Socfinasia S.A.

2023 ANNUAL REPORT

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Group profile

1. Overview of the Group

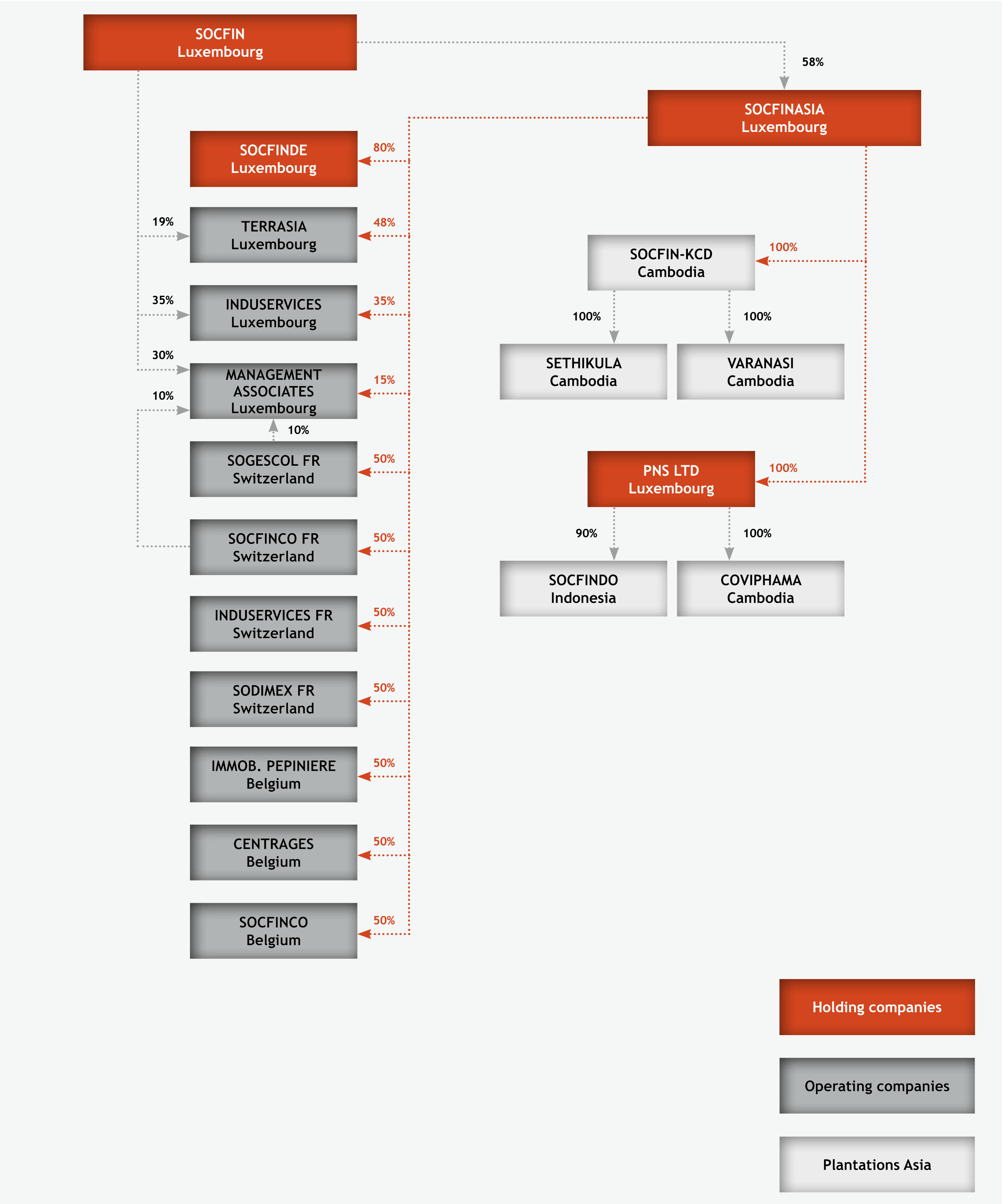
Socfinasia S.A. is a Luxembourgish holding company with its registered address at 4 Avenue Guillaume, L 1650 Luxembourg. It was incorporated on 20 November 1972 and is listed on the Stock Exchange of Luxembourg.

Socfinasia's principal activity is to manage a portfolio of shares focused on the operation of more than 52,000 hectares of tropical palm oil and rubber plantations in South-East Asia. As of 2023, Socfinasia employs 9,686 people and has achieved a consolidated turnover of EUR 179 million over that same year.

2. History

- **20/11/1972** Incorporation of Socfinasia as a Luxembourg holding company through the contribution of shares in PT Socfindo.
- **30/06/1973** Since its incorporation, Socfinasia has invested, amongst others, in Fininter (Belgium) and Socfinal (Luxembourg).
- **23/01/1974** The shares of Socfinasia have been listed on the Stock Exchange of Luxembourg.
- **30/06/1975** The portfolio includes new investments: Socfin (Belgium), Plantations Nord Sumatra (Belgium) and Selangor Plantations Cy (Malaysia).
- **30/06/1977** Socfinasia invests in Sennah Rubber Cy, New African Plantations Cy, la Banque d'Investissements Privés and Socficom. It disposes of its stakes in Socfin (Belgium) and Socfinal.
- **04/12/1979** PT Socfindo increases its share capital through capitalisation of reserves. Free allotment of 1,166 shares in PT Atmindo.
- **31/12/1980** Acquisition of shares in Selangor Holding, a Luxembourgish company listed on the Stock Exchange of Luxembourg.
- **24/04/1989** PT Socfindo increases its share capital through the capitalisation of the revaluation reserve of its fixed tangible assets.
- **31/03/1996** Acquisition of shares in Intercultures, a Luxembourgish company listed on the Stock Exchange of Luxembourg.
- **31/03/1997** Initially, Socfinasia increases its stake in its Indonesian subsidiaries: PT Socfindo and PT Atmindo. Thereafter, Socfinasia incorporates Plantations Nord Sumatra Limited, to which it transferred its Indonesian subsidiaries.
- **31/03/1999** Increase in the subscribed capital of Intercultures.
- **05/02/2000** Takeover bid/public exchange offer by Selangor Holding for Sennah Rubber Cy which will be liquidated in August 2000.
- **01/04/2000** Increase in subscribed capital to EUR 25,062,500 and the accounting par to 1,002,500 shares.
- **26/06/2000** Takeover bid by Socfinasia on the shares of Selangor Holding which will be liquidated in May 2001.
- **17/10/2000** Change in financial year-end to 31 December.
- **31/12/2001** PNS Ltd has acquired 30% of PT Socfindo from the Indonesian state.
- **31/12/2006** Restructuring of the subsidiaries within the Socfinal Group, including the distribution of shares of Intercultures by Socfinasia (spin-off) and repositioning of the operational companies within the Group.
- **31/12/2007** Incorporation of Socfin-KCD (Cambodia).
- **17/03/2010** Disposal of Socfinaf Cy (Kenya).
- **10/01/2011** Extraordinary General Meeting which ratified abandon of the holding 29 status.
- **01/07/2011** Share split by 20.
- **13/08/2013** Socfinasia acquires, through its subsidiary PNS Ltd, 90% of Coviphama Co, a company incorporated under the Cambodian Law, benefitting from a new grant of 5,300 hectares.
- **30/07/2015** Acquisition of shares in Socfin-KCD to increase the percentage holding to 100%.

3. Group structure



Group profile

4. Information on Socfinasia’s holdings

Portfolio	Number of shares	Direct %
Cambodia		
Socfin-KCD Co	2,000	100.00%
Luxembourg		
PNS Ltd	27,780,000	100.00%
Socfinde	199,790	79.92%
Management Associates	1,500	15.00%
Terrasia	4,781	47.81%
Induservices	3,500	35.00%
Belgium		
Centrages	7,500	50.00%
Immobilière de la Pépinière	3,333	50.00%
Socfinco	8,750	50.00%
Switzerland		
Sogescol FR	2,650	50.00%
Socfinco FR	650	50.00%
Sodimex FR	675	50.00%
Induservices FR	700	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 Socfinasia holds a direct or indirect participation.

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

PT SOCFIN INDONESIA "SOCFINDO"

PT Socfindo is an Indonesian company which manages oil palm and rubber plantations in North Sumatra, Indonesia.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	5,232	1,090	**6,322**
Palm	34,511	4,988	**39,499**
TOTAL	***39,743***	***6,078***	***45,821***

Concessions[G] (terms having a [G] are explained part "Glossary" at the end of the annual report): 47,532 ha

Permanent staff as at 31 December 2023: 8,559

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	6,397	6,896
Palm oil	188,527	179,516
Seeds (thousands)	9,190	13,189
Turnover (EUR 000)	166,006	193,796
Result (EUR 000)	52,960	71,954
Average selling price (EUR / kg)		
Rubber	1.54	2.05
Palm oil	0.8	0.95
Seeds (EUR / 1,000)	704	564
Average rate EUR / IDR	16,471	15,648
Closing rate EUR / IDR	17,140	16,713

Key figures (IDR million)		
As at 31 December	***2023***	***2022***
Non-current assets	1,627,575	1,526,371
Current assets	597,901	609,115
Shareholder's Equity (*)	1,189,091	994,045
Debt, provisions and third parties (*)	1,036,385	1,141,440
Profit / (loss) for the period	872,310	1,125,920
Dividend per share (USD)	(**)	(**)
Interim dividend per share (USD)	300	400
PNS Ltd's stake (%)	89.98	89.98

(*) After interim dividend, before profit allocation.
(**) Not known to-date.

Group profile

PT SOCFIN INDONESIA "SOCFINDO"

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 and 2022
(Expressed in IDR 000, unless otherwise stated)

Exchange rate: EUR 1 = IDR	**17,140**	**16,713**
Average rate: EUR 1 = IDR	**16,471**	**15,648**

ASSETS	*31/12/2023*	*31/12/2022*
CURRENT ASSETS		
Cash and cash equivalents	170,239,908	185,733,528
Receivables		
Trade receivables		
Amount from related parties	15,425,141	20,381,992
Amount due from customers	10,395,468	21,720,236
Trade receivables - invoices to send	9,569,212	0
Tax debtors	11,537,415	0
Other receivables	22,252,523	4,986,085
Inventories	212,841,578	207,972,126
Advance payment on order	0	8,192,643
Deferred and accruals	145,639,562	160,128,112
TOTAL CURRENT ASSETS	***597,900,806***	***609,114,722***
NON-CURRENT ASSETS		
Fixed assets	1,618,686,580	1,521,296,612
Rights-of-use of assets	1,470,849	2,941,698
Deferred tax assets	7,406,744	2,121,243
Other	11,100	11,100
TOTAL NON-CURRENT ASSETS	***1,627,575,273***	***1,526,370,652***
TOTAL ASSETS	***2,225,476,080***	***2,135,485,374***

Group profile

LIABILITIES AND EQUITY	*31/12/2023*	*31/12/2022*
LIABILITIES		
CURRENT LIABILITIES		
Amount payable to suppliers	48,703,174	32,906,833
Invoices to be received	42,584,997	0
Other payables		
Amount due to third parties	12,085,274	12,019,642
Amount due to related parties	1,680,718	1,082,630
Accruals	285,793,275	324,622,563
Advances and payments on work in progress	24,075,765	27,449,274
Employee benefit obligations	4,018,788	3,433,799
Current tax liabilities	25,556,956	166,607,114
TOTAL CURRENT LIABILITIES	***444,498,949***	***568,121,855***
NON-CURRENT LIABILITIES		
Employee benefit obligations	591,886,519	573,318,210
TOTAL LIABILITIES	***1,036,385,468***	***1,141,440,065***
Equity		
Share capital		
Type A	2,385	2,385
Type B	265	265
Type C	7,947,350	7,947,350
Type D	34,300,000	34,300,000
Total share capital	***42,250,000***	***42,250,000***
Share premium	3,670,500	3,670,500
Retained earnings		
Allocated to the general reserve	270,860,290	-177,794,840
Retained earnings not allocated	872,309,822	1,125,919,650
TOTAL EQUITY	***1,189,090,612***	***994,045,310***
TOTAL LIABILITIES AND EQUITY	***2,225,476,080***	***2,135,485,374***

STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE INCOME[G]

As at 31 December 2023 and 2022
(Expressed in IDR 000, unless otherwise stated)

	2023	2022
Revenue	2,734,321,376	3,011,660,868
Cost of sales	-1,192,582,816	-1,050,595,306
GROSS PROFIT	***1,541,738,560***	***1,961,065,562***
Selling expenses	-59,591,271	-48,099,014
General and administrative overheads (*)	-415,742,621	-494,204,078
Other income	85,972,560	86,128,668
Other expenses	-17,563,555	-47,880,050
Gain / (loss) arising from change in fair value of biological assets	-14,865,352	-40,755,194
OPERATING PROFIT	***1,119,948,321***	***1,416,255,894***
Finance Income	7,751,179	7,407,886
PROFIT BEFORE TAX	***1,127,699,500***	***1,423,663,780***
Income tax expense	-247,629,294	-316,637,933
Profit / (loss) for the period	***880,070,206***	***1,107,025,847***
Comprehensive income		
Revaluation of post-employment benefits	*-7,760,384*	18,893,803
TOTAL COMPREHENSIVE INCOME	***872,309,822***	***1,125,919,650***

(*) These amounts include emoluments paid to the directors of PT Socfindo who are members of the Board of Directors of Socfinasia (2023 = IDR 64,787,211,746 and 2022 = 135,314,429,990).

Group profile

SOCFIN-KCD Co Ltd

Share capital: KHR 160,000,000,000.

Socfin-KCD is a Cambodian company involved in the production of rubber.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	3,662	30	**3,692**

Concessions[G]: 6,659 ha (including subsidiaries)

Permanent staff as at 31 December 2023: 816

Production and turnover		
As at 31 December	***2023***	***2022***
Production (tons)		
Rubber	8,853	6,018
Turnover (EUR 000)	10,777	8,164
Result (EUR 000)	576	-1,402
Average selling price (EUR / kg)		
Rubber	1.22	1.36
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	47,648	49,833
Current assets	4,170	3,475
Equity (*)	32,573	31,950
Borrowing, provisions and third-parties (*)	19,245	21,358
Profit / (loss) for the period	624	-1,469
Socfinasia's holding (%)	100.00	100.00

(*) Before profit allocation.

Group profile

COVIPHAMA Co Ltd

Share capital: KHR 8,640,000,000.

Coviphama is a Cambodian company involved in the production of rubber.

Key data

Area (hectares)	*Planted area*		
As at 31 December 2023	***Mature***	***Immature***	***Total***
Rubber	2,532	695	**3,227**

Concessions[G]: 5,345 hectares

Permanent staff as at 31 December 2023: 311

	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	22,542	22,710
Current assets	1,083	572
Equity	-2,174	-1,603
Borrowing, provisions and third-parties	25,799	24,884
Profit / (loss) for the period	-571	-1,156
Socfinasia’s holding (%)	100.00	100.00

Group profile

PLANTATION NORD-SUMATRA "PNS" Ltd S.A.

Share capital: USD 260,084,774.

PNS Ltd's is a holding company whose principal assets are its controlling interest of 89.98% in PT Socfindo, a 100% investment in Coviphama Co as well as a receivable from the latter.

	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	307,871	306,521
Current assets	816	37,660
Equity (*)	308,686	313,879
Borrowing, provisions and third-parties (*)	1	30,302
Profit / (loss) for the period	35,921	64,637
Distribution	41,114	61,116
Socfinasia's holding (%)	100.00	100.00

(*) Before profit allocation.

Group profile

SOCFINDE S.A.

Share capital: EUR 1,250,000.

Socfinde is a Luxembourgish holding company.

Profit for the year ended on 31 December 2023 is EUR 644,758. The Board of Directors will not propose any dividend distribution at the Annual General Meeting.

Key figures (EUR 000)		
As at 31 December	***2023***	***2022***
Fixed assets	2,992	9,962
Current assets	107,749	47,412
Equity	6,668	6,023
Borrowing, provisions and third-parties	104,073	51,350
Profit / (loss) for the period	645	140
Socfinasia's holding (%)	79.92	79.92

SOGESCOL FR S.A.

Share capital: CHF 5,300,000.

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

Profit for the year that ended on 31 December 2023 amounted to USD 6,705,434. The Board of Directors will propose a dividend distribution of USD 8,000,000 at the Annual General Meeting.

