is EUR 30.04 against EUR 29.73 at the end of the previous year. As at 31 December 2023, the share price stands at EUR 31.00.

Current and non-current liabilities decreased to EUR 332.8 million compared to EUR 406.1 million at the end of 2022. The difference is mainly due to a decrease of EUR 51.4 million in long-term and short-term financial debts and of EUR 23.5 million in the current tax liabilities.

Consolidated cash flow

As at 31 December 2023, cash and cash equivalents amount to EUR 153.3 million, with a decrease of EUR 14.6 million for the entire year (compared to an increase of EUR 30.6 million during the previous financial year).

Net cash flows from operating activities amount to EUR 187.5 million for the 2023 financial year (EUR 282.7 million during 2022) and cash flows from operations amount to EUR 261.9 million compared to EUR 329.9 million during the previous year.

Cash flows from investing activities amount to EUR -72.4 million (compared to EUR -73.3 million during 2022).

Cash flows from financing activities amount to EUR -118.0 million (compared to EUR -179.4 million during 2022). They relate primarily to the payment of dividends of EUR -71.0 million and to the decrease in net borrowings for EUR -38.4 million.

2. FINANCIAL INSTRUMENTS

Financial risk management policies are described in the notes to the consolidated financial statements of the Company (refer to Notes 26 and 35).

3. OUTLOOK 2024

The results for the next financial year will largely depend on factors that are external to the Group's management such as the prevailing political and economic conditions in the countries where the subsidiaries are established, the changes in the price of rubber and palm oil, but also the price of the Indonesian rupiah and the US dollar against the Euro. The Group, for its part, maintains its policy of keeping cost prices as low as possible and of improving its production capacity.

4. POLITICAL AND ECONOMIC ENVIRONMENT

The Company holds interests in subsidiaries which operate indirectly in Africa and South-East Asia.

Given the economic and political instability in some of these countries, these holdings present a risk in terms of their exposure to political and economic changes.

Geopolitical uncertainties

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions were made following military operations initiated by Russia against Ukraine on 24 February 2022.

On 7 October 2023, Palestinian militant groups led by Hamas launched a coordinated surprise offensive on Israel resulting in more than 1,200 deaths, primarily Israeli citizens. Following this attack, Israel declared itself in a state of war for the first time since the Yom Kippur War in 1973.

Due to the geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets. The conflicts have had a significant impact on the financial markets, with many investors concerned about the risk of further escalation and the ensuing impact on global trade and economic growth.

Although the aforementioned aspects have not significantly impacted the company's operations nor performance and going concern has during 2023, the Board of Directors continues to monitor the evolving situation and its impact on the company's financial position and results.

5. EVENTS AFTER THE CLOSING DATE

There are no material events after the closing date to mention.

6. CORPORATE GOVERNANCE

The Board of Directors implements the corporate governance rules that are applicable in the Grand Duchy of Luxembourg into the Group's financial structure and reports.

Further information on how these rules are implemented is available in the corporate governance statement of the annual report and in the management report on the Company's stand-alone financial statements.

7. GENERAL INTERNAL CONTROL SYSTEM ADAPTED TO THE GROUP'S SPECIFIC ACTIVITIES

Segregation of functions

The segregation of the operational, commercial and financial functions implemented at each level of the Group encourages an autonomous model of internal control.

In each of their area of responsibility, these different functions ensure the completeness and reliability of information. They provide regular updates on this aspect to local managers and to the Group's headquarters, on information related to agricultural and industrial production, trade, human resources, finance, etc.

Autonomy and accountability of subsidiaries

The operational entities have a large degree of autonomy in their management due to geographical distances. In particular, they are responsible for the implementation of an internal control system, which is adapted not only to the nature and extent of their activity, but also to the optimisation of their operations and financial performances, the protection of their assets and the management of their risks.

This autonomy allows the entities to be more accountable and to ensure consistency between their practices and the legal framework of their host country.

Centralised control

The top management of the entities within the Group adhere to a Human Resources Management policy, which is centralised at the Group's headquarters.

This policy contributes to the smooth running of the internal control system and ensures its effectiveness through different practices such as autonomous recruiting processes, the harmonisation of all segregated functions, as well as annual evaluations and training programs.

The operational, commercial and financial functions centrally define a set of standard reports which ensure that information originating from the subsidiaries is presented homogenously.

Treasury reporting process

The treasury department organises, supervises and controls the reporting of the subsidiaries' daily information and weekly indicators. In particular, it monitors the position of the cash flow, the evolution of net debt and the expenses related to investments.

Financial reporting process

The financial department organises, supervises and controls the reporting of monthly accounting, budgetary and financial information. It distributes condensed reports used by the Group's operational management.
Twice per year, it includes this information in the long-term development plan of the subsidiaries. It also ensures the implementation of the financial decisions taken by the subsidiaries' Board of Directors.

Preparation of consolidated accounts

The consolidated financial statements are prepared on a half-yearly basis. On a yearly basis, they are audited by the external auditors as part of a financial audit of subsidiaries, which covers both the statutory accounts of the entities in the scope of consolidation and the consolidated financial statements.

Once approved by the Board of Directors, they are published.

The consolidation department of the Group guarantees homogeneity and treatment monitoring for all companies within the scope of consolidation. It strictly adheres to the accounting standards in force relating to consolidation operations. It uses a standard consolidation tool to ensure a number of procedures, such as the secure processing of information feedback from subsidiaries, the transparency and relevance of automatic consolidation processes and the consistency of the accounting aggregates's presentation in the annual report. Lastly, due to the complexity of the accounting standards in force and the many specificities around their implementation, the consolidation service centralises the adjustments specific to the valuation rules applicable to the consolidated financial statements.

8. ENVIRONMENT AND SOCIAL RESPONSIBILITY

Along with its specific commitment to transparency, the responsible management policy embodies the Group's three pillars of commitment: rural development, workers and local communities, and environment. These commitments form the basis of key initiatives aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy was defined and implemented since 2022.

A regularly-updated dashboard as well as a separate annual report ("Sustainable Development Report") detail the efforts and actions undertaken by the Socfin Group in relation to this policy.

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

The Board of Directors

Auditor's report on the consolidated financial statements

To the Shareholders of
Société Financière des Caoutchoucs S.A.
4, Avenue Guillaume
L-1650 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Société Financière des Caoutchoucs S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2023, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of biological assets

Risk identified

As at 31 December 2023, the value of the Group's biological assets amounted to EUR 389,3 million out of total assets of EUR 1.100,5 million.

The Group owns biological assets in Asia and Africa. These biological assets, which consist mainly of oil palm and rubber plantations, are valued in accordance with the principles defined in IAS 16 «Property, Plant and Equipment». These assets are recognised at cost less accumulated depreciation and any impairment losses.

The note 10 «Impairment of assets» of the consolidated financial statements describes the methodology used by Group management to assess whether there is any indicator of impairment or any indicator of impairment reversal at the balance sheet date. When an indicator is identified, Group management determines the recoverable amount of the biological assets and thus determines the impairment loss or the reversal of impairment to be recognised, if any.

Auditor’s report on the consolidated financial statements

The indicators used by Group Management are:

- a decrease or an increase of the listed price of natural rubber (TSR20 1st position on SGX) and the listed price of crude palm oil (CIF Rotterdam) at the balance sheet date higher than 15% compared to a five-year average of the prices observed on those markets
- a decrease or an increase of the six-month average of the prices observed of those markets higher than 15% compared to a five-year average of the prices observed on those markets
- a decrease or an increase of the twelve-month average of the prices observed of those markets of more than 15% compared to a five-year average of the prices observed on those markets

For palm oil, which is mainly sold on local markets, Group Management also analyses local sales prices, considering that a decrease or an increase in these prices at the balance sheet date higher than 15% compared to a five-year average value of the local prices constitutes an indicator of impairment or an indicator of impairment reversal respectively.

In addition to these external factors, the Group analyses the following internal performance indicators:

- Specificities of the local market (evolution of supply and demand, ...);
- Physical indications of impairment;
- Significant changes in the plantations that could have a material impact on future cash flows.

The recoverable amount is determined as the higher of the value in use and the fair value less costs of disposal. The value in use is defined in terms of discounted future net cash flows and involves significant judgements and estimations by Group Management, including financial forecasts and the utilization of appropriate discount rates.

We considered the valuation of biological assets to be a key audit issue because of :

- their significance in relation to the Group’s total assets
- the assessment of whether there is any indicator of impairment or any indicator of impairment reversal; and
- the determination of their recoverable amount which involves significant judgements and estimates.

Audit response

In order to assess the reasonableness of an indicator of impairment or an indicator of impairment reversal and, where appropriate, to determine the recoverable amount of biological assets, we performed the following audit procedures :

- Assess the compliance of Group’s management’s methodology with the provisions of IAS 36 «Impairment of Assets»;
- Analyze the methodology used with a particular focus on the indicators of impairment or on the indicators of impairment reversal;
- Analyze the completeness of indicators of impairment or indicators of impairment reversal:
  - Evaluating the assessment performed by Group management to identify the existence of indicators of impairment or indicators of impairment reversal by comparing the underlying data of the analysis with the source of the data used;
  - Comparing the evolution of yields per hectare; and
  - Overseeing the audit work of the components auditors of material subsidiaries to identify any indicators of impairment or any indicators of impairment reversal, including that site visits of the plantations have been carried out;
- In case of identification of an indicator of impairment or an indicator of impairment reversal, we:
  - Assess the appropriateness of the methodology applied by Group Management to determine the recoverable value of the biological assets and the accuracy of any impairment loss or any impairment reversal recorded;
  - Analyze the reasonableness of the cash flow forecasts used by Group Management to determine the value in use of the biological assets;
  - Assess the reasonableness of the assumptions and inputs used by Group management; and
  - Reconcile the key inputs used in the model with information audited by the components auditors of material subsidiaries.
- Assess whether the disclosures required by IAS 36 «Impairment of Assets» for biological assets are properly disclosed in the notes of the consolidated financial statements.

Auditor’s report on the consolidated financial statements

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report and the corporate governance statement but does not include the consolidated financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended (“ESEF Regulation”).

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 26 May 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 19 to 24 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Company as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to :

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

Auditor's report on the consolidated financial statements

In our opinion, the consolidated financial statements of the Company as at 31 December 2023, identified as Socfin-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Anthony CANNELLA

Consolidated financial statements

1. Consolidated statement of financial position

		31/12/2023	31/12/2022 Restated (*)	01/01/2022 Restated (*)
ASSETS	*Note*	*EUR*	*EUR*	*EUR*
Non-Current Assets				
Goodwill	4	4,951,057	4,951,057	4,951,057
Right-of-use assets	5	33,550,055	11,902,767	10,505,511
Intangible assets	6	2,202,137	2,594,599	3,705,743
Property, plant and equipment	7	306,496,776	338,771,365	322,679,989
Biological assets	8	389,297,248	438,088,818	478,856,665
Investment properties	11	3,509,654	3,670,084	3,860,781
Financial assets at fair value through other comprehensive income	13	645,773	688,024	715,578
Long-term advances		2,328,080	1,978,537	1,858,758
Deferred tax assets	14	9,106,597	11,698,487	19,434,381
Other non-current assets		3,169,704	2,699,565	1,823,792
		755,257,081	***817,043,303***	***848,392,255***
Current Assets				
Inventories	17	112,162,085	128,671,570	114,505,857
Current biological assets		3,515,839	4,689,621	3,559,160
Trade receivables	18	39,887,915	36,867,117	42,082,791
Other receivables	19	10,075,144	8,665,133	10,238,140
Current tax assets	15	10,931,694	14,942,449	15,291,971
Cash and cash equivalents	20	162,389,373	180,322,293	143,315,435
		338,962,050	***374,158,183***	***328,993,354***
Assets classified as held for sale	39	6,313,418	0	0
TOTAL ASSETS		*1,100,532,549*	*1,191,201,486*	*1,177,385,609*

(*) For further details, refer to Note 3.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated financial statements

EQUITY AND LIABILITIES	Note	31/12/2023 EUR	31/12/2022 Restated (*) EUR	01/02/2022 Restated (*) EUR
Equity attributable to the owners of the Parent				
Share capital	21	24,779,510	24,779,510	24,779,510
Share premium	21	501,847	501,847	501,847
Legal reserve	22	2,477,951	2,477,951	2,477,951
Consolidated reserves		507,036,122	435,987,572	371,399,506
Translation reserves		-151,049,161	-116,814,359	-108,159,406
Profit / (loss) for the period		41,592,016	74,036,478	80,389,524
		425,338,285	***420,968,999***	***371,388,932***
Non-controlling interests	12	***342,065,250***	***364,145,878***	***344,449,413***
Total Equity		***767,403,535***	***785,114,877***	***715,838,345***
Non-Current Liabilities				
Deferred tax liabilities	14	28,336,810	38,251,719	38,013,906
Employee benefits obligations	23	48,564,561	47,578,049	51,008,374
Long-term debt, net of current portion	24	22,485,633	51,992,495	131,880,070
Long-term lease liabilities	5	27,037,253	11,087,025	10,977,778
Other payables	25	1,633,474	1,650,572	1,445,937
		128,057,731	***150,559,860***	***233,326,065***
Current Liabilities				
Short-term debt and current portion of long-term debt	24	69,534,449	91,466,449	78,836,653
Short-term lease liabilities	5	3,089,617	1,836,468	1,401,018
Trade payables	25	50,023,611	53,844,413	44,968,591
Current tax liabilities	15	33,288,514	56,820,337	48,328,464
Provisions		641,977	666,523	381,506
Other payables	25	48,208,836	50,892,559	54,304,967
		204,787,004	***255,526,749***	***228,221,199***
Liabilities associated with assets classified as held for sale	39	284,279	0	0
TOTAL EQUITY AND LIABILITIES		***1,100,532,549***	***1,191,201,486***	***1,177,385,609***

(*) For further details, refer to Note 3.

The accompanying notes are an integral part of these consolidated financial statements.

2. Consolidated income statement

	Note	2023 EUR	2022 Restated (*) EUR
Revenue	34	862,543,071	991,511,407
Change in inventories of finished products and work in progress		8,271,201	-4,795,074
Other operational income	34	15,236,771	11,926,344
Raw materials and consumables used	34	-334,820,746	-338,675,776
Other expenses	34	-103,757,778	-105,929,797
Staff costs	27	-170,011,589	-171,029,916
Depreciation and impairment expense	9	-81,377,637	-95,876,217
Other operating expenses	34	-17,382,113	-27,793,834
Operating profit / (loss)		***178,701,180***	***259,337,137***
Other financial income	28	34,116,308	39,239,727
Gain on disposals		158,374	897,913
Loss on disposals		-1,366,073	-2,315,202
Financial expenses	29	-49,780,244	-56,548,682
Profit / (loss) before taxes		***161,829,545***	***240,610,893***
Income tax expense	16	-59,988,495	-71,319,742
Deferred tax (expense) / income	16	-4,641,335	-8,549,967
Profit / (loss) for the period		***97,199,715***	***160,741,184***
Profit / (loss) attributable to non-controlling interests		***55,607,699***	***86,704,706***
Profit / (loss) attributable to the owners of the Parent		***41,592,016***	***74,036,478***
Basic earnings per share undiluted	30	***2.94***	***5.23***

Number of Socfin shares	14,159,720	14,159,720
Basic earnings per share	2.94	5.23
Diluted earnings per share	2.94	5.23

(*) For further details, refer to Note 3.

The accompanying notes are an integral part of these consolidated financial statements.

3. Consolidated statement of comprehensive income

		2023	2022 Restated (*)
	Note	EUR	EUR
Profit / (loss) for the period		***97,199,715***	***160,741,184***
Other comprehensive income			
Actuarial gains / (losses)	23	-2,858,113	3,482,512
Deferred tax on actuarial losses and gains		844,995	-617,857
Fair value changes of securities measured at fair value through other comprehensive income, before taxes	13	-42,251	-27,554
Deferred tax on fair value changes of securities measured at fair value through other comprehensive income		10,537	6,872
Subtotal of items that cannot be reclassified to profit or loss		*-2,044,832*	*2,843,973*
Gains / (losses) on exchange differences on translation of subsidiaries (**)		-63,748,158	-8,624,112
Subtotal of items eligible for reclassification to profit or loss		*-63,748,158*	*-8,624,112*
Total other comprehensive income		***-65,792,990***	***-5,780,139***
Comprehensive income		***31,406,725***	***154,961,045***
Comprehensive income attributable to non-controlling interests		***23,174,046***	***87,269,243***
Comprehensive income attributable to the owners of the Parent		***8,232,679***	***67,691,802***

(*) For further details, refer to Note 3.
(**) Of which EUR -33.1 million relating to Okomu and EUR -13.6 million relating to PSG (following the important devaluation of the Naira and the Cedi during the period, refer to Note 1.9).

The accompanying notes are an integral part of these consolidated financial statements.

4. Consolidated statement of cash flows

	Note	2023 EUR	2022 Restated (*) EUR
Operating activities			
Profit / (loss) attributable to the owners of the Parent		41,592,016	74,036,478
Profit / (loss) attributable to non-controlling shareholders		55,607,699	86,704,706
Fair value of agricultural production		8,446,246	-8,167,928
Other adjustments having no impact on cash position		7,602,032	-7,614,474
Depreciation and impairment expense	9	81,377,637	95,876,217
Provisions and allowances		1,388,273	7,312,367
Net loss on disposals of assets		1,207,699	1,880,760
Income tax expense and deferred tax	16	64,629,830	79,869,709
Cash flows from operating activities		***261,851,432***	***329,897,835***
Interest expense	28, 29	*5,385,499*	*9,025,529*
Income tax paid	16	*-67,930,193*	*-71,319,742*
Change in inventory		-5,017,656	-8,881,196
Change in trade and other receivables		-13,192,007	5,220,302
Change in trade and other payables		6,029,415	19,354,190
Change in accruals and prepayments		364,100	-623,303
Change in working capital requirement		***-11,816,148***	***15,069,993***
Net cash flows from operating activities		***187,490,590***	***282,673,615***
Investing activities			
Acquisitions / disposals of intangible assets		-1,198,169	-670,619
Acquisitions of property, plant and equipment and biological assets	7, 8	-77,403,757	-76,862,221
Disposals of property, plant and equipment		2,265,802	4,196,693
Acquisitions / disposals of financial assets		-271,986	70,269
Interest received	28	4,223,545	0
Net cash flows from investing activities		***-72,384,565***	***-73,265,878***
Financing activities			
Acquisition of additional interests in subsidiaries		-30	-2,177,315
Dividends paid to the owners of the Parent	31	-14,159,720	-17,699,650
Dividends paid to non-controlling shareholders	12	-56,883,481	-66,091,730
Proceeds from changes in subsidiaries that do not result in loss of control (**)		5,990,559	0
Proceeds from borrowings	24	3,567,159	7,030,288
Repayment of borrowings	24	-41,988,008	-89,450,023
Repayment of lease liabilities	24	-4,928,725	-2,035,612
Interest paid	29	-9,609,044	-9,025,529
Net cash flows from financing activities		***-118,011,290***	***-179,449,571***
Effect of exchange rate fluctuations		-9,813,092	621,212
Effect of cash transfers		-1,473,707	0
Effect of cash linked to assets held for sale	39	-361,169	0
Net cash flow		***-14,553,233***	***30,579,378***
Cash and cash equivalents as at 1 January	20	167,865,056	137,285,678
Cash and cash equivalents as at 31 December	20	153,311,823	167,865,056
Net increase / (decrease) in cash and cash equivalents		***-14,553,233***	***30,579,378***

(*) For further details, refer to Note 3.
(**) Linked to Management Associates capital increase in 2023 (minority shareholder contribution).

The accompanying notes are an integral part of these consolidated financial statements.

5. Consolidated statement of changes in equity

EUR	Share capital	Share premium	Legal reserve	Translation reserves	Consolidated reserves	Equity attributable to the owners of the Parent	Non-controlling interests	TOTAL EQUITY
Balance as at 1 January 2022 - Restated (*)	24,779,510	501,847	2,477,951	-108,159,406	451,789,030	371,388,932	344,449,413	715,838,345
Profit / (loss) for the period					74,036,478	74,036,478	86,704,706	160,741,184
Actuarial (losses) / gains					1,608,012	1,608,012	1,256,643	2,864,655
Change in fair value of securities at fair value through other comprehensive income					-12,301	-12,301	-8,381	-20,682
Foreign currency translation adjustments				-7,940,387	0	-7,940,387	-683,725	-8,624,112
Transfer between reserves				709	-709	0	0	0
Other comprehensive income				-7,939,678	75,631,480	67,691,802	87,269,243	154,961,045
Dividends (Notes 12, 31)					-7,079,860	-7,079,860	-41,246,080	-48,325,940
Interim dividends (Notes 12, 31)					-10,619,790	-10,619,790	-24,845,650	-35,465,440
Other movements (Notes 2, 12)				-715,275	303,190	-412,085	-1,481,048	-1,893,133
Transactions with shareholders				-715,275	-17,396,460	-18,111,735	-67,572,778	-85,684,513
Balance as at 31 December 2022 - Restated (*)	24,779,510	501,847	2,477,951	-116,814,359	510,024,050	420,968,999	364,145,878	785,114,877
Balance as at 1 January 2023	24,779,510	501,847	2,477,951	-116,814,359	510,024,050	420,968,999	364,145,878	785,114,877
Profit / (loss) for the period					41,592,016	41,592,016	55,607,699	97,199,715
Actuarial (losses) / gains					-979,015	-979,015	-1,034,103	-2,013,118
Change in fair value of securities at fair value through other comprehensive income					-18,863	-18,863	-12,851	-31,714
Foreign currency translation adjustments				-32,361,459	0	-32,361,459	-31,386,699	-63,748,158
Transfer between reserves				-1,873,343	1,873,343	0	0	0
Other comprehensive income				-34,234,802	42,467,481	8,232,679	23,174,046	31,406,725
Dividends (Notes 12, 31)					-7,079,860	-7,079,860	-36,934,444	-44,014,304
Interim dividends (Notes 12, 31)					-7,079,860	-7,079,860	-19,949,037	-27,028,897
Hyperinflation					10,292,302	10,292,302	5,631,179	15,923,481
Other movements (Notes 2, 12)				0	4,025	4,025	5,997,628	6,001,653
Transactions with shareholders				0	-3,863,393	-3,863,393	-45,254,674	-49,118,067
Balance as at 31 December 2023	24,779,510	501,847	2,477,951	-151,049,161	548,628,138	425,338,285	342,065,250	767,403,535

(*) For further details, refer to Note 3.

The accompanying notes are an integral part of these consolidated financial statements.

6. Notes to the consolidated financial statements

Note 1. Overview and material accounting policies

1.1. Overview

Société Financière des Caoutchoucs, abbreviated as Socfin ("the Company"), was incorporated on 5 December 1959. Its corporate purpose qualifies it as a soparfi[G] (terms having a [G] are explained part "Glossary" at the end of the annual report) since the Annual General Meeting of 10 January 2011. The registered office is established at 4 avenue Guillaume, L-1650 in Luxembourg.

The main activity of the Company and its subsidiaries (the "Group") is the management of a portfolio of interests that mainly focus on the operation of tropical palm oil and rubber plantations in Africa and South-East of Asia.

The Company is listed on the Luxembourg Stock Exchange under ISIN LU0027967834 and is registered in the commercial register under number B5937.

1.2. Statement of compliance

The consolidated financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements are presented in euros and rounded to the nearest whole number, the euro being the functional currency of the parent company Socfin and of the Group's presentation currency.

On 27 March 2024, the Board of Directors approved the consolidated financial statements.

In conformity with the current legislation existing in the Grand Duchy of Luxembourg, the financial statements will be approved by the shareholders during the Annual General Meeting. The official version of these financial statements is the ESEF[G] version available with the Officially Appointed Mechanism (OAM) tool.

New standards and amendments issued but not yet effective on 1 January 2023:

The Group does not expect the adoption of the standards and amendments described below to have a material impact on its consolidated financial statements, nor does it anticipate the early adoption of new accounting standards, amendments and interpretations.

- In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS[G] 1 "Presentation of Financial Statements" to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

- In September 2022, the IASB issued amendments to IFRS[G] 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use[G] it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS[G] 16. Earlier application is permitted and that fact must be disclosed.

New IFRS[G] standards, amendments and interpretations not yet endorsed by the European Union:

The Group does not expect the adoption of the standards and amendments described below to have a material impact on its consolidated financial statements, nor does it anticipate the early adoption of new accounting standards, amendments and interpretations.

- On 25 May 2023, the IASB issued amendments to IAS[G] 7 and IFRS[G] 7 “Supplier Finance Arrangements”: the amendments clarify the characteristics of an arrangement for which an entity is required to provide the information. They also require entities to disclose information that allows users to assess how supplier finance arrangements affect an entity’s liabilities, cash flows and exposure to liquidity risk. Such information may consist of the terms and conditions of these arrangements and the carrying amount of the supplier finance arrangement financial liabilities. The amendments will be applied to annual reporting periods beginning on or after 1 January 2024, with early adoption permitted.

