Socfinaf S.A.

2023 ANNUAL REPORT

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1. Overview of the Group

Socfinaf is a Luxembourgish company whose registered address is 4, Avenue Guillaume, L-1650, Luxembourg. It was incorporated on 22 October 1961 and is listed on the Stock Exchange of Luxembourg.

Socfinaf's principal activity is to manage a portfolio of shares that mainly focus on the operation of more than 137,000 hectares of tropical palm oil and rubber plantations in Africa. As of 2023, Socfinaf employs 23,940 people and has achieved a consolidated turnover of EUR 563 million over that same year.

2. History

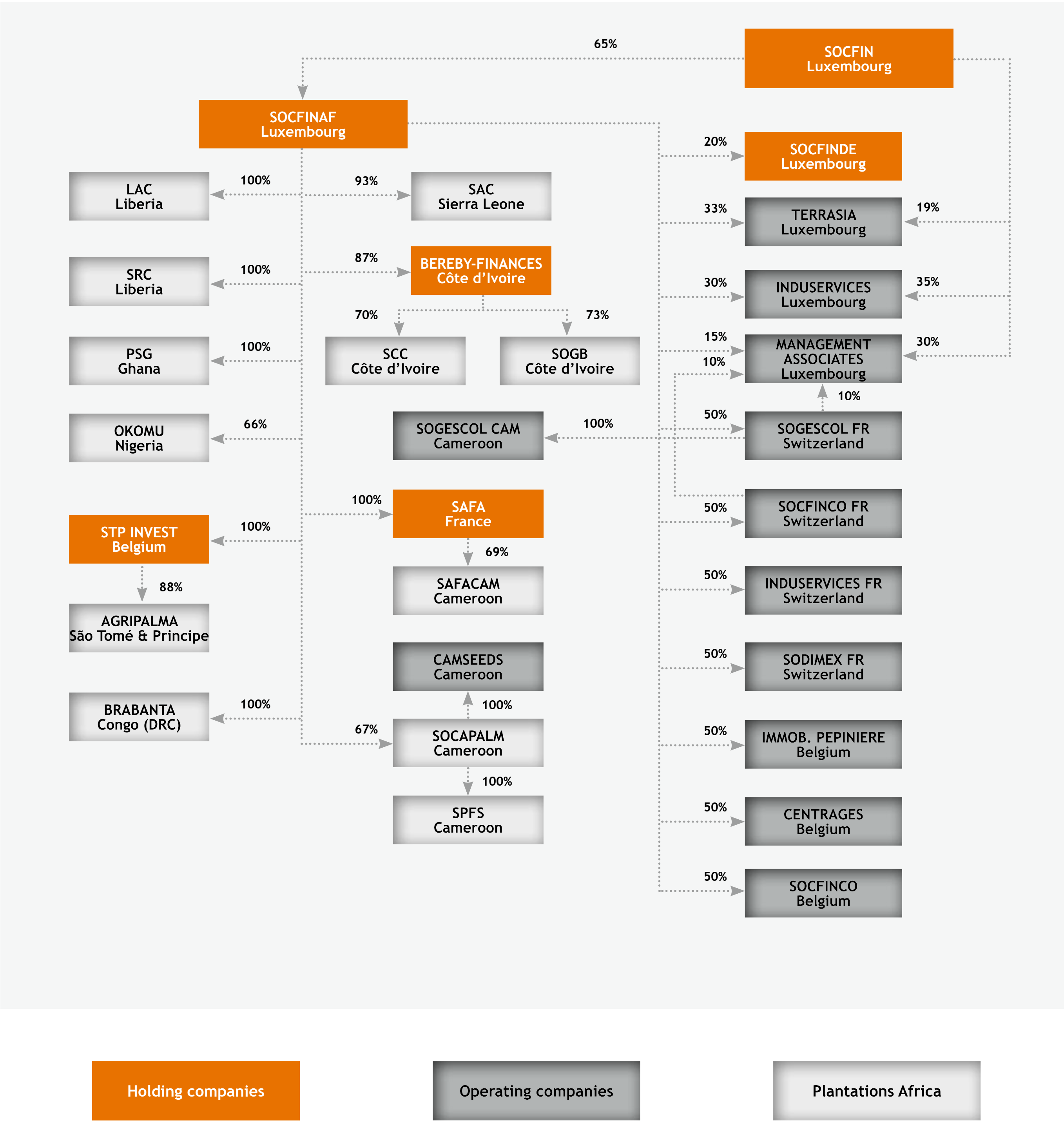
- **22/10/1961:** Incorporation of Compagnie Internationale de Cultures (Intercultures) as a Luxembourgish holding company.
- **31/12/1961:** Intercultures invests in two Congolese plantations named "La Compagnie Congolaise de l'Hévéa" and "Cultures Equatoriales".
- **18/04/1966:** The shares of Intercultures have been listed on the Stock Exchange of Luxembourg.
- **31/12/1974:** Nationalisation measures of industrial enterprises by the State of Zaire.
- **31/12/1976:** Progress of negotiations with Zaire - exit of Zairian holdings from the portfolio and accounting for Zaire claim.
- **19/05/1995:** Increase of the share capital of Intercultures in order to relaunch the Company's activity in the field of tropical plantations.
- **30/06/1995:** Acquisition of 65% of Société des Caoutchoucs du Grand Bereby "SOGB" in Côte d'Ivoire via Bereby Finances "Befin", a Côte d'Ivoire holding company.
- **30/06/1997:** Acquision of 5% of Palmci, a Côte d'Ivoire company producing palm oils.
- **30/06/1998:** Increase of share capital and investment in Kenya in 70.8% of Red Lands Roses, producer of roses and Socfinaf Company, coffee producer.
  In addition, Intercultures acquired through its Luxembourg subsidiary (Indufina Luxembourg) 54% of an oil palm plantation in Nigeria, Okomu Oil Palm Company.
- **31/03/1999:** Intercultures continues the expansion of its investments in Africa and more specifically in Liberia: acquisition of 70% of Weala Rubber Company, owner of a rubber factory and 75% of Liberian Agricultural Company "LAC" which has a rubber concession[G] (terms having a [G] are explained part "Glossary" at the end of the annual report).
- **31/03/2000:** Acquisition of 89.64% of Société des Palmeraies de la Ferme Suisse "SPFS", a Cameroon company active in the production, processing and refining of palm oil.
- **31/12/2000:** Through a Cameroon holding Palmcam, Intercultures continues its investments in Cameroon in Socapalm, a company active in the production and processing of palm oil.
- **31/12/2001:** Further increase in share capital which allowed Intercultures to increase its stake in Okomu Oil Palm Company and in Befin (parent company of SOGB).
- **31/12/2006:** Restructuring of Socfinal Group's holdings, including the distribution of Intercultures shares by Socfinasia (spin-off) and repositioning of the Group's operating companies.
- **31/12/2007:** Intercultures acquired 99.8% of Brabanta, a company developing a palm oil plantation in Congo (DRC). On the other hand, Intercultures sold its holdings Weala Rubber Company (Liberia) and Palmci (Côte d'Ivoire).
- **31/12/2008:** Constitution of Sud Comoë Caoutchouc "SCC" (Côte d'Ivoire) via the Ivorian holding Befin. Intercultures sold 60% of Red Lands Roses (Kenya).
- **31/12/2009:** Capital increase in Brabanta (DRC).
  Increased participation in Salala Rubber Corporation "SRC" (Liberia).
- **17/03/2010:** Sale of Socfinaf Company (Kenya).
- **10/01/2011:** Extraordinary General Meeting which ratified the abandon of the holding 29 status and change of the designation to Socfinaf.
- **01/07/2011:** Share split by 10.

Group profile

- **06/10/2011:** Acquisition of 32.9% of Palmcam's shares which is entirely owned by Socfinaf.
- **31/12/2012:** Acquisition of 3.4% of Okomu Oil Palm Company's shares.
  Incorporation of Plantations Socfinaf Ghana "PSG".
- **23/10/2013:** Acquisition of 100% of STP Invest's shares, a Belgian company which owns 88% of Agripalma, benefitting from a grant of 5,000 hectares concession[G] on the island of São Tomé.
- **31/12/2014:** Capital increase with the issue of 1,474,200 new shares subscribed by Socfin in exchange for 100% of the shares of Société Anonyme Forestière et Agricole "SAFA". It owns 68.93% of Safacam (Cameroon).
- **01/01/2015:** Beginning of Sogescol Cameroon and Camseeds, which were formed in 2014 by Sogescol FR and Socfin Research.
- **05/10/2015:** Acquisition of shares in Socapalm to increase the percentage holding to 4.57%.
- **04/11/2015:** Constitution of Sodimex FR and Induservices FR.
- **01/02/2016:** Liquidation of Palmcam (Cameroon).

Group profile

3. Group structure



Group profile

4. Information on Socfinaf's holdings

Portfolio	Number of shares	Direct %
Sierra Leone		
SAC	119,970,000	93.00%
Liberia		
LAC	25,000	100.00%
SRC	795	100%
Côte d'Ivoire		
Befin	739,995	87.06%
Ghana		
PSG	750,000	100.00%
Nigeria		
Okomu	633,172,834	66.38%
Cameroon		
Socapalm	3,086,886	67.46%
Democratic Republic of Congo		
Brabanta	5,000	100.00%
France		
SAFA	577,200	100.00%
Belgium		
Socfinco	8,750	50.00%
Centrages	7,500	50.00%
Pépinière	3,333	50.00%
STP Invest	1,800	100.00%
Luxembourg		
Socfinde	50,000	20.00%
Terrasia	3,328	33.28%
Induservices	3,000	30.00%
Management Associates	1,500	15.00%
Switzerland		
Sogescol FR	2,650	50.00%
Socfinco FR	650	50.00%
Induservices FR	700	50.00%
Sodimex FR	675	50.00%

The following pages contain a summary of the activity and comments on the financial information for the past two financial years in which Socfinaf holds a direct or indirect participation.

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

Corporate data refers to consolidated data.

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

Group profile

SOCFIN AGRICULTURAL COMPANY "SAC"

Share capital: USD 30,000,000

SAC is active in Sierra Leone in the production of palm oil.

Key data

Area (hectares)		*Planted area*	
As at 31 December 2023	***Mature***	***Immature***	***Total***
Palm	12,349	0	**12,349**

Concessions[G]: 18,473 ha

Permanent staff as at 31 December 2023: 2,375

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Palm oil	50,249	51,919
Turnover (EUR 000)	44,341	58,554
Result (EUR 000)	11,126	16,516
Average sale price (EUR / kg)		
Palm oil	0.88	1.13
Average rate EUR / USD	1.08	1.05
Closing rate EUR / USD	1.10	1.07

Key figures (USD 000)		
As at 31 December	***2023***	***2022***
Fixed assets	124,216	131,376
Current assets	13,813	7,315
Equity (*)	45,729	33,684
Debts, provisions and third parties (*)	92,299	105,007
Profit / (loss) for the period	12,046	17,307
Socfinaf's holding (%)	93.00	93.00

(*) Before profit allocation.

Group profile

LIBERIAN AGRICULTURAL COMPANY "LAC"

Share capital: USD 31,105,561

LAC is active in Liberia in the field of rubber cultivation and industrial rubber processing.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	10,711	1,558	**12,269**

Concessions[G] : 121,407 ha

Permanent staff as at 31 December 2023: 2,036

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	27,694	27,401
Turnover (EUR 000)	34,964	40,757
Result (EUR 000)	-16,538	3,509
Average sale price (EUR / kg)		
Rubber	1.26	1.49
Average rate EUR / USD	1.08	1.05
Closing rate EUR / USD	1.10	1.07

Key figures (USD 000)		
As at 31 December	***2023***	***2022***
Fixed assets	64,814	83,995
Current assets	24,252	23,589
Equity (*)	42,913	60,817
Debts, provisions and third parties (*)	46,153	46,767
Profit / (loss) for the period	-17,904	3,677
Socfinaf's holding (%)	100.00	100.00

(*) Before profit allocation.

Group profile

SALALA RUBBER CORPORATION "SRC"

Share capital: USD 49,656,328

SRC is active in Liberia in the rubber sector.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber plantation	3,335	1,110	**4,445**

Concessions[G]: 8,000 ha

Permanent staff as at 31 December 2023: 229

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	5,314	4,563
Turnover (EUR 000)	4,018	4,469
Result (EUR 000)	-2,638	-2,229
Average sale price (EUR / kg)		
Rubber	0.76	0.98
Average rate EUR / USD	1.08	1.05
Closing rate EUR / USD	1.10	1.07

Key figures (USD 000)		
As at 31 December	***2023***	***2022***
Fixed assets	44,025	46,130
Current assets	2,554	2,686
Equity	-2,331	526
Debts, provisions and third parties	48,910	48,291
Profit / (loss) for the period	-2,856	-2,335
Socfinaf's direct and indirect holding (%)	100.00	100.00

Group profile

BEREBY-FINANCES "BEFIN"

Share capital: CFA 8,500,000,000

This Côte d'Ivoire holding company holds 73.16% of SOGB and 70.01% of SCC.

SOCIETE DES CAOUTCHOUCS DU GRAND BEREBY "SOGB"

Share capital: CFA 21,601,840,000

SOGB is active in Côte d'Ivoire in the production and processing of palm oil and rubber.

Key data

Area (hectares)		*Planted area*	
As at 31 December 2023	***Mature***	***Immature***	***Total***
Palm	7,471	20	**7,491**
Rubber	12,906	2,879	**15,785**
TOTAL	***20,377***	***2,899***	***23,276***

Concessions[G]: 34,712 ha

Permanent staff at 31 December 2023: 6,281

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	64,309	65,815
Palm oil	34,159	35,301
Turnover (EUR 000)	111,971	143,125
Result (EUR 000)	8,035	23,863
Average selling price (EUR / kg)		
Rubber	1.22	1.52
Palm oil	0.91	1.13
Rate EUR / CFA	655.957	655.957

Key figures (CFA million)		
As at 31 December	***2023***	***2022***
Fixed assets	63,269	64,408
Current assets	25,738	27,065
Equity (*)	60,756	68,879
Debts, provisions and third parties (*)	28,251	22,594
Profit / (loss) for the period	5,270	15,653
Distribution	7,094	8,000
Socfinaf's indirect holding (%)	63.69	63.69

(*) Before profit allocation.

SUD COMOË CAOUTCHOUC "SCC"

Share capital: CFA 964,160,000

SCC is active in Côte d'Ivoire in the industrial rubber processing sector.

Key data

Permanent staff at 31 December 2023: 408

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	38,559	39,554
Turnover (EUR 000)	48,644	57,479
Result (EUR 000)	4,099	4,858
Average selling price (EUR / kg)		
Rubber	1.26	1.45
Rate EUR / CFA	655.957	655.957

Key figures (CFA million)		
As at 31 December	***2023***	***2022***
Fixed assets	3,727	3,977
Current assets	10,196	11,978
Equity (*)	7,976	7,987
Debts, provisions and third parties (*)	5,947	7,968
Profit / (loss) for the period	2,689	3,187
Distribution	2,000	2,500
Socfinaf's indirect holding (%)	60.95	60.95

(*) Before profit allocation.

PLANTATIONS SOCFINAF GHANA "PSG"

Share capital: GHS 150,000,000

PSG is active in Ghana in the production of palm oil and rubber.

Key data

Area (hectares)		*Planted area*	
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	942	0	**942**
Palm	6,140	0	**6,140**
TOTAL	***7,082***	***0***	***7,082***

Concessions[G]: 18,304 ha

Permanent staff as at 31 December 2023: 2,642

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	1,280	814
Palm oil	35,472	25,375
Turnover (EUR 000)	34,514	33,083
Result (EUR 000)	12,795	5,808
Average selling price (EUR / kg)		
Rubber	0.89	1.19
Palm oil	0.94	1.26
Average rate EUR / GHS	12.07	8.42
Closing rate EUR / GHS	13.13	9.15

Key figures (GHS 000)		
As at 31 December	***2023***	***2022***
Fixed assets	477,066	465,946
Current assets	39,895	65,401
Equity (*)	428,495	274,059
Debts, provisions and third parties (*)	88,465	257,288
Profit / (loss) for the period	154,436	48,891
Socfinaf's holding (%)	100	100

(*) Before profit allocation.

OKOMU OIL PALM COMPANY

Share capital: NGN 476,955,000

Okomu is active in Nigeria in the production and processing of palm oil and rubber.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	6,265	1,070	**7,335**
Palm	19,045	0	**19,045**
TOTAL	***25,310***	***1,070***	***26,380***

Concessions[G]: 33,113 ha

Permanent staff at 31 December 2023: 1,862

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	9,907	8,124
Palm oil	69,563	54,091
Turnover (EUR 000)	113,519	133,280
Result (EUR 000)	35,264	38,963
Average selling price (EUR / kg)		
Rubber	1.21	1.52
Palm oil	1.46	2.23
Average rate EUR / NGN	662	445
Closing rate EUR / NGN	995	479

Key figures (NGN 000)		
As at 31 December	***2023***	***2022***
Fixed assets	59,399,143	55,902,697
Current assets	23,325,373	13,717,176
Equity (*)	40,633,430	42,017,150
Debts, provisions and third parties (*)	42,091,087	27,602,722
Profit / (loss) for the period	23,331,914	17,342,677
Distribution	13,292,595	20,032,110
Gross dividend per share (NGN)	13.93	21.00
Socfinaf's holding (%)	66.38	66.38

(*) Before profit allocation.

Group profile

SOCAPALM

Share capital: CFA 45,757,890,000

Socapalm is active in Cameroon in the production and processing of palm oil and the cultivation of rubber trees.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	1,936	0	**1,936**
Palm	29,458	2,975	**32,433**
TOTAL	***31,394***	***2,975***	***34,369***

Concessions[G]: 58,063 ha

Permanent staff at 31 December 2023: 2,664

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Palm oil	138,783	146,232
Rubber (*)	2,499	1,734
Turnover (EUR 000)	129,003	112,852
Result (EUR 000)	18,194	16,269
Average selling price (EUR / kg)		
Palm oil	0.91	0.75
Rubber	0.71	0.82
Rate EUR / CFA	655.957	655.957

Key figures (CFA million)		
As at 31 December	***2023***	***2022***
Fixed assets	73,401	74,493
Current assets	18,657	20,762
Equity (**)	67,873	66,234
Debts, provisions and third parties (**)	24,185	29,022
Profit / (loss) for the period	11,934	10,672
Distribution	9,630	9,450
Socfinaf's holding (%)	67.46	67.46

(*) Agricultural production fully sold to SAFACAM.
(**) Before profit allocation.

Group profile

SOCIETE ANONYME FORESTIERE ET AGRICOLE "SAFA"

Share capital: EUR 4,040,400

This French company owns 68.93% of Safacam.

SAFACAM

Share capital: CFA 6,210,000,000

Safacam is active in Cameroon in the production and processing of palm oil and the cultivation of rubber trees.

Key data

Area (hectares)		*Planted area*	
As at 31 December 2023	***Mature***	***Immature***	***Total***
Palm	5,306	0	**5,306**
Rubber	3,509	917	**4,426**
TOTAL	***8,815***	***917***	***9,732***

Concessions[G] and land owned: 17,690 ha

Permanent staff as at 31 December 2023: 2,475

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Palm oil	16,096	16,526
Palm kernel oil	9,770	8,531
Rubber	9,004	6,377
Turnover (EUR 000)	35,943	35,406
Result (EUR 000)	934	4,189
Average selling price (EUR / kg)		
Palm Products	1.61	1.50
Rubber	1.08	1.66
Rate EUR / CFA	655.957	655.957

Key figures (CFA million)		
As at 31 December	***2023***	***2022***
Fixed assets	22,602	21,901
Current assets	9,107	8,251
Equity (*)	19,242	21,374
Debts, provisions and third parties (*)	12,467	8,778
Profit / (loss) for the period	613	2,748
Distribution	1,000	2,484
Socfinaf's indirect holding (%)	69.05	69.05

(*) Before profit allocation.

Group profile

AGRIPALMA

Share capital: STN 156,094,090

Agripalma is a company active in the production of palm oil on the island of São Tomé and Principe.