	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
Borrowing, provisions and third-parties (*)	36,372	33,809
Profit / (loss) for the period	6,705	8,865
Distribution	8,000	8,000
Dividend per share (USD)	1,509	1,509
Socfinasia's holding (%)	50.00	50.00

(*) Before profit allocation.

SOCFINCO FR

Capital: CHF 1,300,000.

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

The profit of the year that ended on 31 December 2023 is EUR 6,488,998. The Board of Directors will propose a dividend distribution of EUR 6,000,000 at the Annual General Meeting.

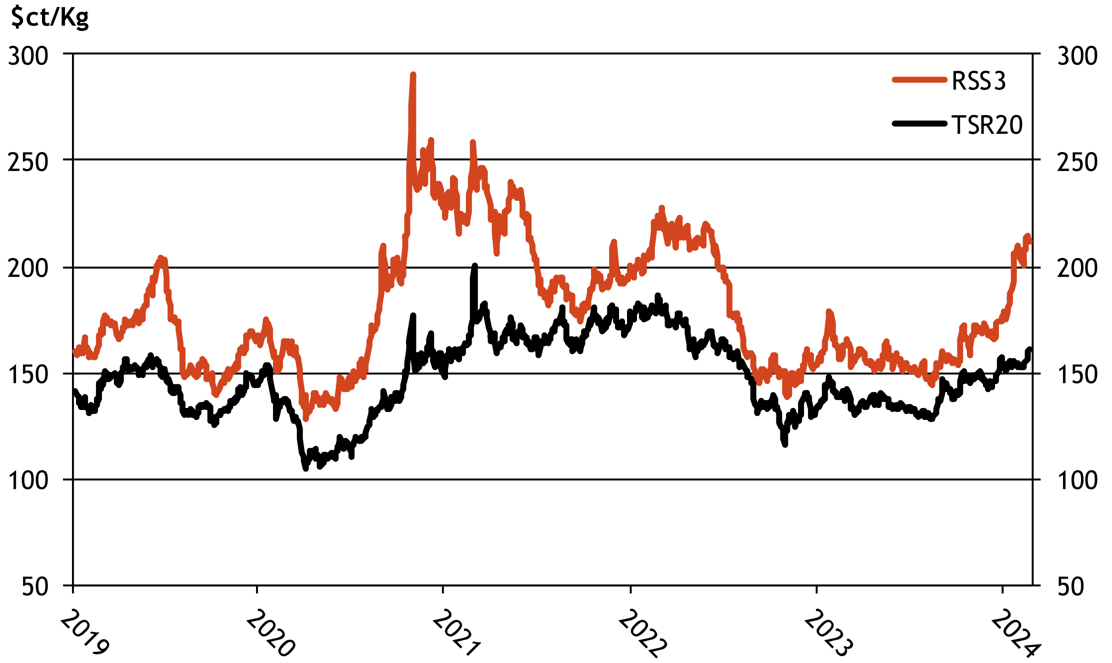
Key Figures (EUR 000)		
As at 31 December	***2023***	***2022***
Fixed assets	5,444	4,309
Current assets	19,703	22,133
Equity (*)	14,921	16,432
Borrowing, provisions and third parties (*)	10,225	10,010
Sales and services	26,709	30,293
Profit / (loss) for the period	6,489	8,834
Distribution	6,000	8,000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

(*) Before profit allocation.

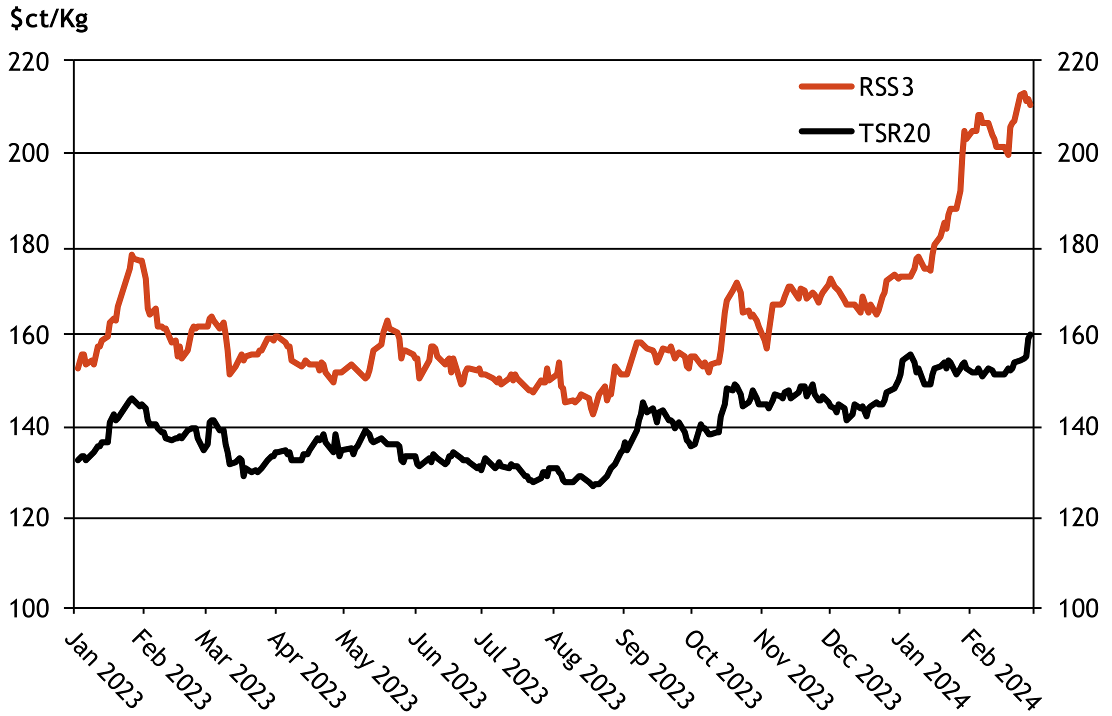
International market for rubber and palm oil

1. Rubber

SGX - NATURAL RUBBER - 5 years +



SGX - NATURAL RUBBER - 1 year +



International market for rubber and palm oil

The international market in 2023

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

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

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

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

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

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

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

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

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

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

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

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

International market for rubber and palm oil

Outlook 2024

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

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

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

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

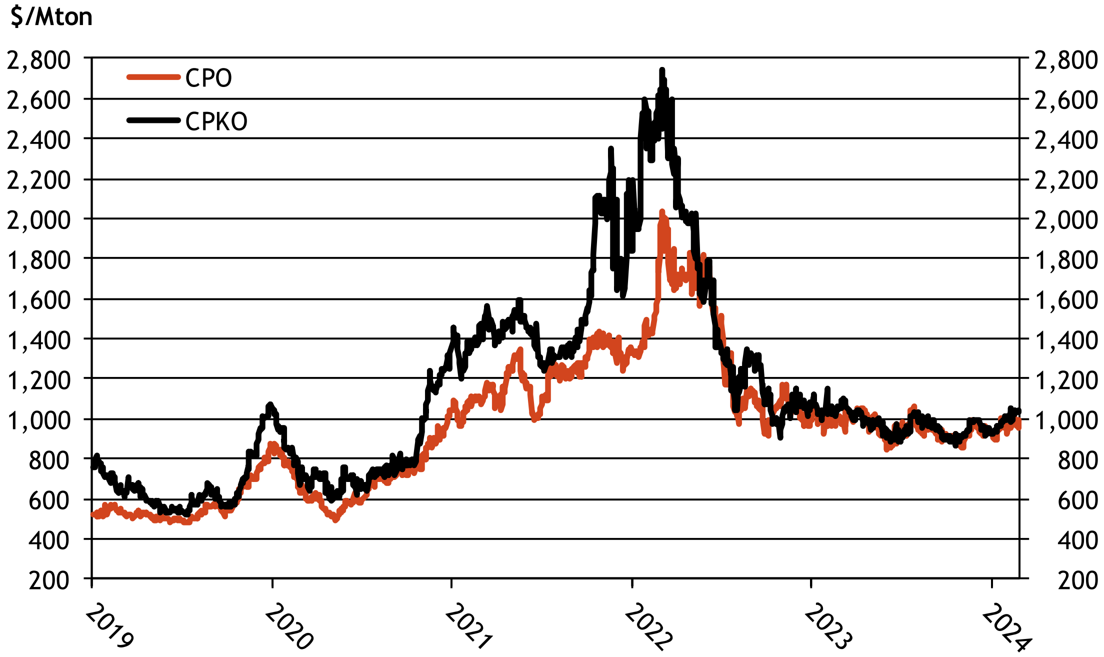
The entry into force at the end of 2024 of the European "EUDR" regulation aimed at banning certain raw materials derived from deforestation should change the structure of the market. The strong demand from tyre manufacturers for traceable natural rubber destined for mainland Europe should enable producers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

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

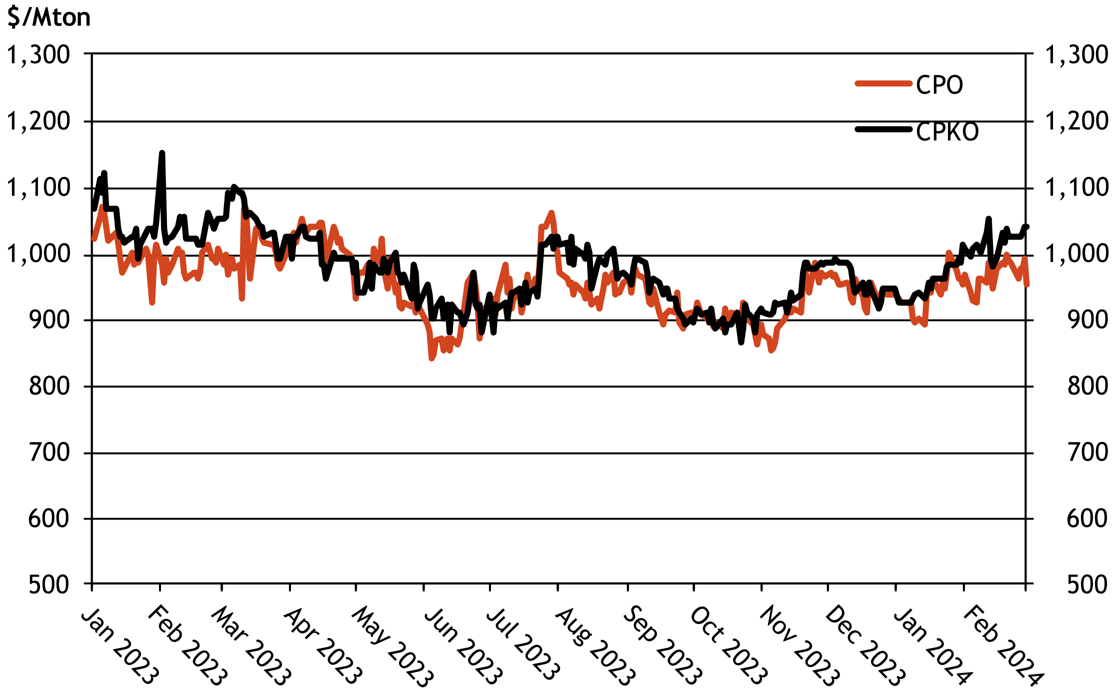
The TSR20[G] 1st FOB[G] Singapore position on SGX[G] was quoted at USD 1,603/T on 23 February 2024.

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 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.

International market for rubber and palm oil

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

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

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

Outlook 2024

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

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

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

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

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

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

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

Environment and social responsibility

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

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

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

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

Key figures

1. Activity indicators

Area (hectares)		*Rubber*		*Palm*
As at 31 December 2023				
Immatures (by year of planting)				
2023		244		1,979
2022		167		1,724
2021		120		1,286
2020		189		0
2019		155		0
2018		215		0
2015		609		0
2014		74		0
2012		3		0
2011		38		0
2010		2		0
Total immatures		***1,816***		***4,989***
Young	(from 6 to 11 years)	2,900	(from 3 to 7 years)	7,521
Prime	(from 12 to 22 years)	8,290	(from 8 to 18 years)	11,644
Old	(above 22 years)	236	(above 18 years)	15,346
Total in production		***11,426***		***34,511***
TOTAL		***13,243***		***39,499***

Area (hectares)	*2023*	*2022*	*2021*	*2020*	*2019*
Palm	39,499	39,279	39,089	38,727	38,447
Rubber	13,243	13,523	13,886	14,414	14,829
TOTAL	***52,742***	***52,802***	***52,975***	***53,141***	***53,276***

Production	*2023*	*2022*	*2021*	*2020*	*2019*
Palm Oil (tons)					
Own production[G]	188,527	179,516	180,584	182,577	189,462
Rubber (tons)					
Own production[G]	15,250	12,914	15,430	15,110	15,123
Seeds (thousands)					
Own production[G]	9,190	13,189	11,668	8,042	6,308

Key figures

Turnover (EUR million)	*2023*	*2022*	*2021*	*2020*	*2019*
Palm	151	171	141	105	99
Rubber	21	22	21	18	19
Other agricultural products	7	7	5	4	4
Other	1	1	1	0	0
TOTAL	***179***	***202***	***168***	***127***	***122***

Staff	*2023*	*2022*	*2021*	*2020*	*2019*
Average workforce	9,686	9,595	10,168	10,363	10,567

2. Key figures from the consolidated income statement and consolidated statement of cash flows

(EUR million)	*2023*	*2022*	*2021*	*2020*	*2019*
Turnover	179	202	168	127	122
Operating income	62	56	73	34	21
Profit / (loss) for the period attributable to the Group	46	48	57	16	14
Net cash flows from operating activities	63	91	69	36	25
Free cash flows[G]	122	152	60	25	12

3. Key figures in the consolidated statement of financial position

(EUR million)	*2023*	*2022*	*2021*	*2020*	*2019*
Bearer biological assets	92	90	115	107	117
Other non-current assets	126	183	256	154	87
Current assets	146	145	115	75	143
Total equity	256	280	296	247	255
Non-current liabilities	39	40	121	37	45
Current liabilities	69	99	70	52	47

Stock market data

(EUR)	2023	2022	2021	2020	2019
Number of shares	19,594,260	19,594,260	19,594,260	19,594,260	19,594,260
Equity attributable to the owners of the Company	247,910,360	273,585,223	289,258,777	241,466,670	247,709,358
Undiluted net profit per share	2.35	2.45	2.93	0.84	0.73
Dividend per share	4.00	3.50	1.40	0.80	0.80
Share price					
Minimum	14.70	14.20	13.10	11.10	11.70
Maximum	17.20	18.80	17.80	17.80	16.40
Closing	15.40	16.50	14.30	14.50	16.30
Market capitalisation[G]	301,751,604	323,305,290	280,197,918	284,116,770	319,386,438
Dividend paid / net profit attributable to the owners of the Company	170.00%	143.03%	47.78%	95.36%	109.27%
Dividends / market capitalisation[G]	25.97%	21.21%	9.79%	5.52%	4.91%
Market price / undiluted net profit per share	6.55	6.74	4.88	17.28	22.26

Financial highlights of the year

No material events occurred during the financial period.

Corporate governance statement

1. Introduction

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

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

2. Corporate governance chart

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

3. Board of Directors

Composition of the Board of Directors

Name	*Nationality*	*Year of Birth*	*Position*	*First nomination*	*Term of Office*
Mr. Hubert Fabri	Belgian	1952	Chairman [a]	AGO 1980	AGO 2027
Mr. Vincent Bolloré	French	1952	Director [a]	AGE 1990	AGO 2029
Mr. Cyrille Bolloré	French	1985	Director [a]	AGO 2019	AGO 2025
Administration and Finance Corporation "AFICO" represented by Régis Helsmoortel	Belgian	1961	Director [b]	AGO 1997	AGO 2028
Mr. François Fabri	Belgian	1984	Director [b]	AGO 2014	AGO 2026
Mr. Philippe Fabri	Belgian	1988	Director [b]	AGO 2018	AGO 2024
Mrs. Valérie Hortefeux	French	1967	Director [c]	AGO 2019	AGO 2025

[a] Non-Executive non-independent Director

[b] Executive non-independent Director

[c] Independent Director

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

Other mandates held by the directors in listed companies

Hubert Fabri
Chairman

Positions and offices held in Luxembourg 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 Luxembourg companies

- Director of Société Financière des Caoutchoucs “Socfin”, Socfinaf and Socfinasia.

Positions and offices held in foreign companies

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

Cyrille Bolloré
Director

Positions and offices held in Luxembourg companies

- Director of Société Financière des Caoutchoucs “Socfin” and Socfinasia;
- Permanent representative of Bolloré Participations SE on the Board of Directors of Socfinaf.

