# Socfin

2022 ANNUAL REPORT

SOCIETE FINANCIERE DES CAOUTCHOUCS

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# Group profile

## 1. Overview of the Group

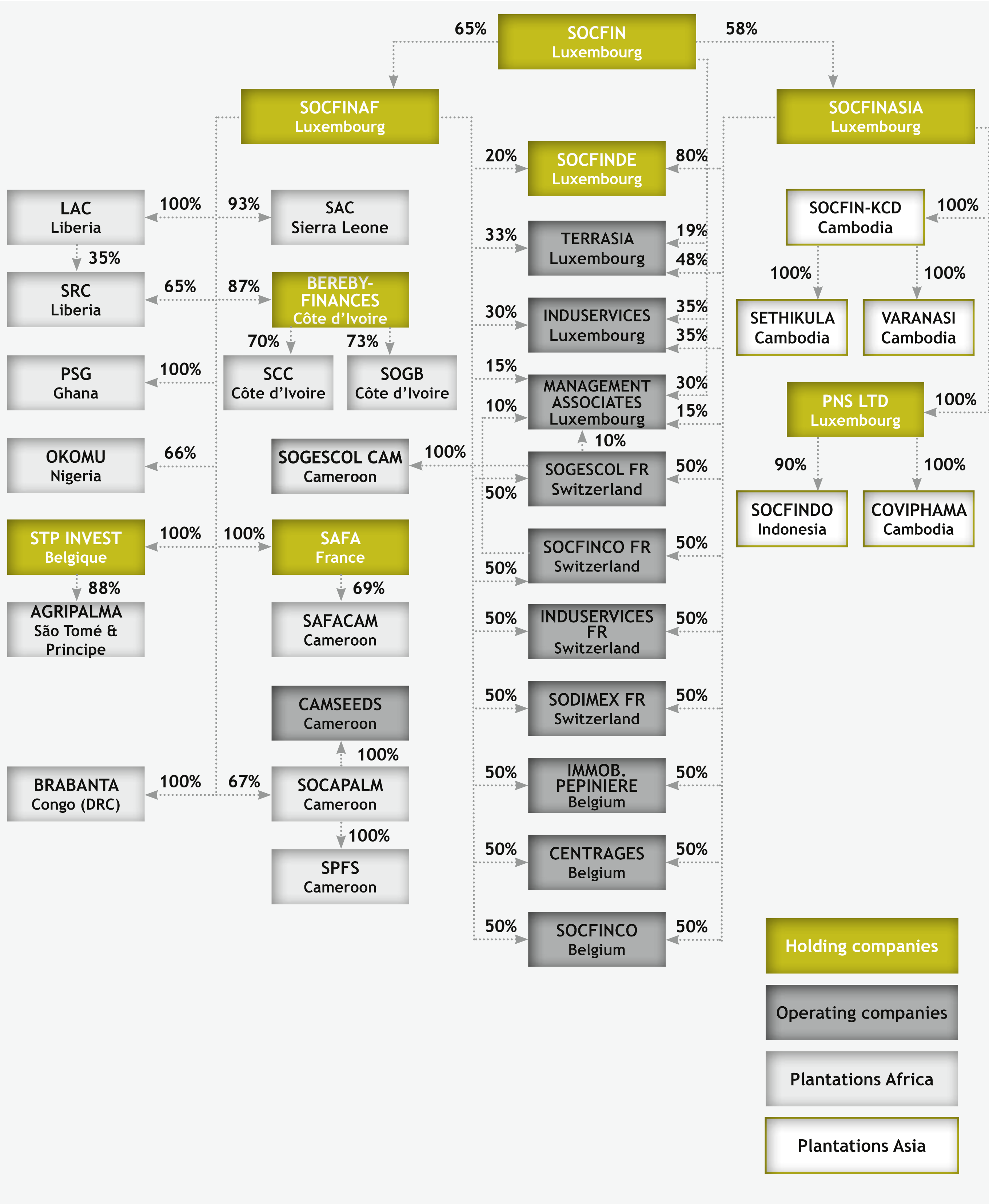
Société Financière des Caoutchoucs S.A., abbreviated "Socfin" is a Luxembourg company (the "Company"), with registered office at 4 avenue Guillaume, L-1650 Luxembourg. It was incorporated on 5th December 1959 and is listed on the Luxembourg Stock Exchange.

The principal activity of Socfin is to manage a portfolio of shares mainly focused on the exploitation of more than 191,000 hectares of tropical palm oil plantations and rubber trees located in Africa and South-East Asia. Socfin employs 35,226 people and achieved a consolidated revenue of EUR 992 million in 2022.

## 2. History

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

## 3. Group structure



## 4. Information on the holdings of Socfin

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

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

Unless indicated otherwise, equity includes capital, reserves and the results 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

## *SOCFINASIA*

SOCFINASIA is a Luxembourg entity which holds stakes in companies that operate directly or indirectly in South-East Asia in the rubber and palm-oil sectors.

Share capital: EUR 24,492,825.

The profit for the year ended 31st December 2022 amounts to EUR 70,684,907. The Board of Directors will propose to the Annual General Meeting on 30th May 2023 the payment of a dividend of EUR 3.50 per share, out of which EUR 2.00 per share has already been paid at the end of 2022 as an interim dividend for the financial year 2022.

| *Key figures (thousands of EUR)* | | |
|---|---|---|
| ***At 31st December*** | ***2022*** | ***2021*** |
| Fixed assets | 405,668 | 410,467 |
| Current assets | 52,029 | 41,424 |
| Equity (*) | 452,144 | 446,774 |
| Borrowings, provisions and third parties | 5,552 | 5,117 |
| Profit / (loss) for the period | 70,685 | 45,000 |
| Distribution | 76,200 | 30,480 |
| Share price (EUR) | 14.80 | 14.30 |
| Dividend per share (EUR) | 3.50 | 1.40 |
| Dividend / market capitalisation (%) | 23.65 | 9.79 |
| Socfin's stake (%) | 58.25 | 58.09 |

(*) Before profit allocation but after interim dividend.

# Group profile

## *SOCFINAF*

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

Share Capital: EUR 35,673,300.

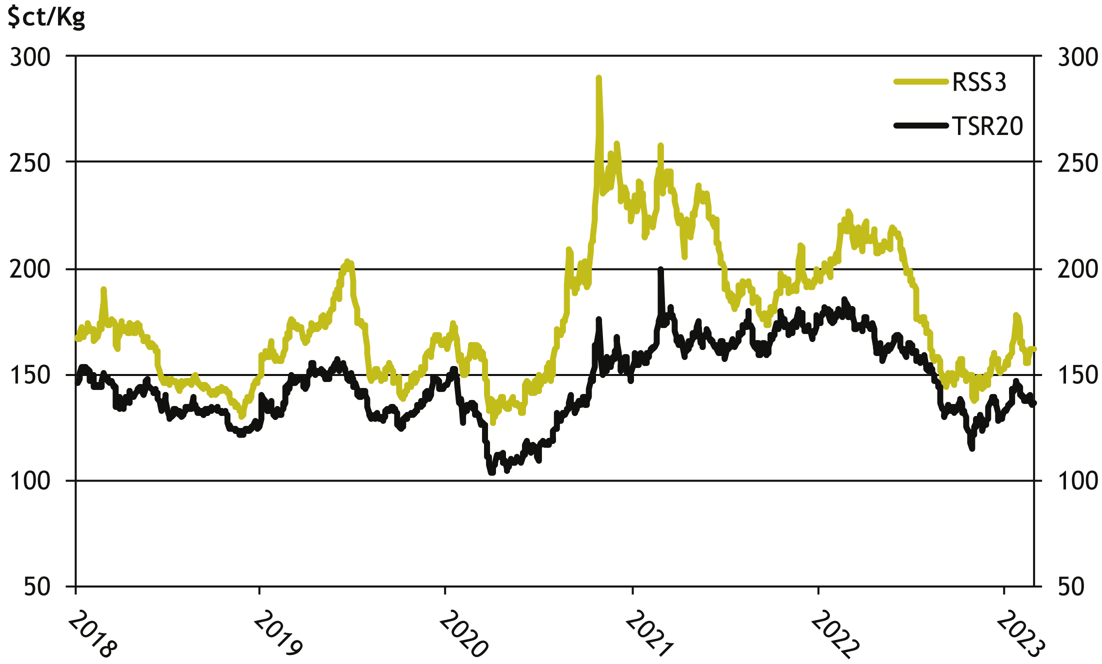
The loss for the year ended 31st December 2022 amounts to EUR 37,542,749. The Board of Directors will propose to the Annual General Meeting on 30th May 2023 not to pay any dividend for the financial year 2022.

| ***Key figures (thousands of EUR)*** | | |
|---|---|---|
| ***At 31st December*** | ***2022*** | ***2021*** |
| Fixed assets | 361,924 | 469,324 |
| Current assets | 36,676 | 29,901 |
| Equity | 221,254 | 258,796 |
| Borrowings, provisions and third parties | 177,347 | 240,429 |
| Profit / (loss) for the period | -37,543 | 6,499 |
| Distribution | 0 | 0 |
| Share price (EUR) | 11.80 | 12.00 |
| Dividend per share (EUR) | 0 | 0 |
| Dividend / market capitalisation (%) | 0 | 0 |
| Socfin's stake (%) | 64.64 | 64.51 |

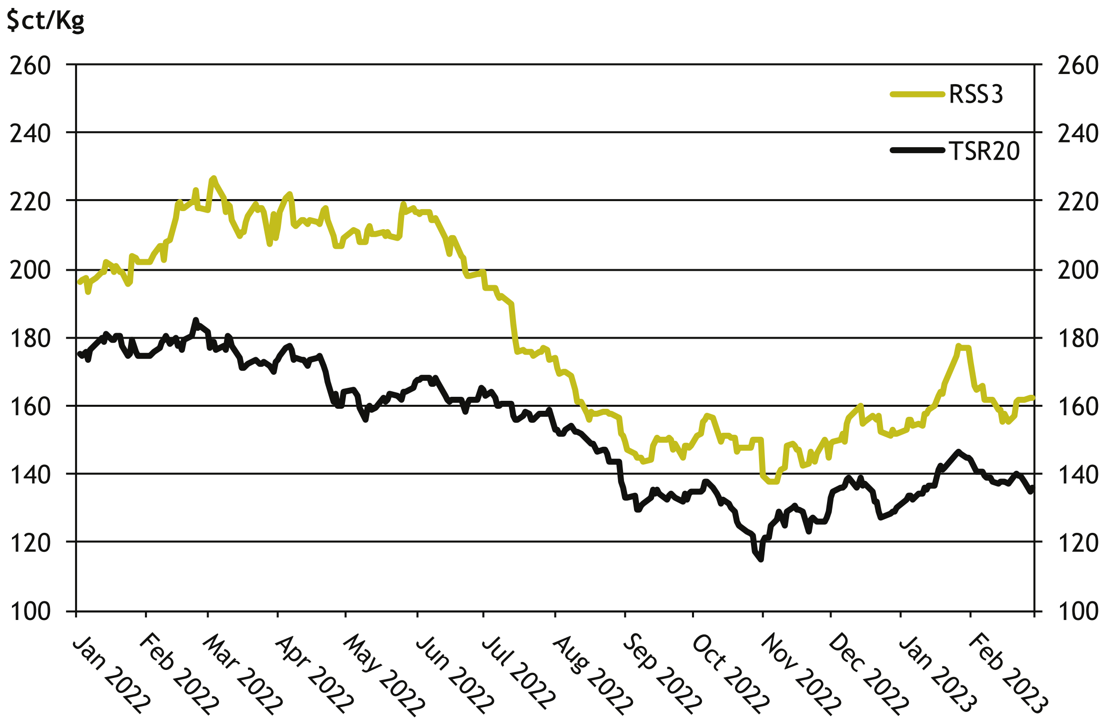
## International market for rubber and palm oil

### 1. Rubber

SGX - NATURAL RUBBER - 5 years +




SGX - NATURAL RUBBER - 1 year +



# International market for rubber and palm oil

## *The international market in 2022*

The average natural rubber price (TSR20 1st position on SGX) for the year 2022 is USD 1,548/T FOB Singapore compared to USD 1,677/T in 2021, i.e. a decrease of USD 129/T (-7.7%).

On the other hand, converted into Euro, the average for the year 2022 is EUR 1,469/T against EUR 1,417/T for the year 2021, i.e. an increase of 3.7% thanks to a strengthening of the dollar against the euro.

After their strong increase in 2021 linked to the global economic recovery, natural rubber prices have remained sustained with monthly averages above USD 1,700/T over the first 4 months of 2022.

Russia's invasion of Ukraine at the end of February had a positive impact on natural rubber prices, which moved slightly above USD 1,800/T in the wake of soaring oil and other commodity prices.

Market sentiment turned bearish from April onwards as a result of the Chinese government's "zero Covid" measures. These measures have severely affected the economy and mobility, reducing demand from the world's largest consumer of natural rubber.

At the same time, European sanctions against Russia, a major producer of synthetic rubber and tyre components, have led to production slowdowns in tyre factories, resulting in a de facto drop in demand for natural rubber.

In the summer of 2022, the energy crisis in Europe due to the effects of sanctions against Russia has had a negative impact on rubber demand for tyre manufacturers. The level of inflation in Europe and the US is also a concern for consumers who prefer to postpone their decision to buy new cars.

The end of 2022 was marked by the request of tyre manufacturers, faced with a slowdown in production in their factories and therefore an increase in stocks, to reduce long-term contracts or to postpone shipments to the following months.

This slowdown in demand from the tyre industry has strongly affected natural rubber prices, which bottomed out at USD 1,151/T in October 2022.

The lifting of restrictions following the end of China's "zero Covid" policy in December 2022 allowed natural rubber prices to recover to around USD 1,400/T at the end of the year.

The situation in global logistics, which was severely disrupted in 2021 until the first half of 2022 by the lack of space on ships, improved significantly in the last quarter of the year.

In the latest figures published by the International Rubber Study Group (IRSG) in February 2023, world natural rubber production in 2022 was 14.57 million tons, up 5.8% on 2022, while world consumption was 14.31 million tons, up 1.7% on 2021, resulting in a surplus of 264,000 tons at the end of 2022.

The TSR20 1st FOB Singapore position on SGX closed on 30th December 2022 at USD 1,302/T.

# International market for rubber and palm oil

## *Outlook 2023*

Natural rubber prices are expected to remain under pressure amidst conflict on the Ukrainian front, high global inflation and uncertain developments in Chinese growth.

Indeed, inflationary pressure from prolonged supply chain disruptions and high-energy costs will continue to threaten global economic growth.

At the end of 2022 and this is expected to continue during the first half of 2023, the slowdown in global economic activity has had a strong impact on demand from tyre manufacturers. Faced with a drop in production in their factories, they have accumulated significant stocks, forcing them to reduce their long-term contracts and postpone shipments to the following months.

The evolution of China's economic growth in 2023 will be decisive for prices, which are expected to fluctuate according to indicators of the industrial health of the world's largest natural rubber consumer.

The major uncertainty related to the evolution of the Russian-Ukrainian crisis is expected to continue to influence the evolution of rubber prices; the latter being impacted by the rise in oil and energy prices.

Because of a slowdown in global economic growth and the arrival on the market of new large capacity vessels, freight rates have fallen sharply, particularly from South-East Asian countries, making Asian rubbers more attractive than in 2021 and 2022, at the expense of African rubber. Freight rates out of Africa are also expected to fall, but with a time lag.

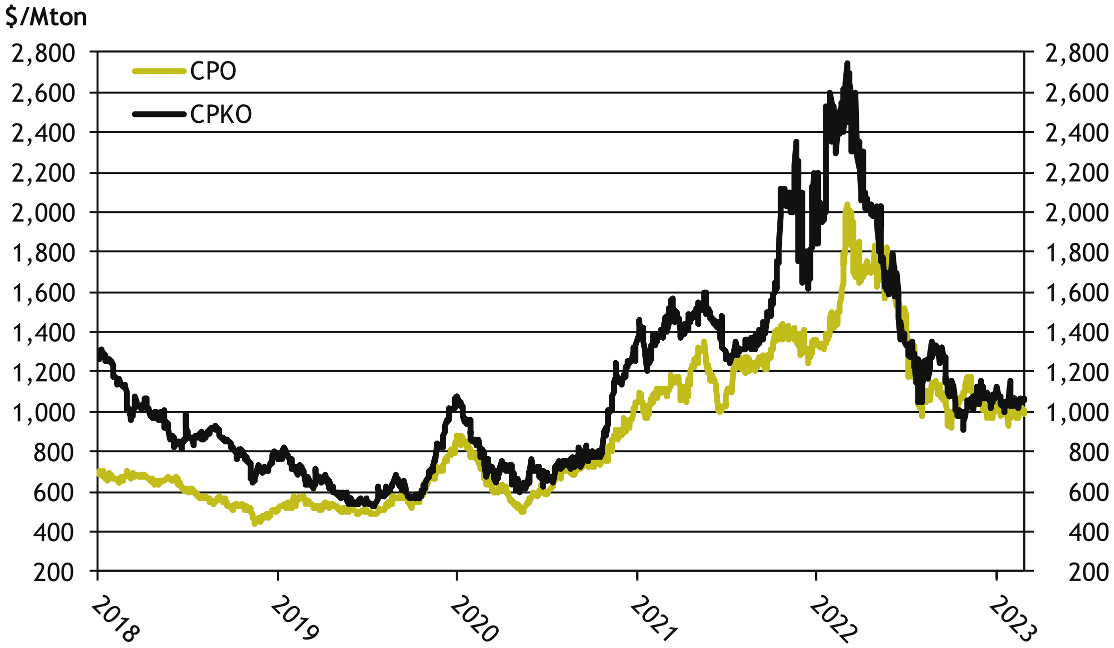
For 2023, the IRSG estimates world production at 14.74 million tons (up 1.1%) and world demand at 14.61 million tons (up 2.1%), resulting in a rubber surplus of 129,000 tons, which would be half the surplus in 2022.

Rubber consumption would therefore be lower than production, supported by an expansion of volumes in several countries such as Côte d'Ivoire, Cambodia, Laos and Burma. By 2022, Côte d'Ivoire would be the world's third largest producer with 1.3 million tons, behind Thailand and Indonesia and ahead of Vietnam.