- On 25 August 2023, the IASB issued amendments to IAS[G] 21 “Lack of Exchangeability”. The amendments clarify how an entity should assess whether a currency is exchangeable, and how it should determine a spot exchange rate when exchangeability is lacking. They also explain how an entity should specify information disclosures so that they help users of financial statements understand the impact of a currency that is not exchangeable. The amendments will be applied prospectively to annual reporting periods beginning on or after 1 January 2025, with early adoption permitted.

1.3. Presentation of the consolidated financial statements

The consolidated financial statements are presented in euros (EUR or €).
They are prepared based on historical cost with the exception of the following assets:

- Biological assets (current) (IAS[G] 2, IAS[G] 41), securities measured at fair value through other comprehensive income[G], all of which are recognised at fair value;
- Property, plant and equipment acquired as part of a business combination (IFRS[G] 3), which are measured initially at their fair value at the date of acquisition.

The accounting principles and rules are applied in a consistent and permanent way within the Group. The consolidated financial statements are prepared for the accounting year ending on 31 December 2023, and are presented before the Annual General Meeting of shareholders that approves the allocation of the parent company’s income.

As of 1 January 2023, the Group adopted the following amendments without any material impact on the Group’s consolidated financial statements:

- IFRS[G] 17 “Insurance Contracts” and its amendments: establishes principles for the recognition, measurement and presentation of insurance contracts. Under IFRS[G] 17, insurance performance should be measured at its current execution value and provide a more consistent measurement and presentation method for all types of insurance contracts. IFRS[G] 17 replaces IFRS[G] 4 “Insurance contracts” and its interpretations.

- Amendments to IAS[G] 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”: the amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS[G] 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

- Amendments to IAS[G] 8 Definition of Accounting Estimates: the amendments to IAS[G] 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

- Amendments to IAS[G] 1 and IFRS[G] Practice Statement 2 Disclosure of Accounting Policies: the amendments to IAS[G] 1 and IFRS[G] Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- Amendments to IAS[G] 12 "International Tax Reform - Pilar Two Model Rules": on 23 May 2023, the IASB issued amendments to IAS[G] 12 in order to respond to concerns about the potential implications of the OECD Pillar Two model rules. The amendments introduce, in IAS[G] 12, a mandatory exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes on the one hand, and disclosure requirements on the other. The latter are intended for affected entities to help users of the financial statements have a better understanding of the exposure to Pillar Two income taxes that arise from that legislation, in particular before its effective date. The consequences of this amendment are further disclosed in Note 14.

1.4. Consolidation principles

The consolidated financial statements include the financial statements of the parent company Socfin as well as those of the companies controlled by the parent ("subsidiaries"), all of which constitute the "Group".

All companies included in the scope of consolidation as of 31 December 2023 close their accounts on 31 December.

Subsidiaries

In accordance with IFRS[G] 10, an investor has control when it fulfills three conditions:
1) It holds power over the entity;
2) It is entitled to or is exposed to variable returns from its involvement;
3) It has the ability to use its power over the entity to affect returns.

Currently, the Group holds the majority of the voting rights in the entities.

Income and expenses from subsidiaries acquired or sold during the year are included in the consolidated income statement, respectively, from the date of acquisition to the date of disposal.

Profit or loss and components of other comprehensive income[G] are attributed to the equity holders of the parent of the Group and to the non-controlling interests[G], even if this results in the non-controlling interests[G] having a deficit balance.

Where appropriate, restatements are made to the financial statements of the subsidiaries to align the accounting principles used with those of the Group.

All intra-group balances and transactions are eliminated upon consolidation.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest[G] and other components of equity. Any residual gain or loss is recognised in profit or loss, while any investment retained is recognised at fair value.

The list of subsidiaries of the Group is presented in Note 2.

1.5. Changes in accounting policies, errors and changes in estimates

A change in accounting policy is applicable only if it meets the requirements of a standard or an interpretation or allows more reliable and relevant information. Changes in accounting policies are accounted for retrospectively, except in the case of transitional provisions specific to the standard or interpretation. A material error, when discovered, is also adjusted retrospectively.

Uncertainties inherent to the activity require the use of estimates when preparing financial statements. The estimates are based on judgements intended to give a reasonable assessment of the latest reliable information available. An estimate is revised to reflect changes in circumstances, new information available and the effects of experience.

1.6. Business combinations

IFRS[G] 3 "Business Combinations" provides the accounting basis for recognising business combinations and changes in interests in subsidiaries after obtaining control.

For each business combination, the Group elects whether to measure the non-controlling interests[G] in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Changes in interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

1.7. Goodwill

Goodwill is the difference on the date of acquisition between the fair value of the consideration given in exchange for taking control, the value of non-controlling interests[G], the fair value of previous equity investments and the fair value of identifiable assets and liabilities and contingent liabilities of the acquiree.

When disposing of a subsidiary, the residual amount of goodwill attributable to the subsidiary is included in the calculation of the disposal's result.

1.8. Gain on a bargain purchase

Gain on a bargain purchase represents the excess of the Group's interest in the fair value of identifiable assets and liabilities, and the contingent liabilities of a subsidiary or associate on the cost of acquisition on the acquisition date.

Insofar as gain on a bargain purchase remains after considering and reassessing the fair value of identifiable assets and liabilities as well as of contingent liabilities of a subsidiary or associate, it is recognised directly as an income in the income statement.

1.9. Foreign currency conversion

In the financial statements of Socfin and of each subsidiary, transactions in foreign currency are recorded, upon initial recognition, in the functional currency of the company concerned. The exchange rate in force is applied on the transaction date. At closing, monetary assets and liabilities denominated in foreign currencies are converted on the last day of the year. Gains and losses arising from the realisation or translation of monetary items denominated in foreign currencies are recorded in the income statement for the year.

On consolidation, the assets and liabilities of companies whose accounts are held in a currency other than the euro are translated into euros at the exchange rate prevailing on the closing date. Income and expenses are converted into euros at the average exchange rate for the year. Any exchange differences are classified as equity under "Translation differences". In the event of a disposal, the translation differences relating to the company concerned are recognised in the income statement for the year in which the sale occurred.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The following exchange rates have been used for the conversion of the consolidated annual accounts:

	Closing rate		Average Rate	
1 euro equals to:	**31/12/2023**	**31/12/2022**	**2023**	**2022**
Euro	1.000	1.000	1.000	1.000
CFA franc	655.957	655.957	655.957	655.957
Ghanaian cedi	13.1274	9.1472	12.0698	8.4184
Indonesian rupiah	17,140	16,713	16,471	15,648
Nigerian naira	994.55	478.92	661.63	445.11
Dobra of São Tomé	24.50	24.50	24.50	24.50
Congolese franc	2,961	2,151	2,514	2,103
American dollar	1.1050	1.0666	1.0826	1.0479

1.10. Intangible assets

Intangible assets are stated at their acquisition cost less accumulated depreciation and any impairment losses.

Amortisation is applied on a straight-line basis based on an estimate of the useful life of the asset in question. Intangible assets are not subject to revaluation. When the recoverable value of an asset is lower than its book value, the latter is reduced to reflect this loss in value.

The estimated useful lives are as follows:

Patents	3 to 5 years
Other intangible assets	3 to 5 years
Software	3 to 5 years
Concessions[G]	Length of the concessions[G]

Amortisation starts from the date when the asset is available to use.

Gains or losses arising from derecognition of assets (i.e. the difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

1.11. Property, plant and equipment

Tangible fixed assets are recorded at their acquisition cost less accumulated amortisation and any impairment losses.

Property, plant and equipment in progress is carried at cost less any identified impairment.

Depreciation is applied on a straight-line basis, according to an estimate of the useful life for each significant component of the asset in question. When the recoverable value of an asset is lower than its book value, the latter is reduced to reflect this loss in value.

The estimated useful lives are as follows:

Buildings	20 to 50 years
Technical installations	3 to 20 years
Furniture, vehicles and others	3 to 20 years

Depreciation starts from the date that the assets are available for use.
Land is not subject to depreciation.

Gains or losses arising from the derecognition of assets (i.e. the difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

1.12. Investment properties

Investment properties are real estate (land and buildings or part of buildings) held for rental or capital appreciation.

Investment properties are recorded at cost less accumulated depreciation and any impairment charges.

Depreciation is determined on a straight-line basis over the useful life of the asset. The depreciation period for investment properties is set at 50 years.

Gains or losses arising from the derecognition of assets (i.e. the difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

1.13. Bearer biological assets

The Group has biological assets in Africa and South-East Asia. These biological assets, mainly consisting of palm oil and rubber plantations, are valued according to the principles defined in IAS[G] 16 Property, plant and equipment.

Biological assets at the time of harvest, in particular for palm bunches, palm oil and rubber, are evaluated according to the principles defined by IAS[G] 41 “Agriculture”.

Bearer biological assets
Producer biological assets are recorded at acquisition cost, less accumulated amortisation and any impairment losses.

Depreciation is applied according to the straight-line method based on an estimate of the useful life. When the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to reflect that impairment.

The estimated useful lives are as follows:

Bearer plants – Palm	20 to 26 years
Bearer plants - Rubber	20 to 33 years

The depreciation starting date is the date of transfer of biological assets in production (i.e. asset being mature). This transfer takes place in the third year after palm oil tree planting in Asia, in the fourth year after palm oil tree planting in Africa and in the seventh year after rubber tree planting. For each entity, the operating period can be adapted according to the particular circumstances.

Agricultural production
Agricultural production at harvest is valued at fair value less the estimated costs necessary to complete the sale.

There are no observable data for agricultural production (palm harvest, latex). The World Bank publishes price forecasts for dry rubber[G] (finished product). These forecasts are based on the RSS3[G] grade (smoked sheet[G]) that is not produced by the Group. Lastly, and even more so, there are no observable prospective data relating to the Group's agricultural production. The price of a standard product in a global market is not sufficiently representative of the economic reality in which the various entities of the Group intervene. This price can hence not be used as a reference for valuation.

As a result, each entity determines the fair value of agricultural production based on actual market prices obtained over the past year.

The Group considers produce that grows on mature plantations (oil in the palm fruits and produce of rubber) as biological assets, in accordance with IAS[G] 41 principles. This produce is measured at fair value until the point of harvest. Any resultant gains or losses arising from changes in fair value are recognised in the income statement

1.14. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets (mainly IT equipment), for which payments associated are recognised as an expense in the income statement. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group leases offices and agricultural land for terms ranging from 1 to 99 years, as well as vehicles and equipment for terms ranging from 1 month to 5 years.

The Group's lease contracts are standard contracts that do not include additional non-leasing components, except for some vehicle lease contracts that include a maintenance service. The Group has used the practical expedient that allows the non-segregation of the lease component from the non-lease component for these contracts.

Assets and liabilities related to lease contracts are initially measured at the present value of the fixed payments, including in-substance fixed payments less any lease incentives receivable. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. To this purpose, the management considers all facts and circumstances that may create an incentive to exercise a renewal option or not to exercise an early termination option. The lease liability is remeasured if there is a change in the lease term, in the lease payment or in the assessment of an option to purchase the underlying asset.

As the implicit interest rate is unknown for all the Group's contracts, the incremental borrowing rate was used to discount the lease payments. The incremental borrowing rate is the rate that the lessee would have to pay to borrow, for a similar term and with a similar guarantee, the funds necessary to acquire an asset whose value is similar to the asset under the right-of-use in a similar economic environment.

In determining the incremental borrowing rate, the Group:
- where possible, uses the most recent financing received by the lessee as a starting point, which was adjusted to reflect the change in financing conditions since the financing was received;
- uses a build-up approach starting with a risk-free rate which was adjusted for credit risk for leases for entities with no recent external financing;
- makes lease specific adjustments (such as term, country, currency and collateral).

The discount rates used by the Group range between 1.75% and 19.9%.

Lease payments are allocated between the repayment of the principal amount of the lease liabilities and interest expense. Interest expense is recognised in the income statement for the period over the term of the lease. Right-of-use assets are depreciated on a straight-line basis over the shortest of useful life and lease term.

The Group applies IAS[G] 36 to determine whether a right-of-use asset is impaired and recognises any impairment loss as described in Note 10: Impairment of assets.

1.15. Impairment of assets

Goodwill is not amortised, but is tested for impairment at least once a year, and whenever there is an indication of impairment.

In addition, at each reporting date, the Group reviews the carrying amounts of its intangible and tangible assets, including its organic producing assets, in order to assess whether there is any indication that its assets may have lost value. If there is such an indication, the recoverable amount of the asset is estimated to determine, if applicable, the amount of the loss or impairment. The recoverable amount is the highest of the fair value less the costs to sell the asset and the value in use.

The fair value of property, plant and equipment and intangible assets is the present value of estimated future cash flows expected from the use of an asset or cash-generating unit. When it is not possible to estimate the recoverable amount of an isolated asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised as expenses in the income statement.

When an impairment loss which was recognised in a prior period no longer exists or needs to be written down, the carrying amount of the asset (cash-generating unit) is increased to the extent of the revised estimate of its recoverable amount. However, this increased carrying amount may not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (cash-generating unit) in prior years. The reversal of an impairment loss is recognised immediately in income in the income statement.

It is not possible to subsequently reverse an impairment loss recorded on goodwill.

1.16. Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost includes direct material costs and, if applicable, direct labour costs and directly attributable overhead costs.

Where specific identification is not possible, the cost is determined based on the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to complete the sale (primarily selling expenses).

Impairment or loss on inventory to net realisable value is recognised as an expense in the period in which the impairment or loss occurred.

As explained in Note 1.13. Bearer biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.17. Trade receivables

Trade receivables are valued at their nominal value and do not bear interest. The Group applies a simplified approach and records a provision for expected losses over the life of the receivables. This provision for losses is an amount that the Group considers a reliable estimate of the inability of its customers to make the required payments (refer to Note 35).

1.18. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, short-term deposits of less than 3 months, as well as investments that are subject to a negligible risk of change in value and are easily convertible into a known amount of cash, having a maturity of three months or less.

1.19. Financial instruments

Financial assets and liabilities are recognised in the consolidated statement of the financial position when the Group becomes a party to the contractual provisions of the instrument.

Loans

The Group's business model for financial assets management describes the way it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, from the disposal of financial assets, or both. Financial assets classified and measured at amortised cost are held in a business model with the aim to hold financial assets and collect contractual cash flows. Long-term advances and other receivables are held for the sole purpose of collecting principal and interest. As such, they comply with the "Solely Payments of Principal and Interest" (SPPI[G]) model. They are accounted for using the amortised cost method.

Loans bearing interest are recorded at the net value of the amounts given, less direct costs of issue. Financial income is added to the carrying amount of the instrument to the extent that it is not received in the period in which it occurs. Interest is calculated using the effective interest rate method.

The Group applies the low credit risk simplification: at every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Interest-bearing borrowings and overdrafts are recorded for the net value of amounts received, minus direct issue costs. Financial expenses are recognised in income statement and are added to the carrying amount of the instrument to the extent that they are unpaid in the year in which they occur.

The carrying amount is a reasonable approximation of fair value in the case of financial instruments such as borrowings and debts with short-term maturity.

The fair value measurement of borrowings and debts with financial institutions, other than in the short term, depends both on the specifics of the loans and on current market conditions. The fair value was calculated by discounting the expected future cash flows at the re-estimated interest rates prevailing at the balance sheet date over the remaining term of repayment of the loans (see Note 26).

The Group relied on the evolution of the interest rate of the European Central Bank adjusted for the specific risk inherent in each financial instrument, as a reasonable benchmark for estimating the fair value of such borrowings (see Note 26).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI if they meet the definition of equity under IAS[G] 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled into profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category. The Group continues to hold these equity investments in the context of events explained in Note 36 (also refer to Note 13).

Other financial assets and liabilities

Other financial assets (trade receivables, other receivables, ...) and liabilities (trade payables, other payables, ...) are recorded at their acquisition cost. The fair value of other financial assets and liabilities is estimated to be close to the carrying amount.

The receivables are valued at their nominal value (at cost) minus any write-downs covering amounts considered as non-recoverable if the Group deems it necessary. Impairment of assets is recognised in the income statement under "Other operating income/

expenses". The Group has established a provision matrix, based on its historical credit loss experience (average default over several years), which was adjusted for prospective factors specific to the debtors and the economic environment. The carrying amount of the asset is reduced using a provision account, and the amount of the loss is recognised in the consolidated income statement. The Board of Directors of each subsidiary evaluates the receivables individually. Value adjustments are determined by taking into account the local economic reality of each country. They are reviewed at the reception of new events and at least annually.

1.20. Provisions

Provisions occur when the Group has a present obligation (legal or constructive) as a result of a past event. This present obligation will probably lead to an outflow of economic benefits, insofar as they can be reasonably estimated.

Restructuring provisions occur when the Group has come up with a formal and detailed plan for the restructuring, which has been notified to the affected parties.

1.21. Pension obligations

Defined contribution plans
The defined contribution plans designate the post-employment benefit plans under which the Group pays defined contributions to external insurance companies for certain categories of employees. Payments made under these pension plans are recognised in the income statement in the year when they are due.

As these plans do not generate future commitments for the Group, they do not give rise to provisions.

Defined benefit plans
The defined benefit plans refer to post-employment benefit plans that provide additional income to certain categories of employees for services rendered during the year and prior years.

This guarantee of additional resources is a future expenditure for the Group for which a commitment is calculated by independent actuaries at the end of each financial year.

The actuarial assumptions used to determine the liabilities vary according to the prevailing economic conditions in the country in which the plan is located. The discount rates applicable to post-employment benefit obligations should be determined by reference to the market yields on high quality corporate bonds that are appropriate to the estimated timing of benefit payments at the balance sheet date.

The Group decided to calculate discount rates using an economic approach for high-quality corporate bonds whose duration corresponds to the terms of employee benefits in the countries concerned. In the countries where there is no active market for such obligation, the Group refers to the market yields (at the end of the reporting period) of government bonds. The currency and duration of these corporate or government bonds must correspond to the currency and estimated duration of the post-employment benefit obligations.

The cost of corresponding commitments is determined by using the projected unit credit method, with a discounted value calculation at the balance sheet date in accordance with the principles of IAS[G] 19 "Employee Benefits".

All changes in the amount of defined benefit pension obligations are recognised as soon as they occur.

Remeasurements of defined benefit pension obligations, including actuarial gains and losses, should be recognised immediately in "Other comprehensive income"[G].

The costs of services rendered during the period, past service costs (plan amendment) and net interest are recognised as an expense immediately.

The amount recognised in the statement of financial position consists of the present value of the defined benefit plans' pension obligations. This value has been adjusted for actuarial gains and losses, minus the fair value of plan assets.

1.22. Revenue recognition

The Group's revenues derive from the performance obligation to transfer the control of products under arrangements. According to these arrangements, the transfer of control and the fulfilment of the performance obligation occur at the same time.

The point of control of the asset by the customer depends on the moment when the goods are made available to the carrier or when the buyer takes possession of the goods. This also depends on the delivery conditions. With regards to the Group's activities, the recognition criteria are generally met:
(a) for export sales, where the time of the transfer of deed is based on the incoterms;
(b) for local sales, depending on the delivery conditions, either when the goods leave the premises or when the customer takes possession of the goods.
This is the moment when the Group has fulfilled its performance obligations.
Revenues are valued at the transaction price of the consideration received or receivable, to which the company expects to be entitled.

The selling price is determined at the market price and, in a few cases, is contractually determined on a provisional basis using a reliable estimate. In the latter case, price adjustments can then take place depending on the movements between the reference price and the final price, as recognised.

The Group considers itself to be the principal in its revenue arrangements, because it controls the goods sold before transferring them to the customers.

As at 31 December 2023, revenue from the major customer within the Group accounted for approximately EUR 83.8 million (2022: EUR 96.2 million) of total Group revenue.

1.23. Taxes

Current tax is the amount of tax payable or recoverable on the profit or loss of a financial year.

Temporary differences between the book values of assets and liabilities on the one hand, and their tax bases on the other hand, lead to the recognition of a deferred tax using the tax rates which are applicable when the temporary differences disappear, as adopted on the closing date.

A deferred tax is recognised for all taxable temporary differences, unless the deferred tax is generated:
- by goodwill or;
- by the initial recognition of an asset or liability in a transaction which is not acquired through a business combination, does not affect neither the accounting profit nor the taxable profit (tax loss), nor gives rise to equal taxable and deductible temporary differences at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences related to investments in subsidiaries and associates, unless the date on which the temporary difference will be reversed can be controlled and it will most likely not be reversed in the foreseeable future.

A deferred tax asset is recognised in order to carry forward unused tax losses and tax credits, so that future taxable profits, on which these unused tax losses and tax credits can be charged, will likely be available.

Deferred tax is recognised in the income statement, unless it relates to items that have been directly recognised, either in equity or in other comprehensive income[G].

The Group applies the mandatory exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes (refer to Note 14).

1.24. Segment information

IFRS[G] 8 – Operating Segments requires operating segments to be identified based on an internal reporting. This internal reporting is analysed by the entity's chief operating decision-maker, in order to assess performance and make resource decisions for the segments.

The identification of these operational sectors originates from the information that is analysed by the management. This information is based on the geographic distribution of political and economic risks, as well as on the analysis of individual social accounts at historical cost.

1.25. Use of estimates

For the preparation of consolidated financial statements in accordance with IFRS, the Group's management has made use of its best estimates to make assumptions on the following aspects, and to what extent they were affected: the carrying amount of assets and liabilities, information on assets and liabilities, contingent liabilities and the carrying amount of income and expenses recorded during the period.

Depending on the evolution of these assumptions or changing economic conditions, the amount that will appear in the Group's future consolidated financial statements may still differ from current estimates. Material accounting policies, for which the Group has made estimates, mainly concern the application of IAS[G] 19 - Employee Benefits (Note 23), IAS[G] 41 - Agriculture and IAS[G] 2 - Inventories (Notes 8 and 17), IAS 16[G] - Property, Plant and Equipment (Note 7), IAS[G] 36 - Impairment of Assets (Notes 9 and 10), IFRS[G] 9 - Financial Instruments (Note 26) and IFRS[G] 16 – Leases (Note 5).

In the absence of observable data within the scope of IFRS[G] 13 – Fair Value Measurement, the Group makes use of a model that was developed with the aim to assess the fair value of agricultural production, using local production costs and conditions, and local sales (Refer to Note 1.13).

This method is inherently more volatile than assessment at historical cost.

1.26. Non-Current Assets held for sale

Non-current assets (or disposal groups) are classified as assets that are held for sale when their carrying amount is to be recovered principally through a sale transaction and when a sale is considered highly probable. If their carrying amount is recovered principally through a sale transaction rather than through continuing use, these assets are stated at the lowest of the carrying amount and fair value, less the costs of disposal (Note 39).

1.27. Hyperinflation

The accounts of entities whose economies are in hyperinflation are translated in accordance with the standard IAS[G] 29 – Financial reporting in hyperinflationary economies. Monetary items in the balance sheet are not restated, as they are already expressed in the measuring unit current at the end of the reporting period, unlike non-monetary items, which are restated in terms of the measuring unit current at the end of the reporting period. In accordance with IAS 21 Foreign exchange, as comparative amounts are translated into the currency of a non-hyperinflationnary economy, they do not need to be restated.

Sierra Leone

Since October 2023, Sierra Leone is considered hyperinflationary. IAS[G] 29 is applicable to entities whose functional currency is the Leone of Sierra Leone (SLL). The functional currency of the subsidiary located in Sierra Leone is the US dollar. Consequently, IAS[G] 29 has no incidence on the Group financial statements in Sierra Leone.

Ghana

Since October 2023, Ghana is considered hyperinflationary. IAS[G] 29 is applicable to entities whose functional currency is the Ghanaian Cedi (GHS). The functional currency of the subsidiary located in Ghana is the Ghanaian Cedi. Consequently, non-monetary items of the subsidiary located in Ghana have been restated in terms of the measuring unit current at the end of the reporting period (refer to Notes 5, 7 and 8), corresponding to the Ghana Consumer Price Index (CPI), provided by the Government of Ghana Statistical Service.

1.28. Climate effect

The Group considered the potential impact of climate change, which may affect positively or negatively the Group's biological assets, and thus the financial performance of the Group. Among climate factors, the distribution of rainfall and sunshine are the most important ones.

The Group considered climatic events such as severe wind or fires in the valuation of the biological assets. However, given current knowledge, distinguishing the impact of natural climate changes from climate impact caused by anthropic activity remains difficult.