Positions and offices held in foreign companies

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

Corporate governance statement

Administration and Finance Corporation “AFICO”
Director

Positions and offices held in Luxembourg companies
- Director of Socfinasia.

Positions and offices held in foreign companies
- Director of Société des Caoutchoucs du Grand Bereby “SOGB”, Société Industrielle et Financière de l’Artois and Société Camerounaise de Palmeraies “Socapalm”.

François Fabri
Director

Positions and offices held in Luxembourg 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 Luxembourg 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”.

Valérie Hortefeux
Director

Positions and offices held in Luxembourg companies
- Director of Socfinasia.

Positions and offices held in foreign companies
- Director of Mediobanca and Compagnie de l’Odet.

Corporate governance statement

Appointments of Directors

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

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

Role and powers of the Board of Directors

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

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

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

Activity report of the Board of Directors

Number of meetings

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

Topics generally discussed

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

Average attendance rate of Directors

- 2023: 96%
- 2022: 95%
- 2021: 98%
- 2020: 100%
- 2019: 91%

4. Committees of the Board of Directors

4.1 Audit Committee

The Committee consists of three members, of which 2 are independent 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 2023 and has been in charge of supervising the preparation of the financial information for the year 2023.

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

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

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

The Audit Committee assists 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 Socfinasia. 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. Remuneration

The remuneration allocated to the members of the Board of Directors of Socfinasia for the financial year 2023 amounts to EUR 11,674,417 compared to EUR 15,278,115 in 2022.

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

6. Shareholding status

Shareholder	*Number of shares held = Number of voting rights*	*Percentage holding*	*Date of notification*
Socfin L-1650 Luxembourg	11,324,179	57.79	01/02/2017
Bolloré Participations F-29500 Ergué Gaberic	200	0.001	22/10/2018
Bolloré F-29500 Ergué Gaberic	3,358,100	17.138	22/10/2018
Compagnie du Cambodge F-92800 Puteaux	1,002,500	5.116	22/10/2018
Total Bolloré interests (direct and indirect)	4,360,800	22.255	

7. Financial calendar

29 May 2024	Annual General Meeting at 11.00 am
14 June 2024	Payment of the balance of dividend for 2023 (coupon number 84)
End of September 2024	Half year stand alone and consolidated results at 30 June 2024
Mid-November 2024	Interim Management statement for 3rd quarter of 2024
End of March 2025	Annual stand alone results at 31 December 2024
Mid-April 2025	Consolidated annual results at 31 December 2024
Mid-May 2025	Interim Management statement for the 1st quarter of 2025
28 May 2025	Annual General Meeting at 11.00 am

The Company's results are published on the Luxembourg Stock Exchange website www.bourse.lu and on the Company's website 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 375,814 VAT included.

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

9. Corporate, social and environmental responsibility

Along with its specific commitment to transparency, the 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 has been defined and implemented since 2022.

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

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

10. Other information

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

Statement of compliance

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

(a) in accordance with the international accounting standards adopted by the European Union, the consolidated financial statements prepared for the year that ended on 31 December 2023, give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Socfinasia and of all 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 Socfinasia, 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 have been prepared in accordance with International Financial Reporting Standards or IFRS[G] (terms having a [G] are explained part "Glossary" at the end of the annual report) as adopted by the European Union. Socfinasia (the Group) adopted IFRS[G] standards for the first time in 2005, and implemented all the standards applicable to the Group as at 31 December 2023 have been implemented.

Consolidated results

For the 2023 financial year, the result attributable to the Group amounted to EUR 46.1 million compared to EUR 47.9 million in 2022. This resulted in earnings per share attributable to the Group of EUR 2.35 compared to EUR 2.45 in 2022.

The consolidated revenue amounted to EUR 178.5 million in 2023 compared to EUR 202.0 million in 2022, thus a decrease of EUR 23.5 million. This decrease in revenue was mainly due to a fall in the price (EUR -23.9 million), and the variation of the Indonesian Rupiah versus the Euro (EUR -9.2 million), whereas quantities sold during the period increased (EUR +12.0 million).

The operating profit increased to EUR 62.0 million compared to EUR 55.7 million in 2022. As a reminder, the fixed assets were subject to a non-recurring impairment of EUR 27.3 million in 2022.

Other financial income decreased to EUR 12.1 million compared to EUR 26.8 million in 2022 and consisted mainly of EUR 4.6 million of interest on long-term advances to Socfin and interest on short-term deposits for EUR 4.3 million.

Financial expenses amounted to EUR 7.5 million compared to EUR 8.8 million in 2022 and consisted mainly of foreign exchange losses for EUR 5.7 million.

Furthermore, the tax expense decreased, with income taxes amounting to EUR 20.1 million compared to EUR 28.3 million in 2022.

Profit for the year from associates attributable to the Group decreased to EUR 5.9 million compared to EUR 10.8 million in 2022.

Consolidated statement of financial position

Socfinasia's assets consist of:

- non-current assets of EUR 217.6 million compared to EUR 273.1 million in 2022, a decrease of EUR 55.6 million mainly due to a decrease in long-term advances towards Socfin of EUR 50.0 million and in other non-current assets of EUR 7.0 million;

- current assets for EUR 145.8 million compared to EUR 145.4 million in 2022, mainly linked to the decrease in other receivables for EUR 18.5 million and to the increase in cash and cash equivalents of EUR 19.9 million.

The shareholders' equity attributable to the Group amounted to EUR 247.9 million compared to EUR 273.6 million in 2022. The decrease in the shareholders' equity of EUR -25.7 million is mainly due to the profit for the period (EUR +46.1 million) and to the allocation of the net results (EUR -68.6 million, final dividend 2022 and interim dividend 2023 included).

Based on the consolidated shareholders' equity, the net value per share[G] attributable to the Group, before the distribution of the balance of the dividend, was EUR 12.65 compared to EUR 13.96 a year earlier. As at 31 December 2023, the share price stood at EUR 15.40.

Current and non-current liabilities decreased to EUR 107.8 million compared to EUR 138.6 million in the previous year. The other payables increased at EUR 59.7 million compared to EUR 54.8 million in the previous year, whereas financial debts decreased at EUR 0 million compared to EUR 27.9 million in the previous year.

Statement of compliance

Consolidated cash flow

As at 31 December 2023, cash and cash equivalents amounted to EUR 114.6 million, an increase of EUR 19.9 million for the period compared to an increase of EUR 21.2 million in the previous financial year.

Net cash flows from operating activities amount to EUR 62.8 million in 2023 (EUR 91.3 million in 2022) and cash flows from operating activities amount to EUR 85.7 million compared to EUR 107.9 million during the previous financial year.

Cash flows from investing activities show a net inflow, amounting to EUR 58.9 million compared to a net inflow of EUR 60.9 million in 2022, due to the partial reimbursement of the long-term advance from Socfin. Cash flows from financing activities amounted to EUR 101.3 million (EUR 132.0 million in 2022) of which EUR 72.7 million of dividends (EUR 66.3 million in 2022) and EUR 27.5 million repayment of borrowings.

2. Financial instruments

The financial risk management policies are described in the notes to the consolidated financial statements of the Company (see notes 23 and 34).

3. Outlook 2024

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

4. Political and economic environment

The Company holds interests in subsidiaries operating in South-East Asia.

Given the economic and political instability of some of these countries, these investments 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 risk of further escalation and the ensuing impact on global trade and economic growth.

Although neither the company's operations nor its 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 carry out/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 independent/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 the investments.

Statement of compliance

Financial reporting process

The financial department organises, supervises and controls the reporting of monthly accounting, budgetary and financial information. It distributes condensed reports for use 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 annually 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' presentation in the annual report. Lastly, due to the complexity of the accounting standards in force and the many specificities around their implementation, the consolidation service centralises the adjustments specific to the valuation rules applicable to the consolidated financial statements.

8. Environment and social responsibility

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

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

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

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

The Board of Directors

Auditor's report on the consolidated financial statements

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Socfinasia 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 91.8 million out of total assets of EUR 363.4 million.

The Group owns biological assets in Asia. 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 8 "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.

<u>Audit response</u>

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 27 to 33 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 Socfinasia 2023 Annual Report.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
Luxembourg

Consolidated financial statements

1. Consolidated statement of financial position

		31/12/2023	31/12/2022
ASSETS	*Note*	*EUR*	*EUR*
Non-Current Assets			
Right-of-use assets	3	2,693,850	1,866,143
Intangible assets	4	301,923	237,776
Property, plant and equipment	5	39,209,888	40,992,845
Biological assets	6	91,842,656	90,355,051
Investments in associates	10	22,687,671	25,588,659
Financial assets at fair value through other comprehensive income[G]	11	5,231,277	773,528
Long-term advances	12	50,500,175	100,503,325
Deferred tax assets	13	5,105,504	5,817,338
Other non-current assets		0	7,000,000
		217,572,944	***273,134,665***
Current Assets			
Inventories	16	16,916,698	15,945,854
Current biological assets		1,386,059	1,684,003
Trade receivables	17	2,259,161	3,141,096
Other receivables	18	9,924,598	28,426,558
Current tax assets	14	743,616	1,574,532
Cash and cash equivalents	19	114,574,658	94,648,047
		145,804,790	***145,420,090***
TOTAL ASSETS		***363,377,734***	***418,554,755***

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 EUR
Equity attributable to the owners of the Parent			
Share capital	20	24,492,825	24,492,825
Legal reserve	21	2,449,283	2,449,283
Consolidated reserves		299,889,982	321,299,102
Translation reserves		-125,025,089	-122,604,832
Profit / (loss) for the period		46,103,360	47,948,844
		247,910,361	***273,585,222***
Non-controlling interests[G]	9	***7,663,646***	***6,404,183***
Total Equity		***255,574,007***	***279,989,405***
Non-Current Liabilities			
Deferred tax liabilities	13	3,626,925	4,856,278
Employee benefits obligations	22	34,533,436	34,304,488
Long-term debt, net of current portion	23	0	9,375,586
Long-term lease liabilities	3	356,638	397,717
		38,516,999	***48,934,069***
Current Liabilities			
Short-term debt and current portion of long-term debt	23	0	18,522,296
Short-term lease liabilities	3	27,258	28,105
Trade payables	24	7,345,213	4,333,217
Current tax liabilities	14	2,197,336	11,928,558
Other payables	24	59,716,921	54,819,105
		69,286,728	***89,631,281***
TOTAL EQUITY AND LIABILITIES		***363,377,734***	***418,554,755***

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

2. Consolidated income statement

		2023	2022
	Note	EUR	EUR
Revenue	33	178,523,977	201,959,951
Change in inventories of finished products and work in progress		-704,274	-772,075
Other operational income		1,545,489	3,767,343
Raw materials[G] and consumables used	33	-23,405,777	-18,516,134
Other expenses	33	-17,110,218	-14,928,608
Staff costs	26	-65,035,465	-73,053,902
Depreciation and impairment expense	7	-10,799,732	-37,867,992
Other operating expenses	33	-1,028,843	-4,843,681
Operating profit / (loss)		***61,985,157***	***55,744,902***
Other financial income	27	12,105,421	26,794,435
Gain on disposals		0	382,822
Loss on disposals		-1,023,704	-301,923
Financial expenses	28	-7,542,460	-8,794,505
Profit / (loss) before taxes		***65,524,414***	***73,825,731***
Income tax expense	15	-20,108,323	-28,346,768
Deferred tax (expense) / income	15	412,214	-1,042,777
Share of the Group in the result from associates	10	5,890,456	10,844,143
Profit / (loss) for the period		***51,718,761***	***55,280,329***
Profit / (loss) attributable to non-controlling interests[G]		***5,615,401***	***7,331,485***
Profit / (loss) attributable to the owners of the Parent		***46,103,360***	***47,948,844***
Basic earnings per share undiluted	29	***2.35***	***2.45***

Number of Socfinasia's shares	19,594,260	19,594,260
Basic earnings per share	2.35	2.45
Diluted earnings per share	2.35	2.45

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

3. Consolidated statement of comprehensive income

	Note	2023 EUR	2022 EUR
Profit / (loss) for the period		***51,718,761***	***55,280,329***
Other comprehensive income[G]			
Actuarial gains / (losses)	22	-604,037	1,548,009
Deferred tax on actuarial losses and gains		132,888	-285,761
Fair value changes of securities measured at fair value through other comprehensive income[G], before taxes	11	-42,251	-27,554
Deferred tax on fair value changes of securities measured at fair value through other comprehensive income[G]		10,537	6,872
Subtotal of items that cannot be reclassified to profit or loss		*-502,863*	*1,241,566*
Gains / (losses) on exchange differences on translation of subsidiaries		-2,610,919	-6,643,883
Share of other comprehensive income[G] related to associates	10	-337,884	443,738
Subtotal of items eligible for reclassification to profit or loss		*-2,948,803*	*-6,200,145*
Total other comprehensive income[G]		***-3,451,666***	***-4,958,579***
Total comprehensive income		***48,267,095***	***50,321,750***
Comprehensive income attributable to non-controlling interests[G]		***5,371,255***	***7,263,233***
Comprehensive income attributable to the owners of the Parent		***42,895,840***	***43,058,517***

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

4. Consolidated statement of cash flows

	Note	2023 EUR	2022 EUR
Operating activities			
Profit / (loss) attributable to the owners of the Parent		46,103,360	47,948,844
Profit / (loss) attributable to non-controlling shareholders		5,615,401	7,331,485
Income from associates	10	-5,890,456	-10,844,143
Dividends received from associates	10	8,292,174	7,126,982
Fair value of agricultural production		-1,213,115	-2,378,830
Other adjustments having no impact on cash position		1,281,260	-9,102,961
Depreciation, impairment, provisions and allowances		10,761,550	38,118,718
Net loss on disposals of assets		1,023,704	344,053
Income tax expense and deferred tax	15	19,696,109	29,389,545
Cash flows from operating activities		***85,669,987***	***107,933,693***
Interest expense / (income)	27, 28	***-7,820,796***	***-5,700,645***
Income tax paid	15	***-27,880,824***	***-28,346,768***
Change in inventory		765,945	1,391,037
Change in trade and other receivables		3,575,746	4,985,088
Change in trade and other payables		9,529,156	9,619,162
Change in accruals and prepayments		-1,081,260	1,444,533
Change in working capital requirement		***12,789,587***	***17,439,820***
Net cash flows from operating activities		***62,757,954***	***91,326,100***
Investing activities			
Acquisitions / disposals of intangible assets		-1,172,057	-635,933
Acquisitions of property, plant and equipment and biological assets	5, 6	-15,837,340	-13,786,271
Disposals of property, plant and equipment		661,527	2,534,443
Acquisitions / disposals of financial assets and loans with shareholder	31	66,359,340	67,069,288
Interest received	27	8,885,904	5,700,645
Net cash flows from investing activities		***58,897,374***	***60,882,172***
Financing activities			
Dividends paid to the owners of the Parent	30	-68,579,910	-58,782,780
Dividends paid to non-controlling shareholders	9	-4,111,803	-7,521,462
Proceeds from borrowings	23	3,130	0
Repayment of borrowings	23	-27,484,691	-65,642,097
Repayment of lease liabilities		-27,689	-28,470
Interest paid	28	-1,065,108	0
Net cash flows from financing activities		***-101,266,071***	***-131,974,809***
Effect of exchange rate fluctuations		-462,646	1,009,875
Net cash flow		***19,926,611***	***21,243,338***
Cash and cash equivalents as at 1 January	19	94,648,047	73,404,709
Cash and cash equivalents as at 31 December	19	114,574,658	94,648,047
Net increase / (decrease) in cash and cash equivalents		***19,926,611***	***21,243,338***

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

5. Consolidated statement of changes in equity

EUR	Share capital	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	***24,492,825***	***2,449,283***	***-116,151,273***	***378,467,941***	***289,258,776***	***6,662,431***	***295,921,207***
Profit / (loss) for the period				47,948,844	**47,948,844**	7,331,485	**55,280,329**
Actuarial (losses) / gains				1,136,023	**1,136,023**	126,225	**1,262,248**
Change in fair value of securities at fair value through other comprehensive income[G]				-16,529	**-16,529**	-4,153	**-20,682**
Foreign currency translation adjustments			-6,453,559		**-6,453,559**	-190,324	**-6,643,883**
Share in other comprehensive income[G] from associates				443,738	**443,738**		**443,738**
Total comprehensive income[G]			***-6,453,559***	***49,512,076***	***43,058,517***	***7,263,233***	***50,321,750***
Dividends (Note 30)				-19,594,260	**-19,594,260**	-5,521,954	**-25,116,214**
Interim dividends (note 30)				-39,188,520	**-39,188,520**	-1,999,508	**-41,188,028**
Other movements				50,709	**50,709**	-19	**50,690**
Transactions with shareholders				***-58,732,071***	***-58,732,071***	***-7,521,481***	***-66,253,552***
Balance as at 31 December 2022	***24,492,825***	***2,449,283***	***-122,604,832***	***369,247,946***	***273,585,222***	***6,404,183***	***279,989,405***
Balance as at 1 January 2023	***24,492,825***	***2,449,283***	***-122,604,832***	***369,247,946***	***273,585,222***	***6,404,183***	***279,989,405***
Profit / (loss) for the period				46,103,360	**46,103,360**	5,615,401	**51,718,761**
Actuarial (losses) / gains				-424,034	**-424,034**	-47,115	**-471,149**
Change in fair value of securities at fair value through other comprehensive income[G]				-25,345	**-25,345**	-6,369	**-31,714**
Foreign currency translation adjustments			-2,420,257		**-2,420,257**	-190,662	**-2,610,919**
Share in other comprehensive income[G] from associates				-337,884	**-337,884**		**-337,884**
Total comprehensive income[G]			***-2,420,257***	***45,316,097***	***42,895,840***	***5,371,255***	***48,267,095***
Dividends (Note 30)				-29,391,390	**-29,391,390**	-2,705,086	**-32,096,476**
Interim dividends (Note 30)				-39,188,520	**-39,188,520**	-1,406,717	**-40,595,237**
Other movements				9,209	**9,209**	11	**9,220**
Transactions with shareholders				***-68,570,701***	***-68,570,701***	***-4,111,792***	***-72,682,493***
Balance as at 31 December 2023	***24,492,825***	***2,449,283***	***-125,025,089***	***345,993,342***	***247,910,361***	***7,663,646***	***255,574,007***

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

6. Notes to the consolidated financial statements

Note 1. Overview and material accounting policies

1.1. Overview

Socfinasia S.A. (the “Company") was incorporated on 20 November 1972. Its corporate purpose qualifies it as a soparfi[G] (terms having a [G] are explained part “Glossary” at the end of the annual report) since the Annual General Meeting of 10 January 2011. The registered office is established at 4, avenue Guillaume, L-1650 in Luxembourg.