Key data

Area (hectares)		*Planted area*	
As at 31 December 2023	***Mature***	***Immature***	***Total***
Palm	1,879	0	**1,879**

Concessions[G] and land owned: 2,388 ha

Permanent staff as at 31 December 2023: 789

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Palm oil	4,870	6,430
Turnover (EUR 000)	5,512	7,782
Result (EUR 000)	-2,463	849
Average selling price (EUR / kg)		
Palm oil	1.13	1.21
Average rate EUR / STN	24.50	24.50
Closing rate EUR / STN	24.50	24.50

Key figures (STN million)		
As at 31 December	***2023***	***2022***
Fixed assets	667	691
Current assets	94	103
Equity	-16	44
Debts, provisions and third parties	777	750
Profit / (loss) for the period	-60	21
Socfinaf's indirect holding (%)	88.00	88.00

Group profile

BRABANTA

Share capital: CDF 34,243,622,100

Brabanta is a Congolese company (DRC) active in the production of palm oil.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Palm	6,072	0	**6,072**

Concessions[G]: 8,380 ha

Permanent staff as at 31 December 2023: 2,023

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Palm oil	13,231	13,769
Turnover (EUR 000)	10,923	16,366
Result (EUR 000)	-4,803	-672
Average selling price (EUR / kg)		
Palm oil	0.83	1.19
Average rate EUR / CDF	2,514	2,103
Closing rate EUR / CDF	2,961	2,151

Key figures (CDF million)		
As at 31 December	***2023***	***2022***
Fixed assets	139,957	133,043
Current assets	175,848	115,053
Equity (*)	74,717	69,634
Debts, provisions and third parties (*)	241,088	178,463
Profit / (loss) for the period	-12,077	-1,413
Socfinaf's holding (%)	100.00	100.00

(*) Before profit allocation.

SOGESCOL FR

Share capital: CHF 5,300,000

Sogescol FR is a Swiss company that sells rubber and palm oil.

The financial year ended on 31 December 2023 with a profit of USD 6,705,434. The Board of Directors will propose to the General Meeting of Shareholders a profit distribution of USD 8,000,000.

	2023	*2022*
Average rate EUR / USD	1.08	1.05
Closing rate EUR / USD	1.10	1.07

Key figures (USD 000)		
As at 31 December	***2023***	***2022***
Fixed assets	4,031	773
Current assets	49,001	50,991
Equity (*)	16,660	17,955
Debts, provision and third parties (*)	36,372	33,809
Profit / (loss) for the period	6,705	8,865
Distribution	8,000	8,000
Gross dividend per share (USD)	1,509	1,509
Socfinaf's holding (%)	50.00	50.00

(*) Before profit allocation.

Group profile

SOCFINCO FR

Share capital: CHF 1,300,000

Socfinco FR is a Swiss company, which provides services, studies and management of agro-industrial plantations. Socfinco FR covers the agro-industrial sector of palm oil and rubber.

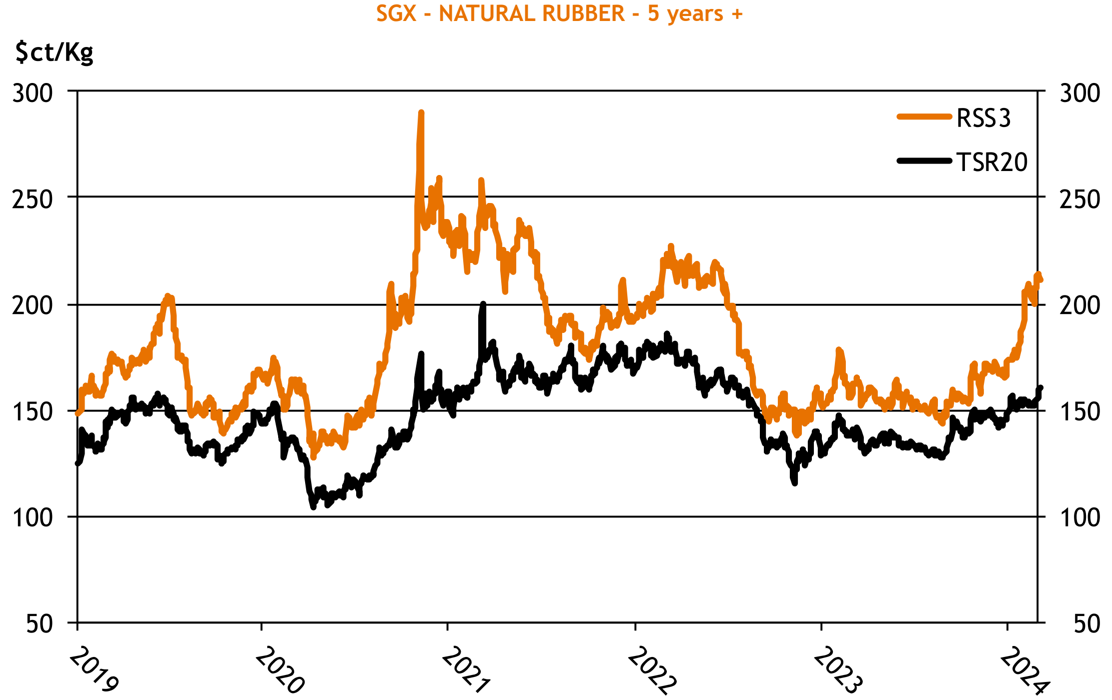
The financial year that ended on 31 December 2023 shows a profit of EUR 6,488,998. The Board of Directors will propose to the General Meeting of Shareholders a profit distribution of EUR 6,000,000.

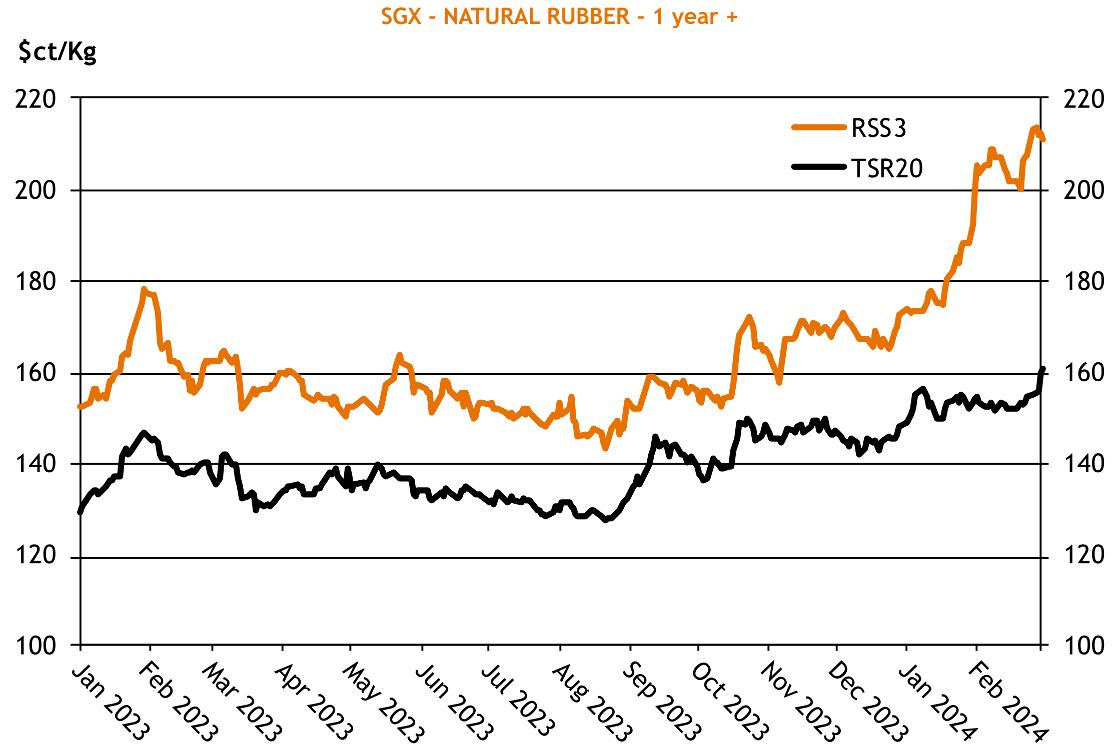
Key figures (EUR 000)		
As at 31 December	***2023***	***2022***
Fixed assets	5,444	4,309
Current assets	19,703	22,133
Equity (*)	14,921	16,432
Debts, provisions and third parties (*)	10,225	10,010
Sales and services	26,709	30,293
Profit / (loss) for the period	6,489	8,834
Distribution	6,000	8,000
Gross dividend per share (EUR)	4,615	6,154
Socfinaf's holding (%)	50.00	50.00

(*) Before profit allocation.

International market for rubber and palm oil

1. Rubber





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 Niño 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[G] 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.

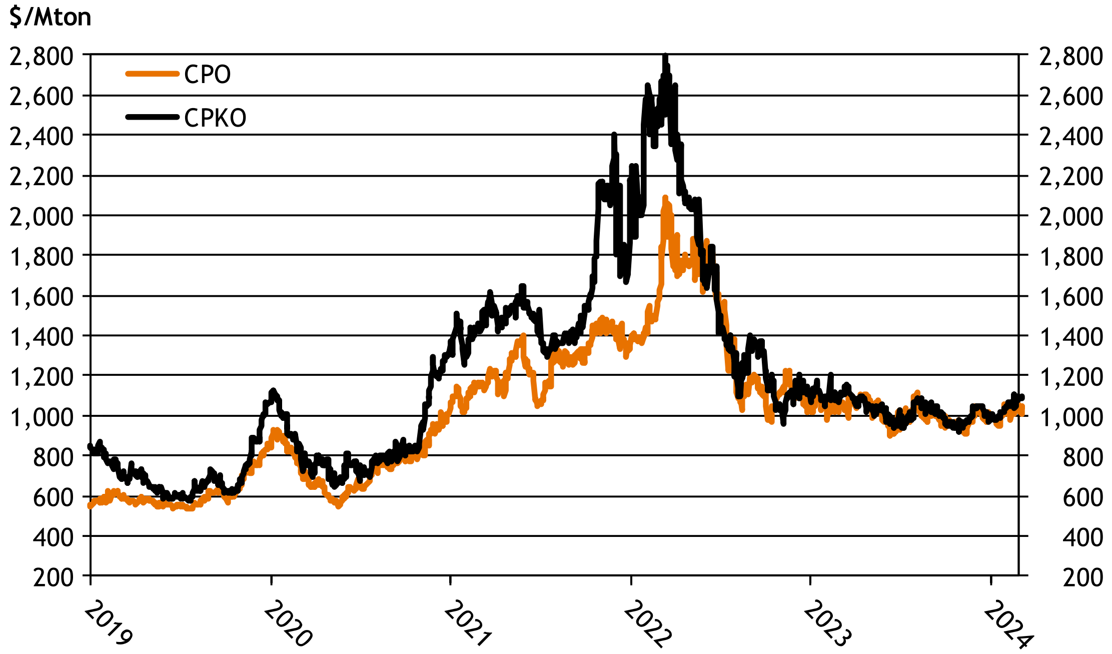
According to the IRSG's[G] latest forecasts, published in August 2023, the IRSG[G] estimates world production in 2024 at 14.90 million tons (up 2.2%) and world demand of around 14.95 million tons (up 2.7%), resulting in a rubber deficit of 48,000 tons. Consumption and production are therefore almost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

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

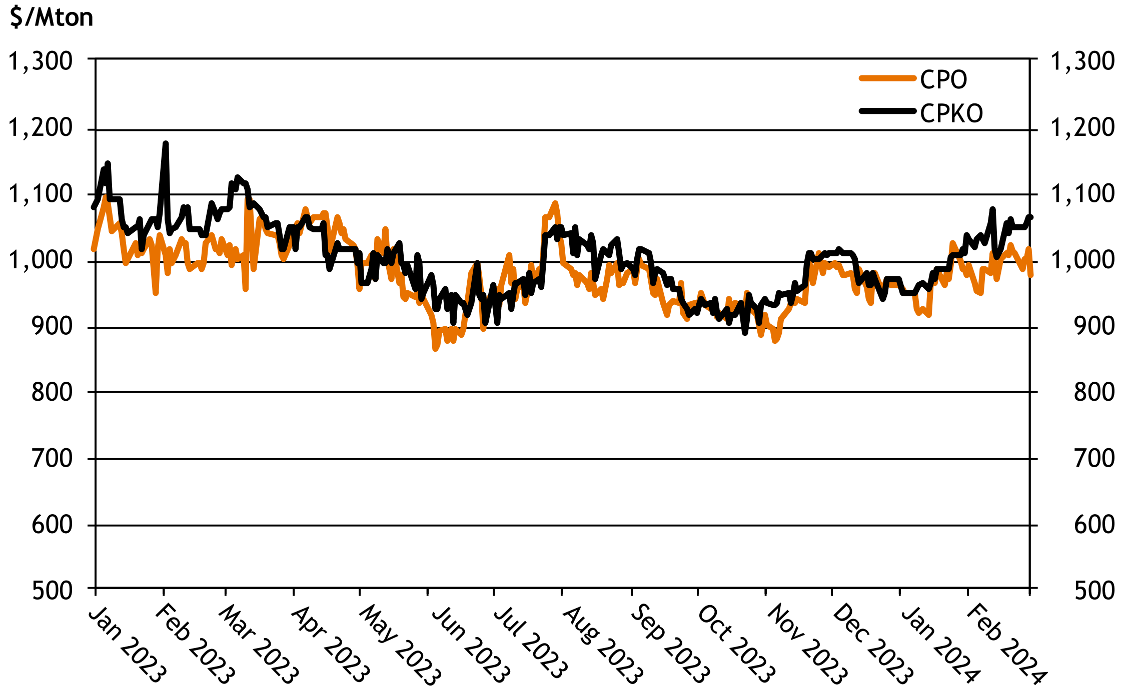
International market for rubber and palm oil

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.

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.

International market for rubber and palm oil

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[G] 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 has been 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		606		761
2022		391		755
2021		935		1,480
2020		1,000		0
2019		1,373		0
2018		2,146		0
2017		912		0
2016		167		0
2015		3		0
2014		0		0
Total immatures		***7,535***		***2,996***
Young	(from 8 to 11 years)	12,425	(from 4 to 7 years)	14,295
Prime	(from 12 to 22 years)	18,440	(from 8 to 18 years)	46,024
Old	(above 22 years)	8,739	(above 18 years)	27,401
Total in production		***39,603***		***87,720***
TOTAL		***47,138***		***90,716***

Area (hectares)	*2023*	*2022*	*2021*	*2020*	*2019*
Palm	90,716	90,959	91,004	91,207	91,220
Rubber	47,138	47,278	47,940	48,146	48,361
TOTAL	***137,854***	***138,237***	***138,944***	***139,353***	***139,581***

Production	*2023*	*2022*	*2021*	*2020*	*2019*
Palm oil (tons)	***362,424***	***349,644***	***355,924***	***321,348***	***278,979***
Own production[G]	319,591	308,544	309,149	285,726	244,551
Third party purchases[G]	42,834	41,100	46,775	35,623	34,428
Rubber (tons)	***149,472***	***147,271***	***151,848***	***144,456***	***147,851***
Own production[G]	68,210	59,027	55,450	48,972	53,749
Third party purchases[G]	81,262	88,243	96,397	95,484	94,102
Seeds (thousands)	***3,464***	***4,495***	***3,362***	1,413	
Own production[G]	3,464	4,495	3,362	1,413	

Key figures

Turnover (EUR million)	*2023*	*2022*	*2021*	*2020*	*2019*
Palm	370	408	328	241	210
Rubber	187	222	196	157	164
Other agricultural products	2	0	1	1	0
Other	4	7	2	4	3
TOTAL	***563***	***637***	***527***	***403***	***376***

Staff	*2023*	*2022*	*2021*	*2020*	*2019*
Average workforce	23,940	25,453	24,596	23,291	24,166

2. Key figures in the consolidated income statement and the cash flow statement

(EUR million)	*2023*	*2022 Restated*	*2021*	*2020*	*2019*
Turnover	563	637	527	403	376
Operating income	105	175	143	56	47
Profit / (loss) for the period attributable to the Group	28	73	72	-4	4
Net cash flows from operating activities	147	190	154	91	65
Free cash flows[G]	98	136	93	30	9

3. Key figures in the consolidated statement of financial position

(EUR million)	*2023*	*2022 Restated*	*2021 Restated*	*2020*	*2019*
Bearer biological assets	300	350	366	364	405
Other non-current assets	300	324	316	290	304
Current assets	191	230	209	171	169
Assets held for sale	6	0	0	0	0
Total equity	464	485	416	334	385
Non-current liabilities	166	220	295	182	197
Current liabilities	167	199	180	310	298

Stock market data

(EUR)	2023	2022 Restated	2021 Restated	2020	2019
Number of shares	17,836,650	17,836,650	17,836,650	17,836,650	17,836,650
Equity attributable to the owners of the Company	363,885,495	368,561,160	301,530,511	224,895,450	272,328,282
Undiluted net profit per share	1.58	4.10	4.04	-0.22	0.22
Dividend per share	0.00	0.00	0.00	0.00	0.00
Share price					
Minimum	10.00	11.30	8.10	7.00	8.20
Maximum	13.40	15.80	12.40	12.60	12.20
Closing	10.80	12.10	12.00	11.10	12.00
Market capitalisation[G]	192,635,820	215,823,465	214,039,800	197,986,815	214,039,800
Dividend paid / net profit attributable to the owners of the Company	N.a.	N.a.	N.a.	N.a.	N.a.
Dividends / market capitalisation[G]	N.a.	N.a.	N.a.	N.a.	N.a.
Market price / undiluted net profit per share	6.82	2.95	2.97	-51.03	55.60

Financial highlights of the year

No material events occurred during the financial period.

Corporate governance statement

1. Introduction

Socfinaf 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)]	AGM 1981	AGM 2028
Mr. Vincent Bolloré	French	1952	Director[(a)]	AGM 1993	AGM 2029
Bolloré Participations SE represented by Mr. Cyrille Bolloré	French	1985	Director[(a)]	AGM 2018	AGM 2024
Mr. Gbenga Oyebode	Nigerian	1959	Director[(a)]	AGM 2011	AGM 2029
Mr. François Fabri	Belgian	1984	Managing Director[(b)]	AGM 2014	AGM 2026
Mr. Philippe Fabri	Belgian	1988	Director[(b)]	AGO 2020	AGO 2026
Mr. Frédéric Lemaire	Belgian	1970	Director[(c)]	AGM 2019	AGM 2025
Mr. George QUARTENG-MENSAH	Ghanaian	1953	Administrator	AGM 2023	AGO 2029

(a) Non-Executive Non-Independent Director
(b) Executive Non-Independent Director
(c) Independent Director

The term served by Mr. Cyrille Bolloré as director expires this year. The renewal of this term will be proposed at the next Annual General Meeting . This renewal will hold for six years until the Annual General Meeting of 2030.

A new administrator Mr. George Quarteng-Mensah was appointed at the last Annual General Meeting for six years until 2029.

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”.

Bolloré Participations
Director

Positions and offices held in Luxembourgish companies
- Director of Socfinaf.

Positions and offices held in foreign companies
- Member of the Supervisory Board of Compagnie du Cambodge;
- Director of Bolloré SE, Compagnie des Tramways de Rouen, Société des Chemins de Fer et Tramways du Var et du Gard, Société des Caoutchoucs du Grand Bereby “SOGB”, Société Industrielle et Financière de l’Artois, Financière Moncey, S.A.F.A. Cameroun “Safacam” and Société Camerounaise de Palmeraies “Socapalm”.

Gbenga Oyebode
Director

Positions and offices held in Luxembourgish companies
- Director of Socfinaf.

Positions and offices held in foreign companies
- Chairman of Okomu Oil Palm Company;
- Director of Nestlé Nigeria and Lafarge Africa.
- Director of Lafarge Africa plc, which is listed on the Nigerian Stock Exchange.

François Fabri
Managing 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
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”.

Frédéric Lemaire
Director

Positions and offices held in Luxembourgish companies
- Director of Socfinaf.

George Quarteng-Mensah
Administrator

Positions and offices held in Luxembourgish companies
- Director of Socfinaf.

Appointments of Directors

The Board of Directors proposes the appointment of the Directors at the Annual General Meeting of shareholders. It specifies the term of service and verifies that the Director meets the criteria for independence.

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 ensures 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 the power 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 of year and mid-year evaluations. During the 2023 financial year, the Board of Directors met 2 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: 87%
- 2022: 83%
- 2021: 83%
- 2020: 85%
- 2019: 71%

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 it will be constituted as follows:

- Mr. Frédéric Lemaire (Independent Director) - Chairman
- 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 Socfinaf. 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 Socfinaf for the financial year of 2023 amounts to EUR 488,730 compared to EUR 356,995 for the financial year 2022.