The Management Board considered various documentation in its assessment of the impact, such as the last Intergovernmental Panel on Climate Change (IPCC) reports but also the data coming from the agronomic departments which reflect the potential effect of climate change over the past years. Budgets are adjusted to integrate the operational needs that may result of the impact of those changes and the value in use of the biological assets is aligned consequently (Note 1.15 and Note 10). From a social stand point, the effect of climate change are integrated through the regular updates of the data used for the calculation of the employee benefit provision (Note 23).

The Management Board will continue to consider the potential impact of climate change in its assessments, and will integrate any new potential impact that could lead to a material change in the Group's financial statements.

1.29. Geopolitical uncertainties

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions were made following military operations initiated by Russia against Ukraine on 24 February 2022.

On 7 October 2023 Palestinian militant groups led by Hamas launched a coordinated surprise offensive on Israel resulting in more than 1,200 deaths, primarily Israeli citizens. Following this attack, Israel declared itself in a state of war for the first time since the Yom Kippur War in 1973.

Due to the geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets. The conflicts have had a significant impact on the financial markets, with many investors concerned about the risk of further escalation and the ensuing impact on global trade and economic growth.

Although the aforementioned aspects have not significantly impacted the company's operations nor performance and going concern during 2023, the Board of Directors continues to monitor the evolving situation and its impact on the company's financial position and results.

1.30. Environmental, Social and Governance

The Group has described its ambitions and objectives in terms of environment, social responsibilities and governance in a separate Sustainability Report that can be accessed on Socfin website.

Management has performed a preliminary assessment to measure the financial impacts of those objectives on the consolidated financial statements. Based on this assessment, Management was able to conclude that most of the commitments described in the Sustainability Report have already been incorporated in the budgets of the subsidiaries of Group. Those budgets are mainly used for the determination of internal indicators of impairment but also as a basis for the determination of the expected growth rates of the companies. A further description for the assessment of impairment indicators is provided in Notes 1.15 and 10.

Note 2. Subsidiaries

	% Group Interest	% Group Control	Consolidation Method (*)	% Group Interest	% Group Control	Consolidation Method (*)
	2023	2023	2023	2022	2022	2022
AFRICA						
Rubber and palm						
SOGB S.A.	41.17	73.16	FI	41.17	73.16	FI
PLANTATIONS SOCFINAF GHANA "PSG" LTD	64.64	100.00	FI	64.64	100.00	FI
OKOMU OIL PALM COMPANY PLC	42.90	66.38	FI	42.90	66.38	FI
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A.	44.63	69.05	FI	44.63	69.05	FI
SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A.	43.60	67.46	FI	43.60	67.46	FI
Rubber						
LIBERIAN AGRICULTURAL COMPANY "LAC"	64.64	100.00	FI	64.64	100.00	FI
SALALA RUBBER CORPORATION "SRC"	64.64	100.00	FI	64.64	100.00	FI
SUD COMOË CAOUTCHOUC "SCC" S.A.	39.39	70.01	FI	39.39	70.01	FI
Palm						
SOCFIN AGRICULTURAL COMPANY "SAC" LTD	60.11	93.00	FI	60.11	93.00	FI
SOCIETE DES PALMERAIES DE LA FERME SUISSE "SPFS" S.A.	43.60	100.00	FI	43.60	100.00	FI
AGRIPALMA LDA	56.88	88.00	FI	56.88	88.00	FI
BRABANTA S.A.U.	64.64	100.00	FI	64.64	100.00	FI
Other activities						
BEREBY-FINANCES "BEFIN" S.A.	56.27	87.06	FI	56.27	87.06	FI
CAMSEEDS S.A.	43.64	100.00	FI	43.70	100.00	FI
SOGESCOL CAMEROUN "SOGESCOL CAM" S.A.R.L.	61.44	100.00	FI	61.44	100.00	FI
ASIA						
Rubber and palm						
PT SOCFIN INDONESIA "SOCFINDO"	52.43	90.00	FI	52.43	90.00	FI
Rubber						
SETHIKULA CO LTD	58.25	100.00	FI	58.25	100.00	FI
SOCFIN-KCD CO LTD	58.25	100.00	FI	58.25	100.00	FI
VARANASI CO LTD	58.25	100.00	FI	58.25	100.00	FI
COVIPHAMA CO LTD	58.25	100.00	FI	58.25	100.00	FI
EUROPE						
Other activities						
CENTRAGES S.A.	61.44	100.00	FI	61.44	100.00	FI
IMMOBILIERE DE LA PEPINIERE S.A.	61.44	100.00	FI	61.44	100.00	FI
INDUSERVICES S.A.	74.78	100.00	FI	74.78	100.00	FI
INDUSERVICES FR S.A.	61.44	100.00	FI	61.44	100.00	FI
MANAGEMENT ASSOCIATES S.A.	60.72	80.00	FI	60.72	80.00	FI
PLANTATION NORD-SUMATRA LTD "PNS Ltd" S.A.	58.25	100.00	FI	58.25	100.00	FI
SOCIETE ANONYME FORESTIERE AGRICOLE "SAFA" S.A.S.	64.64	100.00	FI	64.64	100.00	FI
SOCFINAF S.A.	64.64	64.64	FI	64.64	64.64	FI
SOCFINASIA S.A.	58.25	58.25	FI	58.25	58.25	FI
SOCFINCO S.A.	61.44	100.00	FI	61.44	100.00	FI
SOCFINCO FR S.A.	61.44	100.00	FI	61.44	100.00	FI
SOCFINDE S.A.	59.48	99.92	FI	59.48	99.92	FI
SODIMEX FR S.A.	61.44	100.00	FI	61.44	100.00	FI
SOGESCOL FR S.A.	61.44	100.00	FI	61.44	100.00	FI
STP INVEST S.A.	64.64	100.00	FI	64.64	100.00	FI
TERRASIA S.A.	68.27	100.00	FI	68.27	100.00	FI

(*) Consolidation Method: FI: Fully integrated, NC: Not Consolidated

Other entities not consolidated due to their low materiality: Socficom and Soggai.

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List of subsidiaries

* AGRIPALMA LDA is a company located on the island of São Tomé and Principe, specialised in the production of palm oil.

* BEREBY-FINANCES “BEFIN” S.A. is a holding company under Ivorian law that owns the Ivorian companies SOGB S.A. and SCC. S.A.

* BRABANTA S.A. is a Congolese company specialised in the production of palm oil.

* CAMSEEDS S.A. is a company under Cameroonian law specialised in research, development and production of seeds (palm).

* CENTRAGES S.A. is a company under Belgian law providing administrative and accounting services, and which owns three floors of office space in Brussels.

* COVIPHAMA CO LTD is a company under Cambodian law involved in rubber.

* IMMOBILIERE DE LA PEPINIERE “PEPINIERE” S.A. is a company under Belgian law with three floors of office space in Brussels.

* INDUSERVICES S.A. is a company under Luxembourgish law whose purpose is to provide all administrative services to all companies and organisations, including all services relating to documentation, bookkeeping and register services, as well as all representation, study, consultation activities and assistance.

* INDUSERVICES FR S.A. is a company under Swiss law whose purpose is to provide all administrative services to all companies and organisations, including all services relating to documentation, bookkeeping and register services, as well as all representation, study, consultation activities and assistance. In addition, it provides all Group companies with access to the common IT platform.

* LIBERIAN AGRICULTURAL COMPANY “LAC” is a company under Liberian law that specialises in the production of rubber.

* MANAGEMENT ASSOCIATES S.A. is a company under Luxembourgish law active in the transport sector.

* OKOMU OIL PALM COMPANY “OKOMU” PLC is a company under Nigerian law specialised in the production of palm and rubber products.

* PLANTATION NORD-SUMATRA LTD “PNS” S.A. is a holding company under Luxembourgish law that holds stakes in PT Socfindo and Coviphama Co LTD.

* PLANTATIONS SOCFINAF GHANA “PSG” LTD is a Ghanaian company specialised in the production of palm and rubber products.

* PT SOCFIN INDONESIA “SOCFINDO” is a company under Indonesian law active in the production of palm oil and rubber.

* SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN “SAFACAM” S.A. is a company under Cameroonian law active in the production of palm oil and the cultivation of rubber trees.

* SALALA RUBBER CORPORATION “SRC” is a company under Liberian law active in the cultivation of rubber trees.

* SETHIKULA CO LTD is a company under Cambodian law that holds concessions[G] of agricultural land.

* SOCIETE CAMEROUNAISE DE PALMERAIES “SOCAPALM” S.A. is active in Cameroon in the production of palm oil and rubber cultivation.

* SOCFIN AGRICULTURAL COMPANY “SAC” LTD is a company located in Sierra Leone specialised in the production of palm oil.

* SOCFIN CONSULTANT SERVICES “SOCFINCO” S.A. is a company established in Belgium providing technical assistance, as well as agronomic and financial services.

* SOCFIN-KCD CO LTD is a company under Cambodian law active in the production of rubber products.

* SOCFINAF S.A. is a holding company incorporated under Luxembourgish law whose activity mainly focuses on the management of a portfolio of active participations in plantations located in Africa.

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* SOCFINASIA S.A. is a holding company under Luxembourgish law whose activity focuses on the management of a portfolio of interests involved in plantations located in South-East Asia.

* SOCFINCO FR S.A. is a Swiss company providing services, studies and management of agro-industrial plantations.

* SOCFINDE S.A. is a finance holding company under Luxembourgish law.

* SOCIETE ANONYME FORESTIERE AGRICOLE "SAFA" S.A.S. is a company under French law holding a stake in a plantation in Cameroon, Safacam S.A.

* SOCIETE DES PALMERAIES DE LA FERME SUISSE "SPFS" S.A. is a company incorporated under the Cameroon law in the production and marketing of palm oil.

* SODIMEX FR S.A. is a Swiss company active in the purchase and sale of equipment for plantations.

* SOCIETE DES CAOUTCHOUCS DE GRAND-BEREBY "SOGB" S.A. is a company under Ivorian law specialised in the production of palm and rubber products.

* SOGESCOL FR S.A. is a Swiss company active in the tropical products trade.

* SOGESCOL CAMEROON "SOGESCOL CAM" S.A R.L. is a company under Cameroonian law active in the trading of palm oil in Cameroon.

* STP INVEST S.A. is a company under Belgian law with a stake in Agripalma LDA.

* SUD COMOË CAOUTCHOUC "SCC" is a company under Ivorian law whose business is the processing and marketing of rubber.

* TERRASIA S.A. is a company under Luxembourgish law set up for office ownerships.

* VARANASI CO LTD is a company under Cambodian law holding concessions[G] of agricultural land.

Note 3. Restatement and reclassification

The Group has restated its previously issued consolidated financial statements for the years ended 31 December 2022 and 1 January 2022. The Group has identified a misstatement from prior year. This misstatement has been considered by restating each of the relevant line items in the prior years' financial statements.

Certain items in the reported figures relating to prior year have been reclassified for current year presentation purposes.

The following tables summarise the impact of these restatement and reclassification on the Group's financial statements.

Consolidated statement of financial position:

01/01/2022	Previously published	Impact of the restatement (a)	Impact of the reclassification (b)	(c)	Restated
Consolidated reserves	380,183,421	-8,783,914			**371,399,507**
Translation reserves	-108,075,534	-83,872			**-108,159,406**
Profit / (loss) for the period	80,389,524				**80,389,524**
Non-controlling interests	356,654,107	-12,204,694			**344,449,413**
Total Equity	***709,151,518***	***-21,072,480***	***0***		***688,079,038***
Deferred tax liabilities	16,941,426	21,072,480			**38,013,906**
Long-term debt, net of current portion	125,924,853		5,955,219		**131,880,072**
Other payables, non-current	7,401,153		-5,955,219		**1,445,934**
Short-term debt and current portion of long-term debt	38,433,365		40,403,288		**78,836,653**
Other payables, current	94,708,254		-40,403,288		**54,304,966**
TOTAL EQUITY AND LIABILITIES	***283,409,051***	***21,072,480***	***0***		***304,481,531***

31/12/2022	Previously published	Impact of the restatement (a)	Impact of the reclassification (b)	(c)	Restated
Consolidated reserves	444,942,847	-8,955,276			**435,987,571**
Translation reserves	-117,053,765	239,406			**-116,814,359**
Profit / (loss) for the period	75,586,975	-1,550,497			**74,036,478**
Non-controlling interest	377,808,668	-13,662,790			**364,145,878**
Total Equity	***781,284,725***	***-23,929,157***	***0***		***757,355,568***
Deferred tax liabilities	14,322,564	23,929,157			**38,251,721**
Long-term debt, net of current portion	47,637,647		4,354,848		**51,992,495**
Other payables, non-current	6,005,420		-4,354,848		**1,650,572**
Short-term debt and current portion of long-term debt	51,060,969		40,405,480		**91,466,449**
Other payables, current	91,298,039		-40,405,480		**50,892,559**
TOTAL EQUITY AND LIABILITIES	***210,324,639***	***23,929,157***	***0***		***234,253,796***

Consolidated income statement and statement of comprehensive income:

		Impact of the restatement	*Impact of the reclassification*		
For the year ended 31 December 2022	*Previously published*	*(a)*	*(b)*	*(c)*	*Restated*
Work performed by entity and capitalised	10,557,795			-10,557,795	**0**
Raw materials and consumables used	-343,091,740			4,415,965	**-338,675,775**
Other expenses	-110,398,857			4,469,060	**-105,929,797**
Staff costs	-172,621,305			1,591,389	**-171,029,916**
Other operating expenses	-27,875,215			81,381	**-27,793,834**
Deferred tax (expense) / income	-4,936,022	-3,613,947			**-8,549,969**
Profit / (loss) for the period	***164,355,130***	***-3,613,947***	***0***	***0***	***160,741,183***
Profit / (loss) attributable to non-controlling interests	88,768,156	-2,063,449			**86,704,707**
Profit / (loss) attributable to the owners of the Parent	75,586,975	-1,550,498			**74,036,477**
Gains / (losses) on exchange differences on translation of subsidiaries	-9,379,794	755,682			**-8,624,112**
Comprehensive income	***157,819,309***	***-2,858,265***	***0***		***154,961,044***

The restatement (a) corresponds to deferred tax liabilities of one of the subsidiaries in Africa (Okomu), that were understated in prior years.

The reclassification are described below:
(b) Loans from shareholders have been reclassified respectively from other payables (non-current) to long-term debt, and from other payables (current) to short-term debt;
(c) Work performed by entity and capitalised and related expenses, for several subsidiaries in Africa and Asia, have been offset within income statement, in order to impact the statement of financial position movements only.

Undiluted earnings per share for the year ended 31 December 2022 have also been adjusted. The amount of the adjustment to undiluted earnings per share is a decrease of EUR 0.11 per share.

Note 4. Goodwill

	2023	*2022*
	EUR	*EUR*
Gross amount as at 1 January	***16,297,341***	***16,297,341***
Gross amount as at 31 December	***16,297,341***	***16,297,341***
Impairment as at 1 January	***-11,346,284***	***-11,346,284***
Impairment as at 31 December	***-11,346,284***	***-11,346,284***
Net balance as at 31 December	***4,951,057***	***4,951,057***

Goodwill resulted from the initial consolidation of undertakings.
Impairment test on goodwill is disclosed in Note 10.

Note 5. Leases

Right-of-use assets:

EUR	Furniture, vehicles and other	Buildings	Land and concession of agricultural area	TOTAL
Gross value as at 1 January 2022	***8,389,661***	***4,446,738***	***8,698,627***	***21,535,026***
Additions	2,517,377	0	1,230,079	**3,747,456**
Disposals	0	-136,602	0	**-136,602**
Foreign exchange differences	-32,383	18,542	-4,169	**-18,010**
Gross value as at 31 December 2022	***10,874,655***	***4,328,678***	***9,924,537***	***25,127,870***
Accumulated depreciation as at 1 January 2022	***-6,202,323***	***-1,990,193***	***-2,837,000***	***-11,029,516***
Depreciation	-1,673,697	-300,913	-271,888	**-2,246,498**
Depreciation reversals	0	40,980	0	**40,980**
Transfer	0	0	-14,218	**-14,218**
Foreign exchange differences	40,887	-7,572	-9,167	**24,148**
Accumulated depreciation as at 31 December 2022	***-7,835,133***	***-2,257,698***	***-3,132,273***	***-13,225,104***
Net book value as at 31 December 2022	***3,039,522***	***2,070,980***	***6,792,264***	***11,902,766***
Gross value as at 1 January 2023	***10,874,655***	***4,328,678***	***9,924,537***	***25,127,870***
Additions	10,151,459	0	15,404,673 (*)	**25,556,132**
Disposals	-4,402,886	0	0	**-4,402,886**
Hyperinflation	0	0	3,213,055	**3,213,055**
Transfer to assets held for sale	0	0	-185,995	**-185,995**
Foreign exchange differences	-3,219,325	-11,911	-493,523	**-3,724,759**
Gross value as at 31 December 2023	***13,403,903***	***4,316,767***	***27,862,747***	***45,583,417***
Accumulated depreciation as at 1 January 2023	***-7,835,133***	***-2,257,698***	***-3,132,273***	***-13,225,104***
Depreciation	-3,648,983	-295,476	-665,685	**-4,610,144**
Depreciation reversals	4,402,886	0	0	**4,402,886**
Transfer to assets held for sale	0	0	152,144	**152,144**
Foreign exchange differences	1,180,354	6,578	59,922	**1,246,854**
Accumulated depreciation as at 31 December 2023	***-5,900,876***	***-2,546,596***	***-3,585,892***	***-12,033,364***
Net book value as at 31 December 2023	***7,503,027***	***1,770,171***	***24,276,855***	***33,550,053***

(*) Additions during the period correspond to the revision of the concession price in Cameroon.

Lease liabilities

	31/12/2023	31/12/2022
	EUR	EUR
Long-term lease liabilities	27,037,253	11,087,025
Short-term lease liabilities	3,089,617	1,836,468
Total	*30,126,870*	*12,923,493*

The amounts recognised in the income statement in relation with lease contracts are detailed as follows:

	2023	2022
	EUR	EUR
Depreciation of right-of-use assets	4,610,144	2,246,498
Expenses related to short-term leases and leases of low-value assets	2,378,412	1,735,913
Interest expense (included in the financial expenses)	3,509,582	1,147,359
Total	***10,498,138***	***5,129,770***

Information relating to leases where the Group is the lessor is provided in Note 11.

Agricultural concessions[G]

The Group does not own all the land on which the biological assets are planted. In general, these lands are subject to very long-term concessions[G] from the local public authority. These concessions are renewable.

Company	Date of initial lease or renewal extension	Duration of the initial lease	Area conceded	
SAC	2011/2012/2013/2014	50 years	18,473 ha	(1)
LAC	1959	70 years	121,407 ha	
SRC	1960	70 years	8,000 ha	(3)
SOGB	1995	99 years	34,712 ha	
PSG	2013/2016/2022	50 years	18,304 ha	
OKOMU	1986/1993/1999//2014	92 to 99 years	33,113 ha	
SOCAPALM	2005	60 years	58,063 ha	
SAFACAM	2022	3 years	2,161 ha	(4)
AGRIPALMA	2009	25 years	1,735 ha	(2)(5)
BRABANTA	2004 to 2022	25 years	8,380 ha	
SETHIKULA	2010	99 years	4,273 ha	
VARANASI	2009	70 years	2,386 ha	
COVIPHAMA	2008	70 years	5,345 ha	
SOCFINDO	1990 to 2023	25 to 35 years	47,532 ha	

(1) Renewable concessions[G] for a term of 25 years
(2) Concessions renewable tacitly for periods of 25 years
(3) Extensible concessions[G] up to 40,000 ha
(4) Safacam owns 15,529 ha
(5) Agripalma owns 653 ha

Note 6. Intangible assets

EUR	Concessions and patents	Softwares	Other intangible assets	TOTAL
Cost as at 1 January 2022	***2,804,674***	***3,426,922***	***1,370,782***	***7,602,378***
Additions	582,356	56,261	32,003	**670,620**
Disposals	-446	-348,795	-221,865	**-571,106**
Transfer	-1,171,888	0	0	**-1,171,888**
Foreign exchange differences	-534,704	-57,672	-1,204	**-593,580**
Cost as at 31 December 2022	***1,679,992***	***3,076,716***	***1,179,716***	***5,936,424***
Accumulated depreciation as at 1 January 2022	***-338,550***	***-2,258,794***	***-1,299,290***	***-3,896,634***
Depreciation	-35,068	-84,039	-29,603	**-148,710**
Depreciation reversals	446	349,070	221,865	**571,381**
Transfer	14,218	0	0	**14,218**
Foreign exchange differences	66,332	50,386	1,204	**117,922**
Accumulated depreciation as at 31 December 2022	***-292,622***	***-1,943,377***	***-1,105,824***	***-3,341,823***
Net book value as at 31 December 2022	***1,387,370***	***1,133,339***	***73,892***	***2,594,601***
Cost as at 1 January 2023	***1,679,992***	***3,076,716***	***1,179,716***	***5,936,424***
Additions	409	150,361	0	**150,770**
Disposals	-122	0	-177	**-299**
Transfer	0	0	-35,710	**-35,710**
Foreign exchange differences	-490,907	-68,734	-13,624	**-573,265**
Cost as at 31 December 2023	***1,189,372***	***3,158,343***	***1,130,205***	***5,477,920***
Accumulated depreciation as at 1 January 2023	***-292,622***	***-1,943,377***	***-1,105,824***	***-3,341,823***
Depreciation	-24,459	-53,597	-37,239	**-115,295**
Depreciation reversals	122	0	0	**122**
Transfer	0	0	35,710	**35,710**
Foreign exchange differences	72,098	59,785	13,624	**145,507**
Accumulated depreciation as at 31 December 2023	***-244,861***	***-1,937,189***	***-1,093,729***	***-3,275,779***
Net book value as at 31 December 2023	***944,511***	***1,221,154***	***36,476***	***2,202,141***

Note 7. Property, plant and equipment

EUR	Land and nurseries (***)	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and prepayments	TOTAL
Cost as at 1 January 2022	***13,160,471***	***323,813,263***	***212,959,932***	***237,872,242***	***17,791,826***	***662,343***	***806,260,077***
Additions (*)	1,307,378	7,265,938	17,785,161	13,927,535	12,637,721	8,156,462	**61,080,195**
Disposals	-814,455	-1,956,328	-730,891	-8,436,791	0	0	**-11,938,465**
Transfer	411,687	2,275,785	-4,958,284	17,957,479	-16,230,492	-316,007	**-859,832**
Foreign exchange differences	12,632	424,229	-4,779,210	-320,573	178,575	-62,363	**-4,546,710**
Cost as at 31 December 2022	***14,077,713***	***331,822,887***	***220,276,708***	***260,999,892***	***14,377,630***	***8,440,435***	***849,995,265***
Accumulated depreciation as at 1 January 2022	***-1,196,798***	***-179,330,353***	***-118,680,012***	***-180,257,412***	***0***	***0***	***-479,464,575***
Depreciation	-16,775	-13,812,619	-13,102,651	-14,221,686	0	0	**-41,153,731**
Depreciation reversals	22,946	1,949,306	620,400	7,360,966	0	0	**9,953,618**
Transfer	0	-1,736,377	9,176,617	-7,272,790	0	0	**167,450**
Foreign exchange differences	-2,805	568,395	1,738,956	-308,271	0	0	**1,996,275**
Accumulated depreciation as at 31 December 2022	***-1,193,432***	***-192,361,648***	***-120,246,690***	***-194,699,193***	***0***	***0***	***-508,500,963***
Accumulated impairment as at 1 January 2022	***0***	***0***	***-1,728,058***	***-2,387,455***	***0***	***0***	***-4,115,513***
Impairment (**)	0	-409,129	-403,478	0	0	0	**-812,607**
Impairment reversal	0	0	0	2,205,185	0	0	**2,205,185**
Accumulated impairment as at 31 December 2022	***0***	***-409,129***	***-2,131,536***	***-182,270***	***0***	***0***	***-2,722,935***
Net book value as at 31 December 2022	***12,884,281***	***139,052,110***	***97,898,482***	***66,118,429***	***14,377,630***	***8,440,435***	***338,771,367***

EUR	*Land and nurseries (***)*	*Buildings*	*Technical installations*	*Furniture, vehicles and others*	*Work in progress*	*Advances and prepay-ments*	*TOTAL*
Cost as at 1 January 2023	***14,077,713***	***331,822,887***	***220,276,708***	***260,999,892***	***14,377,630***	***8,440,435***	***849,995,265***
Additions (*)	0	6,188,130	7,178,845	16,134,071	12,492,050	15,715,933	**57,709,029**
Disposals	0	-335,101	-1,132,950	-3,654,693	-1,487,422	0	**-6,610,166**
Hyperinflation	0	3,559,352	4,626,554	1,723,126	0	0	**9,909,032**
Transfer	-2,326,775	10,498,434	2,291,874	3,184,170	-14,757,682	-1,156,473	**-2,266,452**
Transfer to assets held for sale	0	-5,971,824	0	-1,261,309	0	0	**-7,233,133**
Foreign exchange differences	-2,384,883	-21,574,837	-40,402,777	-15,314,793	-1,280,886	-10,969	**-80,969,145**
Cost as at 31 December 2023	***9,366,055***	***324,187,041***	***192,838,254***	***261,810,464***	***9,343,690***	***22,988,926***	***820,534,430***
Accumulated depreciation as at 1 January 2023	***-1,193,432***	***-192,361,648***	***-120,246,690***	***-194,699,193***	***0***	***0***	***-508,500,963***
Depreciation	-16,518	-14,147,731	-11,197,879	-16,145,479	0	0	**-41,507,607**
Depreciation reversals	0	299,356	907,740	3,596,473	0	0	**4,803,569**
Transfer	19,670	-61,214	-393	393	0	0	**-41,544**
Transfer to assets held for sale	0	3,631,134	0	975,370	0	0	**4,606,504**
Foreign exchange differences	5,941	7,557,446	11,635,353	9,898,516	0	0	**29,097,256**
Accumulated depreciation as at 31 December 2023	***-1,184,339***	***-195,082,657***	***-118,901,869***	***-196,373,920***	***0***	***0***	***-511,542,785***
Accumulated impairment as at 1 January 2023	***0***	***-409,129***	***-2,131,536***	***-182,270***	***0***	***0***	***-2,722,935***
Impairment (**)	0	-298,687	0	0	0	0	**-298,687**
Impairment reversal	0	0	133,234	0	0	0	**133,234**
Transfer to assets held for sale	0	385,553	0	0	0	0	**385,553**
Foreign exchange differences	0	7,968	0	0	0	0	**7,968**
Accumulated impairment as at 31 December 2023	***0***	***-314,295***	***-1,998,302***	***-182,270***	***0***	***0***	***-2,494,867***
Net book value as at 31 December 2023	***8,181,716***	***128,790,089***	***71,938,083***	***65,254,274***	***9,343,690***	***22,988,926***	***306,496,778***

(*) Additions for the period include capitalised costs.
(**) Impairment test on property, plant and equipment is disclosed in Note 10.
(***) Nurseries have been reclassified in 2023 from property, plant and equipment to biological assets, see Note 8.