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

Socfinasia 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 in Luxembourg.

The Company is registered in the commercial register under the number B10534 and is listed on the Luxembourg Stock Exchange under ISIN code: LU0092047413.

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 Socfinasia and of the Group’s presentation currency.

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

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

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

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

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

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

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

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

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

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

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

1.3. Presentation of the consolidated financial statements

The consolidated financial statements are presented in euros (EUR or €).

They are prepared based on historical cost with the exception of the following assets:

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

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

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

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

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

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

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

o Amendments to IAS[G] 12 "International Tax Reform – Pilar Two Model Rules": on 23 May 2023, the IASB issued amendments to IAS[G] 12 in order to respond to concerns about the potential implications of the OECD Pillar Two model rules. The amendments introduce, in IAS[G] 12, a mandatory exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes on the one hand, and disclosure requirements on the other. The latter are intended for affected entities to help users of the financial statements have a better understanding of the exposure to Pillar Two income taxes that arise from that legislation, in particular before its effective date. The consequences of this amendment are further disclosed in Note 13.

1.4. Consolidation principles

The consolidated financial statements include the financial statements of the parent company Socfinasia as well as those of the companies controlled by the parent ("subsidiaries") and those of the companies in which Socfinasia exercises 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[G] 10, an investor has control when it fulfills three conditions:
1) it holds power over the entity;
2) it is entitled to or is exposed to variable returns from its involvement;
3) it has the ability to use its power over the entity to affect returns.

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

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

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

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

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

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

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

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

1.6. Business combinations

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

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

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

1.7. Goodwill

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

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

1.8. Gain on a bargain purchase

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

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

1.9. Foreign currency conversion

In the financial statements of Socfinasia 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
Indonesian rupiah	17,140	16,713	16,471	15,648
American dollar	1.1050	1.0666	1.0826	1.0479

1.10. Intangible assets

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

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

The estimated useful lives are as follows:

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

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

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

1.11. Property, plant and equipment

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

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

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

The estimated useful lives are as follows:

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

Depreciation starts from the date that the assets are available 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 South-East Asia. These biological assets, mainly consisting of palm oil and rubber plantations, are valued according to the principles defined in IAS[G] 16 “Property, plant and equipment".

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

Bearer biological assets

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

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

The estimated useful lives are as follows:

Bearer plants – Palm	20 to 25 years
Bearer plants – Rubber	20 to 25 years

The depreciation starting date is the date of transfer of biological assets in production (asset being mature). This transfer takes place in the third 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[G] 41 principles. This produce is measured at fair value until the point of harvest. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

1.13. 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 14.1%.

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

The Group applies IAS[G] 36 to determine whether a right-of-use asset is impaired and recognises any impairment loss as described in Note 8: 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

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[G] 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

The Group elected to classify irrevocably its non-listed equity investments under this category.

Other financial assets and liabilities

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

The receivables are valued at their nominal value (at cost) minus any write-downs covering amounts considered as non-recoverable if the Group deems it necessary. Impairment of assets is recognised in the income statement under "Other operating income/ expenses". The Group has established a provision matrix, based on its historical credit loss experience (average default over several years), which was adjusted for prospective factors specific to the debtors and the economic environment. The carrying amount of the asset is reduced using a provision account, and the amount of the loss is recognised in the consolidated income statement. The Board of Directors of each subsidiary evaluates the receivables individually. Value adjustments are determined by taking into account the local economic reality of each country. They are reviewed at the reception of new events and at least annually.

1.19. 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 customer within the Group accounted for approximately EUR 83.8 million (2022: EUR 96.2 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 on the one hand, and their tax bases on the other hand, lead to the recognition of a deferred tax using the tax rates which are applicable when the temporary differences disappear, as adopted on the closing date.

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

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

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

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

The Group applies the mandatory exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes (refer to Note 13).

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 follows from the information analysed by the management. This information is based on the geographic distribution of political and economic risks, as well as on the analysis of individual social accounts at historical cost.

1.24. Use of estimates

For the preparation of consolidated financial statements in accordance with IFRS[G], the Group's

Management has made use of its best estimates to make assumptions on the following aspects, and to what extent they were affected: the carrying amount of assets and liabilities, information on assets and liabilities, contingent liabilities and the carrying amount of income and expenses recorded during the period. Depending on the evolution of these assumptions or different economic conditions, the amount that will appear in the Group's future consolidated financial statements may 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 (Note 16), IAS[G] 16 – Property, Plant and Equipment (Note 5), IAS[G] 36 – Impairment of Assets (Notes 6 and 8), IFRS[G] 9 – Financial Instruments (Notes 25 and 34) and IFRS[G] 16 – Leases (Note 3).

In the absence of observable data within the scope of IFRS[G] 13 – Fair Value Measurement, the Group makes use of a model developed with the aim to assess the fair value of agricultural production, using local production costs and conditions and local sales (Refer to Note 1.12).

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

1.25. 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 8). 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.

1.26. 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.

1.27. 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 Socfinasia 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 the Group. Those budgets are mainly used for 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 Notes 1.14 and 8.

Note 2. Subsidiaries and associates

	% Group Interest	% Group Control	Consolidation Method (*)	% Group Interest	% Group Control	Consolidation Method (*)
	2023	2023	2023	2022	2022	2022
ASIA						
Rubber and palm						
PT SOCFIN INDONESIA "SOCFINDO"	90.00	90.00	FI	90.00	90.00	FI
Rubber						
SETHIKULA CO LTD	100.00	100.00	FI	100.00	100.00	FI
SOCFIN-KCD CO LTD	100.00	100.00	FI	100.00	100.00	FI
VARANASI CO LTD	100.00	100.00	FI	100.00	100.00	FI
COVIPHAMA CO LTD	100.00	100.00	FI	100.00	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.	35.00	35.00	EM	35.00	35.00	EM
INDUSERVICES FR S.A.	50.00	50.00	EM	50.00	50.00	EM
PLANTATION NORD-SUMATRA LTD "PNS Ltd" S.A.	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.	79.92	79.92	FI	79.92	79.92	FI
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
TERRASIA S.A.	47.81	47.81	EM	47.81	47.81	EM

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

List of subsidiaries and associated companies

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

* COVIPHAMA CO LTD is a company under Cambodian law active in the production of rubber.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 3. Leases

The amounts recognised in the balance sheet, related to leases under IFRS[G] 16 are as follows:

Right-of-use assets

EUR	*Buildings*	*Land and concession[G] of agricultural area*	*TOTAL*
Gross value as at 1 January 2022	***300,283***	***1,260,658***	***1,560,941***
Additions	0	1,171,888	**1,171,888**
Foreign exchange differences	18,581	-90,767	**-72,186**
Gross value as at 31 December 2022	***318,864***	***2,341,779***	***2,660,643***
Accumulated depreciation as at 1 January 2022	***-130,611***	***-520,264***	***-650,875***
Depreciation	-28,424	-112,901	**-141,325**
Transfer	0	-14,218	**-14,218**
Foreign exchange differences	-7,584	19,502	**11,918**
Accumulated depreciation as at 31 December 2022	***-166,619***	***-627,881***	***-794,500***
Net book value as at 31 December 2022	***152,245***	***1,713,898***	***1,866,143***
Gross value as at 1 January 2023	***318,864***	***2,341,779***	***2,660,643***
Additions	0	1,047,577	**1,047,577**
Foreign exchange differences	-11,081	-101,983	**-113,064**
Gross value as at 31 December 2023	***307,783***	***3,287,373***	***3,595,156***
Accumulated depreciation as at 1 January 2023	***-166,619***	***-627,881***	***-794,500***
Depreciation	-27,513	-105,996	**-133,509**
Foreign exchange differences	6,347	20,356	**26,703**
Accumulated depreciation as at 31 December 2023	***-187,785***	***-713,521***	***-901,306***
Net book value as at 31 December 2023	***119,998***	***2,573,852***	***2,693,850***

Lease liabilities

	31/12/2023	**31/12/2022**
	EUR	*EUR*
Long-term lease liabilities	356,638	397,717
Short-term lease liabilities	27,258	28,105
TOTAL	***383,896***	***425,822***

Long-term lease liabilities are payable as follows:

2022 EUR	2024	2025	2026	2027	2028 and above	TOTAL
Lease liabilities	28,239	28,374	28,511	28,649	283,944	**397,717**

2023 EUR	2025	2026	2027	2028	2029 and above	TOTAL
Lease liabilities	27,388	27,520	27,653	34	274,042	**356,637**

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

	2023 EUR	2022 EUR
Depreciation of right-of-use assets	133,509	141,325
Expenses related to short-term leases and leases of low-value assets	8,318	8,553
Interest expense (included in the financial expenses)	40,977	42,471
TOTAL	*182,804*	*192,349*

Agricultural land and concessions[G]

The Group does not own all of the land on which its bio-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
SETHIKULA	2010	99 years	4,273 ha
VARANASI	2009	70 years	2,386 ha
COVIPHAMA	2008	70 years	5,345 ha
SOCFINDO	1990 to 2023	25 to 35 years	47,532 ha

Note 4. Intangible assets

EUR	Concessions[G] and patents	Softwares	TOTAL
Cost as at 1 January 2022	***615,096***	***1,689,291***	***2,304,387***
Additions	582,356	53,577	**635,933**
Disposals	-446	-591	**-1,037**
Transfer	-1,171,888	0	**-1,171,888**
Foreign exchange differences	21,897	-59,530	**-37,633**
Cost as at 31 December 2022	***47,015***	***1,682,747***	***1,729,762***
Accumulated depreciation as at 1 January 2022	***-58,474***	***-1,417,300***	***-1,475,774***
Depreciation	0	-80,101	**-80,101**
Depreciation reversals	446	591	**1,037**
Transfer	14,218	0	**14,218**
Foreign exchange differences	-3,205	51,841	**48,636**
Accumulated depreciation as at 31 December 2022	***-47,015***	***-1,444,969***	***-1,491,984***
Net book value as at 31 December 2022	***0***	***237,778***	***237,778***
Cost as at 1 January 2023	***47,015***	***1,682,747***	***1,729,762***
Additions	409	124,071	**124,480**
Disposals	-122	0	**-122**
Foreign exchange differences	-2,038	-46,353	**-48,391**
Cost as at 31 December 2023	***45,264***	***1,760,465***	***1,805,729***
Accumulated depreciation as at 1 January 2023	***-47,015***	***-1,444,969***	***-1,491,984***
Depreciation	0	-51,568	**-51,568**
Depreciation reversals	122	0	**122**
Foreign exchange differences	1,629	37,995	**39,624**
Accumulated depreciation as at 31 December 2023	***-45,264***	***-1,458,542***	***-1,503,806***
Net book value as at 31 December 2023	***0***	***301,923***	***301,923***

Note 5. Property, plant and equipment

EUR	Land and nurseries (**)	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and pre-payments	TOTAL
Cost as at 1 January 2022	***4,631,730***	***71,227,704***	***66,035,129***	***2,207,097***	***31,348***	***4,249***	***144,137,257***
Additions (*)	897,761	867,390	2,411,185	1,936,327	118,524	72,671	**6,303,858**
Disposals	-814,455	-41,902	-387,475	-766,566	0	0	**-2,010,398**
Transfer	-458,382	39,874	-12,788,979	12,788,688	-39,874	-1,550	**-460,223**
Foreign exchange differences	191,134	-999,343	-1,025,891	-870,621	561	-984	**-2,705,144**
Cost as at 31 December 2022	***4,447,788***	***71,093,723***	***54,243,969***	***15,294,925***	***110,559***	***74,386***	***145,265,350***
Accumulated depreciation as at 1 January 2022	***-21,228***	***-49,032,994***	***-51,413,412***	***-2,361,173***	***0***	***0***	***-102,828,807***
Depreciation	0	-1,972,066	-2,220,215	-1,305,477	0	0	**-5,497,758**
Depreciation reversals	22,946	39,989	381,523	731,185	0	0	**1,175,643**
Transfer	0	0	9,176,617	-9,174,777	0	0	**1,840**
Foreign exchange differences	-1,718	1,270,341	980,800	627,153	0	0	**2,876,576**
Accumulated depreciation as at 31 December 2022	***0***	***-49,694,730***	***-43,094,687***	***-11,483,089***	***0***	***0***	***-104,272,506***
Net book value as at 31 December 2022	***4,447,788***	***21,398,993***	***11,149,282***	***3,811,836***	***110,559***	***74,386***	***40,992,844***
Cost as at 1 January 2023	***4,447,788***	***71,093,723***	***54,243,969***	***15,294,925***	***110,559***	***74,386***	***145,265,350***
Additions (*)	0	1,588,418	1,944,221	2,007,240	221,573	87,571	**5,849,023**
Disposals	0	-184,117	-687,127	-49,723	0	0	**-920,967**
Transfer	-843,920	201,459	94,867	0	-209,181	-87,145	**-843,920**
Foreign exchange differences	-124,922	-1,984,690	-1,451,509	-467,490	-4,093	-2,594	**-4,035,298**
Cost as at 31 December 2023	***3,478,946***	***70,714,793***	***54,144,421***	***16,784,952***	***118,858***	***72,218***	***145,314,188***
Accumulated depreciation as at 1 January 2023	***0***	***-49,694,730***	***-43,094,687***	***-11,483,089***	***0***	***0***	***-104,272,506***
Depreciation	0	-1,789,250	-2,273,315	-1,430,713	0	0	**-5,493,278**
Depreciation reversals	0	158,912	601,609	49,623	0	0	**810,144**
Foreign exchange differences	0	1,343,932	1,159,710	347,697	0	0	**2,851,339**
Accumulated depreciation as at 31 December 2023	***0***	***-49,981,136***	***-43,606,683***	***-12,516,482***	***0***	***0***	***-106,104,301***
Net book value as at 31 December 2023	***3,478,946***	***20,733,657***	***10,537,738***	***4,268,470***	***118,858***	***72,218***	***39,209,887***

(*) Additions for the period include capitalised costs.

(**) Nurseries have been reclassified in 2023 from property, plant and equipment to biological assets, see Note 6.

The accounting policies applicable to property, plant and equipment are detailed in Notes 1 and 8.