The Directors of Socfinaf did not receive any other payment in shares (stock options).

6. Shareholding status

On 31 December 2014, Socfinaf issued 1,474,200 new shares which brings to a total of 17,854,200 number of shares issued. All statements filed between 1 July 2011 and 31 December 2014 relate to the previous number of shares in place and the previous number of voting rights, i.e. 16,380,000.

On 31 December 2023, the share capital is represented by 17,836,650 shares.

Shareholder	*Number of shares held = Number of voting rights*	*Percentage holding*	*Date of notification*
Socfin L-1650 Luxembourg	**10,497,046**	**58.85**	**01/02/2017**
Bolloré (a) F-29500 Ergué Gaberic	80,642	0.49 (b)	03/09/2014
Compagnie du Cambodge (a) F-92800 Puteaux	1,157,929	7.07 (b)	03/09/2014
Société Industrielle et Financière de l'Artois (a) F-92800 Puteaux	176,636	1.08 (b)	03/09/2014
Compagnie des Glénans (a) F-29500 Ergué Gaberic	58,993	0.36 (b)	03/09/2014
Total Bolloré (all categories combined, based on aggregate voting rights)	**1,474,200**	**9.00 (b)**	

(a) = entities controlled by Vincent Bolloré.

(b) = before increase in share capital on 31 December 2014.

7. Financial calendar

29 May 2024	Annual General Meeting at 10 a.m.
End of September 2024	Half year stand alone and consolidated results as at 30 June 2024
Mid-November 2023	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 10 a.m.

The results of the Company are published on the website of the Luxembourg Stock Exchange www.bourse.lu under the heading "OAM" 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 amounted to EUR 732,412 VAT included.

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 network for the relevant years. No consulting work or other non-audit services have been performed by this firm in 2023 or in 2022.

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 Socfinaf Group in this area are detailed in a regularly updated dashboard as well as in a separate annual report ("Sustainable Development Report").

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 Financial Reporting Standards as adopted by the European Union, the consolidated financial statements prepared for the year 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 Socfinaf and all of the entities included in consolidation, and

(b) the management report presents the following information in a fairly 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 Socfinaf, 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. Socfinaf (the Group) adopted IFRS[G] 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 of the parent company amounted to EUR 28.2 million compared to EUR 73.2 million in 2022. This results in earnings per share of EUR 1.58 compared to EUR 4.10 in 2022.

The consolidated revenue amounted to EUR 563.1 million in 2023 compared to EUR 637.3 million in 2022 (decrease of EUR 74.2 million). This decrease in revenue is mainly due to the variation of transactional currency versus Euro for EUR 74.9 million, the decrease in prices for EUR 22.5 million whereas higher quantities sold increased revenues for EUR 17.8 million.

Likewise, the operating profit decreased to EUR 105.2 million, compared to EUR 175.3 million in 2022.

Other financial income amounted to EUR 22.9 million compared to EUR 8.7 million in 2022 and consisted mainly of foreign exchange gains of EUR 22.2 million compared to EUR 8.0 million in 2022.

Financial expenses amounted to EUR 43.0 million compared to EUR 41.2 million in 2022 and consisted mainly of interest expense for EUR 14.7 million (EUR 15.9 million in 2022) and foreign exchange losses of EUR 26.8 million (EUR 24.6 million in 2022).

Furthermore, the tax expense decreased, with income taxes amounting to EUR 36.6 million compared to EUR 39.8 million in 2022.

Profit for the period from associates attributable to the Group decreased to EUR 6.0 million compared to EUR 11.3 million in 2022.

Consolidated statement of financial position

The assets of Socfinaf consist of:

- Non-current assets of EUR 600.1 million compared to EUR 673.8 million in 2022, indicating a decrease of EUR 73.7 million mainly due to the decrease of biological assets for EUR -50.3 million, of property, plant and equipment for EUR -44.7 million and to the increase of right-of-use assets for EUR +21.1 million;
- Current assets that amounted to EUR 190.5 million compared to EUR 229.8 million in 2022 This decrease of EUR 39.3 million is mainly due to the decrease in the value of inventory for EUR -17.0 million and in cash and cash equivalents for EUR -23.9 million.

The shareholders' equity amounted to EUR 363.9 million compared to EUR 368.6 million in 2022. This decrease in the shareholder's equity of EUR 4.7 million is mainly due to the profit for the period: EUR 28.2 million (2022: EUR 73.2 million), to the impact of hyperinflation for EUR 15.9 million and to the change in the translation reserve for EUR -50.9 million.

Based on consolidated shareholders' equity, the net value per share[G] attributable to the Group was EUR 20.40 compared to EUR 20.66 a year earlier. On 31 December 2023, the share price stood at EUR 10.80.

Current and non-current liabilities decreased to EUR 332.8 million compared to EUR 418.3 million a year earlier.

Financial debts decreased to EUR 166.9 million in 2023 compared to EUR 247.4 million in 2022. This mainly consists of loans to Socfinaf from Socfin for EUR 80.0 million and advances from shareholders amounting to EUR 40.0 million, as well as the non-current and current portion of bank loans for an amount of EUR 34.0 million.

Deferred tax liabilities decreased to EUR 24.6 million compared to EUR 33.1 million in 2022. Current tax liabilities decreased to EUR 28.7 million compared to EUR 40.7 million in 2022.

Net debt before IFRS[G] adjustments amounts to EUR 113.4 million versus EUR 176.5 million as at 31 December 2022.

Consolidated cash flows

As at 31 December 2023, cash and cash equivalents amounted to EUR 36.3 million, a decrease of EUR 16.7 million for the year compared to a decrease of EUR 3.1 million in the previous financial year.

Net cash flows from operating activities amounted to EUR 147.0 million during the financial year 2023 (EUR 189.5 million in 2022). This resulted mainly from self-financing capacity of EUR 176.9 million (EUR 208.4 million in 2022), EUR 35.2 million of income tax paid and EUR -9.0 million change in working capital.

Net cash flows from investing activities amounted to EUR -48.5 million (EUR -53.4 million in 2022). These activities are largely influenced by acquisitions of tangible fixed assets amounting to EUR 45.8 million (EUR 55.1 million in 2022).

Cash flows from financing activities amounted to EUR 105.5 million (EUR 138.8 million in 2022), and is mainly due to net reimbursement of borrowings for EUR 63.1 million (compared to a net reimbursement in 2022 for EUR 92.6 million) and to the dividends paid for EUR 23.1 million (EUR 28.9 million in 2022).

2. FINANCIAL INSTRUMENTS

Financial risk management policies are described in the notes to the consolidated financial statements of the Company (see Notes 25 and 34).

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 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 operating in Africa.

Given the economic and political instability in some of the African countries (Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Nigeria, Cameroon, São Tomé and DRC), these holdings present a risk in terms of exposure to political and economic changes.

Geopolitical uncertainties

In February 2022, a number of countries (including the US, UK and EU) enforced 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. Following the military operations initiated by Russia against Ukraine on 24 February 2022, potential additional sanctions were announced.

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 potential for further escalation and the impact on global trade and economic growth.

Although neither the company's operations nor performance and going concern have been significantly impacted by the above in 2023, the Board of Directors continues to monitor the evolving situation and the possible effects on the financial position and results of the company.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Socfinaf S.A.
4, Avenue Guillaume
L-1650 Luxembourg

Opinion

We have audited the consolidated financial statements of Socfinaf 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 300.0 million out of total assets of EUR 797.0 million.

The Group owns biological assets in 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 9 “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.

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.

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 31 to 36 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.

In our opinion, the consolidated financial statements of the Company as at 31 December 2023, identified as Socfinaf-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				
Right-of-use assets	4	29,232,550	8,169,573	7,484,998
Intangible assets	5	991,732	1,449,899	1,958,916
Property, plant and equipment	6	232,787,778	277,533,909	269,676,822
Biological assets	7	299,988,603	350,244,763	365,903,978
Investments in associates	11	24,499,660	27,288,358	23,619,982
Financial assets at fair value through other comprehensive income[G]	12	4,800,038	300,038	38
Long-term advances		2,015,903	1,664,769	1,745,719
Deferred tax assets	13	2,735,633	4,513,651	9,421,066
Other non-current assets		3,089,715	2,619,576	1,743,807
		600,141,612	***673,784,536***	***681,555,326***
Current Assets				
Inventories	16	88,736,703	105,769,814	92,844,873
Current biological assets		2,129,780	3,005,618	2,423,966
Trade receivables	17	27,235,836	23,519,223	28,185,332
Other receivables	18	23,131,220	21,440,996	8,995,522
Current tax assets	14	9,549,095	12,438,610	13,378,526
Cash and cash equivalents	19	39,741,654	63,638,033	63,091,772
		190,524,288	***229,812,294***	***208,919,991***
Assets classified as held for sale	38	6,313,418	0	0
TOTAL ASSETS		*796,979,318*	*903,596,830*	*890,475,317*

(*) 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	01/01/2022 Restated (*) EUR
Equity attributable to the owners of the Parent				
Share capital	20	35,673,300	35,673,300	35,673,300
Share premium	20	87,453,866	87,453,866	87,453,866
Legal reserve	21	3,567,330	3,567,330	3,567,330
Consolidated reserves		330,567,274	239,380,868	166,418,604
Translation reserves		-121,624,614	-70,699,935	-63,611,554
Profit / (loss) for the period		28,248,339	73,185,734	72,028,965
		363,885,495	***368,561,163***	***301,530,511***
Non-controlling interests[G]	10	***100,045,115***	***116,745,946***	***113,878,970***
Total Equity		***463,930,610***	***485,307,109***	***415,409,481***
Non-Current Liabilities				
Deferred tax liabilities	14	24,585,197	33,149,100	32,481,370
Employee Benefits Obligations	22	12,501,274	12,366,549	12,054,536
Long-term debt, net of current portion	23	102,778,317	163,937,129	240,634,699
Long-term lease liabilities	4	24,950,880	8,674,141	8,285,305
Other payables	24	1,332,110	1,650,571	1,445,937
		166,147,778	***219,777,490***	***294,901,847***
Current Liabilities				
Short-term debt and current portion of long-term debt	23	64,103,627	83,477,325	75,991,471
Short-term lease liabilities	4	2,778,042	1,532,064	1,105,090
Trade payables	24	46,397,043	50,186,437	43,847,861
Current tax liabilities	14	28,701,137	40,651,438	30,408,824
Provisions		597,934	622,480	337,462
Other payables	24	24,038,868	22,042,487	28,473,281
		166,616,651	***198,512,231***	***180,163,989***
Liabilities associated with assets classified as held for sale	38	284,279	0	0
TOTAL EQUITY AND LIABILITIES		***796,979,318***	***903,596,830***	***890,475,317***

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

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

2. Consolidated income statement

		2023	2022 Restated (*)
	Note	EUR	EUR
Revenue	33	563,066,846	637,341,934
Change in inventories of finished products and work in progress		9,185,214	-5,109,712
Other operational income	33	11,671,635	5,844,939
Raw materials[G] and consumables used	33	-198,032,506	-178,603,713
Other expenses	33	-118,502,853	-128,138,069
Staff costs	26	-78,909,883	-72,776,228
Depreciation and impairment expense	8	-68,590,445	-58,213,723
Other operating expenses	33	-14,677,733	-25,015,835
Operating profit / (loss)		***105,210,275***	***175,329,593***
Other financial income	27	22,852,327	8,653,915
Gain on disposals		153,578	76,466
Loss on disposals		-342,369	-1,833,410
Financial expenses	28	-43,023,377	-41,163,373
Profit / (loss) before taxes		***84,850,434***	***141,063,191***
Income tax expense	15	-36,557,147	-39,796,407
Deferred tax (expense) / income	13	-4,971,264	-6,528,620
Share of the Group in the result from associates	11	6,002,745	11,297,778
Profit / (loss) for the period		***49,324,768***	***106,035,942***
Profit / (loss) attributable to non-controlling interests[G]		***21,076,429***	***32,850,208***
Profit / (loss) attributable to the owners of the Parent		***28,248,339***	***73,185,734***
Basic earnings per share undiluted		***1.58***	***4.10***

Number of Socfinaf shares	17,836,650	17,836,650
Basic earnings per share	1.58	4.10
Diluted earnings per share	1.58	4.10

(*) 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

	Note	31/12/2023 EUR	31/12/2022 Restated (*) EUR
Profit / (loss) for the period		***49,324,768***	***106,035,942***
Other comprehensive income[G]			
Actuarial gains / (losses)	22	-1,468,299	902,556
Deferred tax on actuarial losses and gains		602,097	-187,624
Subtotal of items that cannot be reclassified to profit or loss		***-866,202***	***714,932***
Gains / (losses) on exchange differences on translation of subsidiaries (**)		-62,323,635	-6,900,555
Share of other comprehensive income related to associates	11	-337,884	443,736
Subtotal of items eligible for reclassification to profit or loss		***-62,661,519***	***-6,456,819***
Total other comprehensive income		***-63,527,721***	***-5,741,887***
Total comprehensive income		***-14,202,953***	***100,294,055***
Comprehensive income attributable to non-controlling interests[G]		***6,403,098***	***32,388,357***
Comprehensive income attributable to the owners of the Parent		***-20,606,051***	***67,905,698***

(*) 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		28,248,339	73,185,734
Profit / (loss) attributable to non-controlling shareholders		21,076,429	32,850,208
Income from associates	11	-6,002,745	-11,297,777
Dividends received from associates	11	8,292,174	7,126,982
Fair value of agricultural production		9,659,361	-5,789,099
Other adjustments having no impact on cash position		4,310,632	-1,202,240
Depreciation and impairment expense	8	68,590,445	58,213,723
Provisions and allowances		1,011,683	7,278,228
Net loss on disposals of assets		188,791	1,758,494
Income tax expense and deferred tax		41,528,411	46,325,027
Cash flows from operating activities		***176,903,520***	***208,449,280***
Interest expense	27, 28	***14,238,101***	***15,590,970***
Income tax paid	15	***-35,155,555***	***-39,796,406***
Change in inventory		-5,993,340	-8,943,177
Change in trade and other receivables		-14,979,594	-13,221,521
Change in trade and other payables		9,116,206	29,213,136
Change in accruals and prepayments		2,830,778	-1,758,263
Change in working capital requirement		***-9,025,950***	***5,290,175***
Net cash flows from operating activities		***146,960,116***	***189,534,019***
Investing activities			
Acquisitions / disposals of intangible assets		-15,444	-32,003
Acquisitions of property, plant and equipment and biological assets	6, 7	-45,765,516	-55,144,750
Disposals of property, plant and equipment		1,553,935	1,655,010
Acquisitions / disposals of financial assets	12	-4,741,780	134,933
Interest received	27	419,665	0
Net cash flows from investing activities		***-48,549,140***	***-53,386,810***
Financing activities			
Dividends paid to non-controlling shareholders	10	-23,106,115	-28,941,422
Proceeds from borrowings	23	3,564,029	7,030,288
Repayment of borrowings	23	-66,681,107	-99,581,546
Repayment of lease liabilities	23	-4,623,622	-1,737,556
Interest paid	28	-14,657,766	-15,590,970
Net cash flows from financing activities		***-105,504,581***	***-138,821,206***
Effect of exchange rate fluctuations		-9,216,071	-446,315
Effect of cash linked to assets held for sale	38	-361,169	0
Net cash flow		***-16,670,845***	***-3,120,312***
Cash and cash equivalents as at 1 January	19	52,942,133	56,062,445
Cash and cash equivalents as at 31 December	19	36,271,288	52,942,133
Net increase / (decrease) in cash and cash equivalents		***-16,670,845***	***-3,120,312***

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

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[G]	TOTAL EQUITY
Balance as at 1 January 2022 - Restated (*)	*35,673,300*	*87,453,866*	*3,567,330*	*-63,611,554*	*238,447,569*	*301,530,511*	*113,878,970*	*415,409,481*
Profit / (loss) for the period					73,185,734	**73,185,734**	32,850,208	**106,035,942**
Actuarial (losses) / gains					620,360	**620,360**	94,572	**714,932**
Foreign currency translation adjustments				-6,344,132		**-6,344,132**	-556,423	**-6,900,555**
Share in other comprehensive income[G] from associates					443,736	**443,736**		**443,736**
Total comprehensive income				***-6,344,132***	***74,249,830***	***67,905,698***	***32,388,357***	***100,294,055***
Dividends (Note 10)					0	**0**	-22,456,156	**-22,456,156**
Interim dividends (Note 10)					0	**0**	-6,485,266	**-6,485,266**
Other movements				-744,249	-130,797	**-875,046**	-579,959	**-1,455,005**
Transactions with shareholders				***-744,249***	***-130,797***	***-875,046***	***-29,521,381***	***-30,396,427***
Balance as at 31 December 2022 - Restated (*)	*35,673,300*	*87,453,866*	*3,567,330*	*-70,699,935*	*312,566,602*	*368,561,163*	*116,745,946*	*485,307,109*
Balance as at 1 January 2023	*35,673,300*	*87,453,866*	*3,567,330*	*-70,699,935*	*312,566,602*	*368,561,163*	*116,745,946*	*485,307,109*
Profit / (loss) for the period					28,248,339	**28,248,339**	21,076,429	**49,324,768**
Actuarial (losses) / gains					-490,124	**-490,124**	-376,078	**-866,202**
Foreign currency translation adjustments				-48,026,382		**-48,026,382**	-14,297,253	**-62,323,635**
Transfer between reserves				-2,898,297	2,898,297	**0**		**0**
Share in other comprehensive income[G] from associates					-337,884	**-337,884**		**-337,884**
Total comprehensive income				***-50,924,679***	***30,318,628***	***-20,606,051***	***6,403,098***	***-14,202,953***
Dividends (Note 10)					0	**0**	-20,924,672	**-20,924,672**
Interim dividends (Note 10)					0	**0**	-2,181,443	**-2,181,443**
Hyperinflation					15,923,481	**15,923,481**		**15,923,481**
Other movements					6,902	**6,902**	2,186	9,088
Transactions with shareholders					***15,930,383***	***15,930,383***	***-23,103,929***	***-7,173,546***
Balance as at 31 December 2023	*35,673,300*	*87,453,866*	*3,567,330*	*-121,624,614*	*358,815,613*	*363,885,495*	*100,045,115*	*463,930,610*

(*) 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 accounting policies

1.1. Overview

Socfinaf S.A. (the "Company") was incorporated on 22 October 1961. Its corporate purpose qualifies it as a holding company "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 holdings that mainly focus on the exploitation of tropical oil palm and rubber plantations in Africa.

Socfinaf is controlled by Société Financière des Caoutchoucs, abbreviated as "Socfin" which is the largest entity that consolidates. The registered office of the latter company is also located at 4, avenue Guillaume, L-1650 in Luxembourg.

The Company is listed on the Luxembourg Stock Exchange under ISIN code: LU0056569402 and is registered in the commercial register under the number B6225.

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[G]) 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 Socfinaf 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 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 2, IAS 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 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 17 "Insurance Contracts" and its amendments: establishes principles for the recognition, measurement and presentation of insurance contracts. Under IFRS 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 17 replaces IFRS 4 "Insurance contracts" and its interpretations.

- Amendments to IAS 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 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 8 Definition of Accounting Estimates: the amendments to IAS 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 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies: the amendments to IAS 1 and IFRS 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 12 "International Tax Reform – Pilar Two Model Rules": on 23 May 2023, the IASB issued amendments to IAS 12 in order to respond to concerns about the potential implications of the OECD Pillar Two model rules. The amendments introduce, in IAS 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 13.

1.4. Consolidation principles

The consolidated financial statements include the financial statements of the parent company Socfinaf as well as those of the companies controlled by the parent ("subsidiaries") and those of the companies in which Socfinaf has exercised significant influence ("associates"), 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.

a) Subsidiaries

In accordance with IFRS 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 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.

b) Investments in associates and joint ventures

An associate is a company over which the Group exercises significant influence through its participation in the financial and operational decisions of this company, but over which it has no control. Significant influence is presumed when the Group holds, directly or indirectly through its subsidiaries, between 20% and 50% of the voting rights. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement (i.e. decisions require unanimous consent of the parties sharing control).