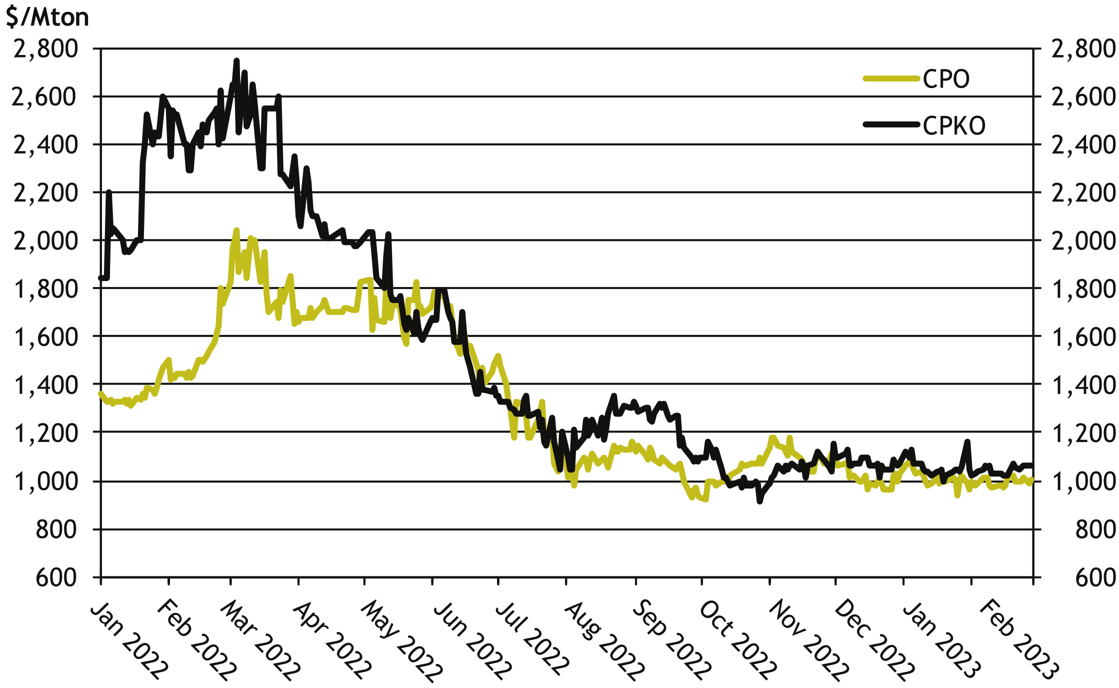
The TSR20 1$^{st}$ position FOB Singapore on SGX quotes on 28$^{th}$ February 2023 at USD 1,362/T.

## 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)**

| | 2023 (*) | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2015 | 2005 | 1995 |
|---|---|---|---|---|---|---|---|---|---|---|
| Indonesia | 47.9 | 46.5 | 44.7 | 42.8 | 44.2 | 41.6 | 36.8 | 33.4 | 14.1 | 4.2 |
| Malaysia | 18.7 | 18.3 | 18.1 | 19.1 | 19.9 | 19.5 | 19.9 | 20.0 | 15.0 | 7.8 |
| Other | 14.2 | 13.8 | 13.1 | 12.2 | 12.4 | 11.9 | 11.2 | 9.1 | 4.8 | 3.2 |
| ***TOTAL*** | ***80.8*** | ***78.6*** | ***75.9*** | ***74.1*** | ***76.5*** | ***73.0*** | ***67.9*** | ***62.5*** | ***33.9*** | ***15.2*** |

(*) Estimated (December 2022).

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

| Oct 2022 to Sep 2023 (*) | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2015 | 2005 | 1995 |
|---|---|---|---|---|---|---|---|---|---|
| Palm 80.3 | 78.6 | 75.9 | 74.1 | 76.5 | 73.0 | 67.9 | 62.5 | 33.9 | 15.2 |
| Soya 61.2 | 59.8 | 60.1 | 58.6 | 56.8 | 56.8 | 53.9 | 48.8 | 33.6 | 20.2 |
| Rape 28.7 | 26.6 | 26.9 | 25.3 | 24.9 | 25.6 | 25.4 | 26.3 | 16.2 | 10.8 |
| Sunflower 20.9 | 20.1 | 18.9 | 21.3 | 20.7 | 19.0 | 19.0 | 15.1 | 9.7 | 8.7 |
| Palm kernel 8.4 | 8.2 | 8.0 | 7.8 | 8.1 | 7.7 | 7.2 | 6.8 | 4.0 | 2.0 |
| Cotton 4.5 | 4.4 | 4.4 | 4.6 | 4.6 | 4.7 | 4.2 | 4.7 | 5.0 | 3.9 |
| Peanut 4.7 | 4.7 | 4.4 | 4.2 | 3.7 | 4.0 | 4.2 | 3.7 | 4.5 | 4.3 |
| Copra 2.9 | 3.1 | 2.8 | 2.6 | 2.9 | 2.9 | 2.4 | 2.9 | 3.2 | 3.3 |
| ***TOTAL 211.6*** | ***205.5*** | ***201.4*** | ***198.5*** | ***198.2*** | ***193.7*** | ***184.2*** | ***170.8*** | ***110.1*** | ***68.4*** |

(*) Estimated (December 2022).

## *The international market in 2022*

The average price for CIF Rotterdam crude palm oil in 2022 is USD 1,352/T compared to USD 1,195/T in 2021.

The year 2021 was marked by an almost uninterrupted rise in palm oil prices due to a much lower than expected supply. This contraction in supply, combined with a massive return in demand following the end of the containment measures, led to a very significant rise in palm oil prices in 2021.

This price increase continued into 2022. Indeed, the uncertainties regarding the global supply of vegetable oils were further accentuated during the first quarter. Firstly, in Malaysia, where the effects of the plan to accelerate the return of foreign workers to the plantations were slow to be felt. Then in Indonesia, which, worried about its domestic market, decided to restrict its palm oil exports at the end of January while global demand continued to rise.

At the end of February, the Russian-Ukrainian conflict put the vegetable oil market on edge. Ukraine alone traditionally supplied over 50% of the world's sunflower oil production. Buyers were forced to turn to alternative vegetable oils (soya, palm, rapeseed, etc.) whose prices soared. At the beginning of March, the CIF Rotterdam CPO broke through the historic USD 2,000/T threshold, i.e. an increase of almost 50% since the beginning of the year.

In April 2022, tensions rose again with Indonesia's decision to suspend palm oil exports in an already tight market.
The rationing of the overall supply of vegetable oils in a context where demand remained strong contributed to maintaining high price levels throughout most of the first half. The surge in oil prices, with a barrel of oil breaking the USD 120 mark on several occasions, also helped to support palm oil prices during this period.

# International market for rubber and palm oil

The price surge ended in May with the easing of export restrictions in Indonesia. The level of palm oil stocks in the country was then close to 9 million tons. The world's largest producer therefore had no choice but to supply the international market by massively opening the floodgates for exports, thus creating strong downward pressure on prices.
The loosening of the grip on sunflower seed exports from the Black Sea has also helped to alleviate concerns about the overall supply of vegetable oils.

Prices thus fell back below the USD 1,000/T mark in September.

During the last quarter of 2022, despite abundant supply and high stock levels, palm oil prices held up well thanks to continued strong demand, particularly in Asia. At the end of December 2022, the CIF Rotterdam CPO was trading at around USD 1,030/T.

## *Outlook 2023*

After an unprecedented decline at the height of the Covid pandemic in 2020, palm oil production increased in 2021 and 2022. The increase is expected to continue in 2023 with production expected to exceed 80 million tons.

However, several uncertainties weigh on palm oil production. Malaysia, the world's second largest producer, is facing a structural labour problem that could negatively impact its production figures. In addition, soaring fertiliser prices could lead growers to restrict their use, which would limit the expected increase in yields.

Indonesia, for its part, is increasing the number of announcements aimed at limiting the volumes of palm oil exported in order to satisfy its domestic market first. Palm oil consumption for the Indonesian biodiesel industry is also expected to increase as the country plans to move from the B30 mandate to the B35 mandate (i.e. 35% palm oil in biodiesel composition).

The area harvested for soybeans for the 2023 marketing year is expected to increase, and production forecasts for other oilseeds (rapeseed, sunflower, etc.) are also favourable, suggesting an abundant supply of vegetable oils on the markets in 2023.

Against the backdrop of the global economic slowdown, demand could show signs of weakening even though the main importing countries, led by India and China, are not expected to see a significant drop in consumption. In addition, demand should also be supported by the biofuel industry, thus preventing prices from falling too sharply.

The evolution of oil prices, the purchasing policies of importing countries, the implementation of tax incentives or customs barriers, will also play a determining role in the evolution of palm oil prices.

On 28$^{th}$ February 2023, the CIF Rotterdam CPO quotes at around USD 1,005/T.

# Environment and social responsibility

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

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

# Key figures

## 1. Activity Indicators

| *Area (hectares)* | | *Rubber* | | *Palm* |
|---|---|---|---|---|
| ***At 31st December 2022*** | | | | |
| Immatures (by year of planting) | | | | |
| 2022 | | 559 | | 2,478 |
| 2021 | | 1,055 | | 2,766 |
| 2020 | | 1,490 | | 2,324 |
| 2019 | | 1,580 | | 0 |
| 2018 | | 2,010 | | 0 |
| 2017 | | 2,190 | | 0 |
| 2016 | | 606 | | 0 |
| 2015 | | 757 | | 0 |
| 2014 | | 952 | | 0 |
| 2013 | | 204 | | 0 |
| 2012 | | 9 | | 0 |
| 2011 | | 139 | | 0 |
| 2010 | | 33 | | 0 |
| ***Total immatures*** | | ***11,584*** | | ***7,568*** |
| | | | | |
| Young | (from 8 to 11 years) | 15,913 | (from 4 to 7 years) | 27,116 |
| Prime | (from 12 to 22 years) | 24,593 | (from 8 to 18 years) | 53,240 |
| Old | (above 22 years) | 8,710 | (above 18 years) | 42,314 |
| ***Total in production*** | | ***49,216*** | | ***122,671*** |
| **TOTAL** | | **60,800** | | **130,239** |

| *Area (hectares)* | *2022* | *2021* | *2020* | *2019* | *2018* |
|---|---|---|---|---|---|
| Palm | 130,239 | 130,093 | 129,934 | 129,667 | 130,575 |
| Rubber | 60,800 | 61,826 | 62,560 | 63,190 | 63,726 |
| ***TOTAL*** | ***191,039*** | ***191,919*** | ***192,494*** | ***192,857*** | ***194,301*** |

| *Production* | *2022* | *2021* | *2020* | *2019* | *2018* |
|---|---|---|---|---|---|
| **Palm Oil (tons)** | ***529,160*** | ***536,508*** | ***503,926*** | ***468,441*** | ***456,781*** |
| Own production | 488,060 | 489,733 | 468,303 | 434,013 | 426,227 |
| Third party purchases | 41,100 | 46,775 | 35,623 | 34,428 | 30,554 |
| **Rubber (tons)** | ***160,185*** | ***167,278*** | ***160,411*** | ***162,975*** | ***144,845*** |
| Own production | 71,941 | 70,880 | 64,082 | 68,873 | 62,895 |
| Third party purchases | 88,243 | 96,397 | 96,329 | 94,102 | 81,950 |
| **Seeds (thousands)** | | | | | |
| Own production | 17,683 | 15,030 | 9,454 | 6,308 | 14,875 |

# Key figures

| *Turnover (EUR million)* | *2022* | *2021* | *2020* | *2019* | *2018* |
|---|---|---|---|---|---|
| Palm | 583 | 471 | 347 | 309 | 306 |
| Rubber | 269 | 234 | 183 | 200 | 163 |
| Other agricultural products | 9 | 6 | 4 | 4 | 9 |
| Trading activities | 119 | 119 | 64 | 72 | 56 |
| Other | 11 | 8 | 7 | 7 | 7 |
| ***TOTAL*** | ***992*** | ***838*** | ***605*** | ***592*** | ***541*** |

| *Staff* | *2022* | *2021* | *2020* | *2019* | *2018* |
|---|---|---|---|---|---|
| Average workforce | 35,226 | 34,945 | 33,834 | 34,916 | 33,780 |

## 2. Key figures in the consolidated income statement

| *(EUR million)* | *2022* | *2021* | *2020* | *2019* | *2018* |
|---|---|---|---|---|---|
| Turnover | 992 | 838 | 605 | 592 | 541 |
| Operating income | 259 | 235 | 92 | 81 | 91 |
| Profit / (loss) for the period attributable to the Group | 76 | 80 | 6 | 9 | 17 |
| EBITDA (*) | 355 | 294 | 172 | 152 | 153 |
| Net cash flows from operating activities | 283 | 252 | 141 | 93 | 87 |
| Free cash flow (**) | 209 | 179 | 59 | -20 | -20 |

(*) EBITDA = Earnings before interest, taxes, depreciation and amortisation.
(**) Free Cash Flow = Cash flow from operating activities + cash flow from investing activities.

## 3. Key figures in the consolidated statement of financial position

| *(EUR million)* | *2022* | *2021* | *2020* | *2019* | *2018* |
|---|---|---|---|---|---|
| Bearer biological assets | 438 | 479 | 468 | 520 | 512 |
| Other non-current assets | 379 | 370 | 339 | 361 | 356 |
| Current assets | 374 | 329 | 224 | 227 | 209 |
| Total equity | 809 | 737 | 576 | 640 | 642 |
| Non-current liabilities | 126 | 212 | 136 | 237 | 171 |
| Current liabilities | 256 | 228 | 319 | 229 | 263 |

# Stock market data

| (EUR) | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Number of shares | 14,159,720 | 14,159,720 | 14,159,720 | 14,159,720 | 14,159,720 |
| Equity attributable to the owners of the Company | 431,235,365 | 380,256,719 | 284,874,406 | 317,582,175 | 304,236,433 |
| Undiluted net profit per share | 5.34 | 5.68 | 0.33 | 0.64 | 0.98 |
| Dividend per share | 1.25 | 0.60 | 0.00 | 0.55 | 0.55 |
| Share price | | | | | |
| Minimum | 19.20 | 18.60 | 18.20 | 23.20 | 23.80 |
| Maximum | 24.40 | 24.00 | 27.00 | 29.00 | 30.40 |
| Closing | 20.20 | 20.80 | 23.20 | 26.60 | 28.00 |
| Market capitalisation (*) | 286,026,344 | 294,522,176 | 328,505,504 | 376,648,552 | 396,472,160 |
| Dividend paid / net profit attributable to the owners of the Company | 23.41% | 10.56% | N/A | 85.94% | 56.12% |
| Dividends / market capitalisation | 6.19% | 2.88% | N/A | 2.07% | 1.96% |
| Market price / undiluted net profit per share | 3.78 | 3.66 | 70.30 | 41.56 | 28.57 |

(*) Market capitalisation is the product of the number of shares multiplied by the closing market price.

# Corporate governance statement

## 1. Introduction

Socfin pays close attention to the evolution of the ten principles of corporate governance of the Luxembourg Stock Exchange. It commits to provide 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 21st November 2018. It has been updated on 29th March 2023 and is available on the Group's website.

## 3. Board of Directors

### *Composition of the Board of Directors*

| *Name* | *Nationality* | *Year of Birth* | *Position* | *First nomination* | *Term of Office* |
|---|---|---|---|---|---|
| Mr. Hubert Fabri | Belgian | 1952 | Chairman (a) | AGO 1981 | AGO 2027 |
| Mr. Vincent Bolloré | French | 1952 | Director (a) | AGE 1990 | AGO 2025 |
| Mr. Cyrille Bolloré | French | 1985 | Director (a) | AGO 2022 | AGO 2028 |
| Mr. François Fabri | Belgian | 1984 | Director (b) | AGO 2014 | AGO 2026 |
| Mr. Philippe Fabri | Belgian | 1988 | Executive Director (b) | AGO 2020 | AGO 2026 |

(a) Non-Executive Dependent Director
(b) Executive Dependent Director

The mandate of Mr. Vincent Bolloré, 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 expiring during the General Meeting of 2029.

# Corporate governance statement

## *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 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.

**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**
*Executive 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".

## *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 death or following the resignation of one or more Directors, the remaining Directors will proceed to temporary co-optations. These co-optations will be subject to the approval of the Annual General Meeting at its next meeting. The Director appointed to replace another Director will complete the term of his predecessor.

## *Role and powers of the Board of Directors*

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

The Board of Directors ensures that all financial and human resources are available and ensures that all the necessary structures are in place to achieve its objectives and ensure 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**
At least two for the end and mid-year evaluations. During the 2022 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**
- 2022: 92%
- 2021: 93%
- 2020: 92%
- 2019: 92%
- 2018: 97%

## 4. Committees of the Board of Directors

### *4.1. Audit Committee*

The Committee is composed of three members, of which 2 are independents and one of them 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 1st January 2023 and has been in charge of the supervision of the preparation of the financial information for the year 2022.

The Board of Directors has proposed that it will be constituted 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 30th May 2023.

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

The Audit Committee shall meet three times a year.

### *4.2. Appointment and Remuneration Committee*

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

## 5. Remunerations

The remuneration allocated to the members of the Board of Directors of Socfin for the financial year 2022 amounts to EUR 18,071,177 compared to EUR 7,864,842 for the financial year 2021. The Directors of Socfin did not receive any other payment in shares (stock options).