As at 31 December 2023, the Group has technical installations and professional equipment pledged as guarantees for borrowings of the Group for an amount of EUR 4.9 million (2022: EUR 8.1 million). Details of these guarantees are provided in Note 33.

The accounting policies adopted for Property, plant and equipment are detailed in Notes 1 and 10.

Note 8. Biological assets

	Palm		Rubber		Nurseries and others (****)	TOTAL
EUR	Mature	Immature	Mature	Immature		
Cost as at 1 January 2022	*434,505,440*	*19,921,189*	*252,075,659*	*71,488,835*	*7,131*	*777,998,254*
Additions (*)	0	9,038,860	0	6,708,384	0	**15,747,244**
Disposals	-8,567,446	-521,789	-5,519,885	-2,684,168	0	**-17,293,288**
Transfer (***)	10,645,515	-10,127,535	11,945,449	-17,861,891	0	**-5,398,462**
Foreign exchange differences	-3,985,217	-578,035	5,748,587	881,947	0	**2,067,282**
Cost as at 31 December 2022	*432,598,292*	*17,732,690*	*264,249,810*	*58,533,107*	*7,131*	*773,121,030*
Accumulated depreciation as at 1 January 2022	*-153,841,284*	*0*	*-76,064,692*	*0*	*-3,104*	*-229,909,080*
Depreciation	-18,869,674	0	-8,755,167	0	-56	**-27,624,897**
Depreciation reversals	8,384,373	0	4,907,080	0	0	**13,291,453**
Transfer (***)	-304,376	0	369,669	0	0	**65,293**
Foreign exchange differences	1,616,083	0	-1,240,360	0	0	**375,723**
Accumulated depreciation as at 31 December 2022	*-163,014,878*	*0*	*-80,783,470*	*0*	*-3,160*	*-243,801,508*
Accumulated impairment as at 1 January 2022	*-22,828,695*	*0*	*-37,132,301*	*-9,271,513*	*0*	*-69,232,509*
Impairment (**)	0	0	-27,341,960	-182,149	0	**-27,524,109**
Impairment reversal	0	0	386,164	1,268,463	0	**1,654,627**
Transfer (***)	0	0	300,553	5,724,995	0	**6,025,548**
Foreign exchange differences	-761,413	0	-1,049,535	-343,317	0	**-2,154,265**
Accumulated impairment as at 31 December 2022	*-23,590,108*	*0*	*-64,837,079*	*-2,803,521*	*0*	*-91,230,708*
Net book value as at 31 December 2022	*245,993,306*	*17,732,690*	*118,629,261*	*55,729,586*	*3,971*	*438,088,814*
Cost as at 1 January 2023	*432,598,292*	*17,732,690*	*264,249,810*	*58,533,107*	*7,131*	*773,121,030*
Additions (*)	0	10,905,738	0	6,944,818	1,783,574	**19,634,130**
Disposals	-2,842,401	-386,833	-4,346,546	0	-1,214,519	**-8,790,299**
Hyperinflation	3,386,453	0	1,689,724	0	0	**5,076,177**
Transfer	8,301,719	-7,635,294	20,159,904	-19,868,096	1,368,543	**2,326,776**
Transfer to assets held for sale	0	0	-40,811,858	-4,002,517	-71,764	**-44,886,139**
Foreign exchange differences	-39,259,571	-531,183	-12,011,433	-3,419,693	-212,512	**-55,434,392**
Cost as at 31 December 2023	*402,184,492*	*20,085,118*	*228,929,601*	*38,187,619*	*1,660,453*	*691,047,283*
Accumulated depreciation as at 1 January 2023	*-163,014,878*	*0*	*-80,783,470*	*0*	*-3,160*	*-243,801,508*
Depreciation	-17,821,119	0	-9,388,863	0	-302	**-27,210,284**
Depreciation reversals	2,419,542	0	3,216,432	0	0	**5,635,974**
Transfer	889	0	0	0	-19,670	**-18,781**
Transfer to assets held for sale	0	0	5,837,046	0	0	**5,837,046**
Foreign exchange differences	10,620,696	0	3,454,451	0	0	**14,075,147**
Accumulated depreciation as at 31 December 2023	*-167,794,870*	*0*	*-77,664,404*	*0*	*-23,132*	*-245,482,406*
Accumulated impairment as at 1 January 2023	*-23,590,108*	*0*	*-64,837,079*	*-2,803,521*	*0*	*-91,230,708*
Impairment (**)	0	0	-6,632,680	-915,146	0	**-7,547,826**
Transfer	0	0	-851,402	851,402	0	**0**
Transfer to assets held for sale	0	0	34,311,388	2,768,543	0	**37,079,931**
Foreign exchange differences	2,853,205	0	2,479,051	98,722	0	**5,430,978**
Accumulated impairment as at 31 December 2023	*-20,736,903*	*0*	*-35,530,722*	*0*	*0*	*-56,267,625*
Net book value as at 31 December 2023	*213,652,719*	*20,085,118*	*115,734,475*	*38,187,619*	*1,637,321*	*389,297,252*

(*) Additions for the period include capitalised costs.

(**) Impairment test on biological assets is disclosed in Note 10.

(***) During previous periods, a positive revaluation for EUR 5.8 million and an impairment for EUR 6.0 million had been booked on biological assets on the Cambodian segment. As those adjustments had no significant net impact, they were cancelled in 2022.

(****) Nursery has been reclassified in 2023 within biological assets.

Accounting policy regarding current biological assets is disclosed in note 1.13.

Note 9. Depreciation and impairment

	2023	2022
	EUR	EUR
Depreciation		
Of intangible assets (Note 6)	115,295	148,710
Of property, plant and equipment excluding biological assets (Note 7)	41,507,607	41,153,732
Of biological assets (Note 8)	27,210,284	27,624,896
Of investment properties (Note 11)	221,028	225,478
Of right-of-use assets (Note 5)	4,610,144	2,246,498
Impairment		
Of property, plant and equipment excluding biological assets (Note 7)	298,686	812,607
Of biological assets (Note 8)	7,547,826	27,524,109
Impairment reversal		
Of property, plant and equipment excluding biological assets (Note 7)	-133,234	-2,205,185
Of biological assets (Note 8)	0	-1,654,627
TOTAL	***81,377,636***	***95,876,218***

Note 10. Impairment of assets

Goodwill

Impairment tests on goodwill are performed at least once a year to assess whether the carrying amount is still appropriate.

Intangible and tangible assets and right-of-use of assets

At each reporting date, the Group reviews the carrying amount of its intangible and tangible assets and right-of-use assets in order to assess whether there is any indication of impairment.
If such indication arises, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

As at 31 December 2023, an impairment loss of EUR 0.3 million (2022: impairment loss for EUR 0.8 million) and an impairment reversal for EUR 0.1 million (2022: impairment reversal for EUR 2.2 million) were recognised on property, plant and equipment.

Bearer biological assets

At each reporting date, the Group assesses if there is any indication that its biological assets may be impaired.

For this purpose, the Group assesses several indicators:

The significant and sustained decreasing trend in the prices of natural rubber (TSR20[G] 1st position on SGX[G]) and crude palm oil (CIF Rotterdam[G]) was considered as an observable sign that the biological assets may have been impaired. A decrease in these prices at reporting date greater than 15% compared to an average of 5-year value has been set by the Group as an impairment indicator.

As at 31 December 2023, the decrease in prices does not exceed 15% of the average price over the past 5 years for the Rubber and Palm segment.

The Group also considers average prices over the six months before reporting date, and average prices over the last twelve months, instead of only closing prices. This is done in order to avoid seasonal fluctuations in the prices of supply materials.

Moreover, the Group also reviews the prices observed on local market and considers a decrease in these prices at the closing date of more than 15% compared to an average of values over 5 years, as an impairment indicator.

Based on these criteria, for the rubber segment, the rise in prices observed during the 2023 financial year does not exceed 15% of the average prices over the past 5 years. For the palm segment, the review of global and local prices do not show any impairment indicator.

In addition to these external indicators, the Group considers the following indicators:

- Internal performance indicators;
- Criteria relating to the local market;
- Physical indicators of impairment;
- Significant changes in plantations that could have a material impact on their future cash flows.

The review of impairment indicators led the Group to conclude that a sign of impairment exist for SRC.

If an indication of impairment is identified, the recoverable amount of the bearer biological assets is determined.

Impairment tests must be performed on the smallest identifiable group of assets which generates cash flows independently of other assets or groups of assets, and for which the Group prepares financial information for the Board of Directors.

The identification of Cash Generating Units (CGUs) depends, in particular, on:
- how the Group manages the activities of the entity;
- the way in which decisions are made with regards to the pursuit or the disposal of its activities and;
- the existence of an active market for all or part of the production.

The Group considers the political and country specific risk factors while reviewing business evolution. Therefore, companies are grouped within the CGU country.

The recoverable amount of bearer biological assets is determined through the calculation of value in use by using the most recent information approved by the local management. Those information comprise the measures taken that will help to prevent the effects of the climate change (maintenance program, land and field preparation against the fire and / or flooding resulting from heavy rainfalls). The impacts on future cash-flows of the potential effects of climate changes are therefore taken into consideration. Then the Group uses the discounted value of expected net cash flows, which are discounted at a pre-tax rate. On the reporting date, the financial projection incorporates the full exploitation of the younger bearer biological assets. The operational life[G] ranges from 25 to 30 years for both crops. This period can be adapted according to the particular circumstances for each entity.

The value in use calculation has been very sensitive to:
- changes in the margins achieved by the entity and
- changes related to discount rates.

This sensitivity analysis is performed whenever an impairment test is performed after impairment indicators are identified.

Changes in realised margins

Initially, the Group determines separately the expected production of each category of bearer biological assets within the entity over their remaining life. This expected production is estimated through the surface areas planted on the reporting date, as well as through the actual crop yield recorded during the financial year. The latter depends on the maturity of the bearer biological asset. Production is then valued on an average basis of five-year of the margins that were achieved by the entity in relation to the agricultural activity. The value in use of the bearer biological asset is then obtained by discounting these cash flows. Average margins are considered constant over the duration of the financial projection. No indexing factor is considered.

Based on the existence of an impairment indication and following subsequent impairment tests, the Group accounted for an impairment loss of EUR 7.5 million for SRC (Liberia). The remaining amount has been reclassified within assets held for sale (see also Notes 8 and 39).

As at 31 December 2023, accumulated impairment losses in the palm business segment amounted to EUR 9.2 million for Agripalma, EUR 7.2 million for Brabanta and EUR 4.4 million for Socfin Agricultural Company. For the Rubber segment, the accumulated impairment losses are EUR 18.0 million for Socfin KCD, EUR 8.6 million for Safacam, EUR 8.0 million for Coviphama, and EUR 1.0 million for PSG (Note 8). No impairment reversal indicators have been identified during the year.

Note 11. Investment properties

	EUR
Cost as at 1 January 2022	***9,893,106***
Additions	34,782
Cost as at 31 December 2022	***9,927,888***
Accumulated depreciation as at 1 January 2022	***-6,032,324***
Depreciation	-225,478
Accumulated depreciation as at 31 December 2022	***-6,257,802***
Net book value as at 31 December 2022	***3,670,086***
Cost as at 1 January 2023	***9,927,888***
Additions	60,598
Disposals	-216
Cost as at 31 December 2023	***9,988,270***
Accumulated depreciation as at 1 January 2023	***-6,257,802***
Depreciation	-221,028
Depreciation reversals	216
Accumulated depreciation as at 31 December 2023	***-6,478,614***
Net book value as at 31 December 2023	***3,509,656***

The leases are in the form of a 9-year renewable lease (Socfin being the lessor). Premises of the Champ de Mars building that were rented generated a rental income of EUR 0.5 million (2022: EUR 0.6 million). The direct operating expenses incurred by this property amounted to EUR 0.4 million (2022: EUR 0.4 million).

Note 12. Non-wholly owned subsidiaries in which non-controlling interests are significant

Interests of non-controlling interests in the activities of the Group

Subsidiary	*Main location*	*Percentage of equity shares of non-controlling interest*		*Percentage of voting rights of non-controlling interests*	
		2023	**2022**	2023	**2022**
Production of palm oil and rubber					
SOGB	Côte d'Ivoire	58.83%	58.83%	26.84%	26.84%
OKOMU	Nigeria	57.10%	57.10%	33.62%	33.62%
SAFACAM	Cameroon	55.37%	55.37%	30.95%	30.95%
SOCAPALM	Cameroon	56.40%	56.40%	32.54%	32.54%
SOCFINDO	Indonesia	47.57%	47.57%	10.00%	10.00%
Production of rubber					
LAC	Liberia	35.36%	35.36%	0.00%	0.00%
Investment portfolio management					
SOCFINASIA	Luxembourg	41.75%	41.75%	41.75%	41.75%
SOCFINAF	Luxembourg	35.36%	35.36%	35.36%	35.36%

Subsidiary	*Net income attributed to non-controlling interests in the subsidiary during the financial period*		*Accumulated non-controlling interests in the subsidiary*	
	2023	**2022**	2023	**2022**
	EUR	*EUR*	*EUR*	*EUR*
SOGB	2,943,080	16,073,618	55,786,753	65,338,576
OKOMU (Restated)	19,582,939	21,685,176	23,709,332	41,496,493
SAFACAM	-617,609	1,399,945	21,671,956	24,635,112
SOCAPALM	10,109,713	10,176,916	51,092,601	48,821,644
SOCFINDO	26,120,312	34,766,880	31,926,776	26,499,209
LAC	-807,026	1,175,888	17,456,925	14,175,710
SOCFINASIA	-2,651,864	1,417,674	55,344,085	69,185,844
SOCFINAF	-6,780,572	-8,941,567	39,869,186	33,510,966
Subsidiaries that hold non-controlling interests that are not significant individually			45,207,636	40,482,324
Non-controlling interests			***342,065,250***	***364,145,878***

Summary financial information concerning subsidiaries whose interests of non-controlling interests are significant for the Group excluding intragroup eliminations

Subsidiary	*Current assets*	*Non-current assets*	*Current liabilities*	*Non-current liabilities*
2022	*EUR*	*EUR*	*EUR*	*EUR*
SOGB	41,259,858	98,190,002	27,675,941	6,768,082
OKOMU (Restated)	28,642,085	116,727,370	19,373,135	38,262,602
SAFACAM	12,578,738	33,387,449	9,541,067	3,840,819
SOCAPALM	31,652,073	113,564,581	37,057,322	7,186,191
SOCFINDO	36,446,379	91,330,388	33,993,571	34,304,495
LAC	22,116,139	78,750,441	15,173,372	28,673,339
SOCFINASIA	52,028,834	405,667,839	5,552,442	0
SOCFINAF	36,675,973	361,924,445	57,346,716	120,000,000

2023	*EUR*	*EUR*	*EUR*	*EUR*
SOGB	39,237,673	96,453,663	35,692,377	7,376,308
OKOMU	23,453,222	59,724,716	17,910,393	24,411,400
SAFACAM	13,883,373	34,456,093	11,913,763	7,092,036
SOCAPALM	28,442,311	111,898,820	31,614,481	5,254,925
SOCFINDO	34,884,343	94,960,391	25,934,158	34,533,441
LAC	21,947,518	58,654,948	8,464,889	33,302,119
SOCFINASIA	72,552,549	357,704,576	6,182,830	0
SOCFINAF	32,231,455	317,046,977	25,365,875	100,000,000

Consolidated financial statements

Subsidiary	*Revenue from ordinary activities*	*Net income for the period*	*Comprehensive income for the period*	*Dividends paid to non-controlling interests*
2022	*EUR*	*EUR*	*EUR*	*EUR*
SOGB	143,125,135	23,862,820	23,862,820	5,321,013
OKOMU (Restated)	133,279,823	38,962,980	38,962,980	13,683,296
SAFACAM	35,405,879	4,188,838	4,188,838	1,177,658
SOCAPALM	112,851,693	16,268,753	16,268,753	7,717,380
SOCFINDO	193,795,921	71,954,260	71,954,260	7,524,578
LAC	40,756,657	3,508,835	3,508,835	0
SOCFINASIA	0	70,684,907	70,684,907	24,569,808
SOCFINAF	0	-37,542,749	-37,542,749	0

2023	*EUR*	*EUR*	*EUR*	*EUR*
SOGB	111,971,288	8,034,526	8,034,526	5,480,113
OKOMU	113,518,676	35,264,066	35,264,066	8,816,146
SAFACAM	35,943,252	933,817	933,817	1,303,922
SOCAPALM	129,002,660	18,194,012	18,194,012	5,107,090
SOCFINDO	166,005,846	52,959,587	52,959,587	4,111,802
LAC	34,963,720	-16,537,760	-16,537,760	0
SOCFINASIA	0	48,129,963	48,129,963	28,631,533
SOCFINAF	0	2,658,856	2,658,856	0

Subsidiary	Operating activities (Net cash inflows (outflows))	Investing activities (Net cash inflows (outflows))	Financing activities (Net cash inflows (outflows))	Net cash inflows (outflows)
2022	EUR	EUR	EUR	EUR
SOGB	46,841,347	-8,339,224	-31,411,643	**7,090,479**
OKOMU	50,558,570	-22,109,292	-37,698,943	**-9,249,665**
SAFACAM	8,426,402	-2,316,652	-6,346,027	**-236,277**
SOCAPALM	28,473,548	-10,987,793	-17,619,574	**-133,819**
SOCFINDO	78,446,226	-12,561,950	-75,245,783	**-9,361,507**
LAC	3,320,791	-2,627,891	0	**692,900**
SOCFINASIA	73,747,907	2,994,820	-65,656,710	**11,086,017**
SOCFINAF	26,451,606	22,249,770	-56,722,228	**-8,020,852**
2023	EUR	EUR	EUR	EUR
SOGB	30,182,499	-8,399,725	-18,023,120	**3,759,654**
OKOMU	32,367,223	-11,180,148	-25,909,506	**-4,722,431**
SAFACAM	5,355,954	-4,585,446	-2,522,796	**-1,752,289**
SOCAPALM	35,566,217	-11,080,808	-19,192,268	**5,293,141**
SOCFINDO	65,138,520	-15,351,501	-41,118,016	**8,669,003**
LAC	3,960,079	-2,827,854	-901,618	**230,607**
SOCFINASIA	48,567,753	50,764,461	-80,699,909	**18,632,305**
SOCFINAF	28,400,632	16,300,881	-44,500,295	**201,218**

The nature and evolution of the risks associated with the interests held by the Group in the subsidiaries remained stable over the financial period compared to the previous year.

Note 13. Financial assets at fair value through other comprehensive income

	2023	2022
	EUR	EUR
Fair value as at 1 January	***688,024***	***715,578***
Change in fair value (*)	-42,251	-27,554
Fair value as at 31 December	***645,773***	***688,024***

(*) The variation in the fair value of the financial assets is accounted under the Other Comprehensive Income.

EUR	Cost (historical)		Fair value	
	2023	2022	2023	2022
Financial assets at fair value through other comprehensive income	600,118	600,118	645,773	688,024

Note 14. Deferred taxes

***** *Components of deferred tax assets and liabilities***

EUR	2023	2022 Restated
IAS 2 / IAS 41: Agricultural production	-2,742,949	-4,731,573
IAS 12: Income Tax (*)	-6,264,584	-4,696,048
IAS 16: Property, plant and equipment (**)	-20,441,717	-30,689,264
IAS 19: Pension obligations	10,357,180	10,956,040
IAS 21: Translation differences	-1,174,888	46,624
IAS 37: Provisions for risks and charges	197,064	426,163
IAS 38: Formation expenses	0	516,393
IAS 38: Research costs	1,009,510	935,670
IFRS 9: Financial assets measured at fair value through other comprehensive income	-47,658	-109,204
IFRS 9: Forward exchange contract	-134,635	-255,132
IFRS 16: Leases	16,389	719,833
IAS 23: Capitalised interests	0	347,960
IFRS 13: Fair value of investment property	0	-16,580
Others	-3,924	-4,114
Balance as at 31 December	***-19,230,212***	***-26,553,232***
Of which Deferred Tax Assets	9,106,597	11,698,485
Of which Deferred Tax Liabilities	-28,336,810	-38,251,718

(*) Of which EUR 3.6 million of deferred tax asset linked to losses carried forward activated, and EUR 6.8 million of deferred tax liability linked to withholding tax.
(**) Of which EUR -1.1 million relating to hyperinflation (reevaluation of property, plant and equipment).

The above-deferred taxes are presented per category of deferred taxes that result from consolidation adjustments. They are calculated company per company and the net position between deferred tax liabilities and deferred tax assets is presented.

The Group Socfin is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted or substantively enacted in certain jurisdictions where the Group operates to come into effect in January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 published in May 2023 and adopted by the EU in November 2023.

Based on preliminary analysis, the Company should qualify as the "Ultimate Parent Entity" (UPE) due to the fact that it is the largest entity that consolidate, and it is not owned, directly or indirectly, by another entity having a controlling interest. The UPE, Socfin, would be subject to IIR or would apply the IIR Offset Mechanism.

However, the Pillar Tow rules were enacted in Luxembourg close to the reporting date. There are significant complexities inherent in applying the legislation and performing the Pillar Two calculations, therefore the quantitative impact of the Pillar Two rules is not reasonably estimable at this time. In addition, quantitative information to indicate potential exposure to Pillar Two income taxes is not currently known or reasonably estimable. Therefore, the Company (in its potential condition as a UPE) is still in process of assessing the potential exposure (if any) to Pillar Two income taxes as at 31 December 2023. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 published in May 2023 and adopted by the EU in November 2023.

The Company will report the potential exposure in its next Annual Report for the period ending 31 December 2024.

**** Contingent tax assets and liabilities***

Some of the subsidiaries have accumulated either tax losses that are or are not limited over time, or capital allowances limited or not over time.

LAC, Brabanta, Agripalma, Socfin KCD, Immobilière de la Pépinière, Coviphama and Camseeds have unused tax losses, whose recoverability is uncertain, amounting to EUR 33.5 million (to use before 2030), EUR 16.6 million (recoverability not limited), EUR 7.0 million (to use before 2028), EUR 5.9 million (to use before 2027), EUR 2.9 million (recoverability not limited), EUR 2.2 million (to use before 2028) and EUR 1.6 million (to use before 2025) respectively as at 31 December 2023.

Socfinaf has unused tax losses of EUR 250.4 million (mainly to use before 2040), PNS Ltd of EUR 14.8 million (to use before 2040) and Socfin of EUR 12.1 million (mainly with recoverability not limited).

Due to the instability which may exist in these countries with regards to the evolution of tax legislation or its application, no deferred tax assets have been booked related to these tax losses.