Associates and joint ventures are accounted for using the equity method. Under this method, the Group's interest in the associate and joint venture is initially recognised at cost in the statement of financial position and subsequently adjusted to recognise the Group's share of movements in profit and loss and other comprehensive income[G].

The profit or loss statement reflects the Group's share in the results of the associate or joint venture's operations. Any change in other comprehensive income[G] of those investees is presented as part of the Group's other comprehensive income[G]. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Investments in associates and joint ventures are included in the consolidated financial statements using the equity method from the date on which significant influence begins until the date when this influence ceases. The carrying amount of positive goodwill that results from the acquisition of associates and joint ventures is included in the carrying amount of the investment and is not tested for impairment separately. An impairment test is performed if an objective indication of impairment is identified. Impairment is recognised, if necessary, in the income statement under the heading "Share of the Group in the result from associates".

The list of subsidiaries and associated companies (including joint ventures) 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 applied only if it meets the requirements of a standard or of an interpretation or if it permits 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 judgments 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 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 Socfinaf 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 financial statements:

	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
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, 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 to 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. Bearer biological assets

The Group has biological assets in Africa. Bearer plants, mainly consisting of palm oil and rubber plantations, are valued by using the cost model, according to the principles defined in IAS 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 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 fourth year after palm oil tree planting 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 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.

1.13. 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 36 to determine whether a right-of-use asset is impaired and recognises any impairment loss as described in Note 9: Impairment of assets.

1.14. 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.

1.15. 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 1.12. Bearer biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.16. 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 34).

1.17. 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.

1.18. 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 and borrowings

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 (Refer to Note 25).

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 25).

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 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 (also refer to Note 12).

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) less 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.

1.19. 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.

1.20. 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/relevant 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.

1.21. 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 Group customer accounted for approximately EUR 197.8 million (2022: EUR 247.5 million) of total Group revenue.

1.22. 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 and their tax bases give rise to the recognition of a deferred tax using the tax rates. The application of the latter is provided for when reversing the temporary differences, as adopted on the closing date.

Deferred tax is recognised for all taxable temporary differences, except when 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. It does not affect neither the accounting profit nor the taxable profit (tax loss), and does not give 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 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.

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

1.23. 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 based on the geographic distribution of political and economic risks and on the analysis of individual social accounts at historical cost.

1.24. 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 extent to which the following aspects 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 amounts 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 22), IAS[G] 41 - Agriculture and IAS[G] 2 - Inventories (Notes 7 and 16), IAS[G] 16 - Property, Plant and Equipment (Note 6), IAS[G] 36 - Impairment of Assets (Notes 6, 7 and 9), IFRS[G] 9 - Financial Instruments (Note 25) and IFRS[G] 16 – Leases (Note 4).

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 to assess the fair value of agricultural production, using local production costs and conditions, and local sales (Refer to Note 1.12).

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

1.25. 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 38).

1.26. Going concern

As at 31 December 2023, liabilities due within 12 months (EUR 166,616,651) do not exceed assets due within 12 months (EUR 190,524,288).

1.27. Hyperinflation

The accounts of entities whose economies are in hyperinflation are translated in accordance with the standard IAS 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-hyperinflationary economy, they do not need to be restated.

Sierra Leone

Since October 2023, Sierra Leone is considered hyperinflationary. IAS 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 29 has no incidence on the Group financial statements in Sierra Leone.

Ghana

Since October 2023, Ghana is considered hyperinflationary. IAS 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 4, 6 and 7), 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 1.14 and Note 9). 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 22).

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 Socfinaf 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 1.14 and 9.

Note 2. Subsidiaries and associates

	% Group Interest	% Group Control	Consolidation Method (*)	% Group Interest	% Group Control	Consolidation Method (*)
	2023	2023	2023	2022	2022	2022
AFRICA						
Rubber and palm						
SOCIETE DES CAOUTCHOUCS DE GRAND-BEREBY "SOGB" S.A.	63.69	73.16	FI	63.69	73.16	FI
PLANTATIONS SOCFINAF GHANA "PSG" LTD	100.00	100.00	FI	100.00	100.00	FI
OKOMU OIL PALM COMPANY PLC	66.38	66.38	FI	66.38	66.38	FI
SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A.	69.05	69.05	FI	69.05	69.05	FI
SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A.	67.46	67.46	FI	67.46	67.46	FI
Rubber						
LIBERIAN AGRICULTURAL COMPANY "LAC"	100.00	100.00	FI	100.00	100.00	FI
SALALA RUBBER CORPORATION "SRC"	100.00	100.00	FI	100.00	100.00	FI
SUD COMOË CAOUTCHOUC "SCC" S.A.	60.95	70.01	FI	60.95	70.01	FI
Palm						
SOCFIN AGRICULTURAL COMPANY "SAC" LTD	93.00	93.00	FI	93.00	93.00	FI
SOCIETE DES PALMERAIES DE LA FERME SUISSE "SPFS" S.A.	67.46	100.00	FI	67.46	100.00	FI
AGRIPALMA LDA	88.00	88.00	FI	88.00	88.00	FI
BRABANTA S.A.U.	100.00	100.00	FI	100.00	100.00	FI
Other activities						
BEREBY-FINANCES "BEFIN" S.A.	87.06	87.06	FI	87.06	87.06	FI
CAMSEEDS S.A.	67.52	100.00	FI	67.61	100.00	FI
EUROPE						
Other activities						
CENTRAGES S.A.	50.00	50.00	EM	50.00	50.00	EM
IMMOBILIERE DE LA PEPINIERE S.A.	50.00	50.00	EM	50.00	50.00	EM
INDUSERVICES S.A.	30.00	30.00	EM	30.00	30.00	EM
INDUSERVICES FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCIETE ANONYME FORESTIERE AGRICOLE "SAFA" S.A.S.	100.00	100.00	FI	100.00	100.00	FI
SOCFINCO S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFINCO FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFINDE S.A.	20.00	20.00	EM	20.00	20.00	EM
SODIMEX FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOGESCOL FR S.A.	50.00	50.00	EM	50.00	50.00	EM
STP INVEST S.A.	100.00	100.00	FI	100.00	100.00	FI
TERRASIA S.A.	33.28	33.28	EM	33.28	33.28	EM

(*) Consolidation method: FI: Full Integration - EM: Equity Method – NC: Not Consolidated

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List of subsidiaries and associated companies

* 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.

* BRABANTA S.A. is a company under Congolese law 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 owning three floors of office space in Brussels.

* IMMOBILIERE DE LA PEPINIERE “PEPINIERE” S.A. is a company under Belgian law owning 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, organisations and companies, 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.

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

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

* 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.

* 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, agronomic and financial services.

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

* SOCIETE ANONYME FORESTIERE AGRICOLE “SAFA” is a company under French law that holds a stake in a plantation in Cameroon, Safacam S.A.

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

* SOCIETE DES PALMERAIES DE LA FERME SUISSE “SPFS” S.A. is active in Cameroon in the production, processing and marketing of palm oil.

* SODIMEX FR S.A. is a company under Swiss law active in the field of purchase and sale of planting material.

* 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.

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

* SUD COMOE CAOUTCHOUC “SCC” S.A. is a company under Ivorian law whose activity focuses on the processing and marketing of rubber.

* TERRASIA S.A. is a company under Luxembourgish law owning office spaces.

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:

		Impact of the restatement	Impact of the reclassification		
01/01/2022	Previously published	(a)	(b)	(c)	Restated
Consolidated reserves	180,034,759	-13,616,155			**166,418,604**
Translation reserves	-63,481,543	-130,011			**-63,611,554**
Profit / (loss) for the period	72,028,965				**72,028,965**
Non-controlling interests[G]	121,205,286	-7,326,314			**113,878,972**
Total Equity	***309,787,467***	***-21,072,480***	***0***		***288,714,987***
Deferred tax liabilities	11,408,890	21,072,480			**32,481,370**
Long-term debt, net of current portion	234,679,480		5,955,219		**240,634,699**
Other payables, non-current	7,401,155		-5,955,219		**1,445,936**
Short-term debt and current portion of long-term debt	35,588,183		40,403,288		**75,991,471**
Other payables, current	68,876,569		-40,403,288		**28,473,281**
TOTAL EQUITY AND LIABILITIES	***357,954,277***	***21,072,480***	***0***		***379,026,757***

		Impact of the restatement	Impact of the reclassification		
31/12/2022	Previously published	(a)	(b)	(c)	Restated
Consolidated reserves	253,235,800	-13,854,932			**239,380,868**
Translation reserves	-71,070,327	370,392			**-70,699,935**
Profit / (loss) for the period	75,584,548	-2,398,815			**73,185,733**
Non-controlling interests[G]	124,791,747	-8,045,799			**116,745,948**
Total Equity	***382,541,768***	***-23,929,154***	***0***		***358,612,614***
Deferred tax liabilities	9,219,942	23,929,155			**33,149,097**
Long-term debt, net of current portion	159,582,281		4,354,848		**163,937,129**
Other payables, non-current	6,005,420		-4,354,848		**1,650,572**
Short-term debt and current portion of long-term debt	43,071,845		40,405,480		**83,477,325**
Other payables, current	62,447,969		-40,405,480		**22,042,489**
TOTAL EQUITY AND LIABILITIES	***280,327,457***	***23,929,155***	***0***		***304,256,612***

Consolidated financial statements

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	9,969,880			-9,969,880	**0**
Raw materials[G] and consumables used	-182,873,108			4,269,395	**-178,603,713**
Other expenses	-132,268,074			4,130,005	**-128,138,069**
Staff costs	-74,266,738			1,490,510	**-72,776,228**
Other operating expenses	-25,095,805			79,970	**-25,015,835**
Deferred tax (expense) / income	-2,914,673	-3,613,947			**-6,528,620**
Profit / (loss) for the period	***109,649,889***	***-3,613,947***	***0***	***0***	***106,035,942***
Profit / (loss) attributable to non-controlling interests[G]	34,065,341	-1,215,132			**32,850,209**
Profit / (loss) attributable to the owners of the Parent	75,584,548	-2,398,814			**73,185,734**
Gains / (losses) on exchange differences on translation of subsidiaries	-7,801,046	900,491			**-6,900,555**
Comprehensive income	***103,007,511***	***-2,713,456***	***0***		***100,294,055***

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, 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 0.14 per share.

Note 4. Leases

The amounts recognised in the balance sheet related to leases are as follows:

*** Right-of-use assets**

EUR	*Furniture, vehicles and other*	*Buildings*	*Land and concession[G] of agricultural area*	*Total*
Gross value as at 1 January 2022	***8,334,541***	***672,164***	***7,437,970***	***16,444,675***
Additions	2,517,377	0	58,191	**2,575,568**
Disposals	0	-136,602	0	**-136,602**
Foreign exchange differences	-32,383	-39	86,597	**54,175**
Gross value as at 31 December 2022	***10,819,535***	***535,523***	***7,582,758***	***18,937,816***
Accumulated depreciation as at 1 January 2022	***-6,173,227***	***-469,720***	***-2,316,736***	***-8,959,683***
Depreciation	-1,666,422	-36,367	-158,987	**-1,861,776**
Depreciation reversals	0	40,980	0	**40,980**
Foreign exchange differences	40,887	11	-28,669	**12,229**
Accumulated depreciation as at 31 December 2022	***-7,798,762***	***-465,096***	***-2,504,392***	***-10,768,250***
Net book value as at 31 December 2022	***3,020,773***	***70,427***	***5,078,366***	***8,169,566***
Gross value as at 1 January 2023	***10,819,535***	***535,523***	***7,582,758***	***18,937,816***
Additions	10,151,459	0	14,357,096 (*)	**24,508,555**
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	-831	-391,540	**-3,611,696**
Gross value as at 31 December 2023	***13,348,783***	***534,692***	***24,575,374***	***38,458,849***
Accumulated depreciation as at 1 January 2023	***-7,798,762***	***-465,096***	***-2,504,392***	***-10,768,250***
Depreciation	-3,641,708	-31,842	-559,689	**-4,233,239**
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	230	39,566	**1,220,150**
Accumulated depreciation as at 31 December 2023	***-5,857,230***	***-496,708***	***-2,872,371***	***-9,226,309***
Net book value as at 31 December 2023	***7,491,553***	***37,984***	***21,703,003***	***29,232,540***

(*) 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	24,950,880	8,674,141
Short-term lease liabilities	2,778,042	1,532,064
TOTAL	***27,728,922***	***10,206,205***

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

	2023	2022
	EUR	EUR
Depreciation of right-of-use assets	4,233,239	1,861,776
Expenses related to short-term leases and leases of low-value assets	2,154,944	1,529,868
Interest expense (included in the financial expenses)	3,411,779	1,041,390
TOTAL	***9,799,962***	***4,433,034***

*** Agricultural land and concessions[G]**

The Group does not own all of the land on which its biological-based assets are planted. In general, these lands are subject to very long-term concessions[G] from the local public authority. These concessions[G] 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	77 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	55 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	

(1) Renewable concessions[G] for a term of 25 years
(2) Concessions[G] 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 5. Intangible assets

EUR	Concessions[G] and patents	Softwares	Other intangible assets	TOTAL
Cost as at 1 January 2022	***2,189,580***	***752,312***	***767,672***	***3,709,564***
Additions	0	0	32,003	**32,003**
Disposals	0	-348,205	-167,660	**-515,865**
Foreign exchange differences	-556,198	1,454	-1,205	**-555,949**
Cost as at 31 December 2022	***1,633,382***	***405,561***	***630,810***	***2,669,753***
Accumulated depreciation as at 1 January 2022	***-280,076***	***-748,249***	***-722,323***	***-1,750,648***
Depreciation	-35,068	-3,938	-15,628	**-54,634**
Depreciation reversals	0	348,480	167,660	**516,140**
Foreign exchange differences	69,538	-1,454	1,205	**69,289**
Accumulated depreciation as at 31 December 2022	***-245,606***	***-405,161***	***-569,086***	***-1,219,853***
Net book value as at 31 December 2022	***1,387,776***	***400***	***61,724***	***1,449,900***
Cost as at 1 January 2023	***1,633,382***	***405,561***	***630,810***	***2,669,753***
Additions	0	15,621	0	**15,621**
Disposals	0	0	-177	**-177**
Transfer	0	0	-35,710	-35,710
Foreign exchange differences	-489,272	-21,759	-13,624	**-524,655**
Cost as at 31 December 2023	***1,144,110***	***399,423***	***581,299***	***2,124,832***
Accumulated depreciation as at 1 January 2023	***-245,606***	***-405,161***	***-569,086***	***-1,219,853***
Depreciation	-24,459	-746	-29,603	**-54,808**
Transfer	0	0	35,710	**35,710**
Foreign exchange differences	70,469	21,759	13,624	**105,852**
Accumulated depreciation as at 31 December 2023	***-199,596***	***-384,148***	***-549,355***	***-1,133,099***
Net book value as at 31 December 2023	***944,514***	***15,275***	***31,944***	***991,733***

Note 6. Property, plant and equipment

EUR	Land and nurseries (***)	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and prepay-ments	TOTAL
Cost as at 1 January 2022	*8,266,696*	*244,788,574*	*148,484,143*	*211,417,483*	*17,754,247*	*658,096*	*631,369,239*
Additions (*)	409,617	6,398,548	15,373,975	11,600,420	12,514,036	583,322	**46,879,918**
Disposals	0	-1,914,426	-343,416	-7,501,440	0	0	**-9,759,282**
Transfer	870,068	2,235,911	7,830,695	5,329,369	-16,185,586	-314,457	**-234,000**
Foreign exchange differences	-178,502	1,423,572	-3,654,409	530,620	178,014	-61,378	**-1,762,083**
Cost as at 31 December 2022	*9,367,879*	*252,932,179*	*167,690,988*	*221,376,452*	*14,260,711*	*865,583*	*666,493,792*
Accumulated depreciation as at 1 January 2022	*-1,175,572*	*-125,170,715*	*-67,367,106*	*-166,068,695*	*0*	*0*	*-359,782,088*
Depreciation	-16,775	-11,632,747	-10,914,834	-11,632,864	0	0	**-34,197,220**
Depreciation reversals	0	1,909,317	238,877	6,463,264	0	0	**8,611,458**
Transfer	0	-1,736,377	0	1,736,377	0	0	**0**
Foreign exchange differences	-1,085	-701,941	750,838	-916,911	0	0	**-869,099**
Accumulated depreciation as at 31 December 2022	*-1,193,432*	*-137,332,463*	*-77,292,225*	*-170,418,829*	*0*	*0*	*-386,236,949*
Accumulated impairment as at 1 January 2022	*0*	*0*	*-1,728,058*	*-182,271*	*0*	*0*	*-1,910,329*
Impairment (**)	0	-409,129	-403,478	0	0	0	**-812,607**
Accumulated impairment as at 31 December 2022	*0*	*-409,129*	*-2,131,536*	*-182,271*	*0*	*0*	*-2,722,936*
Net book value as at 31 December 2022	*8,174,447*	*115,190,587*	*88,267,227*	*50,775,352*	*14,260,711*	*865,583*	*277,533,907*
Cost as at 1 January 2023	*9,367,879*	*252,932,179*	*167,690,988*	*221,376,452*	*14,260,711*	*865,583*	*666,493,792*
Additions (*)	0	4,599,712	5,234,624	13,420,048	12,189,105	676,214	**36,119,703**
Disposals	0	-150,984	-445,823	-3,383,491	-1,487,422	0	**-5,467,720**
Hyperinflation	0	3,559,352	4,626,554	1,723,126	0	0	**9,909,032**
Transfer	-1,482,854	10,296,975	2,197,008	3,184,170	-14,548,501	-1,069,328	**-1,422,530**
Transfer to assets held for sale	0	-5,971,824	0	-1,261,309	0	0	**-7,233,133**
Foreign exchange differences	-2,259,961	-19,590,147	-39,010,253	-14,835,108	-1,276,793	-8,376	**-76,980,638**
Cost as at 31 December 2023	*5,625,064*	*245,675,263*	*140,293,098*	*220,223,888*	*9,137,100*	*464,093*	*621,418,506*
Accumulated depreciation as at 1 January 2023	*-1,193,432*	*-137,332,463*	*-77,292,225*	*-170,418,829*	*0*	*0*	*-386,236,949*
Depreciation	-16,518	-12,150,672	-8,955,871	-13,400,168	0	0	**-34,523,229**
Depreciation reversals	0	140,444	306,131	3,370,914	0	0	**3,817,489**
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	6,213,514	10,482,218	9,540,193	0	0	**26,241,866**
Accumulated depreciation as at 31 December 2023	*-1,184,339*	*-139,559,257*	*-75,460,140*	*-169,932,127*	*0*	*0*	*-386,135,863*
Accumulated impairment as at 1 January 2023	*0*	*-409,129*	*-2,131,536*	*-182,271*	*0*	*0*	*-2,722,936*
Impairment	0	-298,687	0	0	0	0	**-298,867**
Impairment reversals	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*	*-182,271*	*0*	*0*	*-2,494,868*
Net book value as at 31 December 2023	*4,440,725*	*105,801,711*	*62,834,656*	*50,109,490*	*9,137,100*	*464,093*	*232,787,775*

(*) Additions for the period include capitalised costs.

(**) Impairment test on property, plant and equipment is disclosed in Note 9.

(***) Nurseries have been reclassified in 2023 from property, plant and equipment to biological assets, see Note 7.

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 32.