## 6. Shareholding status

| *Shareholder* | *Number of shares held = Number of voting rights (*)* | *Percentage holding* | *Date of notification* |
|---|---|---|---|
| Hubert Fabri | 5,083,420 | 35.90 | 04/11/2022 |
| AFICO S.A.<br>L-1650 Luxembourg | 2,758,368 | 19.48 | 04/11/2022 |
| **Total Hubert Fabri (direct and indirect)** | **7,841,788** | **55.38** | |
| Bolloré Participations SE<br>F-29500 Ergué Gaberic | 1,000 | 0.01 | 29/10/2021 |
| Bolloré SE<br>F-29500 Ergué Gaberic | 2,110,698 | 14.91 | 29/10/2021 |
| Compagnie du Cambodge<br>F-92800 Puteaux | 1,747,220 | 12.34 | 29/10/2021 |
| Technifin<br>CH-1705 Fribourg | 1,416,062 | 10.00 | 29/10/2021 |
| Plantations des Terres Rouges<br>L-1724 Luxembourg | 268,080 | 1.89 | 29/10/2021 |
| Compagnie des Glénans<br>F-29500 Ergué Gaberic | 80,000 | 0.56 | 29/10/2021 |
| Compagnie de l'Odet<br>F-29500 Ergué Gaberic | 5,534 | 0.04 | 29/10/2021 |
| **Total Bolloré Participations SE (direct and indirect)** | **5,628,594** | **39.75** | |

## 7. Financial calendar

| | |
|---|---|
| 30th May 2023 | Annual General Meeting at noon |
| 8th June 2023 | Payment of the balance of dividend for 2022 (coupon number 82) |
| End of September 2023 | Half year stand alone and consolidated results at 30th June 2023 |
| Mid-November 2023 | Interim Management statement for 3rd quarter of 2023 |
| End of March 2024 | Annual stand alone results at 31st December 2023 |
| Mid-April 2024 | Consolidated annual results at 31st December 2023 |
| Mid-May 2024 | Interim Management statement for the 1st quarter of 2024 |
| 28th May 2024 | Annual General Meeting at noon |

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

## 8. External audit

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

In 2022, the audit fees amount to EUR 1,509,211 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 2022.

## 9. Corporate, social and environmental responsibility

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

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

Pursuant to the Regulation 2016/347 of the European Commission of 10th March 2016 specifying the modalities for updating insider lists, a list of insiders has been drawn up and is updated continuously. The persons concerned have been 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) the consolidated financial statements prepared for the year ended at 31st December 2022, in accordance with the international accounting standards adopted by the European Union, provide a true and fair view of the assets and liabilities, the financial position and the profits or losses attributable to Socfin and all of the entities included in consolidation; and

(b) the management report fairly presents the evolution and results of the Company, the financial position of the Group and all the entities included in the consolidation and 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 30th May 2023**

Ladies and Gentlemen,

## 1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at 31st December 2022 include the financial statements of Socfin, all subsidiaries and direct and indirect associate companies, the details of which are given in Note 2 of the notes to the consolidated financial statements.

As stated in Note 1 of the notes to the consolidated financial statements, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards or IFRS as adopted by the European Union. Socfin (the Group) adopted IFRS standards for the first time in 2005 and all the standards applicable to the Group at 31st December 2022 have been implemented.

### Consolidated results

For the 2022 financial year, the result attributable to the Group of the parent company amounted to EUR 75.6 million compared to EUR 80.4 million in 2021. This resulted in net earnings of EUR 5.34 per share against EUR 5.68 in 2021.

Consolidated revenue at 31st December 2022 amounted to EUR 991.5 million compared to EUR 837.6 million in 2021 (EUR +153.9 million). This change in revenue is mainly due to increase in the price (EUR +114.0 million) and variation of transactional currency versus Euro (EUR +45.0 million).

Operating profit amounted to EUR 259.3 million compared to EUR 235.3 million at 31st December 2021. The fixed assets were subject to a non-recurring impairment of EUR 27.3 million in 2022.

Other financial income increased to EUR 39.2 million compared to EUR 11.6 million at 31st December 2021. They mainly consisted of foreign exchange gains of EUR 37.0 million.

Financial expenses amounted to EUR 56.5 million compared to EUR 22.9 million at 31st December 2021. They mainly consist of foreign exchange losses of EUR 42.8 million and interest on loans of EUR 10.6 million.

The tax expense has increased. Income taxes amounted to EUR 71.3 million compared to EUR 53.5 million in 2021. Deferred income tax amounted to EUR -4.9 million compared to EUR -0.8 million in 2021.

### Consolidated statement of financial position

The assets of Socfin consist of:

- non-current assets of EUR 817.0 million compared to EUR 848.4 million at 31st December 2021; a decrease of EUR -31.3 million mainly due to the decrease of the non current biological assets for EUR -40.8 million, the decrease of the deferred tax assets for EUR -7.7 million, reduced by the increase in property, plant and equipment of EUR 16.1 million;
- current assets amounting to EUR 374.2 million compared with EUR 329.0 million at 31st December 2021, mainly due to the increase of the cash and cash equivalents for EUR 37.0 million and in inventories for EUR 14.2 million, slightly reduced by the decrease in trade receivables for EUR -5.2 million.

Shareholders' equity amounted to EUR 431.2 million compared to EUR 380.3 million at 31st December 2021. The variation in shareholders' equity of EUR +51.0 million is mainly due to the profit for the period (for EUR +75.6 million), the dividend paid during the period (impact of EUR -17.7 million) and the variation of translation reserve (impact of EUR -9.0 million).

On the basis of the consolidated shareholders' equity, the net value per share before distribution of dividend is EUR 30.46 against EUR 26.85 the previous year. At 31st December 2022, the share price stands at EUR 20.20.

Current and non-current liabilities decreased to EUR 382.2 million compared to EUR 440.5 million the previous year. The difference is mainly due to the decrease for EUR 65.7 million in net borrowings, the increase for EUR 8.9 million in trade payables and for EUR 8.5 million in the current tax liabilities.

### Consolidated cash flow

At 31st December 2022, cash and cash equivalents amount to EUR 167.9 million, an increase of EUR 30.6 million for the year (compared to an increase of EUR 83.1 million in the previous financial year).

Net cash flows from operating activities amount to EUR 282.7 million for the 2022 financial year (EUR 251.6 million in 2021) and cash flows from operations amount to EUR 329.9 million compared to EUR 278.0 million in the previous financial year.

Cash flows from investing activities amount to EUR -73.3 million (compared to EUR -73.1 million in 2021).

Cash flows from financing activities amount to EUR -179.4 million (compared to EUR -98.3 million in 2021). They relate primarily to the payment of dividends of EUR -83.8 million and to the decrease in net borrowings for EUR -82.4 million.

## 2. FINANCIAL INSTRUMENTS

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

## 3. OUTLOOK 2023

The results for the next financial year will depend, to a large extent, on factors which are external to the Group management, namely 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 price of the Indonesian rupiah and the US dollar against the Euro. The Group, for its part, pursues its policy of keeping cost prices as low as possible and improving its production capacity.

## 4. POLITICAL AND ECONOMIC ENVIRONMENT

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

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

### Russia  Ukrain conflict

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 have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to these geopolitical tensions, there has been a significant increase in volatility on the securities and currency markets in 2022, as well as a significant depreciation of the ruble against the US dollar and the euro.

Although neither the companys performance and going concern nor operations, have been significantly impacted by the above during 2022, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.

## 5. EVENTS AFTER THE CLOSING DATE

### Early final reimbursement of loan

At 24th February 2023 and following an early prepayment of Socfin's debt to PNS Ltd, PNS Ltd itself repaid early the outstanding balance of its bank loan, amounting to USD 30,000,000.

Following this final repayment, PNS Ltd bank loan is fully reimbursed, the share pledge and the securities have been waived.

## 6. CORPORATE GOVERNANCE

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

Further information on how the rules are implemented is available in the corporate governance statement in 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 operational, commercial and financial functions implemented at each level of the Group reinforces the independence of internal control.

These different functions ensure the completeness and reliability of the information which is within their areas of responsibility. They provide regular updates of the completeness of information to local managers and to the Group's headquarters (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. They are, in particular, responsible for the implementation of an internal control system adapted to the nature and extent of their activity, the optimisation of their operations and financial performances, the protection of their assets and management of their risks.

This autonomy makes it possible for the entities to be more accountable and to ensure the adequacy between their practices and the legal framework of their host country.

### Centralised control

The Human Resources Management policy of the top management of the entities within the Group is centralised at the Group's headquarters. It contributes to the smooth running of an effective internal control system through the independence of recruitment, the harmonisation of the segregated functions, annual evaluations and training programs.

The operational, commercial and financial functions centrally define a set of standard reports which ensure the homogeneity of the presentation of information originating from the subsidiaries.

### Treasury reporting process

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

### Financial reporting process

The financial department organises, supervises and controls the reporting of monthly accounting, budgetary and financial information and 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 Board of Directors of the subsidiaries.

### Preparation of consolidated accounts

The consolidated financial statements are prepared on a half-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 the secure processing of information feedback from subsidiaries, the transparency and relevance of automatic consolidation processes and the consistency of presentation of accounting aggregates in the annual report. Lastly, due to the complexity of the accounting standards in force and the many specificities related to their implementation, the consolidation service centralises the adjustments specific to the valuation rules applicable to the consolidated financial statements.

## 8. ENVIRONMENT AND SOCIAL RESPONSIBILITY

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

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

**The Board of Directors**

# Auditor’s report on the consolidated financial statements

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

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Société Financière des Caoutchoucs S.A. and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, 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 (the “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 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 Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional 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 2022, the value of the Group’s biological assets amounted to EUR 438 million out of total assets of EUR 1,191 million.

The Group owns biological assets in Africa and 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 9 «Impairment of assets» of the consolidated financial statements describes the methodology used by Group management to assess whether there is any indicator of impairment or any indicator of impairment reversal at the balance sheet date. When an indicator is identified, Group management determines the recoverable amount of the biological assets and thus determines the impairment loss or the reversal of impairment to be recognised, if any.

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

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

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

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

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

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

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

***Audit response***

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

- Assess the compliance of Group’s management’s methodology with the provisions of IAS 36 «Impairment of Assets»;
- Analyze the methodology used with a particular focus on the indicators of impairment or on the indicators of impairment reversal;
- Analyze the completeness of indicators of impairment or indicators of impairment reversal:
  - Evaluating the assessment performed by Group management to identify the existence of indicators of impairment or indicators of impairment reversal by comparing the underlying data of the analysis with the source of the data used;
  - Comparing the evolution of yields per hectare; and
  - Overseeing the audit work of the components auditors of material subsidiaries to identify any indicators of impairment or any indicators of impairment reversal, including that site visits of the plantations have been carried out;

- In case of identification of an indicator of impairment or an indicator of impairment reversal, we:
  - Assess the appropriateness of the methodology applied by Group Management to determine the recoverable value of the biological assets and the accuracy of any impairment loss or any impairment reversal recorded;
  - Analyze the reasonableness of the cash flow forecasts used by Group Management to determine the value in use of the biological assets;
  - Assess the reasonableness of the assumptions and inputs used by Group management; and
  - Reconcile the key inputs used in the model with information audited by the components auditors of material subsidiaries.
- Assess whether the disclosures required by IAS 36 «Impairment of Assets» for biological assets are properly disclosed in the notes of the consolidated financial statements.

**Other information**

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

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

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

**Responsibilities of the Board of Directors and those in charge of governance for the 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 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated 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 Group'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 Group’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 Group 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 3 years.

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

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

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, 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 Group as at 31 December 2022, identified as

# Auditor's report on the consolidated financial statements

Socfin 2022 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 Group in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Anthony CANNELLA

Luxembourg, 31 March 2023

# Consolidated financial statements

## 1. Consolidated statement of financial position

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| *ASSETS* | *Note* | *EUR* | *EUR* |
| ***Non-Current Assets*** | | | |
| Goodwill | 3 | 4,951,057 | 4,951,057 |
| Right-of-use assets | 4 | 11,902,767 | 10,505,511 |
| Intangible assets | 5 | 2,594,599 | 3,705,743 |
| Property, plant and equipment | 6 | 338,771,365 | 322,679,989 |
| Biological assets | 7 | 438,088,818 | 478,856,665 |
| Investment properties | 10 | 3,670,084 | 3,860,781 |
| Financial assets at fair value through other comprehensive income | 12 | 688,024 | 715,578 |
| Long-term advances | | 1,978,537 | 1,858,758 |
| Deferred tax assets | 13 | 11,698,487 | 19,434,381 |
| Other non-current assets | | 2,699,565 | 1,823,792 |
| | | ***817,043,303*** | ***848,392,255*** |
| | | | |
| ***Current Assets*** | | | |
| Inventories | 16 | 128,671,570 | 114,505,857 |
| Current biological assets | 7 | 4,689,621 | 3,559,160 |
| Trade receivables | 17 | 36,867,117 | 42,082,791 |
| Other receivables | 18 | 8,665,133 | 10,238,140 |
| Current tax assets | 14 | 14,942,449 | 15,291,971 |
| Cash and cash equivalents | 19 | 180,322,293 | 143,315,435 |
| | | ***374,158,183*** | ***328,993,354*** |
| | | | |
| *TOTAL ASSETS* | | *1,191,201,486* | *1,177,385,609* |

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

# Consolidated financial statements

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| ***EQUITY AND LIABILITIES*** | ***Note*** | ***EUR*** | ***EUR*** |
| ***Equity attributable to the owners of the Parent*** | | | |
| Share capital | 20 | 24,779,510 | 24,779,510 |
| Share premium | 20 | 501,847 | 501,847 |
| Legal reserve | 21 | 2,477,951 | 2,477,951 |
| Consolidated reserves | | 444,942,847 | 380,183,421 |
| Translation reserves | | -117,053,765 | -108,075,534 |
| Profit / (loss) for the period | | 75,586,975 | 80,389,524 |
| | | ***431,235,365*** | ***380,256,719*** |
| | | | |
| ***Non-controlling interests*** | 11 | ***377,808,668*** | ***356,654,107*** |
| | | | |
| ***Total Equity*** | | ***809,044,033*** | ***736,910,826*** |
| | | | |
| ***Non-Current Liabilities*** | | | |
| Deferred tax liabilities | 13 | 14,322,563 | 16,941,426 |
| Employee benefits obligations | 22 | 47,578,049 | 51,008,374 |
| Long-term debt, net of current portion | 23 | 47,637,647 | 125,924,853 |
| Long-term lease liabilities | 4 | 11,087,025 | 10,977,779 |
| Other payables | 24 | 6,005,421 | 7,401,153 |
| | | ***126,630,705*** | ***212,253,585*** |
| | | | |
| ***Current Liabilities*** | | | |
| Short-term debt and current portion of long-term debt | 23 | 51,060,969 | 38,433,365 |
| Short-term lease liabilities | 4 | 1,836,468 | 1,401,018 |
| Trade payables | 24 | 53,844,413 | 44,968,591 |
| Current tax liabilities | 14 | 56,820,337 | 48,328,464 |
| Provisions | | 666,523 | 381,506 |
| Other payables | 24 | 91,298,038 | 94,708,254 |
| | | ***255,526,748*** | ***228,221,198*** |
| | | | |
| ***TOTAL EQUITY AND LIABILITIES*** | | ***1,191,201,486*** | ***1,177,385,609*** |

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

## 2. Consolidated income statement

| | Note | 2022<br>EUR | 2021<br>EUR |
|---|---|---|---|
| Revenue | 33 | 991,511,407 | 837,644,569 |
| Work performed by entity and capitalised | | 10,557,795 | 13,066,016 |
| Change in inventories of finished products and work in progress | | -4,795,074 | 830,651 |
| Other operational income | | 11,926,344 | 8,640,023 |
| Raw materials and consumables used | 33 | -343,091,740 | -288,189,236 |
| Other expenses | 33 | -110,398,857 | -97,953,325 |
| Staff costs | 26 | -172,621,305 | -153,346,286 |
| Depreciation and impairment expense | 8 | -95,876,217 | -64,496,770 |
| Other operating expenses | 33 | -27,875,215 | -20,861,972 |
| ***Operating profit / (loss)*** | | ***259,337,138*** | ***235,333,670*** |
| | | | |
| Other financial income | 27 | 39,239,727 | 11,620,171 |
| Gain on disposals | | 897,913 | 202,701 |
| Loss on disposals | | -2,315,202 | -3,313,945 |
| Financial expenses | 28 | -56,548,682 | -22,920,697 |
| ***Profit / (loss) before taxes*** | | ***240,610,894*** | ***220,921,900*** |
| | | | |
| Income tax expense | 15 | -71,319,742 | -53,538,854 |
| Deferred tax (expense) / income | 15 | -4,936,022 | -840,121 |
| ***Profit / (loss) for the period*** | | ***164,355,130*** | ***166,542,925*** |
| | | | |
| ***Profit / (loss) attributable to non-controlling interests*** | | ***88,768,155*** | ***86,153,402*** |
| | | | |
| ***Profit / (loss) attributable to the owners of the Parent*** | | ***75,586,975*** | ***80,389,523*** |
| | | | |
| ***Basic earnings per share undiluted*** | 29 | ***5.34*** | ***5.68*** |

| | 2022 | 2021 |
|---|---|---|
| Number of Socfin shares | 14,159,720 | 14,159,720 |
| | | |
| Basic earnings per share | 5.34 | 5.68 |
| Diluted earnings per share | 5.34 | 5.68 |

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

## 3. Consolidated statement of comprehensive income

| | Note | 2022 EUR | 2021 EUR |
|---|---|---|---|
| ***Profit / (loss) for the period*** | | ***164,355,130*** | ***166,542,925*** |
| | | | |
| ***Other comprehensive income*** | | | |
| Actuarial gains / (losses) | 22 | 3,482,512 | 1,874,113 |
| Deferred tax on actuarial losses and gains | | -617,857 | -590,525 |
| Fair value changes of securities measured at fair value through other comprehensive income, before taxes | 12 | -27,554 | -36,378 |
| Deferred tax on fair value changes of securities measured at fair value through other comprehensive income | | 6,872 | 9,073 |
| *Subtotal of items that cannot be reclassified to profit or loss* | | *2,843,973* | *1,256,283* |
| | | | |
| Gains / (losses) on exchange differences on translation of subsidiaries | | -9,379,794 | 26,809,123 |
| *Subtotal of items eligible for reclassification to profit or loss* | | *-9,379,794* | *26,809,123* |
| | | | |
| ***Total other comprehensive income*** | | ***-6,535,821*** | ***28,065,406*** |
| | | | |
| ***Comprehensive income*** | | ***157,819,309*** | ***194,608,331*** |
| | | | |
| ***Comprehensive income attributable to non-controlling interests*** | | ***88,900,287*** | ***97,777,989*** |
| | | | |
| ***Comprehensive income attributable to the owners of the Parent*** | | ***68,919,022*** | ***96,830,342*** |