Note 15. Current tax assets and liabilities

**** Components of current tax assets***

	2023	2022
	EUR	*EUR*
Current tax assets as at 1 January	***14,942,449***	***15,291,971***
Tax income	4,530,327	1,504,864
Other taxes (*)	9,547,356	-1,708,373
Taxes paid or recovered	-2,671,958	2,628,666
Transfer (**)	-15,032,706	-3,039,355
Scope exits	0	-4,719
Assets classified as held for sale	-299,780	0
Foreign exchange differences	-83,993	269,395
Current tax assets as at 31 December	***10,931,694***	***14,942,449***

(*) Other taxes are composed of taxes not enclosed in general tax expenses: VAT, withholding tax, custom tax,...
(**) Corresponds mainly to offset of tax assets and tax liabilities.

**** Components of current tax liabilities***

	2023	2022
	EUR	*EUR*
Current tax liabilities as at 1 January	***56,820,337***	***48,328,464***
Tax expense	56,801,988	73,278,655
Other taxes (*)	40,304,324	22,682,424
Taxes paid or recovered	-94,521,057	-86,029,666
Transfer (**)	-16,175,687	-1,155,592
Foreign exchange differences	-9,941,390	-283,948
Current tax liabilities as at 31 December	***33,288,514***	***56,820,337***

(*) Other taxes are composed of taxes not enclosed in general tax expenses: VAT, withholding tax, custom tax,...
(**) Corresponds mainly to offset of tax assets and tax liabilities.

Note 16. Income tax expense

**** Components of the income tax***

EUR	2023	2022 Restated
Income tax expense (*)	59,988,495	71,319,742
Deferred tax expense / (income)	4,641,335	8,549,967
Tax expense as at 31 December	***64,629,830***	***79,869,709***

(*) Withholding tax on dividends is presented within income tax expense.

**** Components of the deferred tax expense / (income)***

EUR	2023	2022 Restated
IAS 12: Income tax (*)	1,861,556	2,275,153
IAS 19: Pension obligations	1,459,218	-1,415,185
IAS 38: Intangible assets	434,805	-73,140
IAS 2 / IAS 41: Fair value of agricultural produce	-2,130,479	1,483,247
IFRS 9: Forward exchange contracts	-114,133	412,526
IFRS 9: Fair value	0	44,201
IFRS 13: Fair valuation of buildings	-16,005	0
IAS 16: Tangible assets	812,634	5,992,136
IFRS 16: Leases	296,074	-31,084
IAS 37: Provisions for risks and charges	-133,936	-267,461
IAS 21: Foreign exchange differences	1,829,252	-117,856
IAS 23: Capitalised interests	342,809	8,638
Others	-461	238,796
Deferred tax expense / (income) as at 31 December	***4,641,334***	***8,549,971***

(*) Of which impact of losses carried forward and capital allowances activated for EUR 4.1 million, and withholding tax for EUR -2.0 million.

* Reconciliation between income statement and cash flow statement

	2023	2022
	EUR	*EUR*
Income tax expense paid during the period	-59,988,495	-71,319,742
Income tax - movement on financial position	-7,941,698	0
Income tax paid	***-67,930,193***	***-71,319,742***

* Reconciliation of income tax expense

	2023	2022 Restated
EUR		
Profit before tax from continuing operations	***161,829,545***	***240,610,893***
Nominal tax rate of the parent company	24.94%	24.94%
Nominal tax rate of subsidiaries	from 0% to 33%	from 1% to 33%
Income tax at nominal tax rates of subsidiaries	34,488,751	53,451,880
Unfunded taxes	-87,529	41,281
Definitively taxed income	2,795,663	653,221
Use unrecognised of capital allowances	-778,351	-113,315
Specific tax regimes in foreign countries	11,940,187	14,241,642
Non-taxable income	-5,785,215	-4,125,468
Non-deductible expenses	10,031,774	12,391,601
Use of unrecognised accumulated tax losses	-2,171,557	-1,413,647
Unrecognised losses carried forward	8,908,776	4,605,716
Other tax benefits	-10,671	-40,956
Additional tax assessment	346,668	36,742
Impact of change in tax rate	4,719,703	143,873
Other adjustments	231,633	-2,859
Tax expense as at 31 December	***64,629,832***	***79,869,711***

* Change of rate for the subsidiaries

In 2023, following changes at local level, income tax rates for SAC and PSG have been updated respectively to 0% (15% in 2022) and 7.5% (1% in 2022).

Note 17. Inventories

* Carrying value of inventories by category

	31/12/2023	31/12/2022
	EUR	EUR
Raw materials[G]	25,188,980	34,379,009
Consumables	22,294,157	26,481,895
Spare parts	32,024,207	34,226,019
Production in progress[G]	6,042,554	3,329,146
Finished products[G]	28,614,841	31,976,663
Down-payments and orders in progress	2,945,178	4,400,098
Gross amount (before impairment) as at 31 December	***117,109,917***	***134,792,830***
Inventory write-downs	-4,947,832	-6,121,259
Net amount as at 31 December	***112,162,085***	***128,671,571***

* Reconciliation of inventories

	2023	2022
	EUR	EUR
Situation as at 1 January	***134,792,830***	***119,153,517***
Change in inventory	4,794,817	8,667,796
Fair value of agricultural products	-8,042,768	6,870,293
Transfer to assets held for sale	-956,711	0
Foreign exchange differences	-13,478,251	101,224
Gross amount (before impairment) as at 31 December	***117,109,917***	***134,792,830***
Inventory write-downs	-4,947,832	-6,121,259
Net amount as at 31 December	***112,162,085***	***128,671,571***

* Quantity of inventory by category

31/12/2022	Raw materials[G]	Production-in-progress[G]	Finished goods[G]
Crude Palm Oil / Palm Kernel Oil[G] (tons)	667	0	11,947
Rubber (tons)	34,170	0	12,391
Others (units)	0	10,043,350	2,150,187

31/12/2023	Raw materials[G]	Production-in-progress[G]	Finished goods[G]
Crude Palm Oil / Palm Kernel Oil[G] (tons)	0	0	14,616
Rubber (tons)	33,743	0	11,429
Others (units)	0	26,517,167	2,386,647

Note 18. Trade receivables (current assets)

	31/12/2023	31/12/2022
	EUR	*EUR*
Trade receivables	35,108,737	31,611,721
Advances and prepayments	4,779,180	5,255,396
TOTAL	***39,887,917***	***36,867,117***

The accounting and risk management policies related to receivables are detailed in Notes 1 and 35.

The Group performed ECL analysis on trade receivables during the year. Following this analysis, the Group did not identify any impairment to book.

Note 19. Other receivables (current assets)

	31/12/2023	31/12/2022
	EUR	*EUR*
Social security	1,260,393	1,026,966
Other receivables (*)	6,423,945	5,870,957
Accrued charges	2,390,806	1,767,210
TOTAL	***10,075,144***	***8,665,133***

(*) Other receivables include receivables linked to non-operational activities.

Note 20. Cash and cash equivalents

**** Reconciliation with the amounts in the financial statements***

	31/12/2023	31/12/2022
	EUR	*EUR*
Current account	162,389,373	178,560,956
Financial instruments (*)	0	1,761,337
TOTAL	***162,389,373***	***180,322,293***

(*) The financial instruments, corresponding to the value of the forward exchange contracts as at end of each period, have been reclassified from cash and cash equivalents to other receivables in 2023.

**** Reconciliation with the cash flow statement***

	31/12/2023	31/12/2022
	EUR	*EUR*
Current account	162,389,373	178,560,956
Bank overdrafts (*)	-9,077,549	-10,695,901
TOTAL	***153,311,824***	***167,865,055***

(*) See also Note 24.

Note 21. Share capital and share premium

Issued and fully paid capital amounted to EUR 24.8 million as at 31 December 2023, which was stable compared to 2022. A share premium of EUR 0.5 million was added to the issued capital.

In accordance with the law of 28 July 2014 regarding immobilisation of bearer shares, 80,280 shares have been cancelled in 2018.

Compensation for cancelled shares can be obtained at the company statutory head office.

As at 31 December 2023, the Company's share capital is represented by 14,159,720 shares.

	2023	2022
	Ordinary shares	*Ordinary shares*
Number of Shares as at 31 December	14,159,720	14,159,720
Number of fully paid shares issued without designation of par value	14,159,720	14,159,720

Note 22. Legal reserve

In accordance with Luxembourgish commercial law, the company is required to allocate a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Note 23. Pension obligations

*** Defined benefit pension plan and post-employment sickness**

The Group provides a defined benefit pension plan to its employees in its Indonesian subsidiary. The latter pays benefits which are payable in the event of retirement or voluntary resignation. The benefits paid are calculated as a percentage of the salary, and are based on the number of years of service. The plan finds its legitimacy in the employment contract for the employees and on the collective agreements for the labourers.

Apart from the local applicable social security provisions, most of the Group's employees in Africa benefit from a defined benefit pension plan. The subsidiaries pay benefits which are payable in the event of retirement and in case of dismissal in some countries. Allowances paid are expressed as a percentage of salary and are based on the number of years of service. The plans are governed by the local collective agreements in force in each country.

Except in Cameroon and Switzerland, the benefits payable to the employees are not financed by a specific asset in return for provisions.

			2023			2022
			EUR			EUR
	Present value of obligations	Fair value of the defined benefit plan assets	Net amount recognised	Present value of obligations	Fair value of the defined benefit plan assets	Net amount recognised
Net amount recognised in the statement of financial position for defined benefit plans	***57,843,953***	***-9,279,409***	***48,564,544***	***55,754,461***	***-8,176,424***	***47,578,037***
Components of net charge						
Current service costs	3,269,091	0	**3,269,091**	3,615,375	0	**3,615,375**
Financial costs	3,359,440	23,504	**3,382,944**	3,011,609	23,422	**3,035,031**
Interest income on plan assets	0	-329,983	**-329,983**	0	-142,018	**-142,018**
Early retirement, reductions, liquidations	658,875	0	**658,875**	0	0	**0**
Past service costs	324,073	0	**324,073**	-56,735	0	**-56,735**
Defined benefit plan costs	***7,611,479***	***-306,479***	***7,305,000***	***6,570,249***	***-118,596***	***6,451,653***
Movements in liabilities / net assets recognised in the statement of financial position						
As at 1 January	***55,754,466***	***-8,176,414***	***47,578,052***	***59,869,574***	***-8,861,195***	***51,008,379***
Costs as per income statement	7,611,479	-306,479	**7,305,000**	6,570,249	-118,596	**6,451,653**
Contributions by employer	-4,804,700	-1,681,942	**-6,486,642**	-4,759,538	-1,554,724	**-6,314,262**
Contributions by employees	1,319,723	-1,319,723	**0**	919,272	-919,272	**0**
Costs of services rendered	-2,179,787	2,179,787	**0**	-2,734,502	2,734,502	**0**
Actuarial gains and losses of the year recognised in other comprehensive income	2,821,749	36,366	**2,858,115**	-3,488,286	5,774	**-3,482,512**
Reclassification of net asset	0	449,526	**449,526**	0	877,478	**877,478**
Foreign exchange differences	-2,678,970	-460,516	**-3,139,486**	-622,304	-340,380	**-962,684**
As at 31 December	***57,843,960***	***-9,279,396***	***48,564,564***	***55,754,466***	***-8,176,414***	***47,578,052***

Provisions are based on actuarial valuation reports prepared in January 2024.

*** Actuarial gains and losses recognised in other comprehensive income**

	2023			2022		
	EUR			*EUR*		
	Present value of obligations	Fair value of the defined benefit plan assets	Net amount recognised	Present value of obligations	Fair value of the defined benefit plan assets	Net amount recognised
Adjustments of liabilities related to experience	-3,305,924	*0*	**-3,305,924**	-208,413	0	**-208,413**
Changes in financial assumptions related to recognised liabilities	1,131,567	0	**1,131,567**	3,925,112	0	**3,925,112**
Changes in demographic assumptions related to recognised liabilities	-647,390	0	**-647,390**	-228,414	0	**-228,414**
Return on assets in the plan excl. interest income	0	-36,366	**-36,366**	0	-5,774	**-5,774**
Actuarial gains and losses recognised during the period in other comprehensive income	***-2,821,747***	***-36,366***	***-2,858,113***	***3,488,285***	***-5,774***	***3,482,511***

*** Asset plan**

In Cameroon and Switzerland, defined benefit obligations are partially covered by plan assets. Subsidiaries contribute each year to these plan assets. Benefits are paid when and only if employees retire.

The plan's assets are managed by third parties, each year earning financial interests for a global amount of EUR 0.3 million during 2023's financial period (2022: EUR 0.1 million).

*** Actuarial valuation assumptions**

	31/12/2023	31/12/2022
EUROPE		
Average discount rate	1.45%	2.30%
Expected long-term returns of plan assets	108,495	154,964
Future salary increases	1.50%	1.50%
Average remaining active life of employees (in years)	8.73	8.93
AFRICA		
Average discount rate	from 5.42% to 17.11%	from 4.93% to 18.48%
Expected long-term returns of plan assets	229,001	170,158
Future salary increases	from 1.74% to 10.7%	from 1.74% to 12%
Average remaining active life of employees (in years)	19.06	19.34
ASIA		
Average discount rate	from 6.37% to 7.10%	from 5.52% to 7.44%
Expected long-term returns of plan assets	N/A	N/A
Future salary increases	6.50%	6.50%
Average remaining active life of employees (in years)	13.49	13.10

*** Sensitivity analysis of the actuarial value of defined benefit obligations**

	31/12/2023	31/12/2022
	EUR	*EUR*
EUROPE		
Actuarial value of the obligation		
- Pension plan	9,377,589	7,760,804
- Fair value of plan assets	-7,847,742	-6,853,790
Total as at 31 December	***1,529,847***	***907,014***
Actuarial rate (on pension plan)		
Increase of 0.5%	8,767,957	7,313,114
Decrease of 0.5%	10,073,957	8,269,218
Expected future salary increases (on pension plan)		
Increase of 0.5%	9,453,930	7,817,510
Decrease of 0.5%	9,304,884	7,707,019
AFRICA		
Actuarial value of the obligation		
- Pension plan	13,932,928	13,689,169
- Fair value of plan assets	-1,431,667	-1,322,634
Total as at 31 December	***12,501,261***	***12,366,535***
Actuarial rate (on pension plan)		
Increase of 0.5%	13,515,787	13,285,487
Decrease of 0.5%	14,375,266	14,093,019
Expected future salary increases (on pension plan)		
Increase of 0.5%	14,360,688	14,067,916
Decrease of 0.5%	13,526,805	13,306,104
ASIA		
Actuarial value of the obligation		
- Pension plan	32,801,665	32,563,604
- Other long-term benefits	1,731,771	1,740,884
Total as at 31 December	***34,533,436***	***34,304,488***
Actuarial rate (on pension plan)		
Increase of 0.5%	33,382,168	33,188,601
Decrease of 0.5%	35,753,213	35,486,229
Expected future salary increases (on pension plan)		
Increase of 0.5%	35,658,854	35,408,582
Decrease of 0.5%	33,461,593	33,252,768

The sensitivity analysis is based on the same actuarial method used to measure the obligations of the defined benefit plans. The mortality rate which can be impacted by the effect of the climate change is included in this sensitivity analysis.

*** Impact of the defined benefit pension plan on future cash flows**

	2024	2023
Estimated contributions for the next financial year (in euros)	6,440,998	5,034,050

	2023	2022
Weighted average duration of defined benefit plan obligations (in years)		
EUROPE	6.9	6.5
AFRICA	6.1	6.2
ASIA	13.0	12.8

*** Defined contribution pension scheme**

EUR	2023	2022
Accounted expense for the defined contribution pension plan	3,411,735	3,375,907

Note 24. Financial debts

31/12/2022 *EUR*	*< 1 year*	*> 1 year*	*TOTAL* *Restated*
Loans held by financial institutions	39,525,552	47,637,646	**87,163,198**
Bank overdrafts (*)	10,695,901	0	**10,695,901**
Other loans	41,244,997	4,354,848	**45,599,845**
Lease liabilities	1,836,468	11,087,026	**12,923,494**
TOTAL	***93,302,918***	***63,079,520***	***156,382,438***

31/12/2023 *EUR*	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions	15,383,801	18,999,213	**34,383,014**
Bank overdrafts (*)	9,077,549	0	**9,077,549**
Other loans	45,073,098	3,486,420	**48,559,518**
Lease liabilities	3,089,617	27,037,253	**30,126,870**
TOTAL	***72,624,065***	***49,522,886***	***122,146,951***

(*) See also Note 20.

Most of the consolidated borrowings are denominated in US Dollars and in Euros or CFA francs (whose parity is linked to the Euro). The fixed interest rates from financial institutions and which are pegged to the Euro vary between 5.50% and 7.09%. As explained in Note 35, interest rate management is the subject of ongoing management attention.

The Group is in compliance with covenants related to amounts owed to credit institutions.

**** Long-term debt analysis by interest rate***

31/12/2022 *EUR*	*Fixed Rate*	*Rate*	*Floating rate*	*Rate*	*TOTAL* *Restated*
Loans held by financial institutions					
Luxembourg	0	0.00%	9,375,586	3-month SOFR[G] + 5%	**9,375,586**
Switzerland	3,655,936	1.55% to 2.65%	0	-	**3,655,936**
Côte d'Ivoire	2,647,566	5.50% to 6.50%	0	-	**2,647,566**
Nigeria	17,197,310	5.00% to 10.00%	0	-	**17,197,310**
Liberia	1,699,592	7.60%	0	-	**1,699,592**
Cameroon	8,186,656	5.00% to 7.09%	0	-	**8,186,656**
Ghana	4,874,999	4.00%	0	-	**4,874,999**
	38,262,059		***9,375,586***		***47,637,645***
Other loans					
Sierra Leone	4,354,848	0%	0	-	**4,354,848**
	4,354,848		***0***		***4,354,848***
TOTAL	***42,616,907***		***9,375,586***		***51,992,493***

31/12/2023 *EUR*	*Fixed Rate*	*Rate*	*Floating rate*	*Rate*	*TOTAL*
Loans held by financial institutions					
Switzerland	1,641,468	1.55% to 2.65%	0	-	**1,641,468**
Côte d'Ivoire	175,639	5.50%	0	-	**175,639**
Nigeria	7,240,279	5.00% to 10.00%	0	-	**7,240,279**
Cameroon	8,316,825	5.70% to 7.09%	0	-	**8,316,825**
Ghana	1,625,000	4.00%	0	-	**1,625,000**
	18,999,211		***0***		***18,999,211***
Other loans					
Sierra Leone	3,486,420	0%		-	**3,486,420**
	3,486,420		***0***		***3,486,420***
TOTAL	***22,485,631***		***0***		***22,485,631***

**** Long-term debts analysis by currency***

31/12/2022	EUR	XAF	NGN	USD	STN	GHS	CDF	CHF	TOTAL EUR Restated
Loans held by financial institutions	4,874,999	10,834,222	17,197,310	11,075,178	0	0	0	3,655,936	**47,637,645**
Other loans	0	0	0	4,354,848	0	0	0	0	**4,354,848**
Lease liabilities	0	7,039,341	65,318	1,762,701	268,436	35,690	38,702	1,876,836	**11,087,024**
TOTAL	***4,874,999***	***17,873,563***	***17,262,628***	***17,192,727***	***268,436***	***35,690***	***38,702***	***5,532,772***	***63,079,517***

31/12/2023	EUR	XAF	NGN	USD	STN	GHS	CDF	CHF	TOTAL EUR
Loans held by financial institutions	1,625,000	8,492,464	7,240,279	0	0	0	0	1,641,468	**18,999,211**
Other loans	0	0	0	3,486,420	0	0	0	0	**3,486,420**
Lease liabilities	0	20,400,413	3,236,272	1,616,829	112,602	25,509	27,063	1,618,565	**27,037,253**
TOTAL	***1,625,000***	***28,892,877***	***10,476,551***	***5,103,249***	***112,602***	***25,509***	***27,063***	***3,260,033***	***49,522,884***

**** Long-term debt analysis by maturity***

31/12/2022 EUR	2024	2025	2026	2027	2028 and above	TOTAL Restated
Loans held by financial institutions	25,376,903	9,246,072	4,539,071	3,950,392	4,525,209	**47,637,647**
Other loans	0	0	0	0	4,354,848	**4,354,848**
Lease liabilities	1,532,263	917,067	597,085	399,223	7,641,387	**11,087,025**
TOTAL	***26,909,166***	***10,163,139***	***5,136,156***	***4,349,615***	***16,521,444***	***63,079,520***

31/12/2023 EUR	2025	2026	2027	2028	2029 and above	TOTAL
Loans held by financial institutions	10,008,353	4,773,585	4,061,408	2,685,043	1,051,182	**22,579,571**
Other loans	0	0	0	0	3,487,181	**3,487,181**
Lease liabilities	2,642,386	2,130,007	1,859,052	408,880	19,996,927	**27,037,252**
TOTAL	***12,650,739***	***6,903,592***	***5,920,460***	***3,093,923***	***24,535,290***	***53,104,004***

**** Short-term debt analysis***

The short-term debts are mainly composed of the shareholder advances with Bolloré and Mopoli. The detail of the interest rates, currency and maturity are disclosed in Note 32 Information on related party.

*** Net cash surplus / (Net debt)**

EUR	31/12/2023	31/12/2022 Restated
Cash and cash equivalents	162,389,373	180,322,293
Long-term debt net of current portion	-22,485,633	-51,992,494
Short-term debt and current portion of long-term debt	-69,534,449	-91,466,449
Lease liabilities	-30,126,870	-12,923,494
Net cash surplus / (Net debt)	***40,242,421***	***23,939,856***
Cash and cash equivalents	162,389,373	180,322,293
Loan bearing interest at a fixed rate	-92,020,082	-115,561,281
Loan bearing interest at a variable rate	0	-27,897,662
Lease liabilities	-30,126,870	-12,923,494
Net cash surplus / (Net debt)	***40,242,421***	***23,939,856***

*** Reconciliation of net cash surplus / (net debt)**

EUR	Cash and cash equivalents	Long term debt, net of current portion	Short term debt and current portion of long term debt	Debt related to leases	TOTAL
At 1 January 2022 - Restated	***143,315,435***	***-131,880,074***	***-78,836,654***	***-12,378,796***	***-79,780,089***
Cash flows	36,497,884	85,205,260	-8,116,520	2,035,612	**115,622,236**
Foreign exchange differences	508,975	-4,565,980	505,711	-105,236	**-3,656,530**
Transfers	0	9,328,030	-5,080,021	0	**4,248,009**
Other movements with no impact on cash flows	0	-10,079,732	61,035	-2,475,075	**-12,493,772**
At 31 December 2022 - Restated	***180,322,294***	***-51,992,496***	***-91,466,449***	***-12,923,495***	***23,939,854***
Cash flows	-5,943,640	-3,452,404	43,875,121 (*)	4,928,725	**39,407,802**
Foreign exchange differences	-9,886,774	9,845,544	399,813	2,288,765	**2,667,348**
Transfers	-1,761,337	23,110,487	-23,262,963	0	**-1,913,813**
Transfer to assets held for sale	-361,169	0	0	45,866	**-315,303**
Other movements with no impact on cash flows	0	3,234	920,031	-24,466,735	**-23,543,470**
At 31 December 2023	***162,389,374***	***-22,485,635***	***-69,534,447***	***-30,126,874***	***40,242,418***

(*) Of which EUR 3.3 million relating to movements on bank overdrafts and EUR 40.5 million relating to repayment of borrowings.

Note 25. Trade and other payables

EUR	31/12/2023	31/12/2022 Restated
Non-current other payables	***1,633,474***	***1,650,572***
Trade creditors: suppliers	31,998,379	39,802,147
Advances received and invoices to be received	18,025,232	14,042,266
Subtotal trade payables	***50,023,611***	***53,844,413***
Staff cost liabilities (*)	24,397,738	23,998,749
Other payables	17,096,936	15,057,974
Accruals (**)	6,714,162	11,835,836
Subtotal current other payables	***48,208,836***	***50,892,559***
TOTAL	***99,865,921***	***106,387,544***
Non-current liabilities	1,633,474	1,650,572
Current liabilities	98,232,447	104,736,972

(*) Debts towards employees (EUR 17.7 million in 2022) have been reclassified from “other payables” to “staff cost liabilities” in 2022.

(**) This amount comprises the Okomu grant part of the loans, for EUR 2.2 million (2022: EUR 6.2 million).