Note 7. Biological assets

EUR	Palm Mature	Palm Immature	Rubber Mature	Rubber Immature	Nurseries and Others (***)	Total
Cost as at 1 January 2022	***369,391,780***	***6,506,412***	***177,926,297***	***50,252,424***	***7,131***	***604,084,044***
Additions (*)	0	2,839,161	0	5,425,671	0	**8,264,832**
Disposals	-7,615,248	-521,789	-4,614,064	-1,048,276	0	**-13,799,377**
Transfer	3,220,779	-3,129,536	16,158,537	-16,015,781	0	**233,999**
Foreign exchange differences	-1,387,620	-186,183	3,504,320	-130,834	0	**1,799,683**
Cost as at 31 December 2022	***363,609,691***	***5,508,065***	***192,975,090***	***38,483,204***	***7,131***	***600,583,181***
Accumulated depreciation as at 1 January 2022	***-124,846,284***	***0***	***-58,239,712***	***0***	***-3,104***	***-183,089,100***
Depreciation	-15,458,723	0	-5,828,706	0	-56	**-21,287,485**
Depreciation reversals	7,590,069	0	4,314,350	0	0	**11,904,419**
Transfer	-304,376	0	304,376	0	0	**0**
Foreign exchange differences	480,583	0	-1,182,888	0	0	**-702,305**
Accumulated depreciation as at 31 December 2022	***-132,538,731***	***0***	***-60,632,580***	***0***	***-3,160***	***-193,174,471***
Accumulated impairment as at 1 January 2022	***-22,828,705***	***0***	***-29,622,116***	***-2,640,149***	***0***	***-55,090,970***
Foreign exchange differences	-761,413	0	-1,148,202	-163,369	0	**-2,072,984**
Accumulated impairment as at 31 December 2022	***-23,590,118***	***0***	***-30,770,318***	***-2,803,518***	***0***	***-57,163,954***
Net book value as at 31 December 2022	***207,480,842***	***5,508,065***	***101,572,192***	***35,679,686***	***3,971***	***350,244,756***
Cost as at 1 January 2023	***363,609,691***	***5,508,065***	***192,975,090***	***38,483,204***	***7,131***	***600,583,181***
Additions (*)	0	3,490,349	0	5,634,066	521,397	**9,645,812**
Disposals	-934,198	-386,833	-2,955,273	0	-769,566	**-5,045,870**
Hyperinflation	3,386,453	0	1,689,724	0	0	**5,076,177**
Transfer	3,546,358	-3,512,803	8,938,826	-8,765,028	1,275,501	**1,482,854**
Transfer to assets held for sale	0	0	-40,811,858	-4,002,517	-71,764	**-44,886,139**
Foreign exchange differences	-37,402,896	-98,312	-9,850,140	-2,944,059	-188,941	**-50,484,348**
Cost as at 31 December 2023	***332,205,408***	***5,000,466***	***149,986,369***	***28,405,666***	***773,758***	***516,371,667***
Accumulated depreciation as at 1 January 2023	***-132,538,731***	***0***	***-60,632,580***	***0***	***-3,160***	***-193,174,471***
Depreciation	-14,497,818	0	-7,567,771	0	-302	**-22,065,891**
Depreciation reversals	931,881	0	2,534,073	0	0	**3,465,954**
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	9,779,930	0	2,927,522	0	0	**12,707,452**
Accumulated depreciation as at 31 December 2023	***-136,323,849***	***0***	***-56,901,710***	***0***	***-23,132***	***-193,248,691***
Accumulated impairment as at 1 January 2023	***-23,590,118***	***0***	***-30,770,318***	***-2,803,518***	***0***	***-57,163,954***
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	1,545,550	98,716	0	**4,497,471**
Accumulated impairment as at 31 December 2023	***-20,736,913***	***0***	***-2,397,462***	***-3***	***0***	***-23,134,378***
Net book value as at 31 December 2023	***175,144,646***	***5,000,466***	***90,687,197***	***28,405,663***	***750,626***	***299,988,598***

(*) Additions for the period include capitalised costs.
(**) Impairment test on biological assets is disclosed in Note 9.
(***) Nurseries have been reclassified in 2023 within biological assets.

Accounting policy regarding current biological assets is disclosed in note 1.12.

Note 8. Depreciation and impairment

	2023	2022
	EUR	EUR
Depreciation		
Of intangible assets (Note 5)	54,808	54,634
Of property, plant and equipment excluding biological assets (Note 6)	34,523,229	34,197,220
Of biological assets (Note 7)	22,065,891	21,287,485
Of right-of-use assets (Note 4)	4,233,239	1,861,776
Impairment		
Of property, plant and equipment excluding biological assets (Note 5)	165,452	812,607
Of biological assets (Note 6)	7,547,826	0
TOTAL	*68,590,445*	*58,213,722*

Note 9. 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 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 there is such an indication, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss.

As at 31 December 2023, an impairment loss of EUR 0.3 million (2022: EUR 0.8 million) and an impairment reversal for EUR 0.1 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 agricultural activities. 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. An indexing factor is not 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 7 and 38).

As at 31 December 2023, accumulated impairment losses in the palm business segment amounted to EUR 7.2 million for Brabanta, EUR 9.2 million for Agripalma and EUR 4.4 million for SAC. For the rubber segment, the accumulated impairment losses are EUR 1.0 million for PSG and EUR 1.4 million for Safacam (Note 7). No impairment reversal indicators have been identified during the year.

Note 10. Non-wholly owned subsidiaries in which non-controlling interests are significant

Interests of non-controlling interests[G] in the activities of the Group

Subsidiary	Main location	Percentage of equity shares of non-controlling interest[G]		Percentage of voting rights of non-controlling interests[G]	
		2023	2022	2023	2022
Production of palm oil and rubber					
SOGB	Côte d'Ivoire	36%	36%	27%	27%
OKOMU	Nigeria	34%	34%	34%	34%
SAFACAM	Cameroon	31%	31%	31%	31%
SOCAPALM	Cameroon	33%	33%	33%	33%

Subsidiary	Net income attributed to non-controlling interests[G] in the subsidiary during the financial period		Accumulated non-controlling interests[G] in the subsidiary	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
SOGB	1,816,310	9,919,771	34,428,578	40,323,449
OKOMU (Restated)	11,532,083	12,770,057	13,610,634	24,085,211
SAFACAM	-340,054	795,546	12,682,330	14,333,451
SOCAPALM	5,833,015	5,871,789	29,186,471	27,876,194
Subsidiaries that hold non-controlling interests[G] that are not significant individually			10,137,102	10,127,641
Non-controlling interests[G]			***100,045,115***	***116,745,946***

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

Subsidiary	Current assets	Non-current assets	Current liabilities	Non-current liabities
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
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

Subsidiary	*Revenue from ordinary activities*	*Net income for the period*	*Comprehen-sive income for the period*	*Dividends paid to non-controlling interests[G]*
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
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

Subsidiary	*Net cash inflows (outflows)*			*Net cash inflows (outflows)*
	Operating activities	*Investing activities*	*Financing activities*	
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**
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**

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 11. Investments in associates

	2023	2022
	EUR	EUR
Value as at 1 January	***27,288,358***	***23,619,989***
Scope exits (Note 2)	0	-881,038
Income from associates	6,002,745	11,297,777
Dividends	-8,292,174	-7,126,982
Share in other comprehensive income from associates	-337,884	443,737
Other movements	-161,386	-65,125
Value as at 31 December	***24,499,660***	***27,288,358***

	Value of investment in associates	Income from associates	Value of investment in associates	Income from associates
	31/12/2023	2023	31/12/2022	2022
	EUR	EUR	EUR	EUR
Centrages	3,346,636	79,639	3,366,997	132,473
Immobilière de la Pépinière	1,794,038	-71,861	1,866,129	1,962
Induservices	145,837	47,547	98,291	26,434
Induservices FR	0	125,258	0	-108,679
Management Associates	0	0	0	154,201
Socfinco	313,853	-4,683	318,537	-256,646
Socfinco FR	7,106,126	2,558,601	8,639,420	5,223,770
Socfinde	1,848,000	124,448	1,723,552	23,464
Sodimex	0	0	0	389,114
Sodimex FR	2,116,830	342,281	2,183,194	451,950
Sogescol FR	7,533,893	2,791,818	8,807,489	5,249,578
Terrasia	294,446	9,698	284,748	10,156
TOTAL	***24,499,659***	***6,002,746***	***27,288,357***	***11,297,777***

Consolidated financial statements

	Total assets	Revenue	Total assets	Revenue
	31/12/2023	2023	31/12/2022	2022
	EUR	EUR	EUR	EUR
Centrages	3,973,190	3,921,004	4,106,686	3,880,683
Immobilière de la Pépinière	3,738,399	512,571	4,019,267	591,134
Induservices	1,080,076	2,240,040	815,459	2,700,576
Induservices FR	7,823,488	3,651,270	6,629,460	2,937,282
Socfinco	1,581,948	0	1,589,976	169
Socfinco FR	25,146,251	26,708,826	26,442,122	30,292,559
Socfinde	110,740,705	0	57,373,319	0
Sodimex FR	8,126,993	21,344,372	10,279,841	21,313,415
Sogescol FR	47,993,053	326,642,221	48,532,250	411,044,829
Terrasia	655,210	0	624,891	0
TOTAL	***210,859,313***	***385,020,304***	***160,413,271***	***472,760,647***

Main data of significant associates accounted for using the equity method

Associate company	Main location	Main activity	Dividend received	Dividend received
			31/12/2023	31/12/2022
			EUR	EUR
Socfinco	Belgium	Rendering of services	0	200,000
Socfinco FR	Switzerland	Rendering of services	4,000,000	4,000,000
Sodimex FR	Switzerland	Purchase and sale of equipment	375,000	250,000
Sogescol FR	Switzerland	Trade of tropical products	3,744,267	2,730,328
TOTAL			***8,119,267***	***7,180,328***

Summary financial information of interests held in associates - Statement of financial position

Associate company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
31/12/2022	EUR	EUR	EUR	EUR
Centrages	2,209,820	1,896,866	728,645	0
Socfinco FR	22,132,936	4,309,187	6,658,770	3,351,275
Socfinde	47,411,732	9,961,587	44,937,399	6,412,830
Sodimex FR	10,245,556	34,286	5,825,789	0
Sogescol FR	47,807,127	725,123	31,698,353	0
TOTAL	***129,807,171***	***16,927,049***	***89,848,956***	***9,764,105***

31/12/2023	EUR	EUR	EUR	EUR
Centrages	2,473,196	1,499,994	677,627	0
Socfinco FR	19,702,567	5,443,685	8,691,698	3,351,275
Socfinde	107,749,118	2,991,587	97,660,026	6,412,830
Sodimex FR	8,104,378	22,616	3,492,398	321,364
Sogescol FR	44,344,968	3,648,084	32,518,033	397,673
TOTAL	*182,374,227*	*13,605,966*	*143,039,782*	*8,665,344*

Summary financial information of interests held in associates - Income statement

Associate company	*Profit from operations*	*Net income for the period*	*Other comprehensive income for the period*	*Total comprehensive income for the period*
2022	*EUR*	*EUR*	*EUR*	*EUR*
Centrages	223,191	223,191	0	223,191
Socfinco FR	8,833,675	8,833,675	51,338	8,885,013
Socfinde	139,836	139,836	0	139,836
Sodimex FR	905,204	905,204	90,864	996,068
Sogescol FR	8,459,383	8,459,383	192,819	8,652,202
TOTAL	*18,561,289*	*18,561,289*	*335,022*	*18,896,311*

2023	*EUR*	*EUR*	*EUR*	*EUR*
Centrages	117,522	117,522	0	117,522
Socfinco FR	6,488,998	6,488,998	-91,830	6,397,168
Socfinde	644,758	644,758	0	644,758
Sodimex FR	609,180	609,180	-33,645	575,535
Sogescol FR	6,193,674	6,193,674	-87,087	6,106,587
TOTAL	*14,054,132*	*14,054,132*	*-212,563*	*13,841,569*

Reconciliation of the financial information summarised above to the carrying amount of the investments in the consolidated financial statements

Associate company	*Net assets of the associate*	*% stake held by the Group*	*Other IFRS adjustments*	*Value of stake held by the Group*
31/12/2022	*EUR*		*EUR*	*EUR*
Centrages	3,378,041	50%	1,677,977	3,366,997
Socfinco FR	16,432,078	50%	423,381	8,639,420
Socfinde	6,023,090	20%	518,934	1,723,552
Sodimex FR	4,454,053	50%	-43,833	2,183,194
Sogescol FR	16,833,897	50%	390,541	8,807,489
TOTAL	*47,121,159*		*2,967,000*	*24,720,652*

31/12/2023	EUR		EUR	EUR
Centrages	3,295,563	50%	1,698,855	3,346,636
Socfinco FR	14,921,077	50%	-3,805,484	7,106,126
Socfinde	6,667,849	20%	514,430	1,848,000
Sodimex FR	4,313,232	50%	-39,786	2,116,830
Sogescol FR	15,077,346	50%	-4,780	7,533,893
TOTAL	*44,275,067*		*-1,636,765*	*21,951,485*

There is no goodwill attributed to the above associates.

Aggregated information relating to associates that are not significant individually

	2023	2022
	EUR	EUR
Share of profit from continued operations attributable to the Group	185,598	194,814
Share of other comprehensive income attributable to the Group	-125,259	108,679
Share of total comprehensive income attributable to the Group	60,339	303,493
Total book value of investments in associates held by the Group	2,548,175	2,567,706

Profit after tax from discontinued operations for 2023 and 2022 are nil for all associate companies of the Group.

The nature, extent and financial impact of the interests held in associates by the Group, including the nature of relationships with other investors, remained stable over the financial period compared to the previous year.

Note 12. Financial assets at fair value through other comprehensive income

	2023	2022
	EUR	EUR
Fair value as at 1 January	***300,038***	***38***
Additions (*)	4,500,000	0
Transfer	0	300,000
Fair value as at 31 December	***4,800,038***	***300,038***

(*) Movement in 2023 corresponds to Management Associates capital increase.

EUR	Cost (historical)		Fair value	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Financial assets at fair value through other comprehensive income	4,800,038	300,038	4,800,038	300,038

Note 13. Deferred taxes

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

	2023	2022 Restated
	EUR	EUR
IAS 2 / IAS 41: Agricultural production	-915,418	-3,466,822
IAS 12: Withholding Tax	-6,235,965	-3,998,436
IAS 16: Property, plant and equipment (*)	-16,196,712	-26,596,533
IAS 19: Pension obligations	2,545,646	3,282,072
IAS 21: Translation differences	-1,210,662	0
IAS 37: Provisions for risks and charges	375,811	757,296
IAS 38: Formation expenses	0	516,392
IAS 38: Research costs	360,975	337,185
IFRS 9: Financial assets measured at fair value through other comprehensive income	-47,377	-98,386
IFRS 16: Leases	-44,883	648,482
IAS 41 : Biological assets	-480,896	0
IFRS 3: Fair value of investment property	0	-16,580
Others	-83	-117
Balance as at 31 December	***-21,849,564***	***-28,635,447***
Of which deferred tax assets	*2,735,633*	*4,513,652*
Of which deferred tax liabilities	*-24,585,197*	*-33,149,099*

(*) 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 resulting from consolidated adjustments. They are calculated company per company and the net position between deferred tax liabilities and deferred tax assets is presented.

The Group Socfinaf 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. 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 a “partially-owned parent entity” (POPE) due to the fact that more than 20% of the ownership interest in its profit is held, directly or indirectly, by one or several persons that are not constituent entities of the Group. As a POPE, the Company should be subject to IIR based on its allocable share of the top-up tax (if any) of its low-tax constituent entities.

The Company is controlled by Société Financière des Caoutchoucs, abbreviated as “Socfin” which is the largest entity that consolidate, and which should qualify as the Ultimate Parent Entity (UPE) for Luxembourg Pillar Two purpose. The UPE, Socfin, would be subject to IIR but 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 POPE) is still in process of assessing the potential exposure (if any) to Pillar Two income taxes as at 31 December 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 tax losses that are or are not limited over time capital allowances limited or not over time.

LAC, Brabanta, Agripalma and Camseeds, have unused tax losses and tax latencies, 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) 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).

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 14. Current tax assets and liabilities

Components of current tax assets

	2023	2022
	EUR	*EUR*
Current tax assets as at 1 January	***12,438,610***	***13,378,526***
Tax income	1,133,981	1,211,151
Other taxes	9,529,471	-1,710,668
Taxes paid or recovered	-263,201	2,333,362
Transfer (*)	-12,782,933	-3,022,879
Transfer to assets held for sale	-299,780	0
Foreign exchange differences	-207,054	249,118
Current tax assets as at 31 December	***9,549,094***	***12,438,610***

(*) 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	***40,651,438***	***30,408,824***
Tax expense	31,897,496	37,157,521
Other taxes (*)	38,366,780	23,208,381
Taxes paid or recovered	-58,507,765	-48,988,859
Transfer (**)	-13,881,093	-1,177,818
Foreign exchange differences	-9,825,719	43,389
Current tax liabilities as at 31 December	***28,701,137***	***40,651,438***

(*) Other taxes are composed of taxes not included in general tax expenses: VAT, withholding tax, custom tax,...

(**) Corresponds mainly to offset of tax assets and tax liabilities.

Note 15. Income tax expense

* Components of the tax expense

	2023	2022 Restated
	EUR	EUR
Income tax expense (*)	36,557,147	39,796,406
Deferred tax expense / (income)	4,971,264	6,528,621
Tax expense as at 31 December	***41,528,411***	***46,325,027***

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

* Components of the deferred tax (expense) / income

	2023	2022 Restated
	EUR	EUR
IAS 19: Pension obligations	1,553,831	-1,450,766
IAS 38: Intangible assets	484,856	-13,828
IAS 2 / IAS 41: Fair value of agricultural produce	-2,143,595	1,420,836
IFRS 9: Fair value	0	44,201
IAS 12: Income Tax (*)	2,523,222	1,674,170
IAS 16: Tangible assets	539,398	5,280,573
IAS 37: Provisions for risks and charges	25,932	-510,998
IAS 21: Foreign exchange differences	1,819,832	-40,261
IFRS 16: Leases	286,364	-37,374
Others	0	162,066
Deferred tax expense / (income) as at 31 December	***4,971,264***	***6,528,619***

(*) Of which impact of tax latencies activated for EUR 3.5 million, and withholding tax for EUR -0.7 million.

* Reconciliation between income statement and cash flow statement

	2023	2022
	EUR	EUR
Income tax expense paid during the period	-36,557,147	-39,796,406
Income tax movement on financial position	1,401,592	0
Income tax paid	***-35,155,555***	***-39,796,406***

**** Reconciliation of income tax expense***

	2023	2022 Restated
	EUR	*EUR*
Profit before tax from continuing operations	***84,850,434***	***141,063,191***
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	18,981,308	33,020,896
Unfunded taxes	0	61,922
Definitively taxed income	2,843,271	2,222,265
Use unrecognised of capital allowances	-192,116	-858,604
Specific tax regimes in foreign countries	7,215,176	6,763,922
Non-taxable income	-5,601,483	-1,962,465
Non-deductible expenses	6,629,405	3,975,975
Use of unrecognised accumulated tax losses	-1,410,695	-1,125,940
Unrecognised losses carried forward	8,294,995	4,104,175
Other tax benefits	-10,671	-40,956
Additional tax assessment	232,357	35,862
Impact of change in tax rate	4,552,406	113,723
Other adjustments	-5,542	14,252
Tax expense as at 31 December	***41,528,411***	***46,325,027***

**** 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 16. Inventories

**** Carrying value of inventories by category***

	31/12/2023	31/12/2022
	EUR	*EUR*
Raw materials[G]	24,638,464	33,610,606
Consumables	16,850,225	22,944,186
Spare parts	30,663,090	32,159,246
Production in progress	858,179	635,495
Finished products	17,728,911	17,412,198
Down-payments and orders in progress	2,945,178	4,400,098
Gross amount (before impairment) as at 31 December	***93,684,047***	***111,161,829***
Inventory write-downs	-4,947,343	-5,392,015
Net amount as at 31 December	***88,736,704***	***105,769,814***

**** Reconciliation of inventories***

	2023	2022
	EUR	EUR
Situation as at 1 January	***111,161,829***	***96,902,172***
Change in inventory	5,770,503	8,994,376
Fair value of agricultural products	-9,522,251	5,115,356
Transfer to assets held for sale	-956,711	0
Foreign exchange differences	-12,769,323	149,925
Gross amount (before impairment) as at 31 December	***93,684,047***	***111,161,829***
Inventory write-downs	-4,947,343	-5,392,015
Net amount as at 31 December	***88,736,704***	***105,769,814***

**** Quantity of inventory by category***

31/12/2022	Raw materials[G]	Production-in-progress[G]	Finished goods[G]
Crude Palm Oil[G] / Palm Kernel Oil (tons)	667	0	6,079
Rubber (tons)	33,460	0	9,931
Others (units)	0	0	2,150,187

31/12/2023	Raw materials[G]	Production-in-progress[G]	Finished goods[G]
Crude Palm Oil[G] / Palm Kernel Oil (tons)	0	0	10,843
Rubber (tons)	33,065	0	9,799
Others (units)	0	0	2,386,647

Note 17. Trade receivables (current assets)

	31/12/2023	31/12/2022
	EUR	EUR
Trade receivables	22,784,333	19,073,838
Advances and prepayments	4,451,502	4,445,384
TOTAL	***27,235,835***	***23,519,222***

The accounting and risk management policies related to receivables are detailed in Notes 1 and 34.