Note 6. Biological assets

EUR	Palm Mature	Palm Immature	Rubber Mature	Rubber Immature	Nurseries and Others (****)	TOTAL
Cost as at 1 January 2022	*66,212,837*	*13,414,776*	*65,313,189*	*21,236,412*	*0*	*166,177,214*
Additions (*)	0	6,199,700	0	1,282,713	0	7,482,413
Disposals	-952,198	0	-905,821	-1,635,892	0	-3,493,911
Transfer (***)	7,424,736	-6,997,999	-4,213,088	-1,846,110	0	-5,632,461
Foreign exchange differences	-2,597,597	-391,853	2,244,270	1,012,781	0	267,601
Cost as at 31 December 2022	*70,087,778*	*12,224,624*	*62,438,550*	*20,049,904*	*0*	*164,800,856*
Accumulated depreciation as at 1 January 2022	*-29,181,051*	*0*	*-14,653,300*	*0*	*0*	*-43,834,351*
Depreciation	-3,500,858	0	-2,778,468	0	0	-6,279,326
Depreciation reversals	794,304	0	592,730	0	0	1,387,034
Transfer	0	0	65,294	0	0	65,294
Foreign exchange differences	1,135,500	0	-57,472	0	0	1,078,028
Accumulated depreciation as at 31 December 2022	*-30,752,105*	*0*	*-16,831,216*	*0*	*0*	*-47,583,321*
Accumulated impairment as at 1 January 2022	*0*	*0*	*-4,711,086*	*-2,226,181*	*0*	*-6,937,267*
Impairment (**)	0	0	-27,341,960	-182,149	0	-27,524,109
Impairment reversal	0	0	386,164	1,268,463	0	1,654,627
Transfer (***)	0	0	4,705,732	1,319,816	0	6,025,548
Foreign exchange differences	0	0	98,668	-179,948	0	-81,280
Accumulated impairment as at 31 December 2022	*0*	*0*	*-26,862,482*	*1*	*0*	*-26,862,481*
Net book value as at 31 December 2022	*39,335,673*	*12,224,624*	*18,744,852*	*20,049,905*	*0*	*90,355,054*
Cost as at 1 January 2023	*70,087,778*	*12,224,624*	*62,438,550*	*20,049,904*	*0*	*164,800,856*
Additions (*)	0	7,415,390	0	1,310,752	1,262,177	9,988,319
Disposals	-1,908,203	0	-1,391,273	0	-444,953	-3,744,429
Transfer	4,755,361	-4,122,492	11,221,078	-11,103,067	93,040	843,920
Foreign exchange differences	-1,856,675	-432,871	-2,161,294	-475,634	-23,572	-4,950,046
Cost as at 31 December 2023	*71,078,261*	*15,084,651*	*70,107,061*	*9,781,955*	*886,692*	*166,938,620*
Accumulated depreciation as at 1 January 2023	*-30,752,105*	*0*	*-16,831,216*	*0*	*0*	*-47,583,321*
Depreciation	-3,406,818	0	-1,714,560	0	0	-5,121,378
Depreciation reversals	1,487,661	0	682,359	0	0	2,170,020
Foreign exchange differences	840,766	0	526,929	0	0	1,367,695
Accumulated depreciation as at 31 December 2023	*-31,830,496*	*0*	*-17,336,488*	*0*	*0*	*-49,166,984*
Accumulated impairment as at 1 January 2023	*0*	*0*	*-26,862,482*	*1*	*0*	*-26,862,481*
Impairment (**)	0	0	0	0	0	0
Foreign exchange differences	0	0	933,502	-1	0	933,501
Accumulated impairment as at 31 December 2023	*0*	*0*	*-25,928,980*	*0*	*0*	*-25,928,980*
Net book value as at 31 December 2023	*39,247,765*	*15,084,651*	*26,841,593*	*9,781,955*	*886,692*	*91,842,656*

(*) Additions for the period include capitalised costs.
(**) Impairment test on biological assets is disclosed in Note 8.
(***) During previous periods, a positive revaluation for EUR 5.8 million and an impairment for EUR 6.0 million had been booked on biological assets on the Cambodian segment. As those adjustments had no significant net impact, they were removed in 2022.
(****) Nurseries have been reclassified in 2023 within biological assets.

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

Note 7. Depreciation and impairment

	2023	2022
	EUR	EUR
Depreciation		
Of right-of-use assets (Note 3)	133,509	141,325
Of intangible assets (Note 4)	51,568	80,101
Of property, plant and equipment excluding biological assets (Note 5)	5,493,278	5,497,758
Of biological assets (Note 6)	5,121,377	6,279,327
Impairment		
Of biological assets (Note 6)	0	27,524,109
Impairment reversal		
Of biological assets (Note 6)	0	-1,654,627
TOTAL	***10,799,732***	***37,867,993***

Note 8. Impairment of assets

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 such indication arises, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

As at 31 December 2023, no impairment was recognised on the above-mentioned assets.

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 closing prices did not exceed 15% of the average price over the past 5 years for the Rubber and Palm segments.

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 of palm oil 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 the above criteria, the review of global and local prices led to the conclusion that there are no external indicators of impairment.

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.

If an indication of impairment is identified, the recoverable amount of the producing 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 fire and / or flooding resulting from heavy rainfalls). The impacts on future cash-flows of the potential effects of climate change 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. At 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 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 achieved by the entity in relation to agricultural activities. The value-in-use of the biological asset is then obtained by discounting these cash flows. Average margins are considered constant over the duration of the financial projection. No indexing factor is considered.

As at 31 December 2023, accumulated impairment losses amounted to EUR 18.0 million for Socfin KCD and EUR 8.0 million for Coviphama (Note 6). No further impairment or impairment reversal indicators have been identified during the year.

Note 9. Non-wholly owned subsidiaries in which non-controlling interests[G] 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					
SOCFINDO	Indonesia	10%	10%	10%	10%

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
SOCFINDO	5,490,432	7,307,921	6,710,938	5,570,075
Subsidiaries that hold non-controlling interests[G] that are not significant individually			952,708	834,108
Non-controlling interests[G]			***7,663,646***	***6,404,183***

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 Liabilities
	EUR	EUR	EUR	EUR
SOCFINDO				
2022	36,446,379	91,330,388	33,993,571	34,304,495
2023	34,884,343	94,960,391	25,934,158	34,533,441

Subsidiary	Revenue from ordinary activities	Net income for the period	Comprehensive income for the period	Dividends paid to non-controlling interests[G]
	EUR	EUR	EUR	EUR
SOCFINDO				
2022	193,795,921	71,954,260	71,954,260	5,525,070
2023	166,005,846	52,959,587	52,959,587	2,705,085

Subsidiary	*Net cash inflows (outflows)*			
	Operating activities	*Investing activities*	*Financing activities*	*Net cash inflows (outflows)*
	EUR	*EUR*	*EUR*	*EUR*
SOCFINDO				
2022	78,446,226	-12,561,950	-75,245,783	-9,361,507
2023	65,138,520	-15,351,501	-41,118,016	8,669,003

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 10. Investments in associates

	2023	**2022**
	EUR	*EUR*
Value as at 1 January	***25,588,658***	***21,934,906***
Income from associates	5,890,456	10,844,143
Dividends	-8,292,174	-7,126,982
Share in other comprehensive income[G] from associates	-337,884	443,737
Scope exits (Note 2)	0	-442,029
Other movements	-161,385	-65,117
Value as at 31 December	***22,687,671***	***25,588,658***

	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	3,344,822	79,639	3,365,183	132,473
Immobilière de la Pépinière	1,794,038	-71,861	1,866,129	1,962
Induservices	170,144	55,471	114,673	30,840
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
Sodimex	0	0	0	-49,895
Sodimex FR	2,116,830	342,281	2,183,194	451,950
Sogescol FR	7,533,893	2,791,818	8,807,490	5,249,578
Terrasia	307,966	13,933	294,033	14,590
TOTAL	***22,687,672***	***5,890,457***	***25,588,659***	***10,844,144***

	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
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	***100,118,608***	***385,020,304***	***103,039,952***	***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	2,476,982
TOTAL			***8,119,267***	***6,926,982***

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
Sodimex FR	10,245,556	34,286	5,825,789	0
Sogescol FR	47,807,127	725,123	31,698,353	0
TOTAL	***82,395,439***	***6,965,462***	***44,911,557***	***3,351,275***
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	1,533,477
Sodimex FR	8,104,378	22,616	3,492,398	301,364
Sogescol FR	44,344,968	3,648,084	32,518,033	0
TOTAL	***74,625,109***	***10,614,379***	***45,379,756***	***1,834,841***

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
Sodimex FR	905,204	905,204	90,864	996,068
Sogescol FR	8,459,383	8,459,383	192,819	8,652,202
TOTAL	***18,421,453***	***18,421,453***	***335,022***	***18,756,475***
2023	*EUR*	*EUR*	*EUR*	*EUR*
Centrages	217,890	117,522	0	117,522
Socfinco FR	7,755,033	6,488,998	-91,830	6,397,168
Sodimex FR	712,284	609,180	-33,645	575,535
Sogescol FR	7,990,852	6,193,674	-87,087	6,106,587
TOTAL	***16,676,059***	***13,409,374***	***-212,563***	***13,196,811***

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[G] adjustments*	*Value of stake held by the Group*
31/12/2022	*EUR*		*EUR*	*EUR*
Centrages	3,378,041	50%	1,676,163	3,365,183
Socfinco FR	16,432,078	50%	423,381	8,639,420
Sodimex FR	4,454,053	50%	-43,833	2,183,194
Sogescol FR	16,833,897	50%	390,542	8,807,490
TOTAL	***41,098,069***		***2,446,253***	***22,995,287***
31/12/2023	*EUR*		*EUR*	*EUR*
Centrages	3,295,563	50%	1,697,041	3,344,822
Socfinco FR	14,921,076	50%	-354,412	7,106,126
Sodimex FR	4,333,232	50%	-49,786	2,116,830
Sogescol FR	15,475,019	50%	-203,617	7,533,893
TOTAL	***38,024,891***		***1,089,226***	***20,101,671***

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	118,118	-213,627
Share of other comprehensive income[G] attributable to the Group	-125,259	108,679
Share of total comprehensive income[G] attributable to the Group	-7,141	-104,948
Total book value of investments in associates held by the Group	2,586,000	2,593,372

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 11. Financial assets at fair value through other comprehensive income[G]

	2023	2022
	EUR	EUR
Fair value as at 1 January	***773,528***	***501,082***
Change in fair value (*)	-42,251	-27,554
Increase (**)	4,500,000	300,000
Fair value as at 31 December	***5,231,277***	***773,528***

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

(**) 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[G]	5,271,587	771,587	5,231,277	773,528

Note 12. Long-term advances

As at 31 December 2023, the long-term advances consist mainly of a receivable from Socfin for a nominal amount of EUR 50,000,000 (2022: EUR 100,412,500). This receivable bears interest at a rate of 6% per annum (2022: rate of 4% per annum), and is repayable within 3 years.

Note 13. Deferred taxes

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

	31/12/2023	31/12/2022
	EUR	EUR
IAS[G] 2 / IAS[G] 41: Agricultural production	-1,476,045	-1,430,218
IAS[G] 16: Property, plant and equipment	-4,600,547	-4,455,862
IAS[G] 19: Pension obligations	7,597,356	7,546,987
IAS[G] 12: Tax latencies (*)	3,571,683	4,148,849
IFRS[G] 16: Leases	5,463	10,525
IAS[G] 12: Withholding Tax	-3,626,925	-4,856,278
IFRS[G] 9: Financial assets measured at fair value through other comprehensive income	7,594	-2,943
Balance as at 31 December	***1,478,579***	***961,060***
Of which Deferred Tax Assets	5,105,504	5,817,338
Of which Deferred Tax Liabilities	-3,626,925	-4,856,278

(*) Mainly linked to Socfinasia's losses carried forward activated.

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

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

Based on preliminary analysis, the Company should qualify as 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 Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 published in May 2023 and adopted by the EU in November 2023.

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

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

Some of the subsidiaries have accumulated tax losses that are or are not limited over time or capital allowances that are or are not limited over time.
PNS Ltd, Socfin KCD and Coviphama have unused tax losses for respectively EUR 14.8 million, EUR 4.8 million and EUR 2.2 million.

Due to the instability that 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	***1,574,531***	***1,228,967***
Tax income	3,390,475	11,108
Taxes paid or recovered	-2,263,556	323,667
Transfer (*)	-2,067,475	3,004
Foreign exchange differences	109,639	7,785
Current tax assets as at 31 December	***743,614***	***1,574,531***

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

*** Components of current tax liabilities**

	2023	2022
	EUR	EUR
Current tax liabilities as at 1 January	***11,928,557***	***16,005,952***
Tax expense	21,416,571	32,284,407
Other taxes	2,075,670	68,832
Taxes paid or recovered	-31,244,084	-35,985,895
Transfer (*)	-2,062,429	-3,049
Foreign exchange differences	83,049	-441,690
Current tax liabilities as at 31 December	***2,197,334***	***11,928,557***

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

Note 15. Income tax expense

*** Components of the tax expense**

	2023	2022
	EUR	EUR
Current income tax expense (*)	20,108,323	28,346,768
Deferred tax expense / (income)	-412,214	1,042,777
Tax expense as at 31 December	***19,696,109***	***29,389,545***

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

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

	2023	2022
	EUR	EUR
IAS^G 12: Income Tax (*)	-644,705	339,175
IAS^G 19: Pension obligations	-115,122	13,070
IAS^G 2 / IAS^G 41: Fair value of agricultural produce	84,754	230,832
IAS^G 16: Tangible assets	265,647	382,839
IFRS^G 16: Leases	4,694	-386
IAS^G 37 : Provisions for risks and charges	-7,482	0
Others	0	77,247
Deferred tax expense / (income) as at 31 December	***-412,214***	***1,042,777***

(*) Of which impact of losses carried forward activated for EUR 0.6 million (EUR 1.1 million in 2022), and withholding tax for EUR -1.2 million (EUR -0.7 million in 2022).

*** Reconciliation between income statement and cash flow statement**

	2023	2022
	EUR	EUR
Income tax expense paid during the period	-20,108,323	-28,346,769
Income tax movement on financial position (*)	-7,772,501	0
Income tax paid	***-27,880,824***	***-28,346,769***

(*) Income tax paid has been reclassified in 2023 from change in working capital to income tax paid.

*** Reconciliation of income tax expense**

	2023	2022
	EUR	EUR
Profit before tax from continuing operations	***65,524,414***	***73,825,731***
Nominal tax rate of the parent company	24.94%	24.94%
Nominal tax rate of subsidiaries	from 20% to 24.94%	from 20% to 24.94%
Income tax at nominal tax rates of subsidiaries	14,216,425	17,052,299
Unfunded taxes	579	-20,640
Definitively taxed income / (expense)	-47,609	-1,568,319
Use of capital allowances	-586,234	745,288
Specific tax regimes in foreign countries	4,029,637	7,061,849
Non-taxable income	-269,907	-1,937,160
Non-deductible expenses	2,936,893	7,914,796
Use of unrecognised accumulated tax losses	-754,926	-263,288
Unrecognised losses carried forward	170,599	379,823
Impact of change in tax rate	0	25,110
Other adjustments	652	-213
Tax expense as at 31 December	***19,696,109***	***29,389,545***

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Note 16. Inventories

** Carrying value of inventories by category*

	31/12/2023	31/12/2022
	EUR	EUR
Raw materials[G]	550,516	768,403
Consumables	5,443,932	3,537,708
Spare parts	1,361,118	2,066,773
Production in progress[G]	5,184,375	2,693,651
Finished products	4,377,247	7,608,564
Gross amount (before impairment) as at 31 December	*16,917,188*	*16,675,099*
Inventory write-downs	-489	-729,244
Net amount as at 31 December	*16,916,699*	*15,945,855*

** Reconciliation of inventories*

	2023	2022
	EUR	EUR
Situation as at 1 January	*16,675,099*	*16,706,227*
Change in inventory	-765,945	-1,413,348
Fair value of agricultural products	1,479,483	1,754,937
Foreign exchange differences	-471,449	-372,717
Gross amount (before impairment) as at 31 December	*16,917,188*	*16,675,099*
Inventory write-downs	-489	-729,244
Net amount as at 31 December	*16,916,699*	*15,945,855*

** Quantity of inventory by category*

31/12/2022	Raw Materials[G]	Production-in-progress	Finished goods[G]
Crude Palm Oil / Palm Kernel Oil[G] (tons)	0	0	5,868
Rubber (tons)	710	0	2,459
Others (units)	0	10,043,350	0

31/12/2023	Raw Materials[G]	Production-in-progress	Finished goods[G]
Crude Palm Oil / Palm Kernel Oil[G] (tons)	0	0	3,773
Rubber (tons)	677	0	1,631
Others (units)	0	26,517,167	0

Note 17. Trade receivables (current assets)

	31/12/2023	31/12/2022
	EUR	EUR
Trade receivables	2,250,462	2,645,367
Advances and prepayments	8,698	495,729
TOTAL	***2,259,160***	***3,141,096***

Note 18. Other receivables (current assets)

	31/12/2023	31/12/2022
	EUR	EUR
Social security	12,018	8,860
Other receivables (*)	9,856,820	28,371,836
Accrued charges	55,760	45,859
TOTAL	***9,924,598***	***28,426,555***

(*) The "other receivables" consist mainly of cash pooling receivables at Socfinde for EUR 8.5 million (EUR 13.4 million in 2022).