Note 26. Financial Instruments

31/12/2022 EUR	Loans and borrowings At cost	Financial assets at fair value through other comprehensive income At fair value	Other financial assets and liabilities At cost	TOTAL	Loans and borrowings (*) At fair value	Other financial assets and liabilities (*) At fair value
Assets						
Financial assets at fair value through other comprehensive income	0	688,024	0	**688,024**	0	0
Long-term advances	821,712	0	1,156,825	**1,978,537**	821,712	1,156,825
Other non-current assets	0	0	2,699,565	**2,699,565**	0	2,699,565
Trade receivables	0	0	36,867,116	**36,867,116**	0	36,867,116
Other receivables	0	0	8,665,133	**8,665,133**	0	8,665,133
Cash and cash equivalents	0	0	180,322,293	**180,322,293**	0	180,322,293
Total Assets	***821,712***	***688,024***	***229,710,932***	***231,220,668***	***821,712***	***229,710,932***
Liabilities						
Long-term debts (**)	51,992,494	0	0	**51,992,494**	46,962,729	0
Other non-current liabilities	0	0	1,650,572	**1,650,572**	0	1,650,572
Short-term debts (**)	80,770,549	0	10,695,900	**91,466,449**	80,770,549	10,695,900
Trade payables (current)	0	0	53,844,413	**53,844,413**	0	53,844,413
Other payables (current) (**)	0	0	50,892,559	**50,892,559**	0	50,892,559
Total Liabilities	***132,763,043***	***0***	***117,083,444***	***249,846,487***	***127,733,278***	***117,083,444***

(*) For information purposes.
(**) See Note 24.

31/12/2022	Fair Value			
EUR	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through other comprehensive income	0	0	688,024	***688,024***

31/12/2023 EUR	Loans and borrowings At cost	Financial assets at fair value through other comprehensive income At fair value	Other financial assets and liabilities At cost	TOTAL	Loans and borrowings (*) At fair value	Other financial assets and liabilities (*) At fair value
Assets						
Financial assets at fair value through other comprehensive income	0	645,773	0	**645,773**	0	0
Long-term advances	1,092,170	0	1,235,909	**2,328,079**	1,092,170	1,235,909
Other non-current assets	0	0	3,169,704	**3,169,704**	0	3,169,704
Trade receivables	0	0	39,887,917	**39,887,917**	0	39,887,917
Other receivables	0	0	10,075,144	**10,075,144**	0	10,075,144
Cash and cash equivalents	0	0	162,389,373	**162,389,373**	0	162,389,373
Total Assets	***1,092,170***	***645,773***	***216,758,047***	***218,495,990***	***1,092,170***	***216,758,047***
Liabilities						
Long-term debts (**)	22,485,633	0	0	**22,485,633**	21,146,655	0
Other non-current liabilities	0	0	1,633,474	**1,633,474**	0	1,633,474
Short-term debts (**)	60,456,899	0	9,077,550	**69,534,449**	60,456,899	9,077,550
Trade payables (current)	0	0	50,023,611	**50,023,611**	0	50,023,611
Other payables (current)	0	0	48,208,836	**48,208,836**	0	48,208,836
Total Liabilities	***82,942,532***	***0***	***108,943,471***	***191,886,003***	***81,603,554***	***108,943,471***

(*) For information purposes.

(**) See Note 24.

31/12/2023	Fair Value			
EUR	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through other comprehensive income	0	0	645,773	***645,773***

The Group estimated the fair value of the financial instruments by comparing their interest rates to the actual interest rate as at year-end, provided by the European Central Bank. In case of material differences between the interest rates, the estimated fair value of the financial instruments is disclosed in this note.

Note 27. Staff costs and average number of staff

Average number of employees	2023	2022
Directors	353	317
Employees	7,857	6,948
Workers (including temporary workers)	25,599	27,961
TOTAL	***33,809***	***35,226***

	2023	2022 Restated
Staff costs (EUR)		
Remuneration	149,054,485	152,682,795
Social security and pension expenses	20,957,104	18,347,122
TOTAL	***170,011,589***	***171,029,917***

Note 28. Other financial income

	2023	2022
	EUR	*EUR*
On current assets / liabilities		
Interest from receivables and cash and cash equivalents	4,223,545	1,528,653
Exchange gains	29,588,636	36,987,532
Others	304,127	723,543
TOTAL	***34,116,308***	***39,239,728***

Note 29. Financial expenses

	2023	2022
	EUR	EUR
Interest and finance expense	6,099,463	9,406,822
Interest expense on lease liabilities	3,509,582	1,147,359
Exchange losses	36,774,678	42,903,370
Others	3,396,521	3,091,131
TOTAL	***49,780,244***	***56,548,682***

Note 30. Net earnings per share

Undiluted net earnings per share (basic) is the profit for the year attributable to ordinary shareholders, divided by the average number of ordinary shares during the year. As there are no potential dilutive ordinary shares, the diluted net earnings per share is identical to the undiluted net earnings per share.

	2023	2022 Restated
Net profit / (loss) for the period (in euros)	41,592,016	74,036,478
Average number of shares	14,159,720	14,159,720
Net earnings per share undiluted (in euros)	***2.94***	***5.23***

Note 31. Dividends and directors' fees

The Board will propose to the Annual General Meeting on 29 May 2024, to pay a dividend of EUR 1.00, out of which an interim dividend of EUR 0.50 per share was paid in November 2023. If the proposed dividend is approved by the general meeting of shareholders, a balance of EUR 0.50 per share for a total amount of EUR 7.1 million would therefore remain payable.

	2023	2022
Dividends paid to the owners of the Parent	14,159,720	17,699,650
Average number of shares	14,159,720	14,159,720
Dividend per share distributed during the period	***1.00***	***1.25***

In addition, in accordance with the statutory provisions, 1/9th of the gross dividend is allocated to the Board of Directors.

Note 32. Information on related party

**** Directors' remuneration***

	2023	2022
	EUR	*EUR*
Short-term benefits	14,299,575	18,071,177
Post-employment benefits	113,174	78,433

**** Related party transactions***

	31/12/2023	31/12/2022 Restated
EUR		
Non-Current Liabilities		
Financial debts	3,487,181	4,284,667
	3,487,181	**4,284,667**
Current liabilities		
Financial debts	40,705,753	40,405,480
	40,705,753	**40,405,480**

	2023	2022
	EUR	*EUR*
Income statement		
Financial expenses	2,003,287	1,600,000

Related party transactions are made at arm's length.

The Group carries out transactions with other related parties, namely Bolloré Participations and Palmboomen Cultuur Maatschappij (Mopoli).

Mopoli is a Dutch company which is mainly owned by Mr Hubert Fabri through Financière Privée, which also owns Socfin.

Bolloré Participations is a shareholder and director of Socfinaf.

In 2014, Socfinaf obtained a cash advance of EUR 35 million from Mopoli. This advance bears an annual interest (net of tax) of 6% (2022: 4%). Interest is payable in arrears at the end of each calendar quarter. The amount of interest recognised for the year 2023 is EUR 1.0 million. As at 31 December 2023, the outstanding balance amounts to EUR 20.3 million and is repayable on demand with final maturity on July 2026.

In 2016, Socfinaf obtained a loan of EUR 20 million from Bolloré Participations. The loan has an annual interest rate of 6% (2022: 4%). The amount of interest recognised for the year 2023 is EUR 1.0 million euros. As at 31 December 2023, the outstanding balance amounts to EUR 20.4 million and is repayable on demand with final maturity on June 2025.

Note 33. Off balance sheet commitments

In 2019, a subsidiary of Socfinaf, Okomu Palm Oil Company obtained a loan of Naira 10 billion. The contract stipulates that up until the loan is granted, Okomu will use the 11,416 ha plantation as mortgage guarantee. As at 31 December 2023, the balance of the loan amounts to EUR 7 million (2022: EUR 15 million).

In 2019, a subsidiary of Socfinaf, Plantations Socfinaf Ghana (PSG), obtained a loan of EUR 16.5 million for the construction of an oil mill. This loan consists of a credit line of EUR 15 million and a bank overdraft of EUR 1.5 million. The contract stipulates that PSG will use the oil mill as mortgage guarantee, up until the loan granted. As at 31 December 2023, the balance of the loan amounts to EUR 4.9 million (2022: EUR 8.1 million) and the overdraft is nil (2021: nil).

In 2021, a subsidiary of Socfinaf, Okomu Palm Oil Company obtained a loan of Naira 2 billion. The contract stipulates that up until the loan is granted, Okomu will use the 11,416 ha plantation as mortgage guarantee. As at 31 December 2023, the balance of the loan amounts to EUR 1 million (2022: EUR 3 million).

In compliance with Group's commitments on responsible management, most of the plantations within the Group have been certified RSPO. RSPO certification contains engagements to support reforestation projects, named compensation plans. Since most of the plantations have been certified RSPO, the Group is committed into several reforestation projects in Africa, representing an overall budget of USD 19.6 million (EUR 17.8 million, undiscounted), that should be expensed between 2023 and 2047.

Note 34. Segment information

In accordance with IFRS 8, the information analysed by management is based on the geographical distribution of political and economic risks. As a result, the sectors presented are Europe, Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Nigeria, Cameroon, São Tomé and Principe, Congo (DRC), Cambodia and Indonesia.

Products from Côte d'Ivoire, Nigeria, Cameroon and Indonesia's operating sectors come from palm oil and rubber sales. Those from the Liberia and Cambodia sectors only originate from rubber sales, while those from Sierra Leone, Ghana, São Tomé and Principe and Congo come solely from sales of palm oil. Those in the European segment come from the provision of administrative services, of assistance in managing the areas under plantation and the marketing of products outside of the Group. The segment result of the Group is the profit from operations.

The stated figures originate from internal reporting. Since they do not reflect any consolidation or IFRS adjustments or restatements, they are not directly comparable to the amount reported in the consolidated statement of the financial position and income statement.

**** Segmental breakdown of profit / (loss) as at 31 December 2022***

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit / (loss) (*)*
			Restated
Europe	152,377,408	48,262,436	15,456,815
Sierra Leone	58,553,604	4,146,011	21,826,293
Liberia	40,756,657	40,635,339	1,747,945
Côte d'Ivoire	200,451,043	168,573,577	38,224,054
Ghana	33,083,346	0	18,234,769
Nigeria	133,279,822	12,346,955	56,251,979
Cameroon	147,069,445	14,153,553	34,187,590
São Tomé and Principe	7,781,775	7,781,775	779,099
Congo (DRC)	16,366,246	0	-398,915
Cambodia	8,164,138	880,645	-2,490,942
Indonesia	193,627,923	12,658,309	91,818,399
TOTAL	***991,511,407***	***309,438,600***	***275,637,085***

Depreciation, amortisation and impairment of bearer plants	-22,989,184
Fair value of agricultural production	6,870,293
Other IFRS adjustments	-1,373,700
Consolidation adjustments (intra-group and others)	1,192,647
Financial income and gain on disposals	40,137,641
Financial expenses and loss on disposals	-58,863,885
Income tax expense and deferred tax (expense) / income	-79,869,713
Net Profit / (loss) for the period	***160,741,184***

(*) Profit / (loss) for the period include other expenses of EUR 105.9 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …). Other operating expenses of EUR 27.8 million are not directly related to the operational activity. Instead, they refer to costs such as other taxes, property taxes, ….

**** Segmental breakdown of profit / (loss) as at 31 December 2023***

EUR	*Revenue from ordinary business with external customers*	*Revenue from ordinary business between segments*	*Sector profit / (loss) (*)*
Europe	121,026,682	46,439,678	8,345,517
Sierra Leone	44,340,974	3,694,262	13,979,176
Liberia	36,813,393	34,963,711	-1,791,812
Côte d'Ivoire	160,456,979	133,320,524	15,070,482
Ghana	34,514,182	0	18,494,533
Nigeria	113,518,677	12,017,172	50,396,027
Cameroon	156,987,752	9,706,884	27,855,397
São Tomé and Principe	5,511,788	5,222,997	-2,496,052
Congo (DRC)	10,923,105	0	-4,555,130
Cambodia	10,777,027	1,012,147	160,349
Indonesia	167,672,513	7,279,792	68,542,397
TOTAL	***862,543,071***	***253,657,168***	***194,000,883***

Depreciation, amortisation and impairment of bearer plants	-8,508,049
Fair value of agricultural production	-8,042,768
Other IFRS adjustments	6,893,724
Consolidation adjustments (intra-group and others)	-5,642,608
Financial income and gain on disposals	34,274,682
Financial expenses and loss on disposals	-51,146,317
Income tax expense and deferred tax (expense) / income	-64,629,830
Net Profit / (loss) for the period	***97,199,718***

(*) Profit / (loss) for the period include other expenses of EUR 103.8 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …). Other operating expenses of EUR 17.4 million and other operational income for EUR 15.3 million are not directly related to the operational activity. Instead, they refer to elements such as government grants, other taxes, property taxes, …

*** Total segmental assets[G]**

	31/12/2023	31/12/2022
	EUR	*EUR*
Europe	214,260,598	188,941,141
Sierra Leone	123,185,982	128,721,882
Liberia	115,836,618	121,732,913
Côte d'Ivoire	151,924,753	166,346,688
Ghana	37,518,498	57,837,090
Nigeria	81,865,152	145,216,147
Cameroon	178,294,475	184,331,852
São Tomé and Principe	26,624,876	28,111,519
Congo (DRC)	51,567,843	68,260,622
Cambodia	64,227,738	67,618,326
Indonesia	118,943,164	117,769,545
Total	***1,164,249,697***	***1,274,887,726***
IFRS 3 / IAS 16: Bearer plants	-44,483,146	-53,381,980
IAS 2 / IAS 41: Agricultural production	4,166,477	13,057,113
Other IFRS adjustments	-11,733,437	-9,617,424
Consolidation adjustments (intra-group and others)	-92,738,560	-91,269,968
Total consolidated segmental assets	***1,019,461,029***	***1,133,675,467***
Consolidated assets not included in segmental assets		
Goodwill	4,951,057	4,951,057
Right-of-use assets	33,550,055	11,902,768
Financial assets at fair value through other comprehensive income	645,773	688,024
Long-term advances	2,328,080	1,978,537
Deferred tax	9,106,597	11,698,485
Other non-current assets	3,169,704	2,699,565
Consolidated non-current assets	***53,751,266***	***33,918,436***
Other debtors	10,075,144	8,665,133
Current tax assets	10,931,694	14,942,449
Consolidated current assets	***21,006,837***	***23,607,582***
Total of consolidated assets in the segmental assets	***74,758,103***	***57,526,018***
Assets classified as held for sale	***6,313,418***	***0***
Total assets	***1,100,532,550***	***1,191,201,486***

*** Total segmental liabilities[G]**

EUR	31/12/2023	31/12/2022 Restated
Europe	149,861,471	155,776,545
Sierra Leone	2,453,806	3,426,717
Liberia	7,008,789	13,882,723
Côte d'Ivoire	29,593,122	22,364,064
Ghana	597,314	1,066,056
Nigeria	3,674,454	6,950,565
Cameroon	27,372,442	20,897,779
São Tomé and Principe	4,435,416	3,492,126
Congo (DRC)	2,393,585	1,045,995
Cambodia	1,239,938	1,318,995
Indonesia	24,537,641	24,094,356
Total	***253,167,976***	***254,315,921***
Other IFRS adjustments	2,238,169	6,220,680
Consolidation adjustments (intra-group and others)	-157,173,698	-155,799,630
Total consolidated segmental liabilities	***98,232,447***	***104,736,972***
Consolidated equity and liabilities not included in segmental liabilities		
Total equity	767,403,537	785,114,876
Non-current liabilities	128,057,731	150,559,859
Current financial debts	69,534,449	91,466,449
Current lease liabilities	3,089,617	1,836,468
Current tax liabilities	33,288,514	56,820,337
Provisions	641,977	666,524
Total consolidated equity and liabilities not included in segmental liabilities	***1,002,015,825***	***1,086,464,514***
Liabilities associated with assets classified as held for sale	***284,279***	***0***
Total equity and liabilities	***1,100,532,550***	***1,191,201,486***

* Costs incurred for acquisition of segmental assets during 2022

EUR	Intangible assets	Tangible assets	Investment properties	Biological assets	TOTAL
Europe	2,683	7,896,419	34,782	0	**7,933,884**
Sierra Leone	0	2,125,221	0	0	**2,125,221**
Liberia	0	2,197,106	0	898,587	**3,095,694**
Côte d'Ivoire	32,003	5,966,349	0	3,393,844	**9,392,196**
Ghana	0	2,277,025	0	0	**2,277,025**
Nigeria	0	22,269,520	0	827,710	**23,097,230**
Cameroon	0	10,862,418	0	3,144,690	**14,007,108**
São Tomé and Principe	0	275,584	0	0	**275,584**
Congo (DRC)	0	906,694	0	0	**906,694**
Cambodia	0	417,668	0	469,391	**887,058**
Indonesia	635,933	5,886,190	0	7,013,022	**13,535,145**
TOTAL	***670,619***	***61,080,195***	***34,782***	***15,747,244***	***77,532,840***

* Costs incurred for acquisition of segmental assets during 2023

EUR	Intangible assets	Tangible assets	Investment properties	Biological assets	TOTAL
Europe	10,668	15,740,303	60,598	0	**15,811,569**
Sierra Leone	0	2,535,268	0	0	**2,535,268**
Liberia	0	2,492,307	0	1,238,634	**3,730,941**
Côte d'Ivoire	15,621	5,647,697	0	3,685,695	**9,349,013**
Ghana	0	1,580,958	0	160,462	**1,741,420**
Nigeria	0	10,397,083	0	759,758	**11,156,841**
Cameroon	0	12,548,621	0	3,801,263	**16,349,884**
São Tomé and Principe	0	811,212	0	0	**811,212**
Congo (DRC)	0	106,557	0	0	**106,557**
Cambodia	0	480,750	0	426,311	**907,061**
Indonesia	1,172,057	5,368,272	0	9,562,007	**16,102,337**
TOTAL	***1,198,346***	***57,709,029***	***60,598***	***19,634,130***	***78,602,103***

*** Information by sector of activity**

Revenue from external customers:

	2023	2022
	EUR	EUR
Palm	524,781,585	582,827,456
Rubber	224,854,842	269,137,780
Other agricultural activities	7,327,186	9,316,123
Trading activities[G]	95,525,049	119,380,568
Others	10,054,404	10,849,478
TOTAL	***862,543,066***	***991,511,407***

*** Information by geographical region**

Revenue from external customers by origin of the customers and geographical location:

EUR 2022

Origin \ Geographical location	Europe	Africa	Asia	America	TOTAL
Europe	3,865,186	2,292,183	1,370,073	0	**7,527,442**
Africa	271,281,825	397,718,362	49,169,238	62,509,276	**780,678,701**
Asia	8,010,890	9,297,206	180,852,212	5,144,956	**203,305,263**
TOTAL	***283,157,902***	***409,307,751***	***231,391,522***	***67,654,232***	***991,511,407***

EUR 2023

Origin \ Geographical location	Europe	Africa	Asia	America	TOTAL
Europe	2,694,106	1,813,506	847,622	0	**5,355,234**
Africa	167,316,353	373,712,145	93,426,952	44,061,692	**678,517,141**
Asia	6,879,664	550,463	169,427,811	1,812,759	**178,670,697**
TOTAL	***176,890,123***	***376,076,114***	***263,702,385***	***45,874,450***	***862,543,072***

**** Information by business segment and revenue category***

Revenue from external customers by business segment and geographical area:

EUR					2022
Business Segment / Category	Palm	Rubber	Other agricultural products	Service and other commercial business	TOTAL
Sierra Leone	58,553,604	0	0	0	**58,553,604**
Liberia	0	40,635,339	0	121,318	**40,756,657**
Côte d'Ivoire	39,919,397	157,537,226	0	2,994,417	**200,451,040**
Ghana	31,991,119	968,476	0	123,751	**33,083,346**
Nigeria	120,757,226	12,346,955	0	175,641	**133,279,822**
Cameroon	133,093,402	10,764,990	1,947,102	1,263,951	**147,069,445**
São Tomé and Principe	7,781,775	0	0	0	**7,781,775**
Congo (DRC)	16,366,246	0	0	0	**16,366,246**
Indonesia	170,771,625	14,157,861	7,369,021	1,329,408	**193,627,916**
Cambodia	0	8,164,138	0	0	**8,164,138**
Europe	3,593,062	24,562,784	0	124,221,571	**152,377,418**
TOTAL	***582,827,457***	***269,137,769***	***9,316,123***	***130,230,058***	***991,511,407***

EUR					2023
Business Segment / Category	Palm	Rubber	Other agricultural products	Service and other commercial business	TOTAL
Sierra Leone	44,340,974	0	0	0	**44,340,974**
Liberia	0	36,813,393	0	0	**36,813,393**
Côte d'Ivoire	30,964,234	126,880,126	0	2,612,616	**160,456,976**
Ghana	33,301,860	1,136,571	0	75,751	**34,514,182**
Nigeria	101,319,579	12,017,173	0	181,926	**113,518,677**
Cameroon	143,702,547	9,998,817	1,717,350	1,569,037	**156,987,751**
São Tomé and Principe	5,511,788	0	0	0	**5,511,788**
Congo (DRC)	10,923,105	0	0	0	**10,923,105**
Indonesia	150,821,396	9,874,419	5,609,840	1,366,863	**167,672,518**
Cambodia	0	10,777,027	0	0	**10,777,027**
Europe	3,896,103	17,357,321	0	99,773,255	**121,026,680**
TOTAL	***524,781,586***	***224,854,846***	***7,327,190***	***105,579,449***	***862,543,071***

Note 35. Risk management

Capital management

The Group manages its capital and adapts according to changes in economic conditions and investment opportunities. To maintain or adjust the capital structure, the Group may issue new shares, repay part of the capital or adjust the payment of dividends to shareholders.

The Group also manages its capital by closely monitoring the ratio of debt over equity.

Financial risk

The financial risk for the companies within the Group originates mainly from changes in the selling price of agricultural commodities, foreign exchange and, to a lesser extent, interest rate movements.

Potential risk

Apart from Ghana and Sierra Leone (refer to Note 1.27), the countries where the Group operates do not correspond to hyperinflationary economies or suffer from an immediate threat of price devaluation. Nevertheless, in a minority of those countries, the political system and economic stability remain fragile and could lead to currency devaluation or hyperinflation.

Risk management and opportunities

The Group regularly reviews its sources of financing as well as currency movements. Moreover, its decisions are based on a variety of risks and opportunities, which themselves depend on several factors, including interest rates, currency and counterparties.

Market risk

**** Price risk in commodities market***

Potential risk

The Group markets its finished products at prices that may be influenced by commodity prices in international markets. It therefore faces the risk of volatility in the prices of these commodities.

Risk management and opportunities

The main policy of the Group's companies has always been to control its production costs. It aims to generate margins for the viability of structures in the event of a significant drop in the selling prices of raw materials[G] and, conversely, to generate profit margins during the market downturns.

In parallel with this main policy, secondary policies have also been implemented to improve or consolidate profit margins, such as:
- the production of agricultural products of superior quality and branded, in particular for rubber and;
- the use of the Group's expertise in the commercial sector.

The Group reduces its exposure to price risk by investing into different geographical markets and products.

**** Foreign currency risk***

Potential risk

The Group carries out transactions in local currencies, the main ones being US dollar, Nigerian naira and Indonesian rupiah. In addition, financial instruments hedging against fluctuations in exchange rate may not be available for certain currencies. This creates exposure to exchange rate fluctuations, which may have an impact on the financial result denominated in euro.

In Nigeria, the availability of hard currency is extremely limited. The gap between the central bank rate (CBN) and OTC remains strong as at 2023 year-end. For consolidation purposes, the Group uses the Central Bank of Nigeria (CBN) rates. These rates are disclosed in Note 1.9 to the financial statements. The impact of the Group's Nigerian operations on the consolidated result is disclosed in Note 34 (Segment information) to the financial statements.

Risk management and opportunities

Apart from the current currency hedging instruments for operational transactions, which is relatively limited, the main policy of the Group to finance its development projects in the local currencies of the region. This practice is favourable for the significant investments made in the plantations, as an attempt to reduce borrowings wherever possible.

Management closely monitors developments in the Nigerian foreign exchange markets and is keen to present a fair view of the financial statements.

**** Interest rate risk***

Potential risk

The first risk linked to the interest rate denotes a change in cash flows relating to short-term borrowings, often on a variable rate, as well as a relatively high level of base interest rates on cash and cash equivalents. The second risk is linked to developing markets, when borrowing in a local currency.

Risk management and opportunities

The first risk is maintained under control by an active policy of monitoring the evolution of local financial markets on the one hand and, when necessary, short-term debt consolidation in the long term on the other. Another systematic policy keeps an eye on the second risk, by putting local and international banks in competition with international lenders who can offer real investment and development opportunities at attractive rates.

Credit risk

Potential risk

Credit risk arises from the potential inability of clients to meet their contractual obligations.

Risk management and opportunities

To manage credit risk, the Group ensures the payment of local sales in cash or the guarantee of the receivables by obtaining approved bills of exchange. The export sales of the plantations are centralised in the Group's sales structure, which applies either a cash payment policy or a commercial credit policy whose limits are defined by its Board of Directors.