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

## 4. Consolidated statement of cash flows

| | | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| | Note | EUR | EUR |
| Operating activities | | | |
| Profit / (loss) attributable to the owners of the Parent | | 75,586,975 | 80,389,524 |
| Profit / (loss) attributable to non-controlling shareholders | | 88,768,156 | 86,153,405 |
| Fair value of agricultural production | | -8,167,929 | -6,709,158 |
| Other adjustments having no impact on cash position | | -7,614,477 | -1,658,242 |
| Depreciation and impairment expense | 8 | 95,876,218 | 64,496,769 |
| Provisions and allowances | | 7,312,366 | -2,143,251 |
| Net loss on disposals of assets | | 1,880,760 | 3,110,167 |
| Income tax expense and deferred tax | 15 | 76,255,766 | 54,378,976 |
| ***Cash flows from operating activities*** | | ***329,897,835*** | ***278,018,190*** |
| *Interest expense* | 27, 28 | *9,025,529* | *9,838,397* |
| *Income tax paid* | 15 | *-71,319,742* | *-53,538,854* |
| Change in inventory | | -8,881,196 | -6,537,010 |
| Change in trade and other receivables | | 5,220,302 | 3,161,743 |
| Change in trade and other payables | | 19,354,190 | 16,494,145 |
| Change in accruals and prepayments | | -623,303 | 4,178,499 |
| ***Change in working capital requirement*** | | ***15,069,993*** | ***17,297,377*** |
| ***Net cash flows from operating activities*** | | ***282,673,615*** | ***251,615,110*** |
| Investing activities | | | |
| Acquisitions / disposals of intangible assets | | -670,619 | -1,857,690 |
| Acquisitions of property, plant and equipment and biological assets | 6, 7 | -76,862,221 | -73,604,183 |
| Disposals of property, plant and equipment | | 4,196,693 | 2,356,151 |
| Acquisitions / disposals of financial assets | | 70,269 | 21,543 |
| ***Net cash flows from investing activities*** | | ***-73,265,878*** | ***-73,084,179*** |
| Financing activities | | | |
| Acquisition of additional interests in subsidiaries | | -2,177,315 | -1 |
| Dividends paid to the owners of the Parent | 30 | -17,699,650 | -1,415,972 |
| Dividends paid to non-controlling shareholders | 11 | -66,091,730 | -32,103,320 |
| Proceeds from borrowings | 23 | 7,030,288 | 91,818,266 |
| Repayment of borrowings | 23 | -89,450,023 | -144,874,371 |
| Repayment of lease liabilities | 23 | -2,035,612 | -1,883,386 |
| Interest paid | 27, 28 | -9,025,529 | -9,838,397 |
| ***Net cash flows from financing activities*** | | ***-179,449,571*** | ***-98,297,181*** |
| Effect of exchange rate fluctuations | | 621,212 | 2,896,632 |
| ***Net cash flow*** | | ***30,579,378*** | ***83,130,382*** |
| Cash and cash equivalents at 1st January | 19 | 137,285,678 | 54,155,296 |
| Cash and cash equivalents at 31st December | 19 | 167,865,056 | 137,285,678 |
| ***Net increase / (decrease) in cash and cash equivalents*** | | ***30,579,378*** | ***83,130,382*** |

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

## 5. Consolidated statement of changes in equity

| EUR | Share capital | Share premium | Legal reserve | Translation reserves | Conso-lidated reserves | Equity attributable to the owners of the Parent | Non-controlling interests | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|
| ***Balance at 1st January 2021*** | ***24,779,510*** | ***501,847*** | ***2,477,951*** | ***-124,110,578*** | ***381,225,678*** | ***284,874,408*** | ***290,923,286*** | ***575,797,694*** |
| Profit / (loss) for the period | | | | | 80,389,523 | **80,389,523** | 86,153,402 | **166,542,925** |
| Actuarial (losses) / gains | | | | | 690,396 | **690,396** | 593,192 | **1,283,588** |
| Change in fair value of securities at fair value through other comprehensive income | | | | | -16,199 | **-16,199** | -11,106 | **-27,305** |
| Foreign currency translation adjustments | | | | 15,766,622 | 0 | **15,766,622** | 11,042,501 | **26,809,123** |
| Transfer between reserves | | | | 268,422 | -268,422 | **0** | 0 | **0** |
| ***Other comprehensive income*** | | | | ***16,035,044*** | ***80,795,298*** | ***96,830,342*** | ***97,777,989*** | ***194,608,331*** |
| | | | | | | | | |
| Dividends (Note 30) | | | | | 0 | **0** | -28,671,383 | **-28,671,383** |
| Interim dividends (Note 30) | | | | | -1,415,972 | **-1,415,972** | -3,431,937 | **-4,847,909** |
| Other movements | | | | | -32,058 | **-32,058** | 56,153 | **24,095** |
| ***Transactions with shareholders*** | | | | | ***-1,448,030*** | ***-1,448,030*** | ***-32,047,167*** | ***-33,495,197*** |
| | | | | | | | | |
| ***Balance at 31st December 2021*** | ***24,779,510*** | ***501,847*** | ***2,477,951*** | ***-108,075,534*** | ***460,572,946*** | ***380,256,720*** | ***356,654,107*** | ***736,910,828*** |
| | | | | | | | | |
| ***Balance at 1st January 2022*** | ***24,779,510*** | ***501,847*** | ***2,477,951*** | ***-108,075,534*** | ***460,572,946*** | ***380,256,720*** | ***356,654,107*** | ***736,910,828*** |
| Profit / (loss) for the period | | | | | 75,586,975 | **75,586,975** | 88,768,155 | **164,355,130** |
| Actuarial (losses) / gains | | | | | 1,608,012 | **1,608,012** | 1,256,643 | **2,864,655** |
| Change in fair value of securities at fair value through other comprehensive income | | | | | -12,301 | **-12,301** | -8,381 | **-20,682** |
| Foreign currency translation adjustments | | | | -8,263,664 | 0 | **-8,263,664** | -1,116,130 | **-9,379,794** |
| Transfer between reserves | | | | 708 | -708 | **0** | 0 | **0** |
| ***Other comprehensive income*** | | | | ***-8,262,956*** | ***77,181,978*** | ***68,919,021*** | ***88,900,287*** | ***157,819,307*** |
| | | | | | | | | |
| Dividends (Note 30) | | | | | -7,079,860 | **-7,079,860** | -41,246,080 | **-48,325,940** |
| Interim dividends (Note 30) | | | | | -10,619,790 | **-10,619,790** | -24,845,650 | **-35,465,440** |
| Other movements (Notes 2,11) | | | | -715,275 | 474,548 | **-240,726** | -1,653,996 | **-1,894,222** |
| ***Transactions with shareholders*** | | | | ***-715,275*** | ***-17,225,102*** | ***-17,940,376*** | ***-67,745,726*** | ***-85,686,102*** |
| | | | | | | | | |
| ***Balance at 31st December 2022*** | ***24,779,510*** | ***501,847*** | ***2,477,951*** | ***-117,053,765*** | ***520,529,822*** | ***431,235,365*** | ***377,808,668*** | ***809,044,033*** |

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

# 6. Notes to the consolidated financial statements

## Note 1. Overview and accounting policies

### 1.1. Overview

Société Financière des Caoutchoucs, abbreviated Socfin ("the Company") was incorporated on 5th December 1959. Its corporate purpose qualifies it as a soparfi since the Annual General Meeting of 10th 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 mainly focused on the operation of tropical palm oil and rubber plantations in Africa and South-East of Asia.

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

### 1.2. Statement of compliance

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

On 29th March 2023, 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 the accounts is the ESEF version available with the Officially Appointed Mechanism (OAM) tool.

***New standards and amendments issued but not yet effective on 1st January 2022:***

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 anticipate early adoption of new accounting standards, amendments and interpretations.

- 18th May 2017, the IASB issued IFRS 17 ˝Insurance Contracts˝, which establishes principles for the recognition, measurement and presentation of insurance contracts. Under IFRS 17, insurance performance should be measured at its current execution value and provide a more consistent measurement and presentation method for all types of insurance contracts. IFRS 17 replaces IFRS 4 ˝Insurance contracts˝ and its interpretations. It is effective as of 1st January 2023 and early adoption is permitted if IFRS 15 ˝Revenue from Contracts with Customers˝ and IFRS 9 ˝Financial Instruments˝ have been applied. On 9th December 2021, the IASB issued amendments to IFRS 17, aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities.

- On 7th May 2021, the IASB published amendments to IAS 12 ˝Deferred Tax related to Assets and Liabilities arising from a Single Transaction˝. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. They are effective for financial years beginning on or after 1st January 2023 and are to be applied retrospectively, with early adoption permitted.

- On 12th February 2021, the IASB issued amendments to IAS 1, IFRS Practice Statement 2 ˝Making Judgments about Materiality˝ and IAS 8. The amendments are intended to assist preparers in determining the accounting policies to be presented in their financial statements, to further enhance the importance in determining the accounting policies, and to distinguish changes in accounting estimates from changes in accounting policies. They are effective for financial years beginning on or after 1st January 2023 and are to be applied prospectively, with early adoption permitted.

***New IFRS standards, amendments and interpretations not yet endorsed by the European Union:***

- On 23rd January 2020, the IASB published amendments to IAS 1 "Presentation of Financial Statements" on the classification of liabilities as current and non-current in order to establish a more general approach to the classification of liabilities under IAS 1, based on an analysis of contracts existing at the balance sheet date. The amendments include clarification of the requirements for classifying liabilities that a company could settle by converting them into equity. On 15th July 2020, the IASB deferred the effective date of the amendments. On 31st October 2022, the IASB issued "Non-current Liabilities with Covenants" to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1st January 2024. The Group does not expect the adoption of these amendments to have a material impact on its consolidated financial statements.

- On 22nd September 2022, the IASB issued amendments to IFRS 16 "Lease Liability in a Sale and Leaseback", that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for a sale. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment applies retrospectively to annual reporting periods beginning on or after 1st January 2024, with early adoption permitted. The Group does not expect the adoption of these amendments to have a material impact on its consolidated financial statements.

### 1.3. Presentation of consolidated financial statements

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

- Biological assets (current) (IAS 2, IAS 41), derivative instruments and securities measured at fair value through other comprehensive income are recognised at fair value;
- Property, plant and equipment acquired as part of a business combination (IFRS 3) 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 31st December 2022 and are presented before the Annual General Meeting of shareholders approving the allocation of the parent company's income.

As of 1st January 2022, the Group adopted the following amendments without any material impact on the Group's consolidated financial statements:

- Amendment to IFRS 3 Business Combinations - reference to the Conceptual Framework: the amendments updated the reference to the Conceptual Framework for Financial Reporting, added a reference to IAS 37 or IFRIC 21 when a company identifies the liabilities assumed in a business combination, and stated that an acquirer should not recognise contingent assets acquired in a business combination.

- Amendment IAS 16 Property, Plant and Equipment: the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company should recognise such sales proceeds and related cost in profit or loss.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract: these amendments specify which costs a company includes when assessing whether a contract will be loss-making.

- Annual Improvements to IFRS Standards 2018–2020. These amendments concern IFRS 1, IFRS 9, IFRS 16 and IAS 41:
  - IFRS 1 (1st time adopter): allows a subsidiary to measure translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS
  - IFRS 16: removal from the illustrative examples of the illustration of the reimbursement of leasehold improvements by the lessor
  - IFRS 9: the amendment clarifies which fees an entity includes when it applies the ″10 per cent″

test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability

- IAS 41: the amendment removes the requirement in IAS 41.22 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

### 1.4. Consolidation principles

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

All companies included in the scope of consolidation as of 31st December 2022 close their accounts on 31st December.

***Subsidiaries***

In accordance with IFRS 10, an investor has control when three conditions are fulfilled:
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 each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests 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 other companies in the scope of consolidation.

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 and other components of equity, while any residual gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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

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

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

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

### 1.6. Business combinations

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

For each business combination, the Group elects whether to measure the non-controlling interests 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, 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 result of disposal.

### 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.

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

### 1.9. Foreign currency conversion

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

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

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

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

| | Closing rate | | Average Rate | |
|---|---|---|---|---|
| **1 euro equals to:** | **31/12/2022** | **31/12/2021** | **2022** | **2021** |
| Euro | 1.000 | 1.000 | 1.000 | 1.000 |
| CFA franc | 655.957 | 655.957 | 655.957 | 655.957 |
| Ghanaian cedi | 9.1472 | 6.8025 | 8.4184 | 6.8705 |
| Indonesian rupiah | 16,713 | 16,161 | 15,648 | 16,938 |
| Nigerian naira | 478.92 | 467.50 | 445.11 | 471.97 |
| Dobra of São Tomé | 24.50 | 24.50 | 24.50 | 24.50 |
| Congolese franc | 2,151 | 2,265 | 2,103 | 2,351 |
| American dollar | 1.0666 | 1.1326 | 1.0479 | 1.1809 |

### 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 | Length of the concessions |

Amortisation starts from the date of bringing the asset into use.

Gains or losses arising on derecognition of assets (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 based on 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 brought into use.
Land is not subject to depreciation.

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

### 1.12. Investment properties

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

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

Depreciation is determined on a straight-line basis over the useful life of the asset. The depreciation period for investment properties is set at 50 years.
Gains or losses arising on derecognition of assets (difference between the disposal proceeds and the carrying amount of the asset) are included in the income statement when assets are derecognised.

### 1.13. Bearer biological assets

The Group has biological assets in Africa and Asia. Bearer plants, mainly consisting of palm oil and rubber plantations, are valued by using the cost model, according to the principles defined in IAS 16 "Tangible fixed assets".

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

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

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

The estimated useful lives are as follows:

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

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 in Asia, in the fourth year after palm oil tree planting in Africa and in the seventh year after rubber tree planting. For each entity, the operating period can be adapted according to the particular circumstances.

***Agricultural production***
Agricultural production at harvest is valued at fair value less 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 (finished product). These forecasts are based on the RSS3 grade (smoked sheet) 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 cannot be used as a reference for valuation.

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

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

### 1.14. Leases

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

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

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

The Group's lease contracts are standard contracts that do not include additional non-leasing components, except for some vehicle lease contracts that include a maintenance service. The Group has used the practical expedient that allows not separating 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, 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 not known 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 of similar value 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, adjusted to reflect the change in financing conditions since the financing was received;
- uses a build-up approach starting with a risk-free rate adjusted for credit risk for leases for entities with no recent external financing;
- makes lease specific adjustments (such as term, country, currency and collateral).

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

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

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

### 1.15. Impairment of assets

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

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

An impairment loss recorded on goodwill cannot be subsequently reversed.

### 1.16. Inventories

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

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

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

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

### 1.17. Trade receivables

Trade receivables are valued at their nominal value and do not bear interest. The Group applies a simplified approach and records a provision for expected losses over the life of the receivables. This provision for losses is an amount that the Group considers a reliable estimate of the inability of its customers to make the required payments (refer to Note 34).

### 1.18. Cash and cash equivalents

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

### 1.19. Financial instruments

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

***Financial instruments derivatives***
Financial instruments derivatives are measured at fair value at each reporting date.
The accounting treatment depends on the qualification of the instrument concerned:

- *Hedging instruments:*
The Group refers to certain hedging instruments, including foreign exchange risk and interest rate risk derivatives, as cash flow hedges. Foreign currency hedges related to firm commitments are accounted for as cash flow hedges.

At the inception of the hedging relationship, the entity prepares documentation describing the relationship between the hedging instrument and the hedged item as well as its risk management objectives and strategy for performing various hedging transactions. In addition, when the hedge is created and regularly thereafter, the Group indicates whether the hedging instrument is highly effective in offsetting changes in the fair value or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges and qualify for such designation is recognised in other comprehensive income and accumulated in the hedging reserve, cash flow. The gain or loss related to the ineffective portion is recognised immediately in profit or loss, in other gains and losses.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to net income in the periods in which the hedged item affects net income, to the same account as the recognised hedged item. However, if a hedged forecast transaction results in the recognition of a non-financial asset or liability, the gains and losses that were previously recognised in other comprehensive income and accumulated in equity are taken out of equity to be recognised in the initial measurement of the cost of the non-financial asset or liability.

For the periods 2021 and 2022, no hedging instruments were used by the Group.

- *Other instruments:*
Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement when they occur.

To hedge its exposure to certain foreign exchange risks, the Group uses forward exchange contracts: for the periods 2021 and 2022, forward exchange contracts were used by the Group.

***Loans***
The Group's business model for financial assets management refers to 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, the disposal of financial assets or both. Financial assets classified and measured at amortised cost are held in a business model with the objective of holding financial assets to 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) model. They are accounted for using the amortised cost 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 amounts received, net of 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 when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to 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) less any write-downs covering amounts considered as non-recoverable if the Group deems it necessary. Impairment of assets is recognised in the income statement under "Other operating income/ expenses". The Group has established a provision matrix, based on its historical credit loss experience (average default over several years), adjusted for prospective factors specific to the debtors and the economic environment. The carrying amount of the asset is reduced through the use of 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 taking into account the local economic reality of each country. They are reviewed at the reception of new events and at least annually.

### 1.20. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) resulting from a past event which will probably lead to an outflow of economic benefits that can be reasonably estimated.

Restructuring provisions are recognised when the Group has a formal and detailed plan for the restructuring that has been notified to the affected parties.

### 1.21. Pension obligations

***Defined contribution plans***

These 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 in which they are due.

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

***Defined benefit plans***

These 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 economic conditions prevailing in the country in which the plan is located.

The discount rates applicable to discount post-employment benefit obligations should be determined by reference to the market yields on high quality corporate bonds that are appropriate to the estimated timing of benefit payments at the balance sheet date.

The Group decided to calculate discount rates using an economic approach for high-quality corporate bonds corresponding to the terms of the 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 using the projected unit credit method, with a discounted value calculation at the balance sheet date in accordance with the principles of IAS 19 "Employee Benefits".

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

Remeasurements of defined benefit pension obligations, including actuarial gains and losses, should be recognised immediately in “Other comprehensive income”.