The accounting policy and risk management applicable to receivables are detailed in Notes 1 and 34.

Note 19. Cash and cash equivalents

**** Reconciliation with the amounts in the statement of financial position***

	31/12/2023	31/12/2022
	EUR	EUR
Current account	114,574,658	94,648,047
TOTAL	***114,574,658***	***94,648,047***

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

	31/12/2023	31/12/2022
	EUR	*EUR*
Current account	114,574,658	94,648,047
TOTAL	***114,574,658***	***94,648,047***

Note 20. Share capital

Issued and fully paid capital amounted to EUR 24.5 million as at 31 December 2023 (no change compared to 2022).

As at 31 December 2023, the share capital is represented by 19,594,260 shares without nominal value.

	Ordinary shares	
	31/12/2023	31/12/2022
Number of shares as at 31 December	***19,594,260***	***19,594,260***
Number of fully paid shares issued without designation of par value	19,594,260	19,594,260

Note 21. Reserve

Legal reserve

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

Note 22. Pension obligations

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

The Group provides a defined benefit pension plan to its employees in its Indonesian subsidiary. The latter pay benefits which are payable in the event of retirement or voluntary resignation. The benefits paid are calculated as a percentage of the salary and are based on the number of years of service.

The plan finds its legitimacy in the employment contract for the employees and on the collective agreements for the labourers. No specific asset against the provisions finance the benefits payable to the employees.

	2023	2022
	EUR	*EUR*
Assets and liabilities recognised in the statement of financial position		
Present value of obligations	34,533,436	34,304,488
Net amount recognised in the statement of financial position for defined benefit plans	***34,533,436***	***34,304,488***
Components of net charge		
Current service costs	1,834,219	2,028,323
Financial costs	2,106,160	1,894,992
Present Value of Benefit obligation following employee mutation	664,750	0
Past service costs	23,790	0
Defined benefit plan costs	***4,628,919***	***3,923,315***
Movements in liabilities / net assets recognised in the statement of financial position		
As at 1 January	***34,304,488***	***36,912,326***
Costs as per income statement	4,628,919	3,923,315
Contributions	-4,105,636	-3,859,526
Actuarial gains and losses of the year recognised in other comprehensive income[G]	604,036	-1,548,010
Foreign exchange differences	-898,371	-1,123,617
As at 31 December	***34,533,436***	***34,304,488***

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

*** Actuarial gains and losses recognised in other comprehensive income[G]**

	2023	2022
	EUR	*EUR*
Adjustments of liabilities related to experience	-2,150,024	533,879
Changes in financial assumptions related to recognised liabilities	1,545,988	1,014,131
Actuarial gains and losses recognised during the period in other comprehensive income[G]	***-604,036***	***1,548,010***

*** Actuarial valuation assumptions**

	2023	2022
ASIA		
Average discount rate	from 6.37% to 7.10%	from 5.52% to 7.44%
Expected long-term returns of plan assets	N/A	N/A
Future salary increases	6.50%	6.50%
Average remaining active life of employees (in years)	13.49	13.10

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

	2023	2022
	EUR	*EUR*
Actuarial value of the obligation		
- Pension plan	32,801,665	32,563,604
- Other Long-term benefits	1,731,771	1,740,884
Total as at 31 December	***34,533,436***	***34,304,488***
Actuarial rate (on pension plan)		
Increase of 0.5%	33,382,168	33,188,601
Decrease of 0.5%	35,753,213	35,486,229
Expected future salary increases (on pension plan)		
Increase of 0.5%	35,658,854	35,408,582
Decrease of 0.5%	33,461,593	33,252,768

The sensitivity analysis are 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**

	2023	2022
Estimated contributions for the next financial year (in euros)	4,267,713	2,924,588

	2023	2022
Weighted average duration of defined benefit plan obligations (in years)	13.04	12.85

Note 23. Financial debts

31/12/2022			
EUR	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions	18,522,074	9,375,586	**27,897,660**
Other loans	222	0	**222**
Lease liabilities	28,105	397,717	**425,822**
TOTAL	***18,550,401***	***9,773,303***	***28,323,704***

31/12/2023			
EUR	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions	0	0	**0**
Other loans	0	0	**0**
Lease liabilities	27,258	356,638	**383,896**
TOTAL	***27,258***	***356,638***	***383,896***

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

31/12/2022					
EUR	*Fixed Rate*	*Rate*	*Floating rate*	*Rate*	*TOTAL*
Loans held by financial institutions					
Luxembourg	0	-	9,375,586	3-month + 5% SOFR[G]	**9,375,586**
TOTAL	***0***		***9,375,586***		***9,375,586***

31/12/2023					
EUR	*Fixed Rate*	*Rate*	*Floating rate*	*Rate*	*TOTAL*
Loans held by financial institutions					
Luxembourg	0	0	0	0	**0**
TOTAL	***0***		***0***		***0***

In 2023, the Group has no longer any long-term loans held by financial institutions.

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

31/12/2022	USD	TOTAL EUR
Loans held by financial institutions	9,375,586	**9,375,586**
Lease liabilities	397,716	**397,716**
TOTAL	***9,773,302***	***9,773,302***

31/12/2023	USD	TOTAL EUR
Lease liabilities	356,638	**356,638**
TOTAL	***356,638***	***356,638***

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

31/12/2022						
EUR	2024	2025	2026	2027	2028 and above	TOTAL
Loans held by financial institutions	9,375,586	0	0	0	0	**9,375,586**
Lease liabilities	28,239	28,374	28,511	28,649	283,944	**397,717**
TOTAL	***9,403,825***	***28,374***	***28,511***	***28,649***	***283,944***	***9,773,303***

31/12/2023						
EUR	2025	2026	2027	2028	2029 and above	TOTAL
Lease liabilities	27,388	27,520	27,653	34	274,042	**356,637**
TOTAL	***27,388***	***27,520***	***27,653***	***34***	***274,042***	***356,637***

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

	31/12/2023	31/12/2022
	EUR	*EUR*
Cash and cash equivalents	114,574,658	94,648,047
Long-term debt net of current portion	0	-9,375,586
Short-term debt and current portion of long-term debt	0	-18,522,296
Lease liabilities	-383,896	-425,822
Net cash surplus / (Net debt)	***114,190,763***	***66,324,343***
Cash and cash equivalents	114,574,658	94,648,047
Loan bearing interest at a variable rate	0	-27,897,882
Lease liabilities	-383,896	-425,822
Net cash surplus / (Net debt)	***114,190,763***	***66,324,343***

*** 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	***73,404,709***	***-78,136,408***	***-8,853,829***	***-427,354***	***-14,012,882***
Cash flows	20,233,462	66,817,381	-1,175,284	28,468	**85,904,027**
Foreign exchange differences	1,009,876	-6,148,630	-384,269	-26,936	**-5,549,959**
Transfers	0	8,092,070	-8,108,913	0	**-16,843**
As at 31 December 2022	***94,648,047***	***-9,375,586***	***-18,522,296***	***-425,822***	***66,324,343***
Cash flows	20,389,257	-3,130	27,484,691	27,687	**47,898,505**
Foreign exchange differences	-462,646	138,684	274,183	14,240	**-35,539**
Transfers	0	9,236,798	-9,236,578	0	**220**
Other movements with no impact on cash flows	0	3,234	0	0	**3,234**
As at 31 December 2023	***114,574,658***	***0***	***0***	***-383,895***	***114,190,763***

Note 24. Trade and other payables

	31/12/2023	31/12/2022
	EUR	*EUR*
Trade payables	7,345,213	4,333,218
Staff cost liabilities (*)	16,985,833	18,161,954
Other payables (**)	42,470,901	34,838,679
Accruals	260,188	1,818,472
TOTAL	***67,062,135***	***59,152,323***

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

(**) Other payables consist mainly of debts of EUR 31.5 million (EUR 24.2 million in 2022) relating to the cash pooling at Socfinde.

Note 25. Financial instruments

31/12/2022 EUR	Loans and borrowings At cost	Financial assets at fair value through other comprehensive income[G] 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[G]	0	773,528	0	**773,528**	0	0
Long-term advances	100,412,500	0	90,824	**100,503,324**	100,412,500	90,824
Other non-current assets	7,000,000	0	0	**7,000,000**	7,000,000	0
Trade receivables	0	0	3,141,096	**3,141,096**	0	3,141,096
Other receivables	0	0	28,426,554	**28,426,554**	0	28,426,554
Cash and cash equivalents (**)	0	0	94,648,047	**94,648,047**	0	94,648,047
Total Assets	***107,412,500***	***773,528***	***126,306,521***	***234,492,549***	***107,412,500***	***126,306,521***
Liabilities						
Long-term debts (**)	9,375,586	0	0	**9,375,586**	9,375,586	0
Short-term debts (**)	0	0	18,522,296	**18,522,296**	0	18,522,296
Trade payables (current)	0	0	4,333,218	**4,333,218**	0	4,333,218
Other payables (current)	0	0	54,819,105	**54,819,105**	0	54,819,105
Total Liabilities	***9,375,586***	***0***	***77,674,619***	***87,050,205***	***9,375,586***	***77,674,619***

(*) 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[G]	0	0	773,528	***773,528***

31/12/2023 EUR	Loans and borrowings At cost	Financial assets at fair value through other comprehensive income[G] 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[G]	0	5,231,277	0	**5,231,277**	0	0
Long-term advances	50,412,500	0	87,675	**50,500,175**	50,412,500	87,675
Trade receivables	0	0	2,259,161	**2,259,161**	0	2,259,161
Other receivables	0	0	9,924,597	**9,924,597**	0	9,924,597
Cash and cash equivalents (**)	0	0	114,574,658	**114,574,658**	0	114,574,658
Total Assets	***50,412,500***	***5,231,277***	***126,846,091***	***182,489,868***	***50,412,500***	***126,846,091***
Liabilities						
Short-term debts (**)	0	0	0	**0**	0	0
Trade payables (current)	0	0	7,345,213	**7,345,213**	0	7,345,213
Other payables (current)	0	0	59,716,922	**59,716,922**	0	59,716,922
Total Liabilities	***0***	***0***	***67,062,135***	***67,062,135***	***0***	***67,062,135***

(*) For information purposes.

(**) See Note 23.

31/12/2023		Fair Value		
EUR	***Level 1***	***Level 2***	***Level 3***	***TOTAL***
Financial assets at fair value through other comprehensive income[G]	0	0	5,231,277	***5,231,277***

The Group did not identify significant differences between the carrying amount of the loans and their fair value.

Note 26. Staff costs and average number of staff

	2023	2022
Average number of employees		
Directors	194	195
Employees	2,590	2,253
Workers (including temporary workers)	6,902	7,147
TOTAL	***9,686***	***9,595***

	2023	2022
Staff costs	*EUR*	*EUR*
Remuneration	58,505,265	67,263,579
Social security and pension expenses	6,530,200	5,790,322
TOTAL	***65,035,465***	***73,053,901***

Note 27. Other financial income

	2023	2022
	EUR	*EUR*
On non-current assets / liabilities		
Interest on other investments (*)	4,629,133	7,720,339
On current assets / liabilities		
Interest from receivables and cash and cash equivalents	4,256,771	1,555,214
Exchange gains	3,184,412	17,463,418
Others	35,104	55,464
TOTAL	***12,105,420***	***26,794,435***

(*) Interests mainly relating to the long-term advances towards Socfin (see Note 31).

Note 28. Financial expenses

	2023	2022
	EUR	*EUR*
On non-current assets / liabilities		
Impairment on non-current assets	170,407	30,000
Interest expense on lease liabilities	40,977	42,471
On current assets / liabilities		
Interest and finance expense	1,024,131	3,532,438
Impairment on current assets	2,897	-4,258
Exchange losses	5,693,613	3,614,032
Others	610,435	1,579,822
TOTAL	***7,542,460***	***8,794,505***

Note 29. Net earnings per share

Undiluted net earnings per share (basic) is the profit for the year attributable to ordinary shareholders divided by the average number of ordinary shares 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*
Net profit / (loss) for the period (in euros)	46,103,360	47,948,844
Average number of shares	19,594,260	19,594,260
Net earnings per share undiluted (in euros)	***2.35***	***2.45***

Note 30. Dividends and directors' fees

The Board will propose at the Annual General Meeting of 29 May 2024 the payment of a total dividend of EUR 4.00 per share, out of which an interim dividend of EUR 2.00 per share was paid in November 2023. If the proposed dividend is approved by the general meeting of shareholders, a balance of EUR 2.00 per share for a total amount of EUR 39.2 million would therefore remain payable.

	2023	*2022*
Dividends and interim dividends distributed during the period	68,579,910	58,782,780
Number of shares	19,594,260	19,594,260
Dividend per share distributed during the period	3.50	3.00

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

Note 31. Information on related party

* Directors' remuneration

	2023	2022
	EUR	EUR
Short-term benefits	11,674,417	15,278,115

* Other related party transactions

31/12/2022 EUR	Parent	Associates	Other related parties	TOTAL
Non-current assets				
Long-term advances (Note 12)	100,000,000	132,500	280,000	**100,412,500**
Other non-current assets	0	0	7,000,000	**7,000,000**
	100,000,000	***132,500***	***7,280,000***	***107,412,500***
Current assets				
Trade receivables	0	1,308,312	37,405	**1,345,717**
Other receivables (Note 18)	14,498,034	6,016,300	7,520,601	**28,034,935**
	14,498,034	***7,324,612***	***7,558,006***	***29,380,652***
Current liabilities				
Trade payables	0	102,981	0	**102,981**
Other payables (Note 24)	1,914,036	7,780,667	15,313,990	**25,008,693**
	1,914,036	***7,883,648***	***15,313,990***	***25,111,674***

2022 EUR	Parent	Associates	Other related parties	TOTAL
Income statement				
Services and goods delivered	0	13,371,056	167,896	**13,538,952**
Services and goods received	0	5,596,574	447,562	**6,044,136**
Financial income	7,682,513	4,004,774	311,305	**11,998,592**
Financial expenses	2,220	30,020	71,073	**103,313**

31/12/2023 EUR	Parent	Associates	Other related parties	TOTAL
Non-current assets				
Long-term advances (Note 12)	50,000,000	132,500	280,000	**50,412,500**
	50,000,000	***132,500***	***280,000***	***50,412,500***
Current assets				
Trade receivables	0	1,078,622	6,988	**1,085,610**
Other receivables (Note 18)	900,000	8,505,786	0	**9,405,786**
	900,000	***9,584,408***	***6,988***	***10,491,396***
Current liabilities				
Trade payables	0	18,167	0	**18,167**
Other payables (Note 24)	5,885,386	8,280,574	18,178,167	**32,344,127**
	5,885,386	***8,298,741***	***18,178,167***	***32,362,294***

2023 EUR	Parent	Associates	Other related parties	TOTAL
Income statement				
Services and goods delivered	0	8,217,506	74,431	**8,291,937**
Services and goods received	0	5,018,633	359,324	**5,377,957**
Financial income	4,520,047	4,270,504	254,465	**9,045,016**
Financial expenses	44,921	279,709	278,840	**603,470**

Related party transactions are made at arm's length.

As at 31 December 2023, Socfinasia has an amount receivable of EUR 50 million from Socfin. This receivable bears interest at 6%. The amount of interest recognised for the year 2023 is EUR 4.1 million.

As at 31 December 2023, PNS has no more receivable towards Socfin, following the repayment of EUR 14.1 million from Socfin in February 2023. The amount of interest recognised for the year 2023 is EUR 0.4 million.