Details on impairment of financial assets and liabilities, including measurement of expected credit losses, are disclosed in Note 1.19.

Liquidity risk

Potential risk

Liquidity risk is defined as the risk that the Group cannot meet its obligations in time or at a reasonable price. This risk mainly affects plantations, which are both the main source of cash and financing needs.

Risk management and opportunities

Given the specific economic and technological environment of each plantation, the Group manages the liquidity risk in a decentralised manner. However, both the available cash and the implementation of the financing are supervised by the Group Management.

The Group chooses, whenever possible, to maintain/claim financial liabilities and cash position (as mentioned respectively in Notes 24 and 20) with low credit risk institutions.

Emerging market risks

Potential risk

Current or future political instability in certain countries in which the Group operates may affect the Group's profitability and its ability to do business and generate revenue.

The political system in some of the Group's markets is relatively fragile and can be potentially threatened by cross-border conflicts or wars between rival groups.

Risk management and opportunities

Through its activities, the Group contributes to the improvement of the quality of life in the countries in which it operates. It also focuses on improving the stability of its markets, which may lead to an appreciation in the value of the Group's local companies.

By diversifying the countries, economies and currencies in which the Group generates its revenues and cash flows, it reduces its exposure to emerging market risk.

The Group is aware of its environmental and social responsibility towards the local population and is continually implementing initiatives to this end.

Risk of expropriation

Potential risk

Certain countries in which the Group operates have political regimes that may call into question foreign commercial interests by limiting their activities and may attempt to exert control over the Group's assets. This is known as the risk of expropriation.

Risk management and opportunities

The diversified geographical distribution of the countries in which the Group generates its revenues and its cash flows reduces its exposure to this risk.

Credibility risk

Potential risk

With the Group being linked to the state of the financial markets, the Group may be exposed to a credibility risk when said markets lose confidence. This depends on the Group's ability to maintain sound financial health considering:
- its environmental impact,
- its social responsibility and
- the economic and geopolitical risks that certain Group entities may face.

Risk management and opportunities

The Group has published its responsible management policy in 2017, which was updated in 2022. This complements the Group's sustainable development commitments, formalised in 2012.

The Group's initiatives to monitor this risk are detailed in the information provided in the annual sustainable development report available on request at Group headquarters.

Risk sensitivity

**** Exchange rate risk***

The Group is exposed to changes in value arising from fluctuations in exchange rates generated by its operating activities. However, as local turnover was made in the local currency, and export sales are made in US dollar, the Group's exposure is mainly limited to fluctuations in dollar against the euro. The impact on the result of a 10% increase or decrease (EUR/USD) in foreign currency financial instruments amounts to EUR 7.7 million.

In the case where the currency of sale is not the functional currency of the Company and it is linked to a strong currency, the conversion is ensured at the time of the conclusion of the contract. The local sales concluded in the local currency in 2023 (including US dollars) amounted to EUR 543.3 million. The global sales (mainly concluded in US dollars) in 2023 amounted to EUR 319.3 million.

**** Interest rate risk***

The breakdown of fixed rate loans and variable rate loans is described in Note 24. Following the reimbursement of the variable rate loan arrangement by PNS Ltd in February 2023, the Group's exposure to interest rate risk decreased in 2023. However, the management continues to closely monitor the interest rate's evolution.

**** Credit risk***

On 31 December 2023, the trade receivables from global customers and local customers amounted to EUR 28.1 million and EUR 15.7 million respectively. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Raw palm oil is sold locally to local players, which entails a wide range of customers. The marketing of refined palm oil and rubber is entrusted to Sogescol FR. It trades either on the physical markets or directly with end customers.

	31/12/2023	31/12/2022
	EUR	EUR
Trade receivables	43,827,351	40,812,839
Provision incurred mainly on non-operational receivables	-3,939,434	-3,945,723
Other receivables	10,075,144	8,665,133
Total net receivables	***49,963,061***	***45,532,249***
Amount not due	48,068,684	44,544,890
Amount due less than 6 months	1,820,539	236,316
Amount due for more than 6 months and less than one year	37,647	405,019
Amount due for more than one year	36,191	346,024
Total net receivables	***49,963,061***	***45,532,249***

Note 36. Contingent liabilities

1. Litigation against the Belgian Federal Public Service Finance (Corporate Tax)

The company SOCFICOM ("Socficom"), a public limited company incorporated under Liechtenstein law and a subsidiary of the Group, was the subject of criminal proceedings initiated by the Belgian Public Prosecutor's Office.

The main accusation against Socficom was that the Belgian Public Prosecutor's Office considered that Socficom was a "Belgian resident company", subject to Belgian corporate income tax.

Socficom was acquitted, following a ruling by the 11th Chamber of the Brussels Court of Appeal, sitting in correctional matters, dated from 23 October 2018. The Court ruled that "it is clear from all these elements that the real seat of the defendant Socficom is indeed established in Liechtenstein and that nothing allows it to be located in Brussels". The Public Prosecutor's Office did not appeal against this judgement and this decision is therefore final.

However, the Federal Public Service Finance relied exclusively on the investigation file submitted by the Belgian Public Prosecutor's Office in criminal matters. The former therefore maintains that Socficom meets the conditions to be liable to corporate income tax in Belgium. The Federal Public Service Finance indeed considers that Socficom is effectively managed from Belgium and that all its activities are carried out there.

Socficom was therefore automatically assessed with corporate income tax on 4 January 2012, for the tax years 2004 to 2009 for an amount of EUR 77,343,783, excluding late payment interest at an annual rate of 7% reduced to 4% as from 1 January 2018.

On 5 April 2013, Socficom filed a tax claim against the 6 ex officio tax assessments. These 6 claims were declared admissible, but were rejected.

Socficom filed an action before the "Tribunal de première instance francophone" of Brussels.

The "Tribunal de première instance francophone" of Brussels, by judgement dated from 26 April 2019, declared the claim admissible and partially founded insofar as it ordered the partial relief of the disputed taxes.

Socficom considers that this decision, although partially favourable to the argument it defended before the Court, is not satisfactory, given the acquittal decision referred to above.

The tax authorities want to tax Socficom exclusively on the basis of the elements in the criminal file, as the tax file does not contain any "new claims" in relation to the criminal proceedings. The facts judged in the tax proceedings have already been decided by the Court of Appeal (correctional chamber) which acquitted Socficom and the other defendants.

The Court could therefore not agree with the tax office on the basis of documents, observations or findings, without taking into consideration the judgement of the Court of Appeal of 23 October 2018. The Brussels Tax Court has "re-heard" the criminal case ignoring the acquittal of the 11th Chamber of the Brussels Court of Appeal.

Socficom has therefore decided to appeal against the tax judgement in order to request that the Court grants the request initially formulated by the company, i.e. to order the complete cancellation of the relief of the disputed taxes.

Tax judgements that are appealed against are not enforceable until the Court has ruled on them.

The amounts initially claimed by the tax authorities from Socficom amounted to EUR 77,343,783, excluding interest (see above), from which must be deducted the relief granted by the Court amounting to EUR 50,000,000.

The company's counsel and Group management are of the opinion that the Court of Appeal should fully cancel these taxes, based on the acquittal decision of the Court of Appeal, Correctional Chamber, dated 23 October 2018 which confirms "that the real seat of the defendant Socficom is indeed established in Liechtenstein and that there is no reason to locate it in Brussels". Based on these elements, the management is of the opinion that no provision should be recorded as the probability of an outflow of financial resources by the Group is low. The findings of the Court of Appeal are not expected before 2024.

2. Litigation against the Belgian Federal Public Service Finance (VAT)

As described above, the Federal Public Service Finance maintains that Socficom is a Belgian resident company. The tax authorities are claiming VAT of EUR 3,054,160.15 for the years 2006, 2007, 2008 and 2009, adding to this tax fines and interest at a rate of 0.8% per month as from 20 January 2010.

The amounts claimed amount to EUR 10,310,844.61, split as follows:

- EUR 3,054,160 for VAT
- EUR 1,148,364 in interest
- EUR 6,108,320 in fines
- plus interest for late payment to be calculated on the VAT due from 21 December 2013.

Socficom contested this tax before the Brussels Court of First Instance.

The Court declared the claim admissible and partially founded insofar as it cancelled the fines of EUR 6,108,320 and the interest charged on this amount.

Socficom considers that this decision, although partially favorable to the case it defended before the Court, is not satisfactory since it was granted the acquittal following the judgement rendered by the 11th Chamber of the Brussels Court of Appeal dated 23 October 2018.

In order to claim the disputed VAT from Socficom, the tax authorities based themselves exclusively on the criminal file. However, the Brussels Court could not ignore the acquittal decision and condemn Socficom without taking into account the final and res judicata judgement of the Brussels Court of Appeal.

In the absence of new elements brought by the tax authorities and having an impact on the outcome of the trial, the decision of the Court of Appeal of 23 October 2018 could not be challenged and is binding on the Court.

Socficom therefore decided to appeal the tax ruling in order to request the Court to grant the request initially made by the company, i.e. to order a tax relief for the disputed taxes.

The Company's counsel and the Group's management are of the opinion that the Court of Appeal should fully cancel these taxes, based on the acquittal decision of the Court of Appeal, Correctional Chamber, dated from 23 October 2018, which confirm: "that the real seat of the defendant Socficom is indeed established in Liechtenstein and that there is no reason to locate it in Brussels". Based on these elements, management is of the opinion that no provision should be recorded as the probability of an outflow of financial resources by the Group is low. The findings of the Court of Appeal are not expected before 2024.

3. Claim against "Caisse Nationale de Prévoyance Sociale"

Société des Caoutchoucs du Grand Bereby ("SOGB"), a public limited company incorporated under Ivorian law and subsidiary of the Group, is involved in a dispute with the Caisse Nationale de Prévoyance Sociale ("CNPS") of Côte d'Ivoire. This dispute concerns the tax audit of the benefits in kind that SOGB should have paid to CNPS for having provided housing to its employees.

Following an initial analysis for the period from 1 January 2010 to 31 December 2013, CNPS estimated the due amount at CFA 182 million, equivalent to EUR 277,000. Based on SOGB's calculations, the amount owed is of CFA 32 million, equivalent to EUR 48,000.

Following a contestation, the case was brought before the Court of Sassandra. The latter invited the two parties to reach an amicable settlement for the dispute, and to submit a transactional agreement if necessary.

In the absence of an amicable settlement for the dispute, it would be up to the Sassandra Court to rule on the merits.

The CNPS carried out a second analysis covering the years 2014 through 2018. The CNPS added to the previous amount a sum of CFA 1,650 million, equivalent to EUR 2.5 million. The SOGB has recorded a provision of CFA 250 million, equivalent to EUR 381,000, which corresponds to the amount it considers to be effectively due.

The matter of housing on plantations in rural areas is a general issue and concerns most agricultural and forestry companies, particularly those in the rubber, oil palm and banana sectors.

For this reason, actions have been undertaken by companies in the sector, which are supported by the Union of Agricultural and Forestry Companies ("UNEMAF") and the General Confederation of Companies of Côte d'Ivoire ("CGECI"), to obtain a clear position from the CNPS on this issue.

The CNPS had always shown leniency for determining benefits in kind constituted by the provision of housing in rural areas.

A proposal for arbitration was submitted to the Ministry of Employment and Social Protection by a working group that comprises members of CGECI and UNEMAF. Working group meetings were scheduled to take place in the course of 2020, but these were postponed due to the health situation and have not been resumed to date.

At the date of the closing of the accounts, the amicable procedure is therefore still in progress. Its outcome will determine whether or not the case is referred to the Sassandra Court, which has the power alone to enforce the parties. Insofar as there is no legal constraint to date, and based on the above, the management is of the opinion that no provision should be recorded because the probability of a claim is very low.

Note 37. Political and economic environment

The Group (company) holds interests in subsidiaries that operate indirectly in Africa and South-East Asia. Given the economic and political instability in some of these countries, these holdings pose a risk in terms of exposure to political and economic changes.

Note 38. Events after the closing date

There are no material events after the closing date to mention.

Note 39. Assets classified as held for sale

EUR	31/12/2023
ASSETS	
Non-Current Assets	
Right-of-use assets	33,851
Property, plant and equipment	2,241,077
Biological assets	1,969,162
	4,244,090
Current Assets	
Inventories	956,711
Current biological assets	21,188
Trade receivables	2,973
Other receivables	427,509
Current tax assets	299,777
Cash and cash equivalents	361,169
	2,069,328
Assets classified as held for sale	6,313,418

EUR	31/12/2023
EQUITY AND LIABILITIES	
Non-Current Liabilities	
Long-term lease liabilities	35,449
	35,449
Current Liabilities	
Short-term lease liabilities	10,417
Trade payables	119,584
Other payables	118,829
	248,830
Liabilities associated with assets classified as held for sale	284,279

As at 31 December 2023, the carrying amounts of the assets classified as held for sale and related liabilities are attributable to SRC. In the last quarter of 2023, the management of Socfinaf conducted negociations on the disposal of SRC. Accordingly, SRC was reclassified as a disposal as at 31 December 2023. The transaction is subject to local regulatory approval and is expected to close in the first half of 2024.

Note 40. Auditor's fees

	2023	2022
	EUR	*EUR*
Audit (VAT included)	1,529,754	1,509,211

The audit fees include all fees paid to the independent statutory auditor of the Group, namely EY, as well as those paid to member firms within EY's network for the relevant years.

This firm performed no material consulting work or other non-audit services in 2023 or in 2022.

Company's management Report

Presented by the Board of Directors at the Annual General Meeting of 29 May 2024

Ladies and gentlemen,

We are pleased to present our annual report and to submit for your approval the annual accounts of our Company as at 31 December 2023.

Activities

Socfin mainly holds financial interests in portfolio companies which operate indirectly in Southeast Asia and/or tropical Africa in the rubber and palm oil sectors.

Result of the year

The profit and loss account for the year, compared to that of the previous year, is as follows:

(EUR million)	2023	2022
INCOME		
Income from participating interests		
derived from affiliated undertakings		
Dividends	39.9	34.2
Interest on receivables	5.8	8.8
	45.7	**43.0**
Income from current assets	0.1	3.6
Total income	***45.8***	***46.6***
EXPENSES		
Other external charges	2.9	1.5
Interest payable and similar expenses	4.6	11.3
Total expenses	***7.5***	***12.8***
PROFIT FOR THE FINANCIAL YEAR	38.3	33.8

As at 31 December 2023, net profit amounted to EUR 38.3 million compared to EUR 33.8 million at the end of the previous year.

Revenue amounted to EUR 45.8 million (EUR 46.6 million as at 31 December 2022).

Total expenses amounted to EUR 7.5 million compared to EUR 12.8 million as at 31 December 2022.

Company's management Report

Balance sheet

As at 31 December 2023, Socfin's total assets amounted to EUR 284.5 million compared to EUR 324.5 million as at 31 December 2022.

Socfin's assets consist of a portfolio of EUR 196.4 million, financial fixed assets of EUR 80.4 million, and other debtors of EUR 7.7 million.

Equity amounted to EUR 232.6 million.

Porfolio

Movements
During the financial year 2023, Socfin has participated in the capital increase of Management Associates.

Revaluations
As at 31 December 2023, the unrealised capital gains on the investment portfolio are estimated at EUR 114 million compared to EUR 141.5 million in previous year.

Holdings

The main holdings have evolved as follows during the last months:

Socfinasia S.A. (Luxembourg) - 58.25%
The company holds stakes in Southeast Asian companies active in the rubber and palm oil sector.

As at 31 December 2023, net profit amounted to EUR 48.1 million compared to EUR 70.7 million as at 31 December 2022.

The net value of Socfinasia's investments amounted to EUR 294.1 million as at 31 December 2023 and the valuation of the portfolio shows unrealised gains of EUR 62.4 million.

At the next General Meeting, the Board of Directors of Socfinasia will propose the payment of a final dividend of EUR 2.00 per share, an interim dividend of EUR 2.00 has already been paid in November 2023.

	2023	2022
Socfinasia (EUR million)		
Assets	***430.2***	***457.7***
Fixed assets	357.7	405.7
Current assets	72.5	52.0
Equity and Liabilities	***430.2***	***457.7***
Equity	424.1	452.1
Liabilities	6.1	5.6

Socfinaf S.A. (Luxembourg) - 64.64%
The company has interests in entities in tropical Africa active in the rubber and palm oil sector.

As at 31 December 2023, net profit amounted to EUR 2.7 million compared to a net loss of EUR 37.5 million as at 31 December 2022.

The net asset value of financial assets amounted to EUR 187.4 million as at 31 December 2023 and the valuation of the portfolio generated unrealised gains of EUR 469.2 million.

The Board of Directors of Socfinaf will propose at the next General Meeting not to pay a dividend for the financial year 2023.

Company's management Report

	2023	2022
Socfinaf (EUR million)		
Assets	***349.3***	***398.6***
Fixed assets	316.8	361.7
Current assets	32.5	36.9
Liabilities	***349.3***	***398.6***
Equity	223.9	221.3
Liability	125.4	177.3

Allocation of profit

The profit for the year for Socfin of EUR 38,275,879 increased by the retained earnings of EUR 117,203,463 result in total earnings of EUR 155,479,342 which it is proposed to allocate as follows:

Earnings allocation

	EUR
Retained earnings	139,746,320
From the balance:	
10% to the Board of Directors	1,573,302
90% to 14,159,720 shares	14,159,720
representing EUR 1.00 per share of which EUR 0.50 already paid on November 2023	
	155,479,342

As a reminder, the dividend relating to previous year was EUR 1.25.

Reserves

After this distribution of profit, the reserves will be as follows:

	EUR
Legal reserve	2,477,951
Other reserves	57,277,681
Retained earnings	139,746,320
	199,501,953

If this distribution is approved, coupon Nr 84 of EUR 0.50 will be declared on 5 June 2024 and will be payable as of 8 June 2024.

Company's management Report

Treasury shares

The company did not buy back its own shares during the 2023 financial year.

Research and development

During the financial year 2023, Socfin did not incur any expenses for research and development.

Financial instruments

Financial risk management policies are described in the notes to the company's consolidated financial statements.

Branch

The company has a permanent establishment in Fribourg (CH).

Mentions required by Art. 11 (1) points a) to k) of the law of 19 May 2006 concerning Public Takeover Bids

a) b) f) The issued capital of the Company is set at EUR 24,779,510 represented by 14,159,720 shares without par value, fully paid up. Each share entitles the holder to one vote without limitation or restriction.

c) On 9 October 2023, Mr. Hubert Fabri declared in accordance with the Luxembourg law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market that he held a direct and indirect stake of 95.67% of the voting rights in Socfin.

d) On 30 May 2023, Afico, an entity ultimately controlled by Mr. Hubert Fabri, published a notice in accordance with Art. 3(1) of the Luxembourg law of 21 July 2012 on mandatory squeeze-outs and sell-outs, immediately followed by the public announcement that it intended to carry out a squeeze out for the shares of Socfin not held or controlled by the Concert Parties (as defined below) in accordance with Art. 4(1) of that law (the "Squeeze Out").

g) By virtue of an agreement among Mr. Fabri, Afico and Bolloré SE (the "Concert Parties") signed by the parties on 30 May 2023, an aggregate of 39.75% of voting rights directly or indirectly held by Bolloré SE are attributed to Mr. Fabri.

h) Art. 14. of the statutes: *"The Company is administered by a Board composed of at least three members, whether natural or legal persons. The Directors are appointed for a period of six years by the General Meeting of Shareholders. They are eligible for re-election. The Directors are renewed by lottery, so that at least one Director will be leaving each year."*

Art. 23. of the statutes: *"In the event of vacancy of one or more director's seat, it may be provisionally replaced by complying with the formalities provided for by law."*

Art. 32. of the statutes: *"The present statutes can be modified by decision of the General Meeting specially convened for this purpose, in the forms and conditions prescribed by articles 450-1 and 450-8 of the law of 10 August 1915 on the commercial companies, as amended."*

i) The powers of the members of the Board of Directors are defined in Art. 18 and seq. of the statutes of the Company. They provide in particular that: *"The Board of Directors is vested with the broadest powers for the administration of the Company. All matters not expressly reserved to the General Meeting by the statutes or the law fall within the competence of the Board".*

In addition, the statutes provide in Art. 6: *"In the event of a capital increase, the Board of Directors shall determine the conditions of issue of the shares.*

The new shares to be paid up in cash shall be offered in preference to the current shareholders, in accordance with the law.

In the event of the issue of shares by contribution in cash or in the event of the issue of instruments which fall within the scope of application of article 420-27 of the law on companies and which are paid for in cash, including and in a non-exhaustive manner, convertible bonds allowing their holder to subscribe to shares or to be allocated shares, shareholders have preferential subscription rights in proportion to their participation with regard to all these issues in accordance with the provisions of company law.

The General Meeting called to deliberate, under the conditions required for the amendment of the Articles of Association, on the increase in the share capital or on the authorisation to increase the capital in accordance with Article 420-23 of the law of commercial companies, may limit or cancel the preferential subscription right or authorise the Board to do so in the manner and under the conditions provided for by law."

The other points of Art. 11 (1) are not applicable, namely:

- holding of shares giving special control rights;
- the existence of a staff shareholding system;
- the indemnities provided in the event of the resignation or dismissal of members of the Board of Directors or staff following a takeover bid.

Responsible management policy

The responsible management policy is based on the Group's three pillars of commitment, alongside its specific commitment to transparency: rural development, workers and local communities, and environment. These commitments form the basis of key initiatives aimed at improving long-term economic performance, social well-being, health, safety and natural resource management.

An implementation plan for this policy has been defined and implemented throughout 2023.

The efforts and actions undertaken by the Socfin Group in this area are detailed in a regularly updated dashboard as well as in a separate annual report ("Sustainable Development Report").

The responsible management policy, the dashboard and the annual sustainable development report are available on the Group's website.

Estimated value of the share (company accounts)

The estimated value of Socfin as at 31 December 2023 amounts to EUR 346.6 million. This valuation includes unrealised gains on the portfolio.

As a reminder, the share price was EUR 31.00 at the end of the 2023 financial year compared to EUR 20.20 one year earlier.

Significant events after the end of the year

There are no significant post-closing events affecting the Company.

Company’s management Report

Key risks and uncertainties

It must be emphasised that the Group’s investments in Africa and Southeast Asia may be subject to political and economic risks. On-site executives and managers follow the day-to-day evolution of the situation.

Perspectives

The result for the 2024 financial year will depend to a large extent on the dividend distributions of the subsidiaries.

Statutory appointments

Mr. François Fabri, outgoing director, is eligible for re-election. The Board will propose to the next General Meeting the renewal of this term of office for a period of six years.

The Board of Directors

Audit report on the Company's financial statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Société Financière des Caoutchoucs S.A.
4, avenue Guillaume
L-1650 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Société Financière des Caoutchoucs S.A. (the "Company"), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of shares in affiliated undertakings

Risk identified

As at 31 December 2023, the shares in affiliated undertakings amounts to 196 million euros and represents 69% of the total assets of the balance sheet. Shares in affiliated undertakings are valued at historical acquisition cost, respectively their nominal value, which includes incidental expenses. In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. In the event of an impairment that, in the opinion of the Board of Directors, is of a lasting nature, these financial assets are subject to value adjustments in order to give them the lower value that should be attributed to them on the balance sheet date, as determined by the Board of Directors.

Audit report on the Company's financial statements

The assessment of the durable depreciation in value of these shares in affiliated undertakings requires the exercise of the Board of Directors' judgement in its choice of the elements to be considered according to the shares in affiliated undertakings, whether market elements (shares price when applicable) and/or historical elements (adjusted net equity) and/or forecast elements (discounted future cash flows to shareholders).

Due to the size of the balance and judgement included, we considered this area to be a key audit matter.

Our answer

Our audit procedures over the impairment of the shares in affiliated undertakings and of the loans to affiliated undertakings included amongst other :

- Assessing the accounting policies determined by the Board of Directors, as described in the note 2 of the financial statements, to determine the value adjustments to be recorded on shares in the affiliated undertakings ;
- Ensuring that the accounting policies used by the Board of Directors were properly applied:
  - when the Board of Directors relied on market data, we reconciled the share prices as at 31 December 2023 used for the valuation of shares in affiliated undertakings to the official stock markets quotations ;
  - when the Board of Directors relied on historical data, we reconciled the adjusted net equity used in the valuation of the shares in affiliated undertakings as at 31 December 2023 to the financial information of the related affiliated undertakings and assessed the appropriateness of evidence supporting the adjustments made to the net equity, if any.
- Assessing the appropriateness of the disclosures made in the Note 3 of the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual reporting including the management report and the corporate governance statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 26 May 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Audit report on the Company's financial statements

The accompanying corporate governance statement on pages 19 to 24 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to :

- Financial statements prepared in valid xHTML format

In our opinion, the financial statements of the Company as at 31 December 2023, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Anthony CANNELLA

Company's financial statements

1. Balance sheet as at 31 December 2023

ASSETS	Note	2023 EUR	2022 EUR
FIXED ASSETS			
Financial assets	3		
Shares in affiliated undertakings		196,356,984.97	187,356,984.97
Loans to affiliated undertakings		80,442,500.00	120,412,500.00
		276,799,484.97	***307,769,484.97***
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings	4		
Becoming due and payable within one year		7,154,053.92	16,325,350.98
Other debtors			
Becoming due and payable within one year		207,296.24	153,785.88
		7,361,350.16	***16,479,136.86***
Cash at bank and in hand		363,981.87	259,023.92
		7,725,332.03	***16,738,160.78***
TOTAL ASSETS		***284,524,817.00***	***324,507,645.75***

The accompanying notes form an integral part of the financial statements.