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 is the present value of the pension obligations of the defined benefit plans adjusted for actuarial gains and losses and less the fair value of plan assets.

### 1.22. Revenue recognition

The Group’s revenues derive from the performance obligation of transferring 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 when the goods are made available to the carrier or when the buyer takes possession of the goods, depending 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 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, which the company expects to be entitled to.

The selling price is determined at the market price and in a few cases the selling price is contractually determined on a provisional basis, based on a reliable estimate of the selling price. 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 being the principal in its revenue arrangements, because it controls the goods sold before transferring them to the customers.

As at 31st December 2022, revenue from the major customer within the Group accounted for approximately EUR 96.2 million (2021: EUR 81.9 million) of total Group revenue.

### 1.23. Taxes

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

Temporary differences between the book values of assets and liabilities and their tax bases give rise to the recognition of a deferred tax using the tax rates whose application is provided for when reversing the temporary differences, as adopted on the closing date.

Deferred taxes are recognised for all temporary differences unless the deferred tax is generated by goodwill or by the initial recognition of an asset or a liability that is not acquired through a business combination and does not affect the accounting profit or the taxable profit on the transaction date.

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 is likely that it will not reverse in the foreseeable future.

A deferred tax asset is recognised to carry forward unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available on which these unused tax losses and tax credits can be charged.

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.

### 1.24. Segment information

IFRS 8 “Operating Segments” requires operating segments to be identified based on the internal reporting analysed by the entity’s chief operating decision-maker to assess performance and make resource decisions for the segments.

The identification of these operational sectors follows from the information analysed by the management which is based on the geographic distribution of political and economic risks and on the analysis of individual social accounts at historical cost.

### 1.25. Use of estimates

For the preparation of consolidated financial statements in accordance with IFRS, Group management has had to make assumptions based on its best estimates that affect 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 amounts that will appear in the Group's future consolidated financial statements may differ from current estimates. Significant accounting policies, for which the Group has made estimates, mainly concern the application of IAS 19 (Note 22), IAS 41 / IAS 2 (Notes 7 and 16), IAS 16 (Note 6), IAS 36 (Notes 8 and 9), IFRS 9 (Note 25) and IFRS 16 (Note 4).

In the absence of observable data within the scope of IFRS 13, the Group makes use of a model developed to assess the fair value of agricultural production based on local production costs and conditions and local sales (Refer to Note 1.13).

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

### 1.26. Climate effect

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

The Group considered climatic events such as severe wind or fires in the valuation of the biological assets, however and given the actual level of knowledge, distinguishing impacts of natural climate variations apart from climate impacts related to anthropic activity remain difficult.

The effects of the climate change on the Group's financial statements as at 2022 year-end remain uncertain. The Management Board considered various documentation in its assessment of the impact, such as the last Intergovernmental Panel on Climate Change (IPCC) reports, that do not link the climate change to a negative impact on oil palm plantations.

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

### 1.27. Russia – Ukrain conflict

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 have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to these geopolitical tensions, there has been a significant increase in volatility on the securities and currency markets in 2022, as well as a significant depreciation of the ruble against the US dollar and the euro.

Although neither the company's performance and going concern nor operations, have been significantly impacted by the above during 2022, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.

## Note 2. Subsidiaries and associates

| | % Group Interest 2022 | % Group Control 2022 | Consolidation Method (*) 2022 | % Group Interest 2021 | % Group Control 2021 | Consolidation Method (*) 2021 |
|---|---|---|---|---|---|---|
| **AFRICA** | | | | | | |
| ***Rubber and palm*** | | | | | | |
| SOGB S.A. | 41.17 | 73.16 | FI | 41.09 | 73.16 | FI |
| PLANTATIONS SOCFINAF GHANA "PSG" LTD | 64.64 | 100.00 | FI | 64.51 | 100.00 | FI |
| OKOMU OIL PALM COMPANY PLC | 42.90 | 66.38 | FI | 42.08 | 65.23 | FI |
| SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A. | 44.63 | 69.05 | FI | 44.55 | 69.05 | FI |
| SOCIETE CAMEROUNAISE DE PALMERAIES "SOCAPALM" S.A. | 43.60 | 67.46 | FI | 43.52 | 67.46 | FI |
| ***Rubber*** | | | | | | |
| LIBERIAN AGRICULTURAL COMPANY "LAC" | 64.64 | 100.00 | FI | 64.51 | 100.00 | FI |
| SALALA RUBBER CORPORATION "SRC" | 64.64 | 100.00 | FI | 64.51 | 100.00 | FI |
| SUD COMOË CAOUTCHOUC "SCC" S.A. | 39.39 | 70.01 | FI | 39.32 | 70.01 | FI |
| ***Palm*** | | | | | | |
| SOCFIN AGRICULTURAL COMPANY "SAC" LTD | 60.11 | 93.00 | FI | 60.00 | 93.00 | FI |
| SOCIETE DES PALMERAIES DE LA FERME SUISSE "SPFS" S.A. | 43.60 | 100.00 | FI | 43.52 | 100.00 | FI |
| AGRIPALMA LDA | 56.88 | 88.00 | FI | 56.77 | 88.00 | FI |
| BRABANTA S.A. | 64.64 | 100.00 | FI | 64.58 | 100.00 | FI |
| ***Other activities*** | | | | | | |
| BEREBY-FINANCES "BEFIN" S.A. | 56.27 | 87.06 | FI | 56.16 | 87.06 | FI |
| CAMSEEDS S.A. | 43.70 | 100.00 | FI | 43.62 | 100.00 | FI |
| SOGESCOL CAMEROUN "SOGESCOL CAM" S.A.R.L. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| **ASIA** | | | | | | |
| ***Rubber and palm*** | | | | | | |
| PT SOCFIN INDONESIA "SOCFINDO" | 52.43 | 90.00 | FI | 52.28 | 90.00 | FI |
| ***Rubber*** | | | | | | |
| SETHIKULA CO LTD | 58.25 | 100.00 | FI | 58.09 | 100.00 | FI |
| SOCFIN-KCD CO LTD | 58.25 | 100.00 | FI | 58.09 | 100.00 | FI |
| VARANASI CO LTD | 58.25 | 100.00 | FI | 58.09 | 100.00 | FI |
| COVIPHAMA CO LTD | 58.25 | 100.00 | FI | 58.09 | 100.00 | FI |
| **EUROPE** | | | | | | |
| ***Other activities*** | | | | | | |
| CENTRAGES S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| IMMOBILIERE DE LA PEPINIERE S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| INDUSERVICES S.A. | 74.78 | 100.00 | FI | 74.68 | 100.00 | FI |
| INDUSERVICES FR S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| MANAGEMENT ASSOCIATES S.A. | 60.72 | 80.00 | FI | 62.91 | 90.00 | FI |
| PLANTATION NORD-SUMATRA LTD "PNS Ltd" S.A. | 58.25 | 100.00 | FI | 58.09 | 100.00 | FI |
| SOCIETE ANONYME FORESTIERE AGRICOLE "SAFA" S.A.S. | 64.64 | 100.00 | FI | 64.51 | 100.00 | FI |
| SOCFINAF S.A. | 64.64 | 64.64 | FI | 64.51 | 64.51 | FI |
| SOCFINASIA S.A. | 58.25 | 58.25 | FI | 58.09 | 58.09 | FI |
| SOCFINCO S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| SOCFINCO FR S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| SOCFINDE S.A. | 59.48 | 99.92 | FI | 59.33 | 99.92 | FI |
| SODIMEX S.A. | 0.00 | 0.00 | NC | 61.30 | 100.00 | FI |
| SODIMEX FR S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| SOGESCOL FR S.A. | 61.44 | 100.00 | FI | 61.30 | 100.00 | FI |
| STP INVEST S.A. | 64.64 | 100.00 | FI | 64.51 | 100.00 | FI |
| TERRASIA S.A. | 68.27 | 100.00 | FI | 68.15 | 100.00 | FI |

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

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

### List of subsidiaries and associates

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

* BEREBY-FINANCES "BEFIN" S.A. is a holding company under Ivorian law owning the Ivorian companies SOGB S.A. and SCC. S.A.

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

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

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

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

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

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

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

* LIBERIAN AGRICULTURAL COMPANY "LAC" is a company under Liberian law specialising in the production of rubber.

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

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

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

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

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

* SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN "SAFACAM" S.A. is a company under Cameroon law active in the cultivation of rubber trees.

* SALALA RUBBER CORPORATION "SRC" is a company under Liberian law active in the production of palm oil and the cultivation of rubber trees.

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

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

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

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

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

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

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

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

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

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

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

* SODIMEX S.A. has been removed from the consolidation scope in 2022, as it was liquidated during the period.

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

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

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

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

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

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

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

* VARANASI CO LTD is a company under Cambodian law holding concession of agricultural land.

## Note 3. Goodwill

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Gross amount at 1st January | 16,297,341 | 16,297,341 |
| Gross amount at 31st December | 16,297,341 | 16,297,341 |
| | | |
| Impairment at 1st January | -11,346,284 | -11,346,284 |
| Impairment at 31st December | -11,346,284 | -11,346,284 |
| | | |
| Net balance at 31st December | 4,951,057 | 4,951,057 |

Goodwill resulted from the initial consolidation of undertakings.

Impairment test on goodwill is disclosed in Note 9.

## Note 4. Leases

**Right-of-use assets:**

| EUR | Furniture, vehicles and other | Buildings | Land and concession of agricultural area | TOTAL |
|---|---|---|---|---|
| Gross value at 1st January 2021 | 7,363,351 | 4,178,930 | 8,294,510 | 19,836,791 |
| Additions | 1,018,008 | 244,690 | 197,754 | 1,460,452 |
| Foreign exchange differences | 8,302 | 23,118 | 206,363 | 237,783 |
| Gross value at 31st December 2021 | 8,389,661 | 4,446,738 | 8,698,627 | 21,535,026 |
| | | | | |
| Accumulated depreciation at 1st January 2021 | -4,694,101 | -1,654,033 | -2,521,649 | -8,869,783 |
| Depreciation | -1,500,098 | -286,073 | -244,045 | -2,030,216 |
| Foreign exchange differences | -8,124 | -50,087 | -71,306 | -129,517 |
| Accumulated depreciation at 31st December 2021 | -6,202,323 | -1,990,193 | -2,837,000 | -11,029,516 |
| Net book value at 31st December 2021 | 2,187,338 | 2,456,545 | 5,861,627 | 10,505,510 |
| | | | | |
| Gross value at 1st January 2022 | 8,389,661 | 4,446,738 | 8,698,627 | 21,535,026 |
| Additions | 2,517,377 | 0 | 58,191 | 2,575,568 |
| Disposals | 0 | -136,602 | 0 | -136,602 |
| Transfer | 0 | 0 | 1,171,888 | 1,171,888 |
| Foreign exchange differences | -32,383 | 18,542 | -4,169 | -18,010 |
| Gross value at 31st December 2022 | 10,874,655 | 4,328,678 | 9,924,537 | 25,127,870 |
| | | | | |
| Accumulated depreciation at 1st January 2022 | -6,202,323 | -1,990,193 | -2,837,000 | -11,029,516 |
| Depreciation | -1,673,697 | -300,913 | -271,888 | -2,246,498 |
| Depreciation reversals | 0 | 40,980 | 0 | 40,980 |
| Transfer | 0 | 0 | -14,218 | -14,218 |
| Foreign exchange differences | 40,887 | -7,572 | -9,167 | 24,148 |
| Accumulated depreciation at 31st December 2022 | -7,835,133 | -2,257,698 | -3,132,273 | -13,225,104 |
| Net book value at 31st December 2022 | 3,039,522 | 2,070,980 | 6,792,264 | 11,902,766 |

### *Lease liabilities*

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | EUR | EUR |
| Long-term lease liabilities | 11,087,025 | 10,977,779 |
| Short-term lease liabilities | 1,836,468 | 1,401,018 |
| ***Total*** | ***12,923,493*** | ***12,378,797*** |

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

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Depreciation of right-of-use assets | 2,246,498 | 2,030,216 |
| Expenses related to short-term leases and leases of low-value assets | 1,735,913 | 2,198,658 |
| Interest expense (included in the financial expenses) | 1,147,359 | 1,062,744 |
| ***Total*** | ***5,129,770*** | ***5,291,618*** |

Information relating to leases where the Group is the lessor is provided in Note 10.

### *Agricultural concessions*

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

| *Company* | *Date of initial lease or renewal extension* | *Duration of the initial lease* | *Area conceded* | |
|---|---|---|---|---|
| SAC | 2013/2014 | 50 years | 18,473 ha | (1) |
| LAC | 1959 | 77 years | 121,407 ha | |
| SRC | 1960 | 70 years | 8,000 ha | (3) |
| SOGB | 1995 | 99 years | 34,712 ha | |
| PSG | 2013/2016 | 50 years | 18,304 ha | |
| OKOMU | 1986/2001/2013 | 92 to 99 years | 33,113 ha | |
| SOCAPALM | 2000 | 60 years | 58,063 ha | |
| SAFACAM | 2019 | 3 years | 2,161 ha | (4) |
| AGRIPALMA | 2009 | 25 years | 4,252 ha | (2)(5) |
| BRABANTA | 2015/2018/2019 | 25 years | 8,380 ha | |
| SETHIKULA | 2010 | 99 years | 4,273 ha | |
| VARANASI | 2009 | 70 years | 2,386 ha | |
| COVIPHAMA | 2008 | 70 years | 5,345 ha | |
| SOCFINDO | 1995/2015/2019 | 25 to 35 years | 47,536 ha | |

(1) Renewable concessions for a term of 25 years
(2) Concessions renewable tacitly for periods of 25 years
(3) Extensible concessions up to 40,000 ha
(4) Safacam owns 15,529 ha
(5) Agripalma owns 665 ha

## Note 5. Intangible assets

| EUR | Concessions and patents | Softwares | Other intangible assets | TOTAL |
|---|---|---|---|---|
| ***Cost at 1st January 2021*** | ***2,148,837*** | ***3,204,355*** | ***1,369,477*** | ***6,722,669*** |
| Additions | 545,053 | 115,697 | 8,152 | **668,902** |
| Disposals | -421 | -24,514 | -6,670 | **-31,605** |
| Transfer | 0 | -187 | 0 | **-187** |
| Foreign exchange differences | 111,205 | 131,571 | -177 | **242,599** |
| ***Cost at 31st December 2021*** | ***2,804,674*** | ***3,426,922*** | ***1,370,782*** | ***7,602,378*** |
| ***Accumulated depreciation at 1st January 2021*** | ***-269,384*** | ***-1,863,557*** | ***-1,272,432*** | ***-3,405,373*** |
| Depreciation | -56,912 | -303,291 | -414,008 | **-774,211** |
| Depreciation reversals | 397 | 13,295 | 6,700 | **20,392** |
| Transfer | 0 | 187 | 0 | **187** |
| Scope changes | 0 | 0 | 380,273 | **380,273** |
| Foreign exchange differences | -12,651 | -105,428 | 177 | **-117,902** |
| ***Accumulated depreciation at 31st December 2021*** | ***-338,550*** | ***-2,258,794*** | ***-1,299,290*** | ***-3,896,634*** |
| ***Net book value at 31st December 2021*** | ***2,466,124*** | ***1,168,128*** | ***71,492*** | ***3,705,744*** |
| ***Cost at 1st January 2022*** | ***2,804,674*** | ***3,426,922*** | ***1,370,782*** | ***7,602,378*** |
| Additions | 582,356 | 56,261 | 32,003 | **670,620** |
| Disposals | -446 | -348,795 | -221,865 | **-571,106** |
| Transfer | -1,171,888 | 0 | 0 | **-1,171,888** |
| Foreign exchange differences | -534,704 | -57,672 | -1,204 | **-593,580** |
| ***Cost at 31st December 2022*** | ***1,679,992*** | ***3,076,716*** | ***1,179,716*** | ***5,936,424*** |
| ***Accumulated depreciation at 1st January 2022*** | ***-338,550*** | ***-2,258,794*** | ***-1,299,290*** | ***-3,896,634*** |
| Depreciation | -35,068 | -84,039 | -29,603 | **-148,710** |
| Depreciation reversals | 446 | 349,070 | 221,865 | **571,381** |
| Transfer | 14,218 | 0 | 0 | 14,218 |
| Foreign exchange differences | 66,332 | 50,386 | 1,204 | 117,922 |
| ***Accumulated depreciation at 31st December 2022*** | ***-292,622*** | ***-1,943,377*** | ***-1,105,824*** | ***-3,341,823*** |
| ***Net book value at 31st December 2022*** | ***1,387,370*** | ***1,133,339*** | ***73,892*** | ***2,594,601*** |