No other significant transaction has been noted with the parent company Socfin, with the exception of the payment of dividends by Socfinasia amounting to EUR 34.2 million in 2022 and EUR 39.9 million in 2023. In addition, Socfinde has a payable of EUR 5.9 million with the parent company as at 31 December 2023.

As at 31 December 2023, Socfinde has an amount payable of EUR 15.9 million towards Socfinaf and its subsidiaries (2022: EUR 0.3 million).

Note 32. Off balance sheet commitments

In February 2023, PNS Ltd fully reimbursed the remaining balance (USD 30 million) of the USD 100 million loan obtained in 2021. Following this reimbursement, the Group no longer has material off balance sheet commitments as at 2023 year-end.

Note 33. Segment information

In accordance with IFRS[G] 8, the analysis of information by management is based on the geographical distribution of political and economic risks. As a result, the sectors are Indonesia, Cambodia and Europe.

The products of the operating sector from Indonesia come from sales of palm oil and rubber. Those from Cambodia come exclusively from the sale of rubber, those from Europe from the provision of administrative services, assistance in managing the areas under plantation and the marketing of products outside of the Group. The segment profit of the Group is the profit from operations.

The stated figures originate from internal reporting. Since they do not reflect any consolidation or IFRS[G] adjustments or adjustments, they are not directly comparable to amounts 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) (*)*
Europe	0	0	-2,502,234
Cambodia	8,164,138	0	-2,490,942
Indonesia	193,795,812	0	91,818,347
TOTAL	***201,959,951***	***0***	***86,825,171***
Depreciation, amortisation and impairment of bearer plants			-25,063,440
Fair value of agricultural production			1,754,937
Other IFRS[G] adjustments			-1,509,266
Consolidation adjustments (intra-group and others)			-6,262,500
Financial income and gain on disposals			27,177,257
Financial expenses and loss on disposals			-9,096,429
Group share of income from associates			10,844,143
Income tax expense and deferred tax (expense) / income			-29,389,546
Net Profit / (loss) for the period			***55,280,328***

(*) Profit / (loss) for the period include other expenses for EUR 14.9 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …), and other operating expenses for EUR 4.8 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	-2,750,620
Cambodia	10,777,027	0	160,349
Indonesia	167,746,950	0	68,542,397
TOTAL	***178,523,977***	***0***	***65,952,125***

Depreciation, amortisation and impairment of bearer plants	896,304
Fair value of agricultural production	1,479,483
Other IFRS[G] adjustments	641,536
Consolidation adjustments (intra-group and others)	-6,984,289
Financial income and gain on disposals	12,105,421
Financial expenses and loss on disposals	-8,566,165
Group share of income from associates	5,890,456
Income tax expense and deferred tax (expense) / income	-19,696,109
Net Profit / (loss) for the period	***51,718,763***

(*) Profit / (loss) for the period include other expenses for EUR 17.1 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …), and other operating expenses for EUR 1.0 million not related directly to the operational activity (other taxes, property taxes, …).

*** Total segmental assets[G]**

	31/12/2023	31/12/2022
	EUR	*EUR*
Europe	102,405,662	82,675,979
Cambodia	64,227,738	67,618,326
Indonesia	118,943,164	117,769,545
TOTAL	***285,576,563***	***268,063,851***
IFRS[G] 3 / IAS[G] 16: Bearer plants	-23,403,793	-25,178,480
IAS[G] 2 / IAS[G] 41: Agricultural production	3,130,129	1,752,466
Other IFRS[G] adjustments	-2,365,866	-1,494,716
Consolidation adjustments (intra-group and others)	3,554,009	3,861,555
Total consolidated segmental assets[G]	***266,491,043***	***247,004,675***
Consolidated assets not included in segmental assets[G]		
Right-of-use assets	2,693,850	1,866,143
Investments in associates	22,687,671	25,588,659
Financial assets at fair value through other comprehensive income[G]	5,231,277	773,528
Long-term advances	50,500,175	100,503,325
Deferred tax	5,105,504	5,817,339
Other non-current assets	0	7,000,000
Consolidated non-current assets	***86,218,478***	***141,548,993***
Other debtors	9,924,597	28,426,554
Current tax assets	743,616	1,574,532
Consolidated current assets	***10,668,213***	***30,001,086***
Total of consolidated assets in the segmental assets[G]	***96,886,691***	***171,550,080***
Total assets	***363,377,733***	***418,554,755***

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

	31/12/2023	31/12/2022
	EUR	*EUR*
Europe	101,153,425	48,589,840
Cambodia	1,239,938	1,318,995
Indonesia	24,537,641	24,094,356
TOTAL	*126,931,004*	*74,003,191*
Other IFRS[G] adjustments	0	0
Consolidation adjustments (intra-group and others)	-59,868,869	-14,850,869
Total consolidated segmental liabilities[G]	*67,062,135*	*59,152,322*
Consolidated equity and liabilities not included in segmental liabilities[G]		
Total equity	255,574,006	279,989,406
Non-current liabilities	38,516,999	48,934,068
Current financial debts	0	18,522,296
Current lease liabilities	27,258	28,105
Current tax liabilities	2,197,335	11,928,558
Total consolidated equity and liabilities not included in segmental liabilities[G]	*296,315,599*	*359,402,433*
Total equity and liabilities	*363,377,733*	*418,554,755*

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

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Cambodia	0	417,668	469,391	**887,059**
Indonesia	635,933	5,886,190	7,013,022	**13,535,145**
TOTAL	*635,933*	*6,303,858*	*7,482,413*	*14,422,204*

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

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Cambodia	0	480,750	426,311	**907,061**
Indonesia	1,172,057	5,368,272	9,562,007	**16,102,337**
TOTAL	*1,172,057*	*5,849,022*	*9,988,318*	*17,009,398*

**** Information by category of revenue***

	2023	2022
	EUR	*EUR*
Palm	150,895,839	170,873,347
Rubber	20,651,439	22,322,007
Other agricultural activities	6,468,850	7,435,188
Others	507,849	1,329,409
TOTAL	*178,523,977*	*201,959,951*

**** Information by geographical region***

EUR 2022

Origin \ Geographical location	Europe	Africa	Asia	America	TOTAL
Asia	13,092,428	785,781	187,277,153	804,588	**201,959,951**

EUR 2023

Origin \ Geographical location	Europe	Africa	Asia	America	TOTAL
Asia	8,949,515	228,540	169,310,539	35,384	**178,523,978**

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

EUR 2022

Business Segment \ Category	Palm	Rubber	Other agricultural products	TOTAL
Indonesia	170,873,251	14,157,861	8,764,701	**193,795,812**
Cambodia	0	8,164,138	0	**8,164,138**
TOTAL	*170,873,251*	*22,322,000*	*8,764,701*	*201,959,951*

EUR 2023

Business Segment \ Category	Palm	Rubber	Other agricultural products	TOTAL
Indonesia	150,895,828	9,874,419	6,976,703	**167,746,950**
Cambodia	0	10,777,027	0	**10,777,027**
TOTAL	*150,895,828*	*20,651,446*	*6,976,703*	*178,523,977*

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 risks
None of the countries where the Group operates has a hyperinflationary economy or suffers 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 Indonesian rupiah. In addition, financial instruments hedging against fluctuations in exchange rate may not be available for certain currencies. This creates exposure to exchange rate fluctuations, which may have an impact on the financial result denominated in euro.

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

**** 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/claim 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.

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

Risk of expropriation

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

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

Credibility risk

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

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

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

Risk sensitivity

**** Exchange rate risk***

The Group is exposed to changes in value arising from fluctuations in exchange rates, which are 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 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 6.0 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 amounted to EUR 169.3 million.

Socfinasia's companies have a cash position of USD 65.9 million at 2023 year-end.

**** Interest rate risk***

The breakdown of fixed rate loans and variable rate loans is described in Note 23. Due to the cash pooling centralised, the Group is exposed to interest rate risk. To control this risk, the management closely monitors the interest rate's evolution.

**** Credit risk***

On 31 December 2023, the trade receivables from global customers amounted to EUR 1.1 million and to EUR 1.2 million for local customers. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Palm oil is sold locally to local players (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.

The outstanding trade receivables are not significant.

	2023	2022
	EUR	*EUR*
Trade receivables	2,259,161	3,141,096
Other receivables	9,924,597	28,426,554
Long-term advances	50,500,175	100,503,325
Total net receivables	***62,683,933***	***132,070,975***
Amount not yet due	60,299,632	132,070,975
Amount due less than 6 months	2,384,301	0
Total net receivables	***62,683,933***	***132,070,975***

Note 35. Profit before interest, taxes, depreciation and amortisation

***EBITDA*[G]**

	2023	2022
	EUR	*EUR*
Profit after tax (Group's share)	46,103,360	47,948,844
Profit share of non-controlling interests[G]	5,615,402	7,331,484
Income from associates	-5,890,456	-10,844,143
Dividends received from associates	8,292,174	7,126,982
Fair value of biological assets	-1,213,115	-2,378,830
Depreciation, amortisation and provisions	11,284,832	38,054,928
Gains and losses on disposals of assets	1,023,704	344,053
Tax charge	19,696,109	29,389,546
Other financial income	-12,105,421	-26,794,436
Financial expenses	7,542,460	8,794,506
Financial expenses included in amortisation and provisions	-173,304	-25,742
Impact of lease restatement on EBITDA[G]	-174,486	-183,797
TOTAL	***80,001,259***	***98,763,396***

Note 36. Contingent liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. <u>Litigation against the Belgian Federal Public Service Finance (VAT)</u>

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

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

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

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

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

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

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

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

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

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

Note 37. Political and economic environment

The Company holds interests in subsidiaries operating in South-East Asia.

Given the economic and political instability in some of these countries, these investments represent a risk in terms of exposure to political and economic changes.

Note 38. Events after the closing date

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

Note 39. Auditor's fees

	2023	2022
	EUR	*EUR*
Audit (VAT included)	375,814	394,614

The audit fees include all fees paid to the independent statutory auditor of the Group namely EY as well as those paid to member firms within EY's network for the relevant years. No consulting work or other non-audit services have been performed by this firm in 2023 or in 2022.

Company's management report

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

Ladies and gentlemen,

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

Activities

Socfinasia S.A. holds financial interests in portfolio companies which operate directly or indirectly in South-East Asia in the rubber and palm oil sectors.

The result of the year

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

(EUR million)	2023	2022
INCOME		
Value adjustments in respect of financial assets	0.0	0.3
Income from participating interests		
Derived from affiliated undertakings	50.5	69.0
Other interest receivable and similar income	2.4	5.5
Total income	***52.9***	***74.8***
EXPENSES		
Other external expenses	2.2	2.0
Interest payable and similar expenses	1.9	1.4
Income tax	0.7	0.7
Total expenses	***4.8***	***4.1***
PROFIT FOR THE FINANCIAL YEAR	**48.1**	**70.7**

As at 31 December 2023, the income from financial fixed assets amounted to EUR 50.5 million compared to EUR 69 million in 2022. The decrease is mainly due to decreased revenues from Indonesia.

The profit of the year, after structural charges and costs, stood at EUR 48.1 million compared to EUR 70.7 million as at 31 December 2022.

Company's management report

Balance sheet

As at 31 December 2023, Socfinasia's total assets amounted to EUR 430.2 million compared to EUR 457.7 million in 2022.

Socfinasia's assets mainly consist of financial fixed assets of EUR 357.7 million, receivables and cash at Bank of EUR 72.6 million.

Shareholders' equity, before allocation of the remaining dividend, amounts to EUR 424.1 million.

Portfolio

Movements

During the year, the company has participated in the capital increase of Management Associates.

Valuation

Unrealised capital gains on the portfolio of participating interests are estimated at EUR 62.4 million as at 31 December 2023 compared with EUR 101.9 million at the end of the previous year.

Investments

The main investments have evolved as follows during the period:

PT Socfindo (Indonesia)

90% subsidiary of PNS Limited which itself is 100% owned by Socfinasia.

Area (ha) at 31/12/2023	Planted area		
	Mature	Immature	Total
Rubber	5,232	1,091	6,323
Palm	34,511	4,989	39,500
Total	***39,743***	***6,080***	***45,823***

Key figures	Realised 2023	Realised 2022	Difference (%)
Production (tons)			
Rubber	6,397	6,896	-7.2
Palm oil	188,527	179,516	+5.0
Turnover (EUR 000)			
Rubber	9,871	14,140	-30.2
Palm tree	150,842	170,656	-11.6
Seeds	5,234	7,426	-29.5
Total	***165,947***	***192,222***	***-13.7***
Result (EUR 000)	***52,960***	***71,954***	***-26.4***

Socfin-KCD Co Ltd (Cambodia) - 100% owned subsidiary of Socfinasia and
Coviphama Co Ltd (Cambodia) - 100% owned subsidiary of PNS Ltd, which itself is 100% owned by Socfinasia.

The production of rubber processed by Socfin KCD during the year 2023 is up by 47% due to higher production of Coviphama. Revenue was also up (+32%) due to higher volume (+51%), partially offset by lower selling prices (-13%). This had a positive impact on net income and also benefited from a more favourable unit margin than last year.

At Coviphama, raw rubber production up (+267%) due to the opening of new agricultural plots for tapping. Sales were also up (+238%) due to an increase in sales volume (+267%), partially offset by a lower selling price (-8%).

Allocation of profit

The profit for the year of EUR 48,129,963 increased by retained earnings of EUR 229,326,834, give a total earnings of EUR 277,456,797 which was proposed to allocate as follows:

Earnings allocation	*EUR*
Retained earnings	190,371,197
From the balance :	
10% to the Board of Directors	8,708,560
90% to 19,594,260 shares	78,377,040
representing EUR 4.00 per share	
of which EUR 2.00 already paid at the end of 2023	***277,456,797***

As a reminder, the dividend relating to the previous year was EUR 3.50.

After this allocation of earnings, the reserves will be as follows:

Reserves	*EUR*
Legal reserve	2,449,282
Statutory reserve	125,993,370
Other reserves	30,070,910
Other available reserves	7,153,910
Retained earnings	190,371,197
	356,038,669

If this distribution is approved, Coupon No. 86 of EUR 2.00 gross will be declared on 5 June 2024 and payable as of 7 June 2024.

Own shares

During the year 2023, the Company did not buy back any of its shares.

Research and development

During the year 2023, Socfinasia did not incur any expenses relating to research and development.

Financial instruments

Socfinasia's treasury holds USD 59,8 million in its position as at 31 December 2023. The purpose of holding this currency is to cover dollar related investments and expenses.

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) and f) The issued capital of the Company is set at EUR 24,492,825 represented by 19,594,260 shares without par value, fully paid up. Each share entitles the holder to one vote without limitation or restriction.

c) On 1 February 2017, Socfin declared that it holds 57.79% direct stake in Socfinasia.

On 22 October 2018, Bolloré Participations declared that it holds a direct and indirect stake of 22.255% in Socfinasia, of which 17.138% via Bolloré and 5.116% via Compagnie du Cambodge.

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

Art. 31. of the statutes: *"The present statutes can be modified by decision of the General Meeting specially convened for this purpose, in the forms and conditions prescribed by articles 450-1 and 450-8 of the law of 10 August 1915 on the commercial companies, as amended."*

i) The powers of the members of the Board of Directors are defined in Art. 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 statutes* *or the law fall within the competence of the Board".*

In addition, the Articles 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:

- the holding of shares giving 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 was 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 Socfinasia as at 31 December 2023 before allocation of the result and after the interim dividend payment for the financial year amounts to EUR 486.5 million. This valuation incorporates the unrealised capital gains of the portfolio.

As a reminder, the share price as at 31 December 2023 was EUR 15.40 compared to EUR 14.80 the previous year.

Company's management report

Significant events after the end of the year

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

Main risks and uncertainties

It must be emphasised that the Group's investments in South-East Asia 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 largely depend on the dividend distributions of the subsidiaries.

Statutory appointments

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

The Board of Directors

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Socfinasia 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 294 million euros and represents 68% 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).

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

Report on the audit of the financial statements

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 27 to 33 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.