Company's financial statements

		2023	2022
CAPITAL, RESERVES AND LIABILITIES	*Note*	*EUR*	*EUR*
CAPITAL AND RESERVES	5		
Issued capital		24,779,510.00	24,779,510.00
Share premium account		501,846.51	501,846.51
Reserves			
Legal reserve		2,477,951.00	2,477,951.00
Other reserves, including the fair value reserve			
Other available reserves		57,277,681.15	57,277,681.15
		59,755,632.15	***59,755,632.15***
Profit brought forward		117,203,463.42	103,075,979.76
Profit for the financial year		38,275,879.44	33,793,761.44
Interim dividends		-7,866,511.11	-11,799,766.67
		232,649,820.41	***210,106,963.19***
CREDITORS			
Amounts owed to credit institutions			
Becoming due and payable within one year		0.00	18.18
Trade creditors			
Becoming due and payable within one year		225,406.00	216,429.50
Amounts owed to affiliated undertakings	6		
Becoming due and payable within one year		1,181,499.84	13,830,365.13
Becoming due and payable after more than one year		50,000,000.00	100,000,000.00
Other creditors			
Tax authorities		200,520.00	86,520.00
Other creditors			
Becoming due and payable within one year		267,570.75	267,349.75
		51,874,996.59	***114,400,682.56***
TOTAL CAPITAL, RESERVES AND LIABILITIES		***284,524,817.00***	***324,507,645.75***

The accompanying notes form an integral part of the financial statements.

2. Income statement for the year ended 31 December 2023

	Note	2023 EUR	2022 EUR
Other operating income		0.00	46,068.75
Raw materials and consumables			
Other external expenses		-2,861,799.83	-1,509,020.71
Other operating expenses		-14,478.50	-18,139.65
Income from participating interests			
Derived from affiliated undertakings	7	39,948,377.00	34,212,972.00
Income from other investments and loans forming part of the fixed assets			
Derived from affiliated undertakings	8	5,786,549.68	8,835,902.76
Other interest receivable and similar income			
Derived from affiliated undertakings		54,925.05	3,601,489.37
Other interest and similar income		579.54	2,063.34
Interest payable and similar expenses			
Derived from affiliated undertakings		-4,523,557.33	-11,282,652.87
Other interest and similar expenses		-827.83	-46,681.90
Tax on profit or loss		-0.05	-6.49
Profit or loss after taxation		**38,389,767.73**	**33,841,994.60**
Other taxes not shown above		113,888.29	-48,233.16
Profit for the financial year		**38,275,879.44**	**33,793,761.44**

Beneficiary distribution proposal

	2023 EUR	2022 EUR
Retained earnings	139,746,320.64	117,203,463.42
From the balance:		
10% on the Board of Directors	1,573,302.22	1,966,627.78
90% to 14,159,720 shares	14,159,720.00	17,699,650.00
	155,479,342.86	***136,869,741.20***
Dividend per share	***1.00***	***1.25***

The accompanying notes form an integral part of the financial statements.

3. Notes to the financial statements for the year 2023

Note 1. Overview

The company was incorporated on 5 December 1959 as a public limited company and adopted the status of "Soparfi" on 10 January 2011.

The duration of the company is unlimited, and its registered office is established in Luxembourg. The company is registered in the Register of Commerce and Companies under number B5937 and is listed on the Luxembourg Stock Exchange under ISIN number LU0027967834.

The object of the company is (i) the acquisition, holding and disposal, in any form whatsoever and by any means, directly or indirectly, of participations, rights and interests, as well as bonds of Luxembourgish or foreign companies, (ii) the acquisition by contribution, purchase, subscription or otherwise, as well as the disposal by sale, transfer, exchange or otherwise, of shares, interests, bonds, debts, notes and other securities or financial instruments of any kind (in particular bonds or shares issued by Luxembourg or foreign collective investment funds or any other similar body), loans or any other credit line, as well as contracts relating thereto and (iii) the holding,administration, development and management of a portfolio of assets (composed in particular of the assets described in points (i) and (ii) above).

The company may also acquire and develop any patents and other rights relating to or supplementing those patents.

The company may borrow in any form whatsoever. It may enter into any kind of loan agreement and may issue debt securities, bonds, certificates, shares, profit shares, warrants and all kinds of debt and equity securities, including by virtue of one or several issue programmes. The company may lend funds, including those resulting from borrowings and/or securities issues, to its subsidiaries, affiliates and any other company.

The company also prepares consolidated financial statements which are published in accordance with the law and which are available at the company's registered office (4, avenue Guillaume, L-1650 Luxembourg) or on the Internet site: www.socfin.com.

The financial year begins on 1 January and ends on 31 December.

Note 2. Accounting principles, rules and methods

General principles

The annual financial statements are prepared in accordance with Luxembourg legal and regulatory requirements in force in Luxembourg under the historical cost convention.

The accounting policies and valuation principles are, apart from the rules imposed by the law of 19 December 2002, determined and implemented by the Board of Directors.

The preparation of the annual financial statements involves the use of a number of critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the application of accounting principles. Any change in assumptions may have a significant impact on the financial statements for the period in which the assumptions are changed. The Board of Directors believes that the underlying assumptions are appropriate and that the financial statements give a true and fair view of the financial position and results of the company.

Currency conversion

The company keeps its accounts in euros (EUR); the annual accounts are expressed in the same currency.

Transactions in a currency other than the balance sheet currency are converted into the balance sheet currency at the exchange rate prevailing on the date of the transaction.

At the balance sheet date:

- the acquisition price of the financial assets, expressed in a currency other than the currency of the balance sheet, remains converted at the historical exchange rate. The current portion of receivables is one exception to this, as it is valued individually at the lowest of their historical exchange rate value or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- bank accounts expressed in a currency other than the currency of the balance sheet are valued on the basis of the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses are recognised in the current period;

- all other assets, expressed in a currency other than the currency of the balance sheet, are valued individually at the lowest of their value at the historical exchange rate or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- all liability items, expressed in a currency other than the currency of the balance sheet, are valued individually. For this, the highest amount is used between their value at the historical exchange rate and their value determined on the basis of the exchange rate prevailing on the balance sheet.

Realised foreign exchange gains and losses and unrealised losses are recognised in the profit and loss account. Unrealised foreign exchange gains are not recognised.

If there is an economic link between two transactions, unrealised exchange differences are recognised at the corresponding unrealised exchange loss.

Valuation of financial assets

Shares in affiliated undertakings are valued at acquisition cost, which includes incidental expenses. Receivables from affiliated companies are valued at their nominal value, which includes incidental expenses.

In the event of an impairment that, in the opinion of the Board of Directors, is of a lasting nature, these financial fixed assets are subject to value adjustments. The aim of the latter is to give them the lowest value that should be attributed to them on the balance sheet date, as determined by the Board of Directors.

In order to determine the value adjustments that are permanent at the balance sheet date, the Board of Directors carries out the following analyses for each investment on an individual basis:

1/ For investments listed on public markets, the Board of Directors compares the net book value of the investment with its shares in the market based on the stock market price at the closing date. When the market value is greater than or equal to the net book value, the Board of Directors considers that no value adjustment needs to be recorded at the closing date. However, when the market value is lower than the net book value, the Board of Directors tests the net book value against the share in the revalued net assets of the investment.

2/ If the net book value exceeds the market value or the equity value for unlisted investments, the Board of Directors compares the net book value with the share held in the revalued net assets as well as in the consolidated net assets (i.e. equity attributable to owners of the parent company) if the subsidiary prepares consolidated accounts.

If either the market or the equity value is greater than or equal to the net book value of the investment, no value adjustment is recognised.

3/ When both values are lower than the net book value of the investment:

- for support companies (other than plantations or industrial companies), the Board of Directors records the value adjustment resulting from the smaller difference between the net book value of the investment and the share held in the revalued net assets or in the consolidated net assets;

- for investments in plantations or industrial companies, the Board of Directors makes a value adjustment to adjust the carrying value to the enterprise value which is calculated on the basis of the discounted future cash flows available to the shareholders. These discounted future cash flows take into account the foreseeable development of the business of the investments under test.

However, the Board of Directors may take other factors into consideration., Particularly, in view of the very long period of immaturity of young plantation, it considers that the value adjustment is not permanent for a plantation where more than half of the planted area is not being used.

Loans to affiliated companies are subject to a value adjustment in the event that the net book value test by discounting future cash flows to shareholders does not support the full repayment of the receivable.

These value adjustments are not maintained when the reasons for which they were established cease to exist.

Receivables

Receivables are recorded at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reason for which the value adjustments were made are no longer applicable.

Liabilities

Debts are recorded at their reimbursement value. When the amount to be repaid on the debts exceeds the amount received, the difference is recorded to the profit and loss account.

Geopolitical uncertainties

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions were made following military operations initiated by Russia against Ukraine on 24 February 2022.

On 7 October 2023, Palestinian militant groups led by Hamas launched a coordinated surprise offensive on Israel resulting in more than 1,200 deaths, primarily Israeli citizens. Following this attack, Israel declared itself in a state of war for the first time since the Yom Kippur War in 1973.

Due to the geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets. The conflicts have had a significant impact on the financial markets, with many investors concerned about the risk of further escalation and the ensuing impact on global trade and economic growth.

Although the aforementioned aspects have not significantly impacted the company’s operations nor performance and going concern during 2023, the Board of Directors continues to monitor the evolving situation and its impact on the company’s financial position and results.

Note 3. Financial fixed assets

	Shares in affiliated undertakings		Loans to affiliated undertakings		Total	
	2023	2022	2023	2022	2023	2022
	EUR	EUR	EUR	EUR	EUR	EUR
Acquisition cost nominal value at the beginning of the year	***187,356,984.97***	***186,370,878.78***	***120,412.500.00***	***187,056,434.52***	***307,769,484.97***	***373,427,313.30***
Increases	9,000,000.00	1,049,628.23	30,000.00	0.00	9,030,000.00	1,049,628.23
Decrease	0.00	-63,522.04	-40.000.000.00	-66,643,934.52	-41,000,000.00	-66,707,456.56
Acquisition cost nominal value at the end of the year	***196,356,984.97***	***187,356,984.97***	***80,442,500.00***	***120,412,500.00***	***276,799,484.97***	***307,769,484.97***
Value adjustments at the beginning and at the end of the year	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
Net book value at the end of the year	***196,356,984.97***	***187,356,984.97***	***80,442,500.00***	***120,412,500.00***	***276,799,484.97***	***307,769,484.97***

Information on movements during the year

During the year, the Company has participated in the capital increase of Management Associates S.A. for a total amount of EUR 9,000,000.

Information on companies in which the company holds at least 20% of the capital

Entity	Country	% held	Net book value EUR	Year end	Currencies of the annual accounts	Net equity at 31/12/2023	Net result at 31/12/2023
Socfinaf (**)	Luxembourg	64.64	137,565,946	31/12/2023	EUR	223,912,557	2,658,856
Socfinasia (**)	Luxembourg	58.25	49,071,662	31/12/2023	EUR	424,074,295	48,129,963
Induservices (*)	Luxembourg	35.00	35,000	31/12/2023	EUR	486,125	158,489
Management Associates (*)	Luxembourg	30.00	9,637,500	31/12/2023	EUR	32,473,351	17,271
			196,310,108				

(*) Based on unaudited financial statements as at 31 December 2023.

(**) Based on audited financial statements as at 31 December 2023.

Valuation of shares in affiliated undertakings

As at 31 December 2023, the Board of Directors is of the opinion that there is no permanent value decrease for the shares in affiliated undertakings.

Information and valuation of loans to affiliated undertakings

As at 31 December 2023, the loans to affiliated undertakings are mainly comprised of receivables from Socfinaf for a nominal amount of EUR 80,000,000 (2022: EUR 120,000,000) and which bear a fixed interest rate of 6.25%. The maturity of the receivable is fixed on 10 November 2026. During the year, the company has received a reimbursement from Socfinaf of EUR 40,000,000.

As at 31 December 2023, the Board of Directors are of the opinion that these loans are recoverable as such, no impairment loss has been accounted for.

Note 4. Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings mainly consist of receivables from the subsidiary Socfinde corresponding to the cash pooling balance of EUR 5,885,387 (2022: EUR 1,914,036). During the year, the company has received a reimbursement from Socfinaf of EUR 13,615,803.

As at 31 December 2023, the Board of Directors is of the opinion that the amounts are fully recoverable and as such, no impairment has been accounted for.

Note 5. Equity

	Issued capital EUR	Share premium EUR	Legal reserve EUR	Other reserves EUR	Retained earnings EUR	Profit for the year EUR	Interim dividends EUR
Situation as at 1 January 2022	***24,779,510.00***	***501,846.51***	***2,477,951.00***	***57,277,681.15***	***102,447,638.68***	***10,068,154.41***	***-1,573,302.22***
Allocation of the result for the 2021 financial year following decision of the General Meeting held on 31 May 2022:							
• Retained earnings					628,341.08	-628,341.08	
• Dividends						-7,079,860.00	
• Director's fees						-786,651.11	
• 2021 interim dividend						-1,573,302.22	1,573,302.22
Interim dividends as per decision of the Board of Directors of 27 October 2022							-11,799,766.67
Financial year profit for 2022						33,793,761.44	
Situation as at 31 December 2022	***24,779,510.00***	***501,846.51***	***2,477,951.00***	***57,277,681.15***	***103,075,979.76***	***33,793,761.44***	***-11,799,766.67***
Distribution of the result for the 2022 financial year following decision of the General Meeting held on 30 May 2023:							
• Retained earnings					14,127,483.66	-14,127,483.66	
• Dividends						-7,079,860.00	
• Director's fees						-786,651.11	
• 2022 interim dividend						-11,799,766.67	11,799,766.67
Interim dividends as per decision of the Board of Directors of 26 October 2023							-7,866,511.11
Financial year profit for 2023						38,275,879.44	
Situation as at 31 December 2023	***24,779,510.00***	***501,846.51***	***2,477,951.00***	***57,277,681.15***	***117,203,463.42***	***38,275,879.44***	***-7,866,511.11***

Issued capital

As at 31 December 2023 and 2022, the issued and fully paid capital is EUR 24,779,510 represented by 14,159,720 shares without nominal value.

Share premium

As at 31 December 2023 and 2022, the share premium amounts to EUR 501,846.

Legal reserve

The annual profit is subject to a levy of 5% to be allocated to a legal reserve. This allocation ceases to be compulsory as soon as the reserve reaches 10% of the capital. The legal reserve cannot be distributed.

Note 6. Amounts to affiliated undertakings

As at 31 December 2023, the amounts owed to affiliated undertakings mainly consist of:

a) Becoming due and payable within one year :

- the remaining portion of a debt toward PNS Ltd that has been reimbursed during the year for 13,615,803. The remaining amount for the year is mainly composed of the interests of the EUR 50,000,000 loan due to Socfinasia of EUR 900,000 (2022 : EUR 400,000)

b) Becoming due and payable after more than one year:

- a debt to Socfinasia for a nominal amount of EUR 50,000,000 (2022: EUR 100,000,000) and which bear a fixed interest rate of 6%. This debt is repayable early or at the latest on 10 November 2026. During the year, the company has reimbursed an amount of EUR 50,000,000.

Note 7. Income from participating interests

	2023	2022
	EUR	*EUR*
Dividends received	***39,948,377***	***34,212,972***

This amount corresponds to the dividend received from the affiliated undertakings (Note 3).

Note 8. Income from other investments and loans forming part of the fixed assets

	2023	2022
	EUR	*EUR*
Interest on related companies' receivables	***5,786,550***	***8,835,903***

This amount corresponds to interest income received on the loans granted by affiliated undertakings (Note 3).

Note 9. Taxation

The company is subject to all taxes to which Luxembourg commercial companies are subject to.

Based on the last filed tax return, the management of the Company recognises that the Company has EUR 10,515,211 of carried forward tax losses available as at 31 December 2022 and estimates approximately EUR 1,539,398 of additional tax losses for the current period (FY 2023).

Regarding the portion of the aforementioned losses that have been generated as from tax year 2017 (approximately EUR 8,131,536) that amount can be carried forward for the seventeen years following the tax year in which the losses arose.

Note 10. Remuneration of the Board of Directors

During the 2023 financial year, the remuneration of the Board members amounted to EUR 7,188 (2022: EUR 8,750) as attendance fees and EUR 1,573,302 (2022: EUR 1,966,628) as directors' fees.

During 2023, no advances or loans were granted to the Board members.

Note 11. Political and economic environment

The company holds interests in companies that operate indirectly in Africa and South-East Asia.

Given the economic and political instability in these African countries (Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Nigeria, Cameroon, São Tomé and Principe and Democratic Republic of Congo) and South-East Asia (Cambodia and Indonesia), these holdings are exposed to political and economic fluctuations risks.

Note 12. Off-balance sheet commitments

As at 31 December 2023 and 2022, the Company had no significant off-balance sheet commitments.

Note 13. Significant events after the year end

There are no significant post-closing events affecting the Company.

Glossary

CIF Rotterdam - Cost Insurance & Freight Rotterdam, corresponds to:
- The cost of the good/oil;
- The insurance cost for the whole consignment right from port of loading until arrived and delivered;
- Freight: the carrying cost from port of loading all the way up to Rotterdam.

In other words, the seller pays for the goods, transportation to the port of destination, and marine insurance.

CONCESSION - Contract, signed with local authorities, giving specific rights to control an area of land and for the conduct of specific activities in that area, during a defined period.

CPO - Crude Palm Oil is edible oil which is extracted from the pulp of fruit of oil palm trees.

CPKO - Crude Palm Kernel Oil is the light crude oil, extracted from the Oil Palm kernels, containing mainly lauric acid.

DAP - Delivered At Place is an international commercial term (Incoterm) that refers to the idea that the seller takes on all the risks and costs of delivering goods to an agreed-upon location.

DRY RUBBER - This is the weight of natural rubber produced, determined at the end of the milling and drying process. After tapping, liquid latex drips from the rubber trees in the field, mostly harvested after in-field coagulation. However, the “wet rubber” still contains water and many other natural components apart from the rubber particles. Natural rubber is marketed as “dry rubber” – after processing – to be used in numerous industrial value chains among which the manufacturing of tyres is the most important.

EBIT - This abbreviation is defined as earnings before the financial result and tax. It is the result of ordinary business activities and is used to assess operational profitability.

EBITDA - This abbreviation is defined as earnings before financial result, tax, depreciation and amortisation. This key figure is used to assess operational profitability.

ESEF - European Single Electronic Format is the electronic reporting format in which issuers whose securities are admitted to trading on EU regulated markets must prepare their annual financial reports to facilitate accessibility, analysis and comparability of annual financial reports.

EXW - Ex works is an Incoterm, in which a seller makes a product directly available from the factory or place of manufacture. The buyer of the product must cover the transport costs.

FINISHED GOODS - Goods that have completed the manufacturing process but have not yet been sold or distributed to the end user (for example dry rubber, crude palm oil, seeds, palm kernel oil, palm kernel cake).

FOB - Free On Board is an Incoterm, thatmeans that the seller is responsible for loading the purchased goods onto the ship, and all costs associated. As soon as the goods are safe aboard the vessel, the risk transfers to the buyer, who assumes the responsibility of the remainder of the transport.

FREE CASH FLOWS - Free cash flows are the sum of cash flows arising from operating activities and cash flows arising from investing activities. Also referred to as cash flows before financing activities. Free cash flows are used to assess financial performance.

GPSNR - Global Platform for Sustainable Natural Rubber. GPSNR is an international, multistakeholder, voluntary membership organisation, whose mission is to lead improvements in the socioeconomic and environmental performance of the natural rubber value chain.

IAS - International Accounting Standards. Accounting standards issued by the International Accounting Standards Board (IASB), which have been replaced by IFRS in 2001.

IFRS - International Financial Reporting Standards are accounting rules for public companies, with the goal of making company financial statements consistent, transparent, and easily comparable around the world. IFRS are issued by the IASB. IFRS include IAS (older standards), the interpretations of the IFRS Interpretations Committee or of the predecessor IFRIC as well as the former SIC.

Glossary

IRSG - International Rubber Study Group. It is an inter-governmental organisation composed of rubber producing and consuming stakeholders. Located in Singapore, IRSG was established in 1944.

MARKET CAPITALISATION – The product of the number of shares multiplied by the closing market price.

NET VALUE PER SHARE – Equity attributable to the owners of the Parent at closing period, divided by the number of shares. Allows readers of the financial statements to compare easily the share price at closing period with its value within the financial statements. As an example, value as at 31 December 2023 is obtained by dividing EUR 425,338,285 (value of Equity attributable to the owners of the Parent) by 14,159,720 (number of shares).

NON-CONTROLLING INTEREST - Equity in a subsidiary not attributable, directly or indirectly, to a parent.

OPERATIONAL LIFE – Length of time during which a tangible or intangible asset can be used economically before breakdown. Operational life does not include post-closure activities. As an example, rubber and palm trees have an estimated operational life between 20 and 33 years.

OTHER COMPREHENSIVE INCOME - Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other IFRSs.

OWN PRODUCTION - Quantities of raw materials (Fresh Fruit Bunches, wet rubber, …) milled that have been harvested on own plantations managed by the Group.

PRODUCTION-IN-PROGRESS - Inventory that has begun the manufacturing process and is no longer included in raw materials inventory, but is not yet a completed product. In the financial statements, production in progress is classified within current assets, with other items of inventory.

RAW MATERIALS - Raw materials are the input goods or inventory that a company needs to manufacture its products (for example Fresh Fruit Bunches, wet rubber, …).

RIGHT OF USE ASSET - Asset that represents the lessee's right to use an underlying asset over the duration of the lease.

RSS3 - Ribbed Smoked Sheet is rubber coagulated from high quality natural rubber. Rubber is then processed into sheet, dried, smoked, and visually graded. RSS3 rubber sheets are used in the production of tyres, tread carcass, footwear, …

SGX - Singapore Exchange is Singapore's primary asset exchange. The SGX lists stocks, bonds, options contracts, foreign currency exchanges and commodities, representing in 2021 the largest stock market exchange in South-East Asia.

SEGMENTAL ASSETS / SEGMENTAL LIABILITIES - Segmental assets and segmental liabilities are not part of internal reporting, they are included to meet the requirements of IFRS 8:
- Segmental assets include fixed assets, biological assets, trade receivables, inventories, cash and cash equivalents. They do not include any consolidation nor IFRS adjustments;
- Segmental liabilities include only trade payables and other payables. They do not include any consolidation nor IFRS adjustments.

SMOKED SHEET - It is a type of crude natural rubber in the form of brown sheets obtained by coagulating latex with an acid, rolling it into sheets, and drying it over open wood fires. It is the main raw material for natural rubber products. Also called: ribbed and smoked sheet.

SOFR - The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralised by United States Treasury securities

SOPARFI - SOciété de PARticipations FInancières. SOPARFIs are fully taxable ordinary commercial companies, whose corporate purpose consists in the holding of participations and related financing activities.

Glossary

SPPI - Solely Payments of Principal and Interest. It is in the context of IFRS 9 one of the two required conditions for classifying an instrument at amortised cost. It specifies that the contractual terms of the lending agreement gives rise on specified dates of contractual cash flows that are either:
- repayments of the borrowed principal or,
- interest on the principal amount outstanding.

TAPPER - Agricultural worker trained and qualified to "tap" a tree with a special knife. Trees are tapped at regular interval (4-7 days), releasing the latex from the latex vessels situated in the soft outer bark of the tree.

THIRD PARTY PURCHASES - Business deal that involves a person or entity other than a Group company. Typically, third-party purchases are made with small local growers.

TRADING ACTIVITIES – The activity of selling, buying or exchanging goods and services in order to generate profit. This commercial activity is mainly centralised within Sogescol FR.

TSR20 - Technically Specified Rubber graded corresponds to block rubber made by crashing, cleaning and drying solid rubber. Major producing countries have their own TSR standard (STR in Thailand, SIR in Indonesia, …). TSR are graded according to a variety of factors, including volatile matter, ash content, color, viscosity, …