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

Note 18. Other receivables (current assets)

	31/12/2023	31/12/2022
	EUR	*EUR*
Social security	1,247,379	1,017,195
Other receivables (*)	21,252,251	19,953,623
Accrued charges	631,589	470,178
TOTAL	***23,131,219***	***21,440,996***

(*) Other receivables include receivables linked to non-operational activities and a receivable of EUR 15.9 million (EUR 14.3 million in 2022) relating to the cash pooling at the level of Socfinaf and its subisidiaries.

Note 19. Cash and cash equivalents

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

	2023	2022
	EUR	*EUR*
Current account	39,741,654	63,638,033
TOTAL	***39,741,654***	***63,638,033***

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

	2023	2022
	EUR	*EUR*
Current account	39,741,654	63,638,033
Bank overdrafts (*)	-3,470,366	-10,695,901
TOTAL	***36,271,288***	***52,942,132***

(*) See also Note 23.

Note 20. Share capital and share premium

Issued and fully paid capital amounted to EUR 35.7 million as at 31 December 2023 (stable compared to 2022). There is a share premium of EUR 87.5 million added to the issued capital.

As at 31 December 2023, the share capital is represented by 17,836,650 shares with no designation of par value.

	Ordinary shares	
	31/12/2023	31/12/2022
Number of shares as at 31 December	17,836,650	17,836,650
Number of fully paid shares issued without designation of par value	17,836,650	17,836,650

Note 21. Legal reserves

In accordance with Luxembourg 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 22. Pension obligations

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

Besides the legislation on social security applicable locally, most of the employees of the Group in Africa benefit from a defined benefit pension plan. The subsidiaries pay benefits in the event of retirement and depending on countries in case of dismissal. The benefits paid are calculated 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. The benefits payable to the staff of the Cameroonian subsidiary Socapalm are financed by assets that include insurance contracts whose price is not quoted on active markets.

			2023 EUR			2022 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
Assets and liabilities recognised in the statement of financial position						
Present value of obligations	13,932,928	-1,431,667	**12,501,261**	13,689,169	-1,322,634	**12,366,535**
Net amount recognised in the statement of financial position for defined benefit plans	***13,932,928***	***-1,431,667***	***12,501,261***	***13,689,169***	***-1,322,634***	***12,366,535***
Components of net charge						
Current service costs	716,745	0	**716,745**	855,755	0	**855,755**
Financial costs	1,047,943	23,504	**1,071,447**	1,061,814	23,422	**1,085,236**
Interest income on plan assets	0	-170,158	**-170,158**	0	-116,216	**-116,216**
Early retirement, reductions, liquidations	-5,875	0	**-5,875**	0	0	**0**
Past service costs	300,283	0	**300,283**	0	0	**0**
Defined benefit plan costs	***2,059,096***	***-146,654***	***1,912,442***	***1,917,569***	***-92,794***	***1,824,775***
Movements in liabilities / net assets recognised in the statement of financial position						
As at 1 January	***13,689,168***	***-1,322,634***	***12,366,534***	***13,768,201***	***-1,713,679***	***12,054,522***
Costs as per income statement	2,059,096	-146,654	**1,912,442**	1,917,569	-92,794	**1,824,775**
Contributions by employer	-699,064	-671,544	**-1,370,608**	-900,012	-669,194	**-1,569,206**
Costs of services rendered	-179,306	179,306	**0**	-223,676	223,676	**0**
Actuarial gains and losses of the year recognised in other comprehensive income	1,387,967	80,332	**1,468,299**	-954,436	51,880	**-902,556**
Reclassification of net asset	0	449,526	**449,526**	0	877,478	**877,478**
Foreign exchange differences	-2,324,932	0	**-2,324,932**	81,522	0	**81,522**
As at 31 December	***13,932,928***	***-1,431,667***	***12,501,261***	***13,689,168***	***-1,322,634***	***12,366,534***

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

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

			2023 EUR			2022 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	-912,093	0	**-912,093**	-269,868	0	**-269,868**
Changes in financial assumptions related to recognised liabilities	171,518	0	**171,518**	1,445,002	0	**1,445,002**
Changes in demographic assumptions related to recognised liabilities	-647,390	0	**-647,390**	-220,698	0	**-220,698**
Return on assets in the plan excl. interest income	0	-80,332	**-80,332**	0	-51,880	**-51,880**
Actuarial gains and losses recognised during the period in other comprehensive income	***-1,387,965***	***-80,332***	***-1,468,297***	***954,436***	***-51,880***	***902,556***

*** Actuarial valuation assumptions**

	2023	2022
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 10.70%	from 1.74% to 12%
Average remaining active life of employees (in years)	19.06	19.34

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

	2023	2022
	EUR	*EUR*
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

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)	1,812,594	1,810,894

	2023	2022
Weighted average duration of defined benefit plan obligations (in years)	6.1	6.2

**** Pension scheme with defined benefit obligations***

	2023	2022
	EUR	*EUR*
Accounted expense for the defined contribution pension plan	1,005,730	1,049,949

Note 23. Financial debts

31/12/2022			
EUR	*< 1 year*	*> 1 year*	*TOTAL Restated*
Loans held by financial institutions	16,872,593	34,606,124	**51,478,717**
Lease liabilities	1,532,064	8,674,142	**10,206,206**
Other loans (*)	55,908,831	129,331,004	**185,239,835**
Bank overdrafts (**)	10,695,901	0	**10,695,901**
TOTAL	***85,009,389***	***172,611,270***	***257,620,659***

31/12/2023			
EUR	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions	13,137,581	17,357,744	**30,495,325**
Lease liabilities	2,778,042	24,950,880	**27,728,922**
Other loans (*)	47,495,679	85,420,573	**132,916,252**
Bank overdrafts (**)	3,470,366	0	**3,470,366**
TOTAL	***66,881,668***	***127,729,197***	***194,610,865***

(*) This balance includes an amount of EUR 120.0 million payable to Socfin and shareholders by Socfinaf (2022: EUR 174.9 million). See note 31.

(**) See also Note 19.

Most of the consolidated borrowings are denominated 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 34, 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					
Côte d'Ivoire	2,647,567	5.50% to 6.50%	0	-	**2,647,567**
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**
	34,606,124		***0***		***34,606,124***
Other loans					
Europe	120,000,000	4.25%	0	-	**120,000,000**
Sierra Leone	9,331,005	0% to 3.00%	0	-	**9,331,005**
	129,331,005		***0***		***129,331,005***
TOTAL	***163,937,129***		***0***		***163,937,129***

31/12/2023 EUR	Fixed Rate	Rate	Floating rate	Rate	TOTAL
Loans held by financial institutions					
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**
	17,357,743		***0***		***17,357,743***
Other loans					
Europe	80,000,000	6.00% to 6.25%	0	-	**80,000,000**
Sierra Leone	5,420,573	0% to 3.00%	0	-	**5,420,573**
	85,420,573		***0***		***85,420,573***
TOTAL	***102,778,316***		***0***		***102,778,316***

**** Long-term debt analysis by currency***

31/12/2022	EUR	CFA	NGN	STN	USD	GHS	CDF	TOTAL EUR Restated
Loans held by financial institutions	4,874,999	10,834,222	17,197,310	0	1,699,592	0	0	**34,606,123**
Other loans	120,000,000	0	0	0	9,331,004	0	0	**129,331,004**
Lease liabilities	0	6,901,010	65,318	268,436	1,364,985	35,690	38,702	**8,674,141**
TOTAL	***124,874,999***	***17,735,232***	***17,262,628***	***268,436***	***12,395,581***	***35,690***	***38,702***	***172,611,268***

31/12/2023	EUR	CFA	NGN	STN	USD	GHS	CDF	TOTAL EUR
Loans held by financial institutions	1,625,000	8,492,464	7,240,279	0	0	0	0	**17,357,743**
Other loans	80,000,000	0	0	0	5,420,573	0	0	**85,420,573**
Lease liabilities	0	20,289,243	3,236,272	112,602	1,260,191	25,509	27,063	**24,950,880**
TOTAL	***81,625,000***	***28,781,707***	***10,476,551***	***112,602***	***6,680,764***	***25,509***	***27,063***	***127,729,196***

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

31/12/2022						
EUR	*2024*	*2025*	*2026*	*2027*	*2028 and above*	*TOTAL Restated*
Loans held by financial institutions	13,888,998	7,702,455	4,539,071	3,950,392	4,525,209	**34,606,125**
Lease liabilities	1,220,841	606,192	278,971	73,687	6,494,450	**8,674,141**
Other loans	5,100,000 (*)	5,100,000 (*)	125,100,000 (*)	0	9,331,004	**144,631,004**
TOTAL	***20,209,839***	***13,408,647***	***129,918,042***	***4,024,079***	***20,350,663***	***187,911,270***

(*) Those amounts correspond to the interests and capital to be repaid on the EUR 120 million long-term loan, disclosed in Note 31.

31/12/2023						
EUR	*2025*	*2026*	*2027*	*2028*	*2029 and above*	*TOTAL*
Loans held by financial institutions	8,362,989	4,773,585	4,061,408	2,685,043	1,051,182	**20,934,207**
Lease liabilities	2,332,498	1,812,884	1,534,512	121,920	19,149,066	**24,950,880**
Other loans	6,937,466 (*)	85,000,000 (*)	0	0	3,487,181	**95,424,647**
TOTAL	***17,632,952***	***91,586,469***	***5,595,920***	***2,806,963***	***23,687,429***	***141,309,733***

(*) Those amounts correspond to the interests and capital to be repaid on the EUR 80 million long-term loan, disclosed in Note 31.

**** 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 31 Information on related party.

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

	31/12/2023	31/12/2022 Restated
	EUR	*EUR*
Cash and cash equivalents	39,741,654	63,638,033
Long-term debt net of current portion	-102,778,317	-163,937,128
Short-term debt and current portion of long-term debt	-64,103,627	-83,477,324
Lease liabilities	-27,728,922	-10,206,207
Net debt	***-154,869,212***	***-193,982,626***
Cash and cash equivalents	39,741,654	63,638,033
Loan bearing interest at a fixed rate	-166,881,944	-232,802,668
Loan bearing interest at a variable rate	0	-14,611,784
Lease liabilities	-27,728,922	-10,206,207
Net debt	***-154,869,212***	***-193,982,626***

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

	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*
As at 1 January 2022 - Restated	***63,091,770***	***-240,634,695***	***-75,991,474***	***-9,390,392***	***-262,924,791***
Cash flows	992,576	66,189,365	21,018,464	1,737,556	**89,937,961**
Foreign exchange differences	-446,314	1,409,412	1,020,847	-78,293	**1,905,652**
Transfers	0	19,178,526	-29,525,164	0	**-10,346,639**
Other movements with no impact on cash flows	0	-10,079,732	0	-2,475,073	**-12,554,805**
As at 31 December 2022 - Restated	***63,638,032***	***-163,937,124***	***-83,477,327***	***-10,206,202***	***-193,982,622***
Cash flows	-14,319,139	37,988,001	31,318,102 (*)	4,623,622	**59,610,586**
Foreign exchange differences	-9,216,071	9,990,476	138,407	2,274,529	**3,187,341**
Transfers	0	13,180,334	-12,082,811	0	**1,097,523**
Transfer to assets held for sale	-361,169	0	0	45,866	**-315,303**
Other movements with no impact on cash flows	0	0	0	-24,466,733	**-24,466,733**
As at 31 December 2023	***39,741,653***	***-102,778,313***	***-64,103,629***	***-27,728,918***	***-154,869,208***

(*) Of which EUR 7.2 million relating to movements on bank overdrafts and EUR 24.1 million relating to repayment of borrowings.

Note 24. Trade and other payables

	31/12/2023	31/12/2022 Restated
	EUR	*EUR*
Non-current other payables	***1,332,110***	***1,650,572***
Trade creditors: suppliers	35,295,036	42,111,681
Advances received and invoices to be received	11,102,007	8,074,757
Subtotal trade payables	***46,397,043***	***50,186,438***
Staff cost liabilities	6,110,763	5,102,003
Other payables (*)	11,555,848	7,773,177
Accruals (**)	6,372,256	9,167,312
Subtotal current other payables	***24,038,867***	***22,042,492***
TOTAL	***71,768,020***	***73,879,502***
Non-current liabilities	1,332,110	1,650,572
Current liabilities	70,435,910	72,228,930

(*) Other payables include cash pooling at the level of Socfinaf for EUR 0 million (EUR 0.3 million in 2022). See also Note 31.

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

Note 25. Financial instruments

31/12/2022 Restated 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	300,038	0	**300,038**	0	0
Long-term advances	1,231,712	0	433,058	**1,664,770**	1,231,712	433,058
Other non-current assets	0	0	2,619,576	**2,619,576**	0	2,619,576
Trade receivables	0	0	23,519,222	**23,519,222**	0	23,519,222
Other receivables	0	0	21,440,996	**21,440,996**	0	21,440,996
Cash and cash equivalents	0	0	63,638,033	**63,638,033**	0	63,638,033
Total assets	***1,231,712***	***300,038***	***111,650,885***	***113,182,635***	***1,231,712***	***111,650,885***
Liabilities						
Long-term debts (**)	163,937,128	0	0	**163,937,128**	159,078,419	0
Other non-current liabilities	0	0	1,650,572	**1,650,572**	0	1,650,572
Short-term debts (**)	72,781,424	0	10,695,900	**83,477,324**	72,781,424	10,695,900
Trade payables (current)	0	0	50,186,438	**50,186,438**	0	50,186,438
Other payables (current) (**)	0	0	22,042,491	**22,042,491**	0	22,042,491
Total liabilities	***236,718,552***	***0***	***84,575,401***	***321,293,953***	***231,859,843***	***84,575,401***

(*) For information purposes.

(**) See note 23.

31/12/2022	Fair Value			
EUR	*Level 1*	*Level 2*	*Level 3*	*TOTAL*
Financial assets at fair value through other comprehensive income	0	0	300,038	***300,038***

31/12/2023	Loans and borrowings	Financial assets at fair value through other com-prehensive income	Other financial assets and liabilities	TOTAL	Loans and borrowings (*)	Other financial assets and liabilities (*)
EUR	*At cost*	*At fair value*	*At cost*		*At fair value*	*At fair value*
Assets						
Financial assets at fair value through other comprehensive income	0	4,800,038	0	**4,800,038**	0	0
Long-term advances	1,502,170	0	513,733	**2,015,903**	1,502,170	513,733
Other non-current assets	0	0	3,089,715	**3,089,715**	0	3,089,715
Trade receivables	0	0	27,235,836	**27,235,836**	0	27,235,836
Other receivables	0	0	23,131,220	**23,131,220**	0	23,131,220
Cash and cash equivalents (**)	0	0	39,741,654	**39,741,654**	0	39,741,654
Total assets	***1,502,170***	***4,800,038***	***93,712,158***	***100,014,366***	***1,502,170***	***93,712,158***
Liabilities						
Long-term debts (**)	102,778,317	0	0	**102,778,317**	100,229,159	0
Other non-current liabilities (***)	0	0	1,332,110	**1,332,110**	0	1,332,110
Short-term debts (**)	60,633,260	0	3,470,367	**64,103,627**	60,633,260	3,470,367
Trade payables (current) (***)	0	0	46,397,043	**46,397,043**	0	46,397,043
Other payables (current) (***)	0	0	24,038,868	**24,038,868**	0	24,038,868
Total Liabilities	***163,411,577***	***0***	***75,238,388***	***238,649,965***	***160,862,419***	***75,238,388***

(*) For information purposes.
(**) See note 23.
(***) 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	4,800,038	***4,800,038***

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 26. Staff costs and average number of staff

	2023	2022 Restated
Staff costs	*EUR*	*EUR*
Remuneration	69,702,788	65,739,733
Social security and pension expenses	9,207,095	7,036,495
TOTAL	***78,909,883***	***72,776,228***

Average number of employees	*2023*	*2022*
Directors	118	106
Employees	5,126	4,534
Workers (including temporary workers)	18,696	20,813
TOTAL	***23,940***	***25,453***

Note 27. Other financial income

	2023	2022
	EUR	*EUR*
Interest from receivables and cash and cash equivalents	419,665	346,457
Exchange gains	22,174,456	8,040,379
Others	258,206	267,079
TOTAL	***22,852,327***	***8,653,915***

Note 28. Financial expenses

	2023	2022
	EUR	*EUR*
Interest and finance expense	11,245,986	14,896,038
Interest expenses on lease liabilities	3,411,779	1,041,390
Exchange losses	26,848,781	24,584,287
Others	1,516,828	641,659
TOTAL	***43,023,374***	***41,163,374***

Note 29. Net earnings per share

The undiluted net earnings per share (basic) is the profit for the year attributable to ordinary shareholders divided by the average number of ordinary shares outstanding 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)	28,248,339	73,185,734
Average number of shares	17,836,650	17,836,650
Net earnings per share undiluted (in euros)	***1.58***	***4.10***

Note 30. Dividends and Directors' fees

The Board will propose to the Annual General Meeting of 29 May 2024 not to pay any dividend.

	2023	2022
Dividends and interim dividends distributed during the period	0	0
Number of shares	17,836,650	17,836,650
Dividend per share paid during the period	0	0

Note 31. Information on related party

* Directors' remuneration

	2023	2022
	EUR	EUR
Short-term benefits	488,730	356,995

* Other related party transactions

31/12/2022 EUR	Parent	Associates	Other related parties	TOTAL Restated
Non-current assets				
Long-term advances	0	130,000	280,000	**410,000**
	0	***130,000***	***280,000***	***410,000***
Current assets				
Trade receivables	0	14,712,028	0	**14,712,028**
Other receivables (Note 18)	0	15,122,089	7,464	**15,129,553**
	0	***29,834,117***	***7,464***	***29,841,581***
Non-current liabilities				
Financial debts (Note 23)	120,000,000	4,976,156	4,284,667	**129,260,823**
	120,000,000	***4,976,156***	***4,284,667***	***129,260,823***
Current liabilities				
Financial debts (Note 23)	14,611,491	292	40,405,480	**55,017,263**
Trade payables	0	15,503,605	71,063	**15,574,668**
Other payables (Note 24)	0	3,159,945	660	**3,160,605**
	14,611,491	***18,663,842***	***40,477,203***	***73,752,536***
Income statement				
Services and goods delivered	0	247,471,984	0	**247,471,984**
Services and goods received	0	45,273,521	681,422	**45,954,943**
Financial income	0	69,462	0	**69,462**
Financial expenses	8,835,902	520,375	1,600,000	**10,956,277**

31/12/2023 EUR	Parent	Associates	Other related parties	TOTAL
Non-current assets				
Long-term advances	0	130,000	280,000	**410,000**
	0	***130,000***	***280,000***	***410,000***
Current assets				
Trade receivables	0	18,248,109	0	**18,248,109**
Other receivables (Note 18)	0	16,003,218	14,339	**16,017,557**
	0	***34,251,327***	***14,339***	***34,265,666***
Non-current liabilities				
Financial debts (Note 23)	80,000,000	3,395,056	3,487,181	**86,882,237**
	80,000,000	***3,395,056***	***3,487,181***	***86,882,237***
Current liabilities				
Financial debts (Note 23)	0	0	40,705,753	**40,705,753**
Trade payables	0	16,879,628	6,031	**16,885,659**
Other payables (Note 24)	1,250,000	3,912,871	660	**5,163,531**
	1,250,000	***20,792,499***	***40,712,444***	***62,754,943***
Income statement				
Services and goods delivered	0	198,623,366	0	**198,623,366**
Services and goods received	0	44,144,608	658,211	**44,802,819**
Financial income	0	254,618	0	**254,618**
Financial expenses	5,786,549	310,356	2,003,287	**8,100,192**

Related party transactions are carried out at arm's length.

Other related party transactions are carried out with 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 20.4 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 2022 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 June 2025.

Socfinaf did not pay any dividend in 2023 to its parent company Socfin (2022: nil). Socfinaf has borrowed an amount of EUR 80.0 million from Socfin (2022: EUR 120.0 million). Annual interest at rate of 6.25% (2022: 4.25%) is payable on this loan. As such, Socfinaf has paid an interest of EUR 5.8 million in 2023 compared to EUR 8.8 million in 2022.