Report on the audit of the financial statements

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
Luxembourg

Company financial statements

1. Balance sheet as at 31 December 2023

ASSETS	*Note*	2023 *EUR*	2022 *EUR*
FIXED ASSETS			
Financial assets	3		
Shares in affiliated undertakings		294,122,628.31	289,622,628.31
Loans to affiliated undertakings		63,581,947.65	116,045,211.05
		357,704,575.96	***405,667,839.36***
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings Becoming due and payable within one year	4	67,260,251.61	12,794,759.27
Other debtors Becoming due and payable within one year		2,065,605.05	1,553,016.15
		69,325,856.66	***14,347,775.42***
Cash at bank and in hand		3,226,692.02	37,681,058.52
		72,552,548.68	***52,028,833.94***
TOTAL ASSETS		***430,257,124.64***	***457,696,673.30***

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	5		
Issued capital		24,492,825.00	24,492,825.00
Reserves			
Legal reserve		2,449,282.50	2,449,282.50
Reserves provided for by the articles of association		125,993,370.46	125,993,370.46
Other reserves, including the fair value reserve			
Other available reserves		37,224,819,43	37,224,819.43
		165,667,472.39	***165,667,472.39***
Profit brought forward		229,326,833.87	234,841,827.35
Profit for the financial year		48,129,963.38	70,684,906.52
Interim dividends		-43,542,800.00	-43,542,800.00
		424,074,294.64	***452,144,231.26***
CREDITORS			
Amounts owed to credit institutions Becoming due and payable within one year		0.00	9.04
Trade creditors Becoming due and payable within one year		233,943.47	226,872.44
Amounts owed to affiliated undertakings Becoming due and payable within one year		603.00	1,872.00
Other creditors			
Tax authorities		2,476,680.00	1,852,680.00
Other creditors Becoming due and payable within one year	6	3,471,603.53	3,471,008.56
		6,182,830.00	***5,552,442.04***
TOTAL CAPITAL, RESERVES AND LIABILITIES		***430,257,124.64***	***457,696,673.30***

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

2. Profit and loss account for the year ended 31 December 2023

		2023	2022
	Note	*EUR*	*EUR*
Other operating income		0.00	175,99
Raw materials[G] and consumables and other external expenses			
Other external expenses		-2,146,274.69	-1,922,242.44
Other operating expenses		-101,860.81	-107,709.95
Income from participating interests			
derived from affiliated undertakings	7	46,464,771.90	65,053,599.02
Income from other investments and loans forming part of the fixed assets			
derived from affiliated undertakings	8	4,121,111.11	3,972,222.23
Other interest receivable and other similar income			
derived from affiliated undertakings		2,247,994.95	5,183,952.87
other interests and financial income		139,784.85	264,535.28
Value adjustments in respect of financial assets and of investments held as current assets		0.00	347,589.84
Interest payable and similar expenses			
derived from affiliated undertakings		-1,354,353.05	-492,636.07
other interest and similar charges		-582,060.65	-883,552.26
Tax on profit		-39,182.31	-80,175.06
Profit after taxation		***48,749,931.30***	***71,335,759.45***
Other taxes not shown above		-619,967.92	-650,852.93
Profit for the financial year		***48,129,963.38***	***70,684,906.52***

Allocation of profit

	2023	2022
	EUR	*EUR*
Retained earnings	190,371,197.25	229,326,833.87
From the balance:		
10% to the Board of Directors	8,708,560.00	7,619,990.00
90% to 19,594,260 shares	78,377,040.00	68,579,910.00
	277,456,797.25	***305,526,733.87***
Dividend per share	***4.00***	***3.50***

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

3. Notes to the financial statements for the year 2023

Note 1. Overview

SOCFINASIA, (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 B10534, and is listed on the Luxembourg Stock Exchange under ISIN number LU0092047413.

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 Luxembourg 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 Luxembourgish legal and regulatory requirements in force in Luxembourg under the historical cost convention.

The accounting policies and valuation principles are, apart from the rules imposed by the law of 19 December 2002, determined and implemented by the Board of Directors.

The preparation of the annual financial statements involves the use of a number of critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the application of accounting principles. Any change in assumptions may have a significant impact on the financial statements for the period in which the assumptions are changed. The Board of Directors believes that the underlying assumptions are appropriate and that the financial statements give a true and fair view of the financial position and results of the Company.

Currency conversion

The Company keeps its accounts in euros (EUR); the annual accounts are expressed in the same currency.

Transactions in a currency other than the balance sheet currency are converted into the balance sheet currency at the exchange rate prevailing on the date of the transaction.

At the balance sheet date:

- the acquisition price of the financial assets, expressed in a currency other than the currency of the balance sheet, 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 lowest of their value at the historical exchange rate or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- all liability items, expressed in a currency other than the currency of the balance sheet, are valued individually. For this, the highest amount is used between their value at the historical exchange rate and their value determined on the basis of the exchange rate prevailing on the balance sheet.

Realised foreign exchange gains and losses and unrealised losses are recognised in the profit and loss account. Unrealised foreign exchange gains are not recognised.

If there is an economic link between two transactions, unrealised exchange differences are recognised at the corresponding unrealised exchange loss.

Valuation of financial assets

Shares in affiliated undertakings are valued at acquisition cost, which includes incidental expenses. Receivables from affiliated companies are valued at their nominal value, which includes incidental expenses.

In the event of an impairment that, in the opinion of the Board of Directors, is of a lasting nature, these financial fixed assets are subject to value adjustments. The aim of the latter is to give them the lowest value that should be attributed to them on the balance sheet date, as determined by the Board of Directors. In order to determine the value adjustments that are permanent at the balance sheet date, the Board of Directors carries out the following analyses for each investment on an individual basis:

1/ For investments listed on public markets, the Board of Directors compares the net book value of the investment with its shares in the market based on the stock market price at the closing date. When the market value is greater than or equal to the net book value, the Board of Directors considers that no value adjustment needs to be recorded at the closing date. However, when the market value is lower than the net book value, the Board of Directors tests the net book value against the share in the revalued net assets of the investment.

2/ If the net book value exceeds the market value or the equity value for unlisted investments, the Board of Directors compares the net book value with the share held in the revalued net assets as well as in the consolidated net assets (i.e. equity attributable to owners of the parent company) if the subsidiary prepares consolidated accounts.

If either the market or the equity values 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 smallest 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 and, in particular, 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 has 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	***290,868,480.28***	***291,418,270.12***	***116,045,211.05***	***120,642,097.14***	***406,913,691.33***	***412,060,367.26***
Increases	4,500,000.00	0.00	0.00	0.00	4.500.000,00	0.00
Decreases	0.00	-549,789.84	-52,463,263.40	-4,596,886.09	-52,463,263.40	-5,146,675.93
Acquisition cost/nominal value at the end of the year	***295,368,480.28***	***290,868,480.28***	***63,581,947.65***	***116,045,211.05***	***358,950,427.93***	***406,913,691.33***
Value adjustments at the beginning of the year	***-1,245,851,97***	***-1,593,441.81***	***0.00***	***0.00***	***-1,245,851.97***	***-1,593,441.81***
Impairment	0.00	0.00	0.00	0.00	0.00	0.00
Reversal	0.00	347,589.84	0.00	0.00	0.00	347,589.84
Value adjustments at the end of the year	***-1,245,851.97***	***-1,245,851.97***	***0.00***	***0.00***	***-1,245,851.97***	***-1,245,851.97***
Net book value at the end of the year	***294,122,628.31***	***289,622,628.31***	***63,581,947.65***	***116,045,211.05***	***357,704,575.96***	***405,667,839.36***

Note 3. Financial fixed assets (continued)

Information on companies in which the Company holds at least 20% of the capital

Name	*Country*	*% held*	*NET BOOK VALUE EUR*	*Year end*	*Currencies of the annual accounts*	*Net equity as at 31/12/2023 in foreign currency (including net income) (*)*	*Net result as at 31/12/2023 in foreign currencies (*)*
Induservices	Luxembourg	35.00	35,000	31.12.2023	EUR	486,125	158,489
Plantation Nord-Sumatra Ltd	Luxembourg	100.00	244,783,208	31.12.2023	USD	308,685,671	35,920,808
Socfinde	Luxembourg	79.92	1,072,391	31.12.2023	EUR	6,667,848	644,758
Terrasia	Luxembourg	47.81	118,518	31.12.2023	EUR	644,145	29,142
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	4,074,315	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	750,365	31.12.2023	EUR	1,527,706	-9,367
Socfin-KCD	Cambodia	100.00	31,685,450	31.12.2023	USD	32,573,266	623,629
			289,270,582				

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

Information on movements during the year

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

Valuation of shares in affiliated undertakings

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

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 in currency*	*Balance in EUR*	*Unrealised exchange gains / (losses) * EUR*
Induservices	EUR	132,500	132,500	0
Socfin	EUR	50,000,000	50,000,000	0
Socfin-KCD Co	USD	15,503,890	13,169,448	861,222
Management Associates	EUR	280,000	280,000	0
TOTAL			***63,581,948***	***861,222***

** In accordance with Luxembourgish legal and regulatory provisions and generally accepted accounting practices, loans to affiliated undertakings are translated at the historical exchange rate. 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 by the exchange rate prevailing at the balance sheet date.*

During the year, the company has received a reimbursement of EUR 50,000,000 from Socfin and EUR 2,463,263 from Socfin KCD. As at 31 December 2023, the Board of Directors is of the opinion that these receivables do not show any permanent impairment losses and consequently no impairment has been recorded.

Note 4. Amounts owed by affiliated undertakings

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

- receivables from the subsidiary Socfinde corresponding to the cash pooling balance of EUR 64,236,749 (2022: EUR 3,482,992).

This increase is mainly due to the reimbursement from Socfin. As at 31 December 2023, the Board of Directors is of the opinion that the amounts are fully recoverable. As such, no impairment loss has been accounted for.

Note 5. Equity

	Issued capital EUR	Legal reserves EUR	Other reserves EUR	Retained earnings EUR	Profit for the year EUR	Interim dividend paid EUR
Balance as at 1 January 2022	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***220,321,607.44***	***45,000,179.91***	***-8,708,560.00***
Allocation of the result for the 2021 financial year following decision of the General Meeting held on 31 May 2022						
• Retained earnings				14,520,219.91	-14,520,219.91	
• Dividends					-19,594,260.00	
• Directors' fees					-2,177,140.00	
• 2021 interim dividend					-8,708,560.00	8,708,560.00
Interim dividend as per decision of the Board of Directors held on 27 October 2022						-43,542,800.00
Results for the financial year					70,684,906.52	
Balance as at 31 December 2022	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***234,841,827.35***	***70,684,906.52***	***-43,542,800.00***
Allocation of the result for the 2022 financial year following decision of the General Meeting held on 30 May 2023						
• Retained earnings				-5,514,993.48	5,514,993.48	
• Dividends					-29,391,390.00	
• Directors' fees					-3,265,710.00	
• 2022 interim dividend					-43,542,800.00	43,542,800.00
Interim dividend as per decision of the Board of Directors held on 26 October 2023						-43,542,800.00
Results for the financial year					48,129,963.38	
Balance as at 31 December 2023	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***229,326,833.87***	***48,129,963.38***	***-43,542,800.00***

Issued capital

As at 31 December 2023 and 2022, the issued and fully paid share capital is EUR 24,492,825 represented by 19,594,260 shares without nominal value.

Legal reserve

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

Statutory reserves

The statutory reserve includes an unavailable reserve of EUR 125,993,370 (2022: EUR 125,993,370), relating to the profit earned at the time of the formation of Plantation Nord-Sumatra Ltd. in 1997. Pursuant Article 33 of the Company's coordinated Articles of Association, this reserve is not available for distribution to shareholders.

Note 6. Other payables

As at 31 December 2023, this item includes interest payable for EUR 3,471,604 (2022: EUR 3,471,008).

Note 7. Income from participating interests

	2023	2022
	EUR	*EUR*
Dividends received (*)	46,549,758	65,034,849
Capital gain on disposal of financial fixed assets (**)	5,013	18,750
	46,554,772	***65,053,599***

(*) This amount corresponds to the dividend received from the affiliated undertakings (Note 3).
(**) This amount corresponds to a remaining amount form 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	4,121,111	3,972,222

Note 9. Taxation

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

Based on the last filed tax return, the management of the company recognises that the company has EUR 14,130,263 of carried forward tax losses available as at 31 December 2022.

Regarding the portion of the aforementioned losses that have been generated as from tax year 2017 (approximately EUR 8,443,201) 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 9,688 (2022: EUR 12,500) as attendance fees and EUR 7,704,990 (2022: EUR 6,616,420) as directors' fees.

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

Note 11. Political and economic environment

The Company directly and indirectly holds interests in companies operating in Indonesia and Cambodia.

Given the political instability that exists in these countries and their economic fragility, 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:

- The cost of the good/oil;
- The insurance cost for the whole consignment right from port of loading until arrived and delivered;
- Freight: the carrying cost from port of loading all the way up to Rotterdam.

In other words, the seller pays for the goods, transportation to the port of destination, and marine insurance.

CONCESSION - Contract, signed with local authorities, giving specific rights to control an area of land and for the conduct of specific activities in that area, during a defined period.

CPO - Crude Palm Oil is edible oil which is extracted from the pulp of fruit of oil palm trees.

CPKO - Crude Palm Kernel Oil is the light crude oil, extracted from the Oil Palm kernels, containing mainly lauric acid.

DAP - Delivered At Place is an international commercial term (Incoterm) that refers to the idea that the seller takes on all the risks and costs of delivering goods to an agreed-upon location.

DRY RUBBER - This is the weight of natural rubber produced, determined at the end of the milling and drying process. After tapping, liquid latex drips from the rubber trees in the field, mostly harvested after in-field coagulation. However, the "wet rubber" still contains water and many other natural components apart from the rubber particles. Natural rubber is marketed as "dry rubber" – after processing – to be used in numerous industrial value chains among which the manufacturing of tyres is the most important.

EBIT - This abbreviation is defined as earnings before the financial result and tax. It is the result of ordinary business activities and is used to assess operational profitability.

EBITDA - This abbreviation is defined as earnings before financial result, tax, depreciation and amortisation. This key figure is used to assess operational profitability.

ESEF - European Single Electronic Format is the electronic reporting format in which issuers whose securities are admitted to trading on EU regulated markets must prepare their annual financial reports to facilitate accessibility, analysis and comparability of annual financial reports.

EXW - Ex works is an Incoterm, in which a seller makes a product directly available from the factory or place of manufacture. The buyer of the product must cover the transport costs.

FINISHED GOODS - Goods that have completed the manufacturing process but have not yet been sold or distributed to the end user (for example dry rubber[G], crude palm oil, seeds, palm kernel oil, palm kernel cake).

FOB - Free On Board is an Incoterm that means the seller is responsible for loading the purchased goods onto the ship, and all costs associated. As soon as the goods are safe aboard the vessel, the risk transfers to the buyer, who assumes the responsibility of the remainder of the transport.

FREE CASH FLOWS - Free cash flows are the sum of cash flows arising from operating activities and cash flows arising from investing activities. Also referred to as cash flows before financing activities. Free cash flows are used to assess financial performance.

GPSNR - Global Platform for Sustainable Natural Rubber. GPSNR is an international, multistakeholder, voluntary membership organisation, whose mission is to lead improvements in the socioeconomic and environmental performance of the natural rubber value chain.

IAS - International Accounting Standards. Accounting standards issued by the International Accounting Standards Board (IASB), which have been replaced by IFRS[G] 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[G] (older standards), the interpretations of the IFRS Interpretations Committee or of the predecessor IFRIC as well as the former SIC.

Glossary

IRSG – International Rubber Study Group. It is an inter-governmental organisation composed of rubber producing and consuming stakeholders. Located in Singapore, IRSG was established in 1944.

MARKET CAPITALISATION – The product of the number of shares multiplied by the closing market price.

NET VALUE PER SHARE – Equity attributable to the owners of the Parent at closing period, divided by the number of shares. Allows readers of the financial statements to compare easily the share price at closing period with its value within the financial statements. As an example, value as at 31 December 2023 is obtained by dividing EUR 247,910,361 (value of Equity attributable to the owners of the Parent) by 19,594,260 (number of shares).

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

OPERATIONAL LIFE – Length of time during which a tangible or intangible asset can be used economically before breakdown. Operational life does not include post-closure activities. As an example, rubber and palm trees have an estimated operational life between 20 and 33 years.

OTHER COMPREHENSIVE INCOME – Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other IFRSs[G].

OWN PRODUCTION – Quantities of raw materials[G] (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[G] 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[G] 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[G] 8:

- Segmental assets include fixed assets, biological assets, trade receivables, inventories, cash and cash equivalents. They do not include any consolidation nor IFRS[G] adjustments;
- Segmental liabilities include only trade payables and other payables. They do not include any consolidation nor IFRS[G] 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[G] 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…