## *Note 6. Property, plant and equipment*

| *EUR* | *Land and nurseries* | *Buildings* | *Technical installations* | *Furniture, vehicles and others* | *Work in progress* | *Advances and prepayments* | *TOTAL* |
|---|---|---|---|---|---|---|---|
| ***Cost at 1st January 2021*** | ***13,314,231*** | ***291,921,290*** | ***178,819,025*** | ***226,113,587*** | ***26,839,827*** | ***619,709*** | ***737,627,669*** |
| Additions (*) | 1,587,433 | 7,749,688 | 24,107,099 | 11,596,992 | 9,760,923 | 91,363 | **54,893,498** |
| Disposals | -24,592 | -314,696 | -866,410 | -4,947,258 | 0 | 0 | **-6,152,956** |
| Transfer | -2,096,502 | 14,077,448 | 4,630,072 | 2,167,189 | -19,430,684 | -60,031 | **-712,508** |
| Foreign exchange differences | 379,901 | 10,379,533 | 6,270,146 | 2,941,732 | 621,760 | 11,302 | **20,604,374** |
| ***Cost at 31st December 2021*** | ***13,160,471*** | ***323,813,263*** | ***212,959,932*** | ***237,872,242*** | ***17,791,826*** | ***662,343*** | ***806,260,077*** |
| ***Accumulated depreciation at 1st January 2021*** | ***-1,183,132*** | ***-162,781,194*** | ***-105,746,304*** | ***-165,483,848*** | ***0*** | ***0*** | ***-435,194,478*** |
| Depreciation | -23,629 | -11,773,048 | -9,870,892 | -16,401,901 | 0 | 0 | **-38,069,470** |
| Depreciation reversals | 10,437 | 715,773 | 840,778 | 4,407,507 | 0 | 0 | **5,974,495** |
| Transfer | 2,470 | -191,384 | 2,768 | -259,335 | 0 | 0 | **-445,481** |
| Foreign exchange differences | -2,944 | -5,300,500 | -3,906,362 | -2,519,835 | 0 | 0 | **-11,729,641** |
| ***Accumulated depreciation at 31st December 2021*** | ***-1,196,798*** | ***-179,330,353*** | ***-118,680,012*** | ***-180,257,412*** | ***0*** | ***0*** | ***-479,464,575*** |
| ***Accumulated impairment at 1st January 2021*** | ***0*** | ***0*** | ***0*** | ***-5,338,533*** | ***0*** | ***0*** | ***-5,338,533*** |
| Impairment (**) | 0 | 0 | -1,728,058 | -182,271 | 0 | 0 | **-1,910,329** |
| Impairment reversal | 0 | 0 | 0 | 3,133,349 | 0 | 0 | **3,133,349** |
| ***Accumulated impairment at 31st December 2021*** | ***0*** | ***0*** | ***-1,728,058*** | ***-2,387,455*** | ***0*** | ***0*** | ***-4,115,513*** |
| ***Net book value at 31st December 2021*** | ***11,963,673*** | ***144,482,910*** | ***92,551,862*** | ***55,227,375*** | ***17,791,826*** | ***662,343*** | ***322,679,989*** |
| ***Cost at 1st January 2022*** | ***13,160,471*** | ***323,813,263*** | ***212,959,932*** | ***237,872,242*** | ***17,791,826*** | ***662,343*** | ***806,260,077*** |
| Additions (*) | 1,307,378 | 7,265,938 | 17,785,161 | 13,927,535 | 12,637,721 | 8,156,462 | **61,080,195** |
| Disposals | -814,455 | -1,956,328 | -730,891 | -8,436,791 | 0 | 0 | **-11,938,465** |
| Transfer | 411,687 | 2,275,785 | -4,958,284 | 17,957,479 | -16,230,492 | -316,007 | **-859,832** |
| Foreign exchange differences | 12,632 | 424,229 | -4,779,210 | -320,573 | 178,575 | -62,363 | **-4,546,710** |
| ***Cost at 31st December 2022*** | ***14,077,713*** | ***331,822,887*** | ***220,276,708*** | ***260,999,892*** | ***14,377,630*** | ***8,440,435*** | ***849,995,265*** |
| ***Accumulated depreciation at 1st January 2022*** | ***-1,196,798*** | ***-179,330,353*** | ***-118,680,012*** | ***-180,257,412*** | ***0*** | ***0*** | ***-479,464,575*** |
| Depreciation | -16,775 | -13,812,619 | -13,102,651 | -14,221,686 | 0 | 0 | **-41,153,731** |
| Depreciation reversals | 22,946 | 1,949,306 | 620,400 | 7,360,966 | 0 | 0 | **9,953,618** |
| Transfer | 0 | -1,736,377 | 9,176,617 | -7,272,790 | 0 | 0 | **167,450** |
| Foreign exchange differences | -2,805 | 568,395 | 1,738,956 | -308,271 | 0 | 0 | **1,996,275** |
| ***Accumulated depreciation at 31st December 2022*** | ***-1,193,432*** | ***-192,361,648*** | ***-120,246,690*** | ***-194,699,193*** | ***0*** | ***0*** | ***-508,500,963*** |
| ***Accumulated impairment at 1st January 2022*** | ***0*** | ***0*** | ***-1,728,058*** | ***-2,387,455*** | ***0*** | ***0*** | ***-4,115,513*** |
| Impairment (**) | 0 | -409,129 | -403,478 | 0 | 0 | 0 | **-812,607** |
| Impairment reversal | 0 | 0 | 0 | 2,205,185 | 0 | 0 | **2,205,185** |
| ***Accumulated impairment at 31st December 2022*** | ***0*** | ***-409,129*** | ***-2,131,536*** | ***-182,270*** | ***0*** | ***0*** | ***-2,722,935*** |
| ***Net book value at 31st December 2022*** | ***12,884,281*** | ***139,052,110*** | ***97,898,482*** | ***66,118,429*** | ***14,377,630*** | ***8,440,435*** | ***338,771,367*** |

(*) Additions for the period include capitalised costs.

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

On 31st December 2022, the Group has technical installations and professional equipment pledged as guarantees for borrowings of the Group for an amount of EUR 8.1 million (2021: EUR 11 million). Details of these guarantees are provided in Note 32.

The accounting policies adopted for Property, plant and equipment are detailed under Notes 1 and 9.

## Note 7. Biological assets

| | Palm | | Rubber | | Others | TOTAL |
|---|---|---|---|---|---|---|
| EUR | Mature | Immature | Mature | Immature | | |
| *Cost at 1st January 2021* | *410,644,908* | *21,231,834* | *203,967,857* | *98,392,847* | *7,131* | *734,244,577* |
| Additions (*) | 0 | 7,643,113 | 0 | 11,031,067 | 0 | **18,674,180** |
| Disposals | -1,272,107 | -528,813 | -2,929,787 | -803,228 | 0 | **-5,533,935** |
| Transfer | 10,558,817 | -9,430,939 | 41,385,694 | -41,246,637 | 0 | **1,266,935** |
| Foreign exchange differences | 14,573,822 | 1,005,994 | 9,651,895 | 4,114,786 | 0 | **29,346,497** |
| *Cost at 31st December 2021* | *434,505,440* | *19,921,189* | *252,075,659* | *71,488,835* | *7,131* | *777,998,254* |
| *Accumulated depreciation at 1st January 2021* | *-131,937,464* | *0* | *-70,125,468* | *0* | *-3,048* | *-202,065,980* |
| Depreciation | -17,692,741 | 0 | -6,584,164 | 0 | -56 | **-24,276,961** |
| Depreciation reversals | 923,055 | 0 | 3,133,119 | 0 | 0 | **4,056,174** |
| Transfer | -1,661,531 | 0 | 0 | 0 | 0 | **-1,661,531** |
| Foreign exchange differences | -3,472,603 | 0 | -2,488,179 | 0 | 0 | **-5,960,782** |
| *Accumulated depreciation at 31st December 2021* | *-153,841,284* | *0* | *-76,064,692* | *0* | *-3,104* | *-229,909,080* |
| *Accumulated impairment at 1st January 2021* | *-21,094,788* | *0* | *-15,507,554* | *-28,004,897* | *0* | *-64,607,239* |
| Impairment (**) | -6,090,512 | 0 | -201,978 | 0 | 0 | **-6,292,490** |
| Impairment reversal | 5,434,846 | 0 | 0 | 143,516 | 0 | **5,578,362** |
| Transfer | 0 | 0 | -19,693,964 | 19,693,964 | 0 | **0** |
| Foreign exchange differences | -1,078,241 | 0 | -1,728,805 | -1,104,096 | 0 | **-3,911,142** |
| *Accumulated impairment at 31st December 2021* | *-22,828,695* | *0* | *-37,132,301* | *-9,271,513* | *0* | *-69,232,509* |
| *Net book value at 31st December 2021* | *257,835,461* | *19,921,189* | *138,878,666* | *62,217,322* | *4,027* | *478,856,665* |
| *Cost at 1st January 2022* | *434,505,440* | *19,921,189* | *252,075,659* | *71,488,835* | *7,131* | *777,998,254* |
| Additions (*) | 0 | 9,038,860 | 0 | 6,708,384 | 0 | **15,747,244** |
| Disposals | -8,567,446 | -521,789 | -5,519,885 | -2,684,168 | 0 | **-17,293,288** |
| Transfer (***) | 10,645,515 | -10,127,535 | 11,945,449 | -17,861,891 | 0 | **-5,398,462** |
| Foreign exchange differences | -3,985,217 | -578,035 | 5,748,587 | 881,947 | 0 | **2,067,282** |
| *Cost at 31st December 2022* | *432,598,292* | *17,732,690* | *264,249,810* | *58,533,107* | *7,131* | *773,121,030* |
| *Accumulated depreciation at 1st January 2022* | *-153,841,284* | *0* | *-76,064,692* | *0* | *-3,104* | *-229,909,080* |
| Depreciation | -18,869,674 | 0 | -8,755,167 | 0 | -56 | **-27,624,897** |
| Depreciation reversals | 8,384,373 | 0 | 4,907,080 | 0 | 0 | **13,291,453** |
| Transfer (***) | -304,376 | 0 | 369,669 | 0 | 0 | **65,294** |
| Foreign exchange differences | 1,616,083 | 0 | -1,240,360 | 0 | 0 | **375,723** |
| *Accumulated depreciation at 31st December 2022* | *-163,014,878* | *0* | *-80,783,470* | *0* | *-3,160* | *-243,801,508* |
| *Accumulated impairment at 1st January 2022* | *-22,828,695* | *0* | *-37,132,301* | *-9,271,513* | *0* | *-69,232,509* |
| Impairment (**) | 0 | 0 | -27,341,960 | -182,149 | 0 | **-27,524,109** |
| Impairment reversal | 0 | 0 | 386,164 | 1,268,463 | 0 | **1,654,627** |
| Transfer (***) | 0 | 0 | 300,553 | 5,724,995 | 0 | **6,025,548** |
| Foreign exchange differences | -761,413 | 0 | -1,049,535 | -343,317 | 0 | **-2,154,265** |
| *Accumulated impairment at 31st December 2022* | *-23,590,108* | *0* | *-64,837,079* | *-2,803,521* | *0* | *-91,230,708* |
| *Net book value at 31st December 2022* | *245,993,306* | *17,732,690* | *118,629,261* | *55,729,586* | *3,971* | *438,088,814* |

(*) Additions for the period include capitalised costs.

(**) Impairment test on biological assets is disclosed in Note 9.

(***) 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. Those adjustments having no significant net impact, they were cancelled in the current year.

On 31st December 2022, the Group has biological assets pledged as guarantees for borrowings of the Group for an amount of EUR nil (2021: EUR 13 million). Details of these guarantees are provided in Note 32.

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

## Note 8. Depreciation and impairment

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| ***Depreciation*** | | |
| Of intangible assets (Note 5) | 148,710 | 393,938 |
| Of property, plant and equipment excluding biological assets (Note 6) | 41,153,732 | 38,069,470 |
| Of biological assets (Note 7) | 27,624,896 | 24,276,961 |
| Of investment properties (Note 10) | 225,478 | 235,077 |
| Of right-of-use assets (Note 4) | 2,246,498 | 2,030,216 |
| | | |
| ***Impairment*** | | |
| Of property, plant and equipment excluding biological assets (Note 6) | 812,607 | 1,910,329 |
| Of biological assets (Note 7) | 27,524,109 | 6,292,490 |
| | | |
| ***Impairment reversal*** | | |
| Of property, plant and equipment excluding biological assets (Note 6) | -2,205,185 | -3,133,349 |
| Of biological assets (Note 7) | -1,654,627 | -5,578,362 |
| ***TOTAL*** | ***95,876,218*** | ***64,496,770*** |

## Note 9. Impairment of assets

### Goodwill

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

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

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

At 31$^{st}$ December 2022, an impairment loss of EUR 0.8 million was recognised (2021: EUR 1.9 million) and an impairment reversal for 2.2 million was recognised on property, plant and equipment (2021: impairment reversal for EUR 3.1 million)

### 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 1$^{st}$ position on SGX) and crude palm oil (CIF Rotterdam) was considered 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 to be an impairment indicator.

At 31$^{st}$ December 2022, the decrease in prices does not exceed 15% of the average price over the past 5 years for the Rubber and Palm segment.

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

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

Based on these criteria, for the Rubber segment, the rise in prices observed during the financial year 2022 does not exceed 15% of the average prices over the past 5 years. For the Palm segment, the review of global and local prices do not indicate any impairment indicator.

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

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

The review of impairment indicators led the Group to conclude that a sign of impairment exists for Coviphama and Socfin KCD.

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

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

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

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

The recoverable amount of bearer biological assets is determined from the calculation of value in use using the most recent information approved by the local management. 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 ranges between 25 and 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 the discount rate.

*Changes in realised margins*

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

Based on the existence of an impairment indication and following subsequent impairment tests, using a discount rate of 17.3% for Cambodia in 2022, impairment losses of EUR 18.9 million for Socfin KCD and EUR 8.4 million for Coviphama have been accounted for in 2022 (Note 7), the recoverable amounts for these biological assets being respectively 14.1 million and 10.5 million.

As of 31st December 2022, accumulated impairment losses in the palm business segment amounted to EUR 9.9 million for Brabanta, EUR 9.2 million for Agripalma and EUR 4.5 million for Socfin Agricultural Company. For the Rubber segment, the accumulated impairment losses are EUR 30.8 million for SRC, EUR 18.6 million for Socfin KCD, EUR 8.6 million for Safacam, EUR 8.3 million for Coviphama, and EUR 1.4 million for PSG (Note 7), the recoverable amounts for these biological assets being respectively 14.1 million and 10.5 million.

## Note 10. Investment properties

| | EUR |
|---|---:|
| ***Cost at 1st January 2021*** | ***9,856,602*** |
| Additions | 36,504 |
| ***Cost at 31st December 2021*** | ***9,893,106*** |
| | |
| ***Accumulated depreciation at 1st January 2021*** | ***-5,797,247*** |
| Depreciation | -273,940 |
| Depreciation reversals | 38,863 |
| ***Accumulated depreciation at 31st December 2021*** | ***-6,032,324*** |
| | |
| ***Net book value at 31st December 2021*** | ***3,860,782*** |
| | |
| ***Cost at 1st January 2022*** | ***9,893,106*** |
| Additions | 34,782 |
| ***Cost at 31st December 2022*** | ***9,927,888*** |
| | |
| ***Accumulated depreciation at 1st January 2022*** | ***-6,032,324*** |
| Depreciation | -225,478 |
| ***Accumulated depreciation at 31st December 2022*** | ***-6,257,802*** |
| | |
| ***Net book value at 31st December 2022*** | ***3,670,086*** |

The leases are in the form of a 9-year renewable lease. Premises rented of the Champ de Mars building generated rental income of EUR 0.6 million (2021: EUR 0.5 million). The direct operating expenses incurred by this property amounted to EUR 0.4 million (2021: EUR 0.3 million).

The 1st and 4th floors of the building located at 2, Place du Champ de Mars, in Brussels were revalued by an independent appraiser during the acquisition of Immobilière de la Pépinière in December 2006. This value was used as deemed cost under IFRS 1 (first-time application).

As of 31st December 2020, the fair value of the Ground floor, as well as the 1st and 4th floors of the building amounts, has been estimated by an independent assessor to EUR 4.2 million.

## Note 11. Non-wholly owned subsidiaries in which non-controlling interests are significant

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

| Subsidiary | Main location | Percentage of equity shares of non-controlling interest | | Percentage of voting rights of non-controlling interests | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| ***Production of palm oil and rubber*** | | | | | |
| SOGB | Côte d'Ivoire | 58.83% | 58.91% | 26.84% | 26.84% |
| OKOMU | Nigeria | 57.10% | 57.92% | 33.62% | 34.77% |
| SAFACAM | Cameroon | 55.37% | 55.45% | 30.95% | 30.95% |
| SOCAPALM | Cameroon | 56.40% | 56.48% | 32.54% | 32.54% |
| SOCFINDO | Indonesia | 47.57% | 47.72% | 10.00% | 10.00% |
| | | | | | |
| ***Production of rubber*** | | | | | |
| LAC | Liberia | 35.36% | 35.49% | 0.00% | 0.00% |
| | | | | | |
| ***Investment portfolio management*** | | | | | |
| SOCFINASIA | Luxembourg | 41.75% | 41.91% | 41.75% | 41.91% |
| SOCFINAF | Luxembourg | 35.36% | 35.49% | 35.36% | 35.49% |

| Subsidiary | Net income attributed to non-controlling interests in the subsidiary during the financial period | | Accumulated non-controlling interests in the subsidiary | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | EUR | EUR | EUR | EUR |
| SOGB | 16,073,618 | 13,862,660 | 65,338,576 | 60,992,515 |
| OKOMU | 23,748,625 | 17,944,616 | 55,159,283 | 54,513,137 |
| SAFACAM | 1,399,945 | 2,599,692 | 24,635,112 | 25,361,064 |
| SOCAPALM | 10,176,916 | 12,653,924 | 48,821,644 | 54,565,923 |
| SOCFINDO | 34,766,880 | 28,637,531 | 26,499,209 | 27,904,720 |
| LAC | 1,175,888 | 2,079,176 | 14,175,710 | 11,681,836 |
| SOCFINASIA | 1,417,674 | 1,986,846 | 69,185,844 | 67,898,023 |
| SOCFINAF | -8,941,567 | -6,210,608 | 33,510,966 | 23,575,883 |
| | | | | |
| Subsidiaries that hold non-controlling interests that are not significant individually | | | 40,482,324 | 30,161,006 |
| | | | | |
| ***Non-controlling interests*** | | | ***377,808,668*** | ***356,654,107*** |