Note 32. Off balance sheet commitments

In 2019, a subsidiary of Socfinaf, Okomu Oil Palm Company obtained a loan of Naira 10 billion. The contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11,416 ha plantation. 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 pledges the oil mill as mortgage guarantee, up to the amount of 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 to nil (2022: nil).

In 2021, a subsidiary of Socfinaf, Okomu Oil Palm Company obtained a loan of Naira 2 billion, whose contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11,416 ha plantation. 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 33. 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 and Congo (DRC).

Products from Côte d'Ivoire, Ghana, Nigeria and Cameroon's operating sectors come from the palm oil and rubber sales. Those from the Liberia sector are only from the rubber sales, while those from Sierra Leone, Ghana, São Tomé and Principe and Congo (DRC) come solely from the palm oil sales. 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*	*Segmental profit / (loss) (*) Restated*
Europe	0	0	-2,823,953
Sierra Leone	58,553,604	0	21,826,293
Liberia	40,756,657	0	1,747,945
Côte d'Ivoire	200,451,040	136,882	38,224,054
Ghana	33,083,346	0	18,234,769
Nigeria	133,279,822	0	56,251,979
Cameroon	147,069,445	0	34,187,590
São Tomé and Principe	7,781,775	0	779,099
Congo (DRC)	16,366,246	0	-398,915
TOTAL	***637,341,934***	***136,882***	***168,028,860***
Depreciation, amortisation and impairment of bearer plants			-72,844
Fair value of agricultural production			5,115,356
Other IFRS adjustments			-92,817
Consolidation adjustments (intra-group and others)			2,351,041
Financial income and gain on disposals			8,730,381
Financial expenses and loss on disposals			-42,996,783
Group share of income from associates			11,297,778
Income tax expense and deferred tax (expense) / income			-46,325,027
Net Profit / (loss) for the period			***106,035,944***

(*) Profit / (loss) for the period include other expenses for EUR 128.1 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …), and other operating expenses for EUR 25.0 million not related directly to the operational activity (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*	*Segmental profit / (loss) (*)*
Europe	0	0	-3,017,768
Sierra Leone	44,340,974	0	13,979,176
Liberia	36,813,393	0	-1,791,812
Côte d'Ivoire	160,456,976	142,039	15,070,482
Ghana	34,514,182	0	18,494,533
Nigeria	113,518,677	0	50,396,027
Cameroon	156,987,751	0	27,824,017
São Tomé and Principe	5,511,788	0	-2,496,052
Congo (DRC)	10,923,105	0	-4,555,130
TOTAL	***563,066,846***	***142,039***	***113,903,472***
Depreciation, amortisation and impairment of bearer plants			-9,381,337
Fair value of agricultural production			-9,522,251
Other IFRS adjustments			5,506,230
Consolidation adjustments (intra-group and others)			4,704,160
Financial income and gain on disposals			23,005,905
Financial expenses and loss on disposals			-43,365,744
Group share of income from associates			6,002,745
Income tax expense and deferred tax (expense) / income			-41,528,411
Net Profit / (loss) for the period			***49,324,768***

(*) Profit / (loss) for the period include other expenses for EUR 118.5 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …), other operating expenses for EUR 14.7 million and other operational income for EUR 11.7 million that are not related directly to the operational activity (government grants, other taxes, property taxes, …).

*** Total segmental assets[G]**

	31/12/2023	31/12/2022
	EUR	*EUR*
Europe	1,489,353	2,063,733
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	178,037,147	184,081,225
São Tomé and Principe	26,624,876	28,111,519
Congo (DRC)	51,567,843	68,260,622
TOTAL	***768,050,223***	***902,371,819***
IFRS 3 / IAS 16: Bearer plants	-18,545,344	-25,692,506
IAS 2 / IAS 41: Agricultural production	1,036,347	11,304,647
Other IFRS adjustments	-6,556,682	-7,621,916
Consolidation adjustments (intra-group and others)	-52,372,458	-55,200,786
Total consolidated segmental assets[G]	***691,612,086***	***825,161,258***
Consolidated assets not included in segmental assets[G]		
Right-of-use assets	29,232,550	8,169,574
Investments in associates	24,499,660	27,288,358
Financial assets at fair value through other comprehensive income	4,800,038	300,038
Long-term advances	2,015,903	1,664,770
Deferred tax	2,735,632	4,513,652
Other non-current assets	3,089,715	2,619,576
Consolidated non-current assets	***66,373,498***	***44,555,968***
Other debtors	23,131,220	21,440,996
Current tax assets	9,549,095	12,438,610
Consolidated current assets	***32,680,315***	***33,879,606***
Total of consolidated assets in the segmental assets[G]	***99,053,812***	***78,435,573***
Assets classified as held for sale	***6,313,418***	***0***
Total assets	***796,979,317***	***903,596,831***

**** Total segmental liabilities[G]***

	31/12/2023	31/12/2022 Restated
	EUR	*EUR*
Europe	3,261,194	55,702,251
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	27,352,202	20,840,351
São Tomé and Principe	4,435,416	3,492,126
Congo (DRC)	2,393,585	1,045,995
TOTAL	***80,769,881***	***128,770,849***
Other IFRS adjustments	2,294,545	6,346,208
Consolidation adjustments (intra-group and others)	-12,628,515	-62,888,128
Total consolidated segmental liabilities[G]	***70,435,910***	***72,228,929***
Consolidated liabilities not included in segmental liabilities[G]		
Total equity	463,930,610	485,307,105
Non-current liabilities	166,147,779	219,777,491
Current financial debts	64,103,627	83,477,324
Current lease liabilities	2,778,042	1,532,064
Current tax liabilities	28,701,137	40,651,438
Provisions	597,934	622,480
Total consolidated liabilities not included in segmental liabilities[G]	***726,259,218***	***831,367,902***
Liabilities associated with assets classified as held for sale	***284,279***	***0***
Total equity and liabilities	***796,979,317***	***903,596,831***

**** Costs incurred for acquisition of segmental assets[G] during 2022***

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Sierra Leone	0	2,125,221	0	**2,125,221**
Liberia	0	2,197,106	898,587	**3,095,694**
Côte d'Ivoire	32,003	5,966,349	3,393,844	**9,392,196**
Ghana	0	2,277,025	0	**2,277,025**
Nigeria	0	22,269,520	827,710	**23,097,230**
Cameroon	0	10,862,418	3,144,690	**14,007,108**
São Tomé and Principe	0	275,584	0	**275,584**
Congo (DRC)	0	906,694	0	**906,694**
TOTAL	***32,003***	***46,879,918***	***8,264,832***	***55,176,752***

**** Costs incurred for acquisition of segmental assets[G] during 2023***

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Sierra Leone	0	2,535,268	0	**2,535,268**
Liberia	0	2,492,307	1,238,634	**3,730,941**
Côte d'Ivoire	15,621	5,647,697	3,685,695	**9,349,013**
Ghana	0	1,580,958	160,462	**1,741,420**
Nigeria	0	10,397,083	759,758	**11,156,841**
Cameroon	0	12,548,621	3,801,263	**16,349,884**
São Tomé and Principe	0	811,212	0	**811,212**
Congo (DRC)	0	106,557	0	**106,557**
TOTAL	***15,621***	***36,119,704***	***9,645,812***	***45,781,136***

**** Information by sector of activity***

Revenue from external customers:

	2023	2022
	EUR	*EUR*
Palm	370,064,088	408,462,769
Rubber	186,846,082	222,252,985
Other agricultural activities	1,717,350	469,211
Others	4,439,331	6,156,969
TOTAL	***563,066,850***	***637,341,934***

**** Information by geographical region***

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

EUR										2022
Origin \ Geographical location	*Europe*	*Liberia*	*Côte d'Ivoire*	*Nigeria*	*Cameroon*	*Congo*	*Sierra Leone*	*Other African countries*	*Rest of the world*	*TOTAL*
Europe	0	0	0	0	0	0	0	0	0	**0**
Sierra Leone	3,356,599	0	0	0	0	0	55,197,004	0	0	**58,553,603**
Liberia	40,635,339	121,318	0	0	0	0	0	0	0	**40,756,657**
Côte d'Ivoire	130,232,762	0	31,878,695	0	0	0	0	2,350,374	35,989,209	**200,451,040**
Ghana	0	0	0	0	0	0	0	33,083,346	0	**33,083,346**
Nigeria	0	0	0	133,279,822	0	0	0	0	0	**133,279,822**
Cameroon	15,688,005	0	0	412,650	130,968,790	0	0	0	0	**147,069,445**
São Tomé and Principe	7,196,400	0	0	0	205,800	0	0	379,575	0	**7,781,775**
Congo (DRC)	0	0	0	0	0	16,366,246	0	0	0	**16,366,246**
TOTAL	***197,109,105***	***121,318***	***31,878,695***	***133,692,472***	***131,174,590***	***16,366,246***	***55,197,004***	***35,813,294***	***35,989,209***	***637,341,934***

EUR										2023
Origin \ Geographical location	*Europe*	*Liberia*	*Côte d'Ivoire*	*Nigeria*	*Cameroon*	*Congo*	*Sierra Leone*	*Other African countries*	*Rest of the world*	*TOTAL*
Europe	0	0	0	0	0	0	0	0	0	**0**
Sierra Leone	3,640,928	0	0	0	0	0	40,700,046	0	0	**44,340,974**
Liberia	34,963,720	1,849,674	0	0	0	0	0	0	0	**36,813,394**
Côte d'Ivoire	89,813,516	0	27,089,750	0	0	0	0	1,266,572	42,287,138	**160,456,976**
Ghana	0	0	0	0	0	0	0	34,514,182	0	**34,514,182**
Nigeria	0	0	0	113,518,677	0	0	0	0	0	**113,518,677**
Cameroon	11,639,991	0	0	0	145,347,760	0	0	0	0	**156,987,752**
São Tomé and Principe	5,222,997	0	0	0	0	0	0	288,791	0	**5,511,788**
Congo (DRC)	0	0	0	0	0	10,923,105	0	0	0	**10,923,105**
TOTAL	***145,281,153***	***1,849,674***	***27,089,750***	***113,518,677***	***145,347,760***	***10,923,105***	***40,700,045***	***36,069,545***	***42,287,138***	***563,066,847***

**** 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*	*TOTAL*
Sierra Leone	58,553,604	0	0	**58,553,604**
Liberia	0	40,635,339	121,318	**40,756,657**
Côte d'Ivoire	39,919,401	157,537,222	2,994,417	**200,451,040**
Ghana	31,991,119	968,476	123,751	**33,083,346**
Nigeria	120,757,226	12,346,955	175,641	**133,279,822**
Cameroon	133,093,402	10,764,990	3,211,053	**147,069,445**
São Tomé and Principe	7,781,775	0	0	**7,781,775**
Congo (DRC)	16,366,246	0	0	**16,366,246**
TOTAL	***408,462,773***	***222,252,981***	***6,626,180***	***637,341,934***

EUR				2023
Business Segment / Category	*Palm*	*Rubber*	*Other agricultural products*	*TOTAL*
Sierra Leone	44,340,974	0	0	**44,340,974**
Liberia	0	36,813,393	0	**36,813,393**
Côte d'Ivoire	30,964,234	126,880,126	2,612,616	**160,456,976**
Ghana	33,301,860	1,136,571	75,751	**34,514,182**
Nigeria	101,319,579	12,017,173	181,926	**113,518,677**
Cameroon	143,702,547	9,998,817	3,286,387	**156,987,751**
São Tomé and Principe	5,511,788	0	0	**5,511,788**
Congo (DRC)	10,923,105	0	0	**10,923,105**
TOTAL	***370,064,087***	***186,846,079***	***6,156,680***	***563,066,846***

Note 34. 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), countries where the Group operates do not correspond to a 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 and Nigerian naira. 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 33 (Segment information) to the financial statements.

Risk management and opportunities

Apart from the current currency hedging instruments for operational transactions, which remain relatively limited, the main policy of the Group is to finance its development projects in the local currencies of a region. This practice is indeed favorable 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 1.18.

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 financial liabilities and cash position (as mentioned respectively in Notes 23 and 19) 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.

It 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 0.1 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 374.0 million. The global sales (mainly concluded in US dollars) in 2023 amounted to EUR 189.1 million.

**** Interest rate risk***

The breakdown of fixed rate loans and variable rate loans is described in Note 23. Following the reimbursement of the variable loan rate arrangement by Socfinaf in 2023, the Group's exposure to interest rate risk decreased in 2023. The management maintains its policy to closely monitor the interests rate evolution.

**** Credit risk***

As at 31 December 2023, the trade receivables from global customers and local customers amount to EUR 18.1 million and EUR 9.1 million respectively. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Palm oil is sold locally to local players which entails a wide range of customers. The marketing of rubber is entrusted to Sogescol FR (equity accounted company). It trades either on the physical markets or directly with end customers.

	2023	2022
	EUR	*EUR*
Trade receivables	29,023,129	25,333,540
Provision incurred mainly on non-operational receivables	-1,787,293	-1,814,318
Other receivables	23,131,220	21,440,996
Total net receivables	***50,367,056***	***44,960,218***
Amount not yet due	50,345,512	44,704,982
Amount due less than 6 months	0	0
Amount due for more than 6 months and less than one year	0	255,236
Amount due for more than one year	21,544	0
Total net receivables	***50,367,056***	***44,960,218***

Note 35. Contingent liabilities

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 the 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, however, 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 between them 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 of 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 36. Political and economic environment

The Company holds interests in subsidiaries operating in Africa.

Given the economic and political instability in some of the related African countries (Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Nigeria, Cameroon, São Tomé and Principe and Congo DRC), these holdings pose a risk in terms of exposure to political and economic changes.

Note 37. Events after the closing date

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

Note 38. Assets classified as held for sale

	31/12/2023
ASSETS	*EUR*
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***

	31/12/2023
LIABILITIES	*EUR*
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 39. Auditor's fees

	2023	2022
	EUR	*EUR*
Audit (VAT included)	732,412	758,845

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 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 at 31 December 2023.

Activities

Socfinaf holds financial interests in portfolio companies which operate directly or indirectly in tropical Africa in the rubber and palm oil sectors.

Result for the period

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

(EUR million)		2023		2022
INCOME				
Value adjustments in respect of financial assets		0		0.4
Income from equity investments				
Dividends received		45.2		46.9
Interests		1.3		1.6
Capital gain on disposal of financial fixed assets		0		0.1
Other interest receivable and similar income		4.5		5.8
Total income		***51.0***		***54.8***
EXPENSES				
Impairment:				
On financial assets	(1)	33.1	(2)	66.1
Other external expenses		3.4		2.9
Interest payable and similar expenses		8.7		18.6
Income tax		3.2		4.7
Total expenses		***48.4***		***92.3***
PROFIT/LOSS FOR THE FINANCIAL YEAR		*2.6*		*-37.5*

(1) At at 31 December 2023, the Board of Directors decided to reduce the value of its advance to Salala Rubber by EUR 32,960,912 and reduce the acquisition value of Socfinco by EUR 115,675.
(2) As at 31 December 2022, the Board of Directors decided to reduce the acquisition value of Brabanta by EUR 17,868,990 and the value of its advance by EUR 48,250,914.

Revenue from financial assets

(EUR million)	2023	2022
Dividends		
Socapalm	10.6	16.0
Okomu	10.9	15.2
Befin	13.4	7.5
Socfinco FR	4.0	4.0
Sogescol FR	3.7	2.7
Safa	2.0	0.9
Others	0.5	0.6
Total of dividends	***45.1***	***46.9***

Interest on receivables amounted to EUR 1.6 million and foreign exchange gains to EUR 4.3 million.

The profit for the year amounted to EUR 2.6 million compared to a loss of EUR 37.5 million on 31 December 2022.

Balance sheet

As at 31 December 2023, Socfinaf's total assets amounted to EUR 349.3 million compared to EUR 398.6 million on 31 December 2022.

Socfinaf's assets mainly consist of financial fixed assets of EUR 187.3 million, long term loan receivables of EUR 129.5 million, amounts owed by affiliated undertakings and other receivables for EUR 31.2 million, and cash and equivalent of EUR 1.3 million.

The equity amounted to EUR 223.9 million before appropriation of results.

Taking into account the positive cash flow of EUR 36 million generated by the activity and the repayment of the advances from the subsidiaries (SAC and PSG) for EUR 24 million, Socfinaf's indebtedness fell from EUR 177 million on 1 January to EUR 125 million on 31 December 2023.

Portfolio

Movements

During the year, a non-recurring impairment on Socfinco was recorded for a total amount of EUR 0.1 million. In addition, Socfinaf has participated in the capital increase of Management Associates.

Valuation

The investments are estimated at a total value of EUR 656.4 million and includes an unrealised gain of EUR 469.2 million compared to their acquisition costs, potentially adjusted.

Investments

The main direct and indirect investments have evolved during the last months as follows:

PROJECTS IN OPERATION AT 31 DECEMBER 2023												
		AFRICA										*TOTAL AFRICA*
		Sierra Leone	*Liberia*	*Côte d’Ivoire*		*Ghana*	*Nigeria*	*Cameroon*		*Sao Tomé*	*DRC*	
(EUR million)		*SAC*	*LAC & SRC*	*SOGB*	*SCC*	*PSG*	*OKOMU*	*SOCAPALM*	*SAFACAM*	*AGRIPALMA*	*BRABANTA*	
TURNOVER	Actual 2022	58,436	40,675	140,233	57,224	31,615	132,867	112,852	35,406	7,782	16,345	637,895
	Actual 2023	**44,330**	**35,144**	**109,398**	**48,455**	**34,417**	**105,107**	**129,003**	**35,943**	**5,512**	**10,806**	**562,132**
	Forecasts 2023	43,734	39,300	121,705	52,703	26,198	150,325	116,447	36,010	5,768	15,499	612,699
NET RESULT	Actual 2022	16,483	1,278	23,863	4,858	5,560	38,955	16,269	4,189	909	-671	109,469
	Actual 2023	**11,124**	**-19,172**	**8,035**	**4,099**	**12,781**	**31,581**	**18,194**	**934**	**-2,463**	**-4,752**	**57,723**
	Forecasts 2023	7,904	167	13,460	4,028	8,375	35,136	11,548	3,416	-1,775	-1,374	78,679
PALM PRODUCT												
SURFACE AREA (HA)	Mature	12,349	-	7,471	-	6,140	19,044	29,458	5,306	1,879	6,072	87,719
	Immature	-	-	20	-	-	-	2,975	-	-	-	2,995
	Total	***12,349***	***-***	***7,491***	***-***	***6,140***	***19,044***	***32,433***	***5,306***	***1,879***	***6,072***	***90,714***
PRODUCTION FFB	Actual 2022	218,363	-	148,447	-	94,048	247,175	475,157	73,423	27,328	54,291	1,338,232
	Actual 2023	**209,067**	**-**	**144,174**	**-**	**132,495**	**272,639**	**456,398**	**72,094**	**22,496**	**49,871**	**1,359,233**
	Forecasts 2023	232,301	-	152,586	-	110,109	307,517	486,602	80,736	25,475	62,016	1,457,342
CRUDE PRODUCTION	Actual 2022	51,919	-	35,301	-	25,375	54,101	146,231	16,526	6,429	13,769	349,653
	Actual 2023	**50,249**	**-**	**34,159**	**-**	**35,472**	**69,563**	**138,783**	**16,096**	**4,871**	**13,232**	**362,425**
	Forecasts 2023	55,752	-	35,637	-	28,628	72,578	154,312	18,260	6,215	15,604	386,986
EXTRACTION RATE	Actual 2022	23,78	-	22,78	-	26,98	21,77	22,45	21,94	23,53	24,13	22,96
	Actual 2023	**24,04**	**-**	**22,49**	**-**	**26,77**	**22,28**	**22,28**	**22,19**	**21,65**	**25,72**	**23,12**
	Forecasts 2023	24,00	-	22,50	-	26,00	22,16	22,46	22,50	23,70	24,00	23,00
TURNOVER	Actual 2022	58,436	-	39,919	-	30,688	120,544	111,190	24,811	7,782	16,345	409,715
	Actual 2023	**44,330**	**-**	**30,973**	**-**	**33,282**	**93,962**	**127,240**	**26,236**	**5,512**	**10,806**	**372,340**
	Forecasts 2023	43,734	-	31,165	-	25,263	136,493	113,537	22,858	5,768	15,499	394,317

PROJECTS IN OPERATION AT 31 DECEMBER 2023												
		AFRICA										TOTAL AFRICA
		Sierra Leone	Liberia	Côte d'Ivoire		Ghana	Nigeria	Cameroon		Sao Tomé	DRC	
(EUR million)		SAC	LAC & SRC	SOGB	SCC	PSG	OKOMU	SOCAPALM	SAFACAM	AGRIPALMA	BRABANTA	
RUBBER												
SURFACE AREA (HA)	Mature	-	14,047	12,906	-	942	6,265	1,936	3,509	-	-	39,605
	Immature	-	2,668	2,879	-	-	1,070	-	917	-	12	7,546
	Total	**-**	***16,715***	***15,785***	**-**	***942***	***7,335***	***1,936***	***4,426***	**-**	***12***	***47,151***
PRODUCTION	Actual 2022	-	27,401	65,815	39,554	-	8,124	-	6,377	-	-	147,271
	Actual 2023	-	**27,694**	**64,309**	**38,559**	**-**	**9,907**	**-**	**9,004**	**-**	**-**	**149,472**
	Forecasts 2023	-	29,082	67,000	39,000	-	9,975	-	9,473	-	-	154,530
TURNOVER	Actual 2022	-	40,675	100,313	57,224	927	12,323	1,662	10,595	-	-	228,179
	Actual 2023	**-**	**35,144**	**78,425**	**48,455**	**1,135**	**11,145**	**1,763**	**9,707**	**-**	**-**	**189,792**
	Forecasts 2023	-	39,300	90,541	52,703	935	13,832	2,910	13,152	-	-	218,382

The production data correspond to the quantities in tons of Milled Rubber and Crude Palm Oil. Rubber production and sales are presented after elimination of intercompany transactions. Consolidated figures may however differ.

Allocation of profit

The profit of the year of EUR 2,658,856 increased by retained earnings of EUR 93,870,859, give total retained earnings of EUR 96,529,714 which it is proposed to carry forward again.

After this allocation, the total reserves will be as follows:

Reserves	*EUR*
Legal reserve	3,567,330
Other reserves	628,717
Available reserve	59,629
Retained earnings	96,529,714
	100,785,391

Treasury shares

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

Research and development

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

Financial instruments

During the financial year 2023, the company did not make use of any 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 35,673,300 represented by 17,836,650 shares without par value, fully paid up. Each share entitles the holder to one vote without limitation or restriction.

c) 1 February 2017, Socfin declared that it holds a 58.85% direct stake in Socfinaf.

On 3 September 2014, Compagnie du Cambodge declared that it holds a direct and indirect stake of 9% in the capital of Socfinaf. 7.07% is held by Compagnie du Cambodge, 1.08% by Société Industrielle et Financière de lArtois, 0.49% by Bolloré and 0.36% by Compagnie des Glénans.

h) Art. 13. 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 the death or resignation of a Director, he may be provisionally replaced by observing in this respect the formalities provided for by law. In this case the General Meeting at its first meeting shall proceed to the final election.*"

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 450-3 and 450-8 of the law of 10th August 1915 on the commercial companies, as amended.*"

i) The powers of the members of the Board of Directors are defined in Art. 17 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 Articles of Incorporation 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:

- title holding including special control rights;
- the existence of a staff shareholding system;
- shareholder agreements that may result in restrictions on the transfer of securities or voting rights;
- the agreements to which the Company is party, and which take effect are modified or terminated in the event of a change of control of the Company following a takeover bid;
- 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 Socfinaf as at 31 December 2023 before allocation of the result for the financial year amounts to EUR 693.1 million. This valuation incorporates the unrealised capital gains of the portfolio.

As a reminder, the market share price was EUR 10.80 at the end of 2023 against EUR 11.80 a year earlier.

Significant events after the reporting date

As at 31 December 2023 and 2022, the Company had no significant off-balance sheet commitments.

Main risks and uncertainties

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

In addition, the Company may be exposed to foreign exchange risks on long-term advances to subsidiaries. The assessment of this risk is described in the notes to the Company’s statutory financial statements.

Perspectives

The result for the 2024 financial year will depend to a large extent on the dividend distributions of the subsidiaries; these are not yet fixed.

Statutory appointments

The term served as director by Mr. Cyrille Bolloré representing Bolloré Participations expire this year. It will be proposed at the next Annual General Meeting to renew this mandate for six years until the Annual General Meeting of 2030.

The Board of Directors

Audit report on the Company's financial statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Shareholders of
Socfinaf S.A
4, avenue Guillaume
L-1650 Luxembourg

Opinion

We have audited the financial statements of Socfinaf 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 187 million euros and represents 54% 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.

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).

Audit report on the Company's financial statements

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.

The accompanying corporate governance statement on pages 31 to 36 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 financial statements

1. Balance sheet as at 31 December 2023

		2023	2022
ASSETS	*Note*	*EUR*	*EUR*
FIXED ASSETS			
Financial assets	3		
Shares in affiliated undertakings		187,264,604.55	182,880,279.55
Loans to affiliated undertakings		129,533,966.49	178,795,759.27
		316,798,571.04	***361,676,038.82***
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings			
becoming due and payable within one year		28,993,195.61	33,284,161.85
Other debtors			
becoming due and payable within one year		1,936,640.00	1,452,480.00
		30,929,835.61	***34,736,641.85***
Investments			
Shares in affiliated undertakings		248,406.09	248,406.09
Cash at bank and in hand		**1,301,619.70**	**1,939,330.90**
TOTAL ASSETS		***349,278,432.44***	***398,600,417.66***

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

Company financial statements

CAPITAL, RESERVES AND LIABILITIES	Note	2023 EUR	2022 EUR
CAPITAL AND RESERVES	*4*		
Issued capital		35,673,300.00	35,673,300.00
Share premium account		87,453,866.21	87,453,866.21
Reserves			
Legal reserve		3,567,330.00	3,567,330.00
Other reserves, including the fair value reserve			
Other available reserves		688,346.92	688,346.92
		4,255,676.92	***4,255,676.92***
Profit brought forward		93,870,858.69	131,413,608.00
Profit for the financial year		2,658,855.71	-37,542,749.31
		223,912,557.53	***221,253,701.82***
CREDITORS			
Amounts owed to credit institutions			
becoming due and payable within one year		7.00	9.03
Trade creditors			
becoming due and payable within one year		225,304.17	220,624.09
Amounts owed to affiliated undertakings	5		
becoming due and payable after more than one year		80,000,000.00	120,000,000.00
becoming due and payable within one year		1,252,128.31	14,947,456.73
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	6		
becoming due and payable after more than one year		20,000,000.00	20,201,643.84
becoming due and payable within one year		20,705,753.25	20,203,836.00
Other creditors			
Tax authorities		2,130,637.50	1,665,126.39
Other creditors			
becoming due and payable within one year		1,052,044.68	108,019.76
		125,365,874.91	***177,346,715.84***
TOTAL CAPITAL, RESERVES AND LIABILITIES		***349,278,432.44***	***398,600,417.66***

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
Raw materials[G] and consumables and others external expenses			
Other external expenses		-2,936,663.69	-2,685,678.73
Value adjustments			
in respect of current assets		-4,500.00	0.00
Other operating expenses		-421,143.32	-248,765.87
Income from participating interests			
derived from affiliated undertakings	7	45,173,448.69	46,958,007.91
Other interest receivable and similar income			
derived from affiliated undertakings	8	5,872,854.29	7,273,633.68
other interest and similar income		10,081.36	109,529.96
Value adjustments in respect of financial assets and of investments held as current assets	3	-33.076.586.91	-65,679,615.45
Interest payable and similar expenses			
derived from affiliated undertakings		-6,638,801.02	-16,979,066.77
other interest and similar expenses		-2,069,245.77	-1,618,491.65
Tax on profit		-2,783,087.92	-4,134,647.39
Profit after taxation		3,126,355.71	-37,005,094.31
Other taxes not shown above		-467,500.00	-537,655.00
Profit for the financial year		***2,658,855.71***	***-37,542,749.31***

Allocation of profit

	2023 EUR	2022 EUR
Retained earnings	96,529,714.40	93,870,858.69
From the balance:		
10% to the Board of Directors	0.00	0.00
90% to 17,836,650 shares	0.00	0.00
	96,529,714.40	***93,870,858.69***
Dividend per share	***0.00***	***0.00***

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

3. Notes to the parent company financial statements for the 2023 financial year

Note 1. Overview

SOCFINAF S.A., (the "company") was incorporated on 20 November 1972 as a public limited company and adopted the status of "Soparfi[G]" 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 B6225, and is listed on the Luxembourg Stock Exchange under ISIN number LU0056569402.

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.

Although the Company is included in the consolidated financial statements of Société Financière des Caoutchoucs, abbreviated as "Socfin", which is the largest entity in which the Company is consolidated, 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 this 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, remain 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 lower 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 at the highest of their value. 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 date.

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 have ceased 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.

Securities

Securities are valued at the lower of cost, including incidental costs or market value. A value adjustment is recorded when the market price is lower than the purchase price. Value adjustments are not maintained if the reasons for their negotiations have ceased to exist.

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	***240,584,754.25***	***239,798,533.55***	***236,026,274.20***	***278,532,028.78***	***476,611,028.45***	***518,330,562.33***
Increases	4,500,000.00	1,428,708.64	1,553,615.15	3,049,548.88	6,053,615.15	4,478,257.52
Decreases	0.00	-642,487.94	-17,854,496.02	-45,555,303.46	-17,854,496.02	-46,197,791.40
Acquisition cost/nominal value at the end of the year	***245,084,754.25***	***240,584,754.25***	***219,725,393.33***	***236,026,274.20***	***464,810,147.58***	***476,611,028.45***
Value adjustments at the beginning of the year	***-57,704,474.70***	***-40,275,772.90***	***-57,230,514.93***	***-8,979,601.28***	***-114,934,989.63***	***-49,255,374.18***
Impairment	-115.675.00	-17,868,989.74	-32,960,911.91	-48,250,913.65	-33,076,586.91	-66,119,903.39
Reversal	0.00	440,287.94	0.00	0.00	0.00	440,287.94
Value adjustments at the end of the year	***-57,820,149.70***	***-57,704,474.70***	***-90,191,426.84***	***-57,230,514.93***	***-148,011,576.54***	***-114,934,989.63***
Net book value at the end of the year	***187,264,604.55***	***182,880,279.55***	***129,533,966.49***	***178,795,759.27***	***316,798,571.04***	***361,676,038.82***

Note 3. Financial fixed assets (continued)

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 in foreign currency as at 31/12/2023 (including net income) (*)*	*Net income in foreign currency as at 31/12/2023*
Plantations Socfinaf Ghana	Ghana	100.00	32,503,775	31.12.2023	GHS	379,754,565	105,695,657
Socfin Agricultural Company	Sierra Leone	93.00	20,445,954	31.12.2023	USD	45,729,469	12,045,651
Liberian Agricultural Company	Liberia	100.00	13,793,904	31.12.2023	USD	42,913,181	-17,904,212
Salala Rubber Corporation	Liberia	100.00	0	31.12.2023	USD	-2,330,505	-2,856,146
Bereby-Finances "BEFIN"	Ivory Coast	87.06	13,604,405	31.12.2023	XAF	20,499,851,949	10,155,656,943
Socapalm	Cameroon	67.46	40,640,840	31.12.2023	XAF	67,873,001,101	11,934,489,201
Okomu Oil Palm Company	Nigeria	66.38	22,151,171	31.12.2023	NGN	36,179,061,989	18,076,920,462
Brabanta	Congo (DRC)	100.00	0	31.12.2023	CDF	74,717,183,091	-12,076,986,217
Induservices	Luxembourg	30.00	30,000	31.12.2023	EUR	486,125	158,489
Socfinde	Luxembourg	20.00	801,000	31.12.2023	EUR	6,667,848	644,758
Terrasia	Luxembourg	33.28	246,705	31.12.2023	EUR	644,145	29,142
SAFA	France	100.00	26,535,600	31.12.2023	EUR	22,235,517	2,410,067
Induservices FR	Switzerland	50.00	642,202	31.12.2023	EUR	877,365	-218,056
Socfinco FR	Switzerland	50.00	486,891	31.12.2023	EUR	14,921,076	6,488,998
Sogescol FR	Switzerland	50.00	1,985,019	31.12.2023	USD	16,660,468	6,705,434
Sodimex FR	Switzerland	50.00	621,424	31.12.2023	EUR	4,313,232	609,180
Centrages	Belgium	50.00	4,074,577	31.12.2023	EUR	3,295,563	117,522
Immobilière de la Pépinière	Belgium	50.00	3,015,798	31.12.2023	EUR	3,518,757	-136,790
Socfinco	Belgium	50.00	763,875	31.12.2023	EUR	1,527,706	-9,367
STP Invest	Belgium	100.00	0	31.12.2023	EUR	1,770,880	-2,812
			182,343,140				

(*) Based on unaudited financial statements as at 31 December 2023.

Valuation of shares in affiliated undertakings:

During the year, the company has participated in the capital increase of Management Associates for an amount of EUR 4,500,000.

As at 31 December 2023, the Board of Directors decided to reduce the acquisition value of Socfinco by EUR 115,675 following the update of the portfolio valuation.

As at 31 December 2023, the Board of Directors is of the opinion that there is no other permanent value decrease for the shares in affiliated undertakings.

Note 3. Financial fixed assets (continued)

Valuation of loans to affiliated undertakings:

As at 31 December 2023, loans to affiliated undertakings are as follows:

Related parties	*Currency*	*Balance*	*Balance*	*Unrealised exchange gains / (losses) **
		in currency	*in EUR*	*EUR*
Induservices	EUR	130,000	130,000	0
Management Associates	EUR	280,000	280,000	0
Salala Rubber Corporation	USD	6,500,000	5,882,353	0
Brabanta	USD	21,000,000	19,688,730	-684,205
Socfin Agricultural Company	USD	63,779,256	52,293,824	5,424,960
Liberian Agricultural Company	USD	36,404,647	32,309,252	636,130
Plantations Socfinaf Ghana	USD	1,000,000	849,860	55,117
Agripalma	EUR	18,099,947	18,099,947	0
Situation as at 31 December 2023			***129,533,966***	***5,432,002***

* In accordance with Luxembourg legal and regulatory provisions and generally accepted accounting practices, receivables from affiliated undertakings are translated at the historical exchange rate and the unrealised foreign exchange gain or loss is not recognised in the profit and loss account, with the exception of the current portion of receivables, which is valued individually at the lower of their historical exchange rate value or their value determined on the basis of the exchange rate prevailing at the balance sheet date.

During the year, the company has received a reimbursement of EUR 16,139,993 from Plantations Socfinaf Ghana, EUR 7,313,274 from Socfin Agricultural Company and has paid an advance to Salala Rubber Corporation of EUR 1,809,955.

As at 31 December 2023, the Board of Directors decided to reduce the value of the shareholder advance granted to Salala Rubber Corporation by EUR 32,960,912 in order to bring the receivable to its net realisable value.

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. Equity

	Issued capital EUR	*Share premium EUR*	*Legal reserves EUR*	*Other reserves EUR*	*Retained earnings EUR*	*Results for the year EUR*
Balance as at 1 January 2022	***35,673,300.00***	***87,453,866.21***	***3,567,330.00***	***688,346.92***	***124,914,492.68***	***6,499,115.32***
Allocation of the result for the 2021 financial year following decision of the General Meeting held on 31 May 2022						
• Retained earnings					6,499,115.32	-6,499,115.32
Results for the financial year						-37,542,749.31
Balance as at 31 December 2022	***35,673,300.00***	***87,453,866.21***	***3,567,330.00***	***688,346.92***	***131,413,608.00***	***-37,542,749.31***
Allocation of the result for the 2022 financial year following decision of the General Meeting held on 30 May 2023						
• Retained earnings					-37,542,749.31	37,542,749.31
Results for the financial year						2,658,855.71
Balance as at 31 December 2023	***35,673,300.00***	***87,453,866.21***	***3,567,330.00***	***688,346.92***	***93,870,858.69***	***2,658,855.71***

Issued capital

As at 31 December 2023 and 2022, the issued and fully paid share capital is EUR 35,673,300 represented by 17,836,650 shares without nominal value.

Share premium

As at 31 December 2023 and 2022, the share premium amounted to EUR 87,453,866.

Legal reserve

The annual profit is subject to a levy of 5% to be allocated to a legal reserve. This allocation ceases to be mandatory when the reserve reaches 10% of the share capital. The legal reserve cannot be distributed.

Note 5. Amounts owed to affiliated undertakings

As at 31 December 2023, this item consists mainly of:

- a debt to Socfin for a nominal amount of EUR 80,000,000 (2022: EUR 120,000,000), which bears a fixed interest rate of 6.25%. The accrued interest amounted EUR 1,250,000 (2022: EUR 510,000). This debt is repayable early or at the latest on 10 November 2026. During the year, the company has reimbursed an amount of EUR 40,000,000 to Socfin.

- during the year, the company has reimbursed an amount of EUR 13,615,803 to Socfin

As at 31 December 2023 and 2022, the maturity of debts to affiliated undertakings is as follows:

	2023	2022
Amounts owed to affiliated undertakings:	*EUR*	*EUR*
becoming due and payable within one year	1,250,000	14,947,457
becoming due and payable between one to five years	80,000,000	120,000,000
	81,250,000	***134,947,457***

Note 6. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests:

As at 31 December 2023, this item consists mainly of:

- a payable to Bolloré Participations for a nominal amount of EUR 20,000,000 (2022: EUR 20,000,000), plus accrued interest in the amount of EUR 403,288 (2022: EUR 203,836). This debt bears interest at a fixed rate of 6% per annum and is repayable on demand with final maturity on 30 June 2025.
- a payable to Palmboomen Cultuur Maatschappij “MOPOLI” for a nominal amount of EUR 20,000,000 (2022: EUR 20,000,000), plus accrued interest in the amount of EUR 302,466 (2022: EUR 201,644). This debt bears interest at a fixed rate of 6% per annum and is repayable on demand with final maturity on 15 July 2026.

Note 7. Income from participating interests

	2023	2022
	EUR	*EUR*
Dividends received	45,168,435	46,939,258
Capital gain on disposal of financial fixed assets (*)	5,013	18,750
	45,173,448	***46,958,008***

(*) This amount corresponds to a remaining amount from prior year disposal.

Note 8. Income from other investments and loans forming part of the fixed assets

	2023	2022
	EUR	*EUR*
Interest on related companies’ receivables	5,872,854	7,273,634

Note 9. Taxation

The Company is subject to all taxes to which Luxembourgish commercial companies are subject.

The management of the Company recognizes based on the last filed tax return that the Company has EUR 211,249,100 of carried forward tax losses available as at 31 December 2022 and estimates approximately EUR 39,004,876 of additional tax losses for the current period (FY2023).

Regarding the portion of the aforementioned losses that have been generated as from tax year 2017 (approximately EUR 32,835,876) 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 2023, the members of the Board of Directors received EUR 7,500 (2022: EUR 9,062) as attendance fees and EUR 230,000 (2022: EUR 230,000) as Directors' fees.

During 2023, no advances or loans were granted to the Board members.

Note 11. Political and economic environment

Most of the investments are held directly or indirectly in companies operating in Africa, particularly in the following countries:

- Sierra Leone,
- Liberia,
- Côte d'Ivoire,
- Ghana,
- Nigeria,
- São Tomé et Principe,
- Cameroon,
- Congo (DRC).

Given the political instability that exists in these countries and their economic fragility (dependence on international aid, inflation in some cases, civil wars, etc), the investments held by the Company present a risk in terms of exposure to political and economic fluctuations.

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:

- Cost of the good/oil;
- Insurance cost for the whole consignment right from port of loading until arrived and delivered;
- Freight : carrying cost from load port 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), meaning that the seller takes on all the risks and costs of delivering goods to an agreed-upon location.

DRY RUBBER - This is weight of natural rubber produced, determined at the end of the milling and drying process. After tapping, liquid latex is dripping 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 manufacturing of tyres is the most important.

EBIT - This abbreviation is defined as earnings before 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, which means the seller is responsible for loading the purchased goods onto the ship, and all costs associated. The point 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 - 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, with a mission 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), that 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 – Product of the number of shares multiplied by the closing Market price.

NON-CONTROLLING INTEREST - Equity in a subsidiary not attributable, directly or indirectly, to a parent.

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 363,885,495 (value of Equity attributable to the owners of the Parent) by 17,836,650 (number of shares).

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 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, …