# Consolidated financial statements

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

| Subsidiary | Current assets | Non-current assets | Current liabilities | Non-current liabilities |
|---|---|---|---|---|
| 2021 | EUR | EUR | EUR | EUR |
| SOGB | 47,069,842 | 100,818,900 | 36,697,511 | 10,223,275 |
| OKOMU | 33,527,881 | 106,235,499 | 16,119,871 | 39,330,460 |
| SAFACAM | 14,000,204 | 34,504,233 | 10,924,741 | 5,404,975 |
| SOCAPALM | 26,800,996 | 109,893,878 | 25,202,975 | 3,069,977 |
| SOCFINDO | 48,455,059 | 91,150,642 | 37,997,748 | 36,912,343 |
| LAC | 17,920,859 | 75,090,781 | 14,696,615 | 27,864,293 |
| SOCFINASIA | 41,424,023 | 410,964,167 | 5,117,423 | 0 |
| SOCFINAF | 29,901,483 | 504,633,199 | 53,964,692 | 186,463,935 |
| 2022 | EUR | EUR | EUR | EUR |
| SOGB | 46,841,347 | 98,190,002 | -31,411,643 | 6,768,082 |
| OKOMU | 28,642,085 | 116,727,370 | 19,373,135 | 38,262,602 |
| SAFACAM | 12,578,738 | 33,387,449 | 9,541,067 | 3,840,819 |
| SOCAPALM | 31,652,073 | 113,564,581 | 37,057,322 | 7,186,191 |
| SOCFINDO | 36,446,379 | 91,330,388 | 33,993,571 | 34,304,495 |
| LAC | 22,116,139 | 78,750,441 | 15,173,372 | 28,673,339 |
| SOCFINASIA | 52,028,834 | 405,667,839 | 5,552,442 | 0 |
| SOCFINAF | 36,675,973 | 361,924,445 | 57,346,716 | 120,000,000 |

| Subsidiary | Revenue from ordinary activities | Net income for the year | Comprehensive income for the year | Dividends paid to non-controlling interests |
|---|---|---|---|---|
| 2021 | EUR | EUR | EUR | EUR |
| SOGB | 126,645,632 | 22,453,119 | 22,453,119 | 2,455,221 |
| OKOMU | 79,363,158 | 23,976,881 | 23,976,881 | 5,234,727 |
| SAFACAM | 32,790,020 | 3,778,438 | 3,778,438 | 33 |
| SOCAPALM | 114,731,158 | 20,617,398 | 20,617,398 | 8,682,053 |
| SOCFINDO | 160,251,333 | 64,841,457 | 64,841,457 | 5,499,223 |
| LAC | 36,783,462 | 4,018,160 | 4,018,160 | 0 |
| SOCFINASIA | 0 | 44,023,278 | 44,023,278 | 7,390,739 |
| SOCFINAF | 0 | 5,522,213 | 5,522,213 | 0 |

| 2022 | EUR | EUR | EUR | EUR |
|---|---|---|---|---|
| SOGB | 143,125,135 | 23,862,820 | 23,862,820 | 5,321,013 |
| OKOMU | 133,279,823 | 38,962,980 | 38,962,980 | 13,683,296 |
| SAFACAM | 35,405,879 | 4,188,838 | 4,188,838 | 1,177,658 |
| SOCAPALM | 112,851,693 | 16,268,753 | 16,268,753 | 7,717,380 |
| SOCFINDO | 193,795,921 | 71,954,260 | 71,954,260 | 7,524,578 |
| LAC | 40,756,657 | 3,508,835 | 3,508,835 | 0 |
| SOCFINASIA | 0 | 70,684,907 | 70,684,907 | 24,569,808 |
| SOCFINAF | 0 | -37,542,749 | -37,542,749 | 0 |

| Subsidiary | Net cash inflows (outflows) Operating activities | Investing activities | Financing activities | Net cash inflows (outflows) |
|---|---|---|---|---|
| 2021 | EUR | EUR | EUR | EUR |
| SOGB | 14,435,766 | -9,570,729 | -12,136,117 | -7,271,080 |
| OKOMU | 49,550,771 | -28,715,135 | -10,902,826 | 9,932,810 |
| SAFACAM | 2,315,684 | -2,647,396 | 337,688 | 5,976 |
| SOCAPALM | 30,591,306 | -9,720,446 | -30,342,263 | -9,471,402 |
| SOCFINDO | 71,784,807 | -9,573,215 | -54,992,234 | 7,219,358 |
| LAC | 5,539,703 | -3,957,347 | -1,826,500 | -244,144 |
| SOCFINASIA | 41,877,748 | 4,456,133 | -19,251,988 | 27,081,893 |
| SOCFINAF | -1,381,090 | 32,619,156 | -21,502,408 | 9,735,658 |
| 2022 | EUR | EUR | EUR | EUR |
| SOGB | 46,841,347 | -8,339,224 | -31,411,643 | 7,090,479 |
| OKOMU | 50,558,570 | -22,109,292 | -37,698,943 | -9,249,665 |
| SAFACAM | 8,426,402 | -2,316,652 | -6,346,027 | -236,277 |
| SOCAPALM | 28,473,548 | -10,987,793 | -17,619,574 | -133,819 |
| SOCFINDO | 78,446,226 | -12,561,950 | -75,245,783 | -9,361,507 |
| LAC | 3,320,791 | -2,627,891 | 0 | 692,900 |
| SOCFINASIA | 73,747,907 | 2,994,820 | -65,656,710 | 11,086,017 |
| SOCFINAF | 26,451,606 | 22,249,770 | -56,722,228 | -8,020,852 |

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 12. Financial assets at fair value through other comprehensive income

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| ***Fair value at 1st January*** | ***715,578*** | ***847,018*** |
| Change in fair value (*) | -27,554 | -36,378 |
| Disposals | 0 | -95,062 |
| ***Fair value at 31st December*** | ***688,024*** | ***715,578*** |

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

| EUR | Cost (historical) | | Fair value | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Financial assets at fair value through other comprehensive income | 600,118 | 600,118 | 688,024 | 715,578 |

## Note 13. Deferred taxes

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

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| IAS 2 / IAS 41: Agricultural production | -4,731,573 | -3,299,090 |
| IAS 12: Income Tax (*) | -4,696,048 | -221,701 |
| IAS 16: Property, plant and equipment | -6,760,108 | -7,100,792 |
| IAS 19: Pension obligations | 10,956,040 | 10,443,059 |
| IAS 21: Translation differences | 46,624 | -68,147 |
| IAS 37: Provisions for risks and charges | 426,163 | -27,097 |
| IAS 38: Formation expenses | 516,393 | 513,557 |
| IAS 38: Research costs | 935,670 | 832,888 |
| IFRS 9: Financial assets measured at fair value through other comprehensive income | -109,204 | -74,277 |
| IFRS 9: Forward exchange contract | -255,132 | 141,681 |
| IFRS 16: Leases | 719,833 | 583,960 |
| IAS 23: Capitalised interests | 347,960 | 335,675 |
| IFRS 3: Fair value of investment property | -16,580 | -15,614 |
| Others | -4,114 | 448,853 |
| ***Balance at 31st December*** | ***-2,624,076*** | ***2,492,955*** |
| | | |
| Of which Deferred Tax Assets | 11,698,485 | 19,434,382 |
| Of which Deferred Tax Liabilities | -14,322,562 | -16,941,425 |

(*) Of which EUR 4.1 million of deferred tax asset linked to losses carried forward activated, and EUR 8.8 million of deferred tax liability linked to withholding tax.

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.

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

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

Brabanta, SRC, Socfin KCD, Agripalma, Immobilière de la Pépinière, Coviphama and Camseeds have unused tax losses which recoverability is uncertain of EUR 21.4 million, EUR 20.3 million, EUR 8.7 million, EUR 4.6 million, EUR 2.7 million, EUR 2.2 million and EUR 1.1 million respectively as at 31st December 2022.

Socfinaf has unused tax losses of EUR 211.4 million, PNS Ltd of EUR 15.1 million and Socfin of EUR 10.5 million.

Due to the instability which may exist in these countries with regard 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***

| | 2022 | 2021 |
|---|---:|---:|
| | *EUR* | *EUR* |
| ***Current tax assets at 1st January*** | ***15,291,971*** | ***14,317,805*** |
| Tax income | 1,504,864 | 314,436 |
| Other taxes (*) | -1,708,373 | -1,986,417 |
| Taxes paid or recovered | 2,628,666 | 2,082,439 |
| Tax adjustments | -3,039,355 | 134,416 |
| Scope exits | -4,719 | 0 |
| Foreign exchange differences | 269,395 | 429,292 |
| ***Current tax assets at 31st December*** | ***14,942,449*** | ***15,291,971*** |

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

| | 2022 | 2021 |
|---|---:|---:|
| | *EUR* | *EUR* |
| ***Current tax liabilities at 1st January*** | ***48,328,464*** | ***32,208,682*** |
| Tax expense | 73,278,655 | 55,230,723 |
| Other taxes (*) | 22,682,424 | 37,523,894 |
| Taxes paid or recovered | -86,029,666 | -71,033,459 |
| Tax adjustments | -1,155,592 | -6,388,250 |
| Foreign exchange differences | -283,948 | 786,874 |
| ***Current tax liabilities at 31st December*** | ***56,820,337*** | ***48,328,464*** |

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

## Note 15. Income tax expense

### * Components of the income tax

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Current income tax expense (*) | 71,319,742 | 53,538,854 |
| Deferred tax expense / (income) | 4,936,022 | 840,121 |
| ***Tax expense at 31st December*** | ***76,255,764*** | ***54,378,975*** |

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

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

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| IAS 12: Income Tax (*) | 2,275,153 | -2,128,714 |
| IAS 19: Pension obligations | -1,415,185 | -210,557 |
| IAS 38: Intangible assets | -73,140 | 599,504 |
| IAS 2 / IAS 41: Fair value of agricultural produce | 1,483,247 | 1,851,884 |
| IFRS 9: Forward exchange contracts | 412,526 | -175,964 |
| IFRS 9: Fair value | 44,201 | 0 |
| IAS 16: Tangible assets | 2,378,189 | 1,470,442 |
| IFRS 16: Leases | -31,084 | -15,667 |
| IAS 37: Provisions for risks and charges | -267,461 | -117,893 |
| IAS 21: Foreign exchange differences | -117,856 | 81,915 |
| IAS 23: Capitalised interests | 8,638 | -344,950 |
| Others | 238,796 | -169,879 |
| ***Deferred tax expense / (income) at 31st December*** | ***4,936,024*** | ***840,121*** |

(*) Of which impact of losses carried forward activated for EUR 4.2 million, and withholding tax for EUR -2.4 million.

*** Reconciliation of income tax expense**

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| ***Profit before tax from continuing operations*** | ***240,610,894*** | ***220,921,900*** |
| | | |
| Nominal tax rate of the parent company | 24.94% | 24.94% |
| | | |
| Nominal tax rate of subsidiaries | from 1% to 33% | from 1% to 33% |
| | | |
| Income tax at nominal tax rates of subsidiaries | 53,451,880 | 48,036,580 |
| Unfunded taxes | 41,281 | 1,359 |
| Definitively taxed income | 653,221 | 2,063,933 |
| Use unrecognised of capital allowances | -3,727,262 | -11,285,390 |
| Specific tax regimes in foreign countries | 14,241,642 | 20,696,496 |
| Non-taxable income | -4,125,468 | -6,428,348 |
| Non-deductible expenses | 12,391,601 | 6,932,239 |
| Use of unrecognised accumulated tax losses | -1,413,647 | -13,417,994 |
| Unrecognised losses carried forward | 4,605,716 | 6,356,042 |
| Other tax benefits | -40,956 | -91,063 |
| Additional tax assessment | 36,742 | 23,775 |
| Impact of change in tax rate | 143,873 | 1,493,435 |
| Other adjustments | -2,859 | -2,089 |
| ***Tax expense at 31st December*** | ***76,255,764*** | ***54,378,975*** |

*** Change of rate for the subsidiaries**

Since 2021, companies listed in Cameroon are eligible for a reduced tax rate of 27.5%.

In 2021, the income tax rate for Socfindo has dropped from 25% to 22%. In 2022, the income tax rate for Socfindo should have dropped from 22% to 20%, but as tax project has been cancelled at local level, an income tax rate of 22% has been used in the computation of the deferred taxes as of 31st December 2022.

## Note 16. Inventories

### * Carrying value of inventories by category

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | EUR | EUR |
| Raw materials | 34,379,009 | 28,158,214 |
| Consumables | 26,481,895 | 21,817,225 |
| Spare parts | 34,226,019 | 28,075,902 |
| Production in progress | 3,329,146 | 1,873,597 |
| Finished products | 31,976,663 | 37,191,567 |
| Down-payments and orders in progress | 4,400,098 | 2,037,012 |
| ***Gross amount (before impairment) at 31st December*** | ***134,792,830*** | ***119,153,517*** |
| Inventory write-downs | -6,121,259 | -4,647,661 |
| ***Net amount at 31st December*** | ***128,671,571*** | ***114,505,856*** |

### * Reconciliation of inventories

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| ***Situation at 1st January*** | ***119,153,517*** | ***106,022,644*** |
| Change in inventory | 8,667,796 | 6,821,365 |
| Fair value of agricultural products | 6,870,293 | 3,227,540 |
| Foreign exchange differences | 101,224 | 3,081,968 |
| ***Gross amount (before impairment) at 31st December*** | ***134,792,830*** | ***119,153,517*** |
| Inventory write-downs | -6,121,259 | -4,647,661 |
| ***Net amount at 31st December*** | ***128,671,571*** | ***114,505,856*** |

### * Quantity of inventory by category

| 31/12/2021 | Raw materials | Production-in-progress | Finished goods |
|---|---|---|---|
| Crude Palm Oil / Palm Kernel Oil (tons) | 1,346 | 0 | 15,980 |
| Rubber (tons) | 31,684 | 0 | 16,530 |
| Others (units) | 0 | 4,737,950 | 2,909,556 |

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

## Note 17. Trade receivables (current assets)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Trade receivables | 31,611,721 | 37,632,950 |
| Advances and prepayments | 5,255,396 | 4,449,841 |
| ***TOTAL*** | ***36,867,117*** | ***42,082,791*** |

## Note 18. Other receivables (current assets)

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Social security | 1,026,966 | 1,259,723 |
| Other receivables (*) | 5,870,957 | 6,822,949 |
| Accrued charges | 1,767,210 | 2,155,468 |
| ***TOTAL*** | ***8,665,133*** | ***10,238,140*** |

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

The accounting principles applied and the risk management for other receivables are detailed under Notes 1 and 34.

## Note 19. Cash and cash equivalents

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

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Current account | 178,560,956 | 144,315,004 |
| Financial instruments (*) | 1,761,337 | -999,569 |
| *TOTAL* | ***180,322,293*** | ***143,315,435*** |

(*) The financial instruments correspond to the value of the forward exchange contracts at 2022 year-end.

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

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Current account | 178,560,956 | 144,315,004 |
| Bank overdrafts (*) | -10,695,901 | -7,029,326 |
| *TOTAL* | ***167,865,055*** | ***137,285,678*** |

(*) See also Note 23.

## Note 20. Share capital and share premium

Issued and fully paid capital amounted to EUR 24.8 million as of 31st December 2022 (stable compared to 2021). There is a share premium of EUR 0.5 million added to the issued capital.

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

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

At 31st December 2022, the Company's share capital is represented by 14,159,720 shares.

| | 2022 | 2021 |
|---|---|---|
| | *Ordinary shares* | *Ordinary shares* |
| Number of Shares at 31st December | 14,159,720 | 14,159,720 |
| Number of fully paid shares issued without designation of par value | 14,159,720 | 14,159,720 |

## Note 21. Legal reserve

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

## Note 22. Pension obligations

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

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 salary and are based on the number of years of service. The plan is based on the employment contract for the employees and on the collective agreements for the labourers. The benefits payable to the employees are not financed by any specific asset against the provisions.

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

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

| | | | 2022 | | | 2021 |
|---|---|---|---|---|---|---|
| | | | EUR | | | EUR |
| | Present value of obligations | Fair value of the benefit plans | Net amount recognised | Present value of obligations | Fair value of the benefit plans | Net amount recognised |
| ***Net amount recognised in the statement of financial position for defined benefit plans*** | ***55,754,461*** | ***-8,176,424*** | ***47,578,037*** | ***59,869,569*** | ***-8,861,208*** | ***51,008,361*** |
| ***Components of net charge*** | | | | | | |
| Current service costs | 3,615,375 | | **3,615,375** | 3,933,744 | | **3,933,744** |
| Financial costs | 3,011,609 | 23,422 | **3,035,031** | 2,802,324 | 3,706 | **2,806,030** |
| Interest income on plan assets | | -142,018 | **-142,018** | | -106,422 | **-106,422** |
| Past service costs | -56,735 | | **-56,735** | -737,574 | | **-737,574** |
| ***Defined benefit plan costs*** | ***6,570,249*** | ***-118,596*** | ***6,451,653*** | ***5,998,494*** | ***-102,716*** | ***5,895,778*** |
| ***Movements in liabilities / net assets recognised in the statement of financial position*** | | | | | | |
| ***At 1st January*** | ***59,869,574*** | ***-8,861,195*** | ***51,008,379*** | ***62,078,977*** | ***-11,150,694*** | ***50,928,284*** |
| Costs as per income statement | 6,570,249 | -118,596 | **6,451,653** | 5,998,494 | -102,716 | **5,895,778** |
| Contributions by employer | -4,759,538 | -1,554,724 | **-6,314,262** | -5,342,291 | -1,459,704 | **-6,801,994** |
| Contributions by employees | 919,272 | -919,272 | **0** | 987,406 | -987,406 | **0** |
| Costs of services rendered | -2,734,502 | 2,734,502 | **0** | -5,034,135 | 5,034,135 | **0** |
| Actuarial gains and losses of the year recognised in other comprehensive income | -3,488,286 | 5,774 | **-3,482,512** | -1,901,145 | 27,031 | **-1,874,114** |
| Reclassification of net asset | | 877,478 | **877,478** | | 91,967 | **91,967** |
| Foreign exchange differences | -622,304 | -340,380 | **-962,684** | 3,082,267 | -313,808 | **2,768,459** |
| ***At 31st December*** | ***55,754,466*** | ***-8,176,414*** | ***47,578,052*** | ***59,869,574*** | ***-8,861,195*** | ***51,008,379*** |

Provisions are based on actuarial valuation reports prepared in January 2023.

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

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | | | EUR | | | EUR |
| | Present value of obligations | Fair value of the benefit plans | Net amount recognised | Present value of obligations | Fair value of the benefit plans | Net amount recognised |
| Adjustments of liabilities related to experience | -208,413 | | **-208,413** | -2,379,550 | | **-2,379,550** |
| Changes in financial assumptions related to recognised liabilities | 3,925,112 | | **3,925,112** | 4,302,011 | | **4,302,011** |
| Changes in demographic assumptions related to recognised liabilities | -228,414 | | **-228,414** | -21,314 | | **-21,314** |
| Return on assets in the plan excl. interest income | | -5,774 | **-5,774** | | -27,031 | **-27,031** |
| ***Actuarial gains and losses recognised during the period in other comprehensive income*** | ***3,488,285*** | ***-5,774*** | ***3,482,511*** | ***1,901,147*** | ***-27,031*** | ***1,874,116*** |

### Asset plan

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

The plan assets are managed by third parties, earning each year financial interests for a global amount of EUR 0.1 million during 2022 financial period.

### Actuarial valuation assumptions

| | 2022 | 2021 |
|---|---|---|
| EUROPE | | |
| Average discount rate | 2.30% | 0.35% |
| Expected long-term returns of plan assets | 154,964 | 0 |
| Future salary increases | 1.50% | 1.50% |
| Average remaining active life of employees (in years) | 8.93 | 8.83 |
| | | |
| AFRICA | | |
| Average discount rate | from 4.93% to 18.48% | from 2.63% to 12.61% |
| Expected long-term returns of plan assets | 170,158 | N/A |
| Future salary increases | from 1.74% to 12% | from 1.74% to 12% |
| Average remaining active life of employees (in years) | 19.34 | 19.50 |
| | | |
| ASIA | | |
| Average discount rate | from 5.52% to 7.44% | from 3.40% to 7.60% |
| 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) | 13.10 | 12.96 |

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

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| EUROPE | | |
| *Actuarial value of the obligation* | | |
| - Pension plan | 7,760,804 | 9,189,042 |
| - Fair value of plan assets | -6,853,790 | -7,147,529 |
| ***Total at 31st December*** | ***907,014*** | ***2,041,513*** |
| | | |
| **Actuarial rate (on pension plan)** | | |
| Increase of 0.5% | 7,313,114 | 8,637,612 |
| Decrease of 0.5% | 8,269,218 | 9,828,001 |
| **Expected future salary increases (on pension plan)** | | |
| Increase of 0.5% | 7,817,510 | 9,257,387 |
| Decrease of 0.5% | 7,707,019 | 9,124,108 |
| | | |
| AFRICA | | |
| *Actuarial value of the obligation* | | |
| - Pension plan | 13,689,169 | 13,768,201 |
| - Fair value of plan assets | -1,322,634 | -1,713,679 |
| ***Total at 31st December*** | ***12,366,535*** | ***12,054,522*** |
| | | |
| **Actuarial rate (on pension plan)** | | |
| Increase of 0.5% | 13,285,487 | 13,316,089 |
| Decrease of 0.5% | 14,093,019 | 14,228,460 |
| **Expected future salary increases (on pension plan)** | | |
| Increase of 0.5% | 14,067,916 | 14,197,217 |
| Decrease of 0.5% | 13,306,104 | 13,341,712 |
| | | |
| ASIA | | |
| *Actuarial value of the obligation* | | |
| - Pension plan | 32,563,604 | 35,065,614 |
| - Other long-term benefits | 1,740,884 | 1,846,712 |
| ***Total at 31st December*** | ***34,304,488*** | ***36,912,326*** |
| | | |
| **Actuarial rate (on pension plan)** | | |
| Increase of 0.5% | 33,188,601 | 35,702,753 |
| Decrease of 0.5% | 35,486,229 | 38,247,974 |
| **Expected future salary increases (on pension plan)** | | |
| Increase of 0.5% | 35,408,582 | 38,104,204 |
| Decrease of 0.5% | 33,252,768 | 35,777,001 |

The sensitivity analysis is based on the same actuarial method used to measure the obligations of the defined benefit plans.

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

| | 2023 | 2022 |
|---|---|---|
| Estimated contributions for the next financial year (in euros) | 5,034,050 | 5,991,897 |

| | 2022 | 2021 |
|---|---|---|
| Weighted average duration of defined benefit plan obligations (in years) | | |
| EUROPE | 6.5 | 5.9 |
| AFRICA | 6.2 | 6.7 |
| ASIA | 12.8 | 12.8 |

### Defined contribution pension scheme

| EUR | 2022 | 2021 |
|---|---|---|
| Accounted expense for the defined contribution pension plan | 3,375,907 | 2,959,855 |

## *Note 23. Financial debts*

| 31/12/2021 | | | |
|---|---|---|---|
| *EUR* | *< 1 year* | *> 1 year* | *TOTAL* |
| Loans held by financial institutions (1) | 26,009,954 | 125,924,854 | **151,934,808** |
| Bank overdrafts (2) | 7,029,326 | 0 | **7,029,326** |
| Other loans | 5,394,086 | 0 | **5,394,086** |
| Lease liabilities | 1,401,018 | 10,977,780 | **12,378,798** |
| ***TOTAL*** | ***39,834,384*** | ***136,902,634*** | ***176,737,018*** |

| 31/12/2022 | | | |
|---|---|---|---|
| *EUR* | *< 1 year* | *> 1 year* | *TOTAL* |
| Loans held by financial institutions (1) | 39,525,552 | 47,637,646 | **87,163,198** |
| Bank overdrafts (2) | 10,695,901 | 0 | **10,695,901** |
| Other loans | 839,517 | 0 | **839,517** |
| Lease liabilities | 1,836,468 | 11,087,026 | **12,923,494** |
| ***TOTAL*** | ***52,897,438*** | ***58,724,672*** | ***111,622,110*** |

(1) In November 2021, a loan of USD 100 million has been granted to PNS Ltd at a floating rate of 3-month LIBOR + 5%. In 2022, an amount of USD 70 million has been early reimbursed by PNS Ltd. The remaining balance (USD 30 million) has been fully repaid by PNS Ltd in February 2023 (see also note 37).

(2) See also Note 19.

Most of the consolidated borrowings are denominated in US Dollars and in Euros or CFA francs (whose parity is linked to the Euro). The fixed interest rates from financial institutions and which are pegged to the Euro vary between 5.00% and 7.09%. As explained in Note 34, interest rate management is the subject of ongoing management attention.

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

**** Analysis of long-term debt by interest rate***

| 31/12/2021 | | | | | |
|---|---|---|---|---|---|
| *EUR* | *Fixed Rate* | *Rate* | *Floating rate* | *Rate* | *TOTAL* |
| ***Loans held by financial institutions*** | | | | | |
| Luxembourg | 0 | 0.00% | 78,136,408 | 3-month LIBOR + 5% | **78,136,408** |
| Switzerland | 5,498,015 | 1.55% to 2.65% | 0 | - | **5,498,015** |
| Côte d'Ivoire | 6,940,137 | 5.50% to 6.50% | 0 | - | **6,940,137** |
| Nigeria | 18,203,287 | 5.00% to 10.00% | 0 | - | **18,203,287** |
| Liberia | 2,462,387 | 7.60% | 0 | - | **2,462,387** |
| Cameroon | 6,559,619 | 5.75% to 6.80% | 0 | - | **6,559,619** |
| Ghana | 8,125,000 | 4.00% | 0 | - | **8,125,000** |
| | ***47,788,445*** | | ***78,136,408*** | | ***125,924,853*** |

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

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

| 2021 | EUR | XAF | NGN | USD | STN | GHS | CDF | CHF | TOTAL EUR |
|---|---|---|---|---|---|---|---|---|---|
| Loans held by financial institutions | 8,125,000 | 13,499,756 | 18,203,287 | 80,598,795 | 0 | 0 | 0 | 5,498,015 | **125,924,853** |
| Lease liabilities | 0 | 6,497,068 | 271,450 | 1,707,099 | 289,187 | 47,996 | 38,072 | 2,126,905 | **10,977,777** |
| ***TOTAL*** | ***8,125,000*** | ***19,996,824*** | ***18,474,737*** | ***82,305,894*** | ***289,187*** | ***47,996*** | ***38,072*** | ***7,624,920*** | ***136,902,630*** |

| 2022 | EUR | XAF | NGN | USD | STN | GHS | CDF | CHF | TOTAL EUR |
|---|---|---|---|---|---|---|---|---|---|
| Loans held by financial institutions | 4,874,999 | 10,834,222 | 17,197,310 | 11,075,178 | 0 | 0 | 0 | 3,655,936 | **47,637,645** |
| Lease liabilities | 0 | 7,039,341 | 65,318 | 1,762,701 | 268,436 | 35,690 | 38,702 | 1,876,836 | **11,087,024** |
| ***TOTAL*** | ***4,874,999*** | ***17,873,563*** | ***17,262,628*** | ***12,837,879*** | ***268,436*** | ***35,690*** | ***38,702*** | ***5,532,772*** | ***58,724,669*** |

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

| 2021 | | | | | | |
|---|---|---|---|---|---|---|
| EUR | 2023 | 2024 | 2025 | 2026 | 2027 and above | TOTAL |
| Loans held by financial institutions | 35,417,051 | 73,334,985 | 6,866,072 | 3,669,989 | 6,636,756 | **125,924,853** |
| Lease liabilities | 1,182,686 | 837,648 | 461,869 | 421,973 | 8,073,603 | **10,977,779** |
| ***TOTAL*** | ***36,599,737*** | ***74,172,633*** | ***7,327,941*** | ***4,091,962*** | ***14,710,359*** | ***136,902,632*** |

| 2022 | | | | | | |
|---|---|---|---|---|---|---|
| EUR | 2024 | 2025 | 2026 | 2027 | 2028 and above | TOTAL |
| Loans held by financial institutions | 25,376,903 | 9,246,072 | 4,539,071 | 3,950,392 | 4,525,209 | **47,637,647** |
| Lease liabilities | 1,532,263 | 917,067 | 597,085 | 399,223 | 7,641,387 | **11,087,025** |
| ***TOTAL*** | ***26,909,166*** | ***10,163,139*** | ***5,136,156*** | ***4,349,615*** | ***12,166,596*** | ***58,724,672*** |

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

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Cash and cash equivalents | 180,322,293 | 143,315,435 |
| Long-term debt net of current portion | -47,637,646 | -125,924,855 |
| Short-term debt and current portion of long-term debt | -51,060,969 | -38,433,365 |
| Lease liabilities | -12,923,494 | -12,378,798 |
| ***Net cash surplus / (Net debt)*** | ***68,700,184*** | ***-33,421,583*** |
| | | |
| Cash and cash equivalents | 180,322,293 | 143,315,435 |
| Loan bearing interest at a fixed rate | -70,800,953 | -86,221,763 |
| Loan bearing interest at a variable rate | -27,897,662 | -78,136,456 |
| Lease liabilities | -12,923,494 | -12,378,798 |
| ***Net cash surplus / (Net debt)*** | ***68,700,184*** | ***-33,421,582*** |

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

| *EUR* | *Cash and cash equivalents* | *Long term debt, net of current portion* | *Short term debt and current portion of long term debt* | *Debt related to leases* | *TOTAL* |
|---|---|---|---|---|---|
| ***At 1st January 2021*** | ***58,911,453*** | ***-55,059,230*** | ***-151,251,825*** | ***-12,704,250*** | ***-160,103,852*** |
| Cash flows | 81,898,296 | -91,241,325 | 140,332,355 | 1,883,386 | **132,872,712** |
| Foreign exchange differences | 2,889,122 | -4,048,158 | -804,852 | -133,211 | **-2,097,099** |
| Transfers | -215,853 | 24,423,858 | -26,709,044 | 0 | **-2,501,039** |
| Scope changes | -167,583 | 0 | 0 | 0 | **-167,583** |
| Other movements with no impact on cash flows | 0 | 0 | 0 | -1,424,721 | **-1,424,721** |
| ***At 31st December 2021*** | ***143,315,435*** | ***-125,924,855*** | ***-38,433,366*** | ***-12,378,796*** | ***-33,421,582*** |
| | | | | | |
| Cash flows | 36,497,884 | 85,205,260 | -8,116,520 | 2,035,612 | **115,622,236** |
| Foreign exchange differences | 508,975 | -4,162,335 | 505,711 | -105,236 | **-3,252,885** |
| Transfers | 0 | 7,324,014 | -5,077,829 | 0 | **2,246,185** |
| Scope changes | 0 | 0 | 0 | 0 | **0** |
| Other movements with no impact on cash flows | 0 | -10,079,732 | 61,035 | -2,475,075 | **-12,493,772** |
| ***At 31st December 2022*** | ***180,322,294*** | ***-47,637,648*** | ***-51,060,969*** | ***-12,923,495*** | ***68,700,182*** |

## *Note 24. Trade and other payables*

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| ***Non-current other payables*** | ***6,005,421*** | ***7,401,156*** |
| | | |
| Trade creditors: suppliers | 39,802,147 | 32,170,208 |
| Advances received and invoices to be received | 14,042,266 | 12,798,383 |
| ***Subtotal trade payables*** | ***53,844,413*** | ***44,968,591*** |
| | | |
| Staff cost liabilities | 6,268,309 | 6,727,199 |
| Other payables (1) | 55,463,454 | 54,512,366 |
| Accruals (2) | 29,566,277 | 33,468,689 |
| ***Subtotal current other payables*** | ***91,298,040*** | ***94,708,254*** |
| | | |
| ***TOTAL*** | ***151,147,874*** | ***147,078,001*** |
| | | |
| Non-current liabilities | 6,005,421 | 7,401,156 |
| Current liabilities | 145,142,453 | 139,676,845 |

(1) Other payables mainly consist of shareholder loans from Socfinaf for EUR 40.4 million (EUR 40.4 million in 2021). See also Note 31.

(2) This amount comprises Okomu grant part of the loans, for EUR 6.2 million (2021: EUR 8.1 million).

## Note 25. Financial Instruments

| *31/12/2021* | *Loans and borrowings* | *Financial assets at fair value through other comprehensive income* | *Other financial assets and liabilities* | *TOTAL* | *Loans and borrowings (*)* | *Other financial assets and liabilities (*)* |
|---|---|---|---|---|---|---|
| *EUR* | *At cost* | *At fair value* | *At cost* | | *At fair value* | *At fair value* |
| ***Assets*** | | | | | | |
| Financial assets at fair value through other comprehensive income | 0 | 715,578 | 0 | **715,578** | 0 | 0 |
| Long-term advances | 800,426 | 0 | 1,058,332 | **1,858,758** | 800,426 | 1,058,332 |
| Other non-current assets | 0 | 0 | 1,823,796 | **1,823,796** | 0 | 1,823,796 |
| Trade receivables | 0 | 0 | 42,082,792 | **42,082,792** | 0 | 42,082,792 |
| Other receivables | 0 | 0 | 10,238,140 | **10,238,140** | 0 | 10,238,140 |
| Cash and cash equivalents | 0 | 0 | 143,315,435 | **143,315,435** | 0 | 143,315,435 |
| ***Total Assets*** | ***800,426*** | ***715,578*** | ***198,518,495*** | ***200,034,499*** | ***800,426*** | ***198,518,495*** |
| | | | | | | |
| ***Liabilities*** | | | | | | |
| Long-term debts (**) | 125,924,854 | 0 | 0 | **125,924,854** | 125,928,335 | 0 |
| Other non-current liabilities | 0 | 0 | 7,401,156 | **7,401,156** | 0 | 7,401,156 |
| Short-term debts (**) | 31,404,040 | 0 | 7,029,325 | **38,433,365** | 31,404,040 | 7,029,325 |
| Trade payables (current) | 0 | 0 | 44,968,591 | **44,968,591** | 0 | 44,968,591 |
| Other payables (current) (**) | 0 | 0 | 94,708,254 | **94,708,254** | 0 | 94,708,254 |
| ***Total Liabilities*** | ***157,328,894*** | ***0*** | ***154,107,326*** | ***311,436,220*** | ***157,332,375*** | ***154,107,326*** |

(*) For information purposes

(**) See Note 23

| *31/12/2021* | | *Fair Value* | | |
|---|---|---|---|---|
| *EUR* | *Level 1* | *Level 2* | *Level 3* | *TOTAL* |
| Financial assets at fair value through other comprehensive income | 0 | 0 | 715,578 | ***715,578*** |

| *31/12/2022* | *Loans and borrowings* | *Financial assets at fair value through other comprehensive income* | *Other financial assets and liabilities* | TOTAL | *Loans and borrowings (*)* | *Other financial assets and liabilities (*)* |
|---|---|---|---|---|---|---|
| *EUR* | At cost | *At fair value* | *At cost* | | *At fair value* | *At fair value* |
| ***Assets*** | | | | | | |
| Financial assets at fair value through other comprehensive income | 0 | 688,024 | 0 | **688,024** | 0 | 0 |
| Long-term advances | 821,712 | 0 | 1,156,825 | **1,978,537** | 821,712 | 1,156,825 |
| Other non-current assets | 0 | 0 | 2,699,565 | **2,699,565** | 0 | 2,699,565 |
| Trade receivables | 0 | 0 | 36,867,116 | **36,867,116** | 0 | 36,867,116 |
| Other receivables | 0 | 0 | 8,665,133 | **8,665,133** | 0 | 8,665,133 |
| Cash and cash equivalents | 0 | 0 | 180,322,293 | **180,322,293** | 0 | 180,322,293 |
| ***Total Assets*** | ***821,712*** | ***688,024*** | ***229,710,932*** | ***231,220,668*** | ***821,712*** | ***229,710,932*** |
| | | | | | | |
| ***Liabilities*** | | | | | | |
| Long-term debts (**) | 47,637,646 | 0 | 0 | **47,637,646** | 46,962,729 | 0 |
| Other non-current liabilities | 0 | 0 | 6,005,421 | **6,005,421** | 0 | 6,005,421 |
| Short-term debts (**) | 40,365,069 | 0 | 10,695,900 | **51,060,969** | 40,365,069 | 10,695,900 |
| Trade payables (current) | 0 | 0 | 53,844,413 | **53,844,413** | 0 | 53,844,413 |
| Other payables (current) | 0 | 0 | 91,298,039 | **91,298,039** | 0 | 91,298,039 |
| ***Total Liabilities*** | ***88,002,715*** | ***0*** | ***161,843,773*** | ***249,846,488*** | ***87,327,798*** | ***161,843,773*** |

(*) For information purposes

(**) See Note 23.

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

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

| *Average number of employees* | 2022 | 2021 |
|---|---|---|
| Directors | 317 | 320 |
| Employees | 6,948 | 6,430 |
| Workers (including temporary workers) | 27,961 | 28,195 |
| | | |
| ***TOTAL*** | ***35,226*** | ***34,945*** |

| | 2022 | 2021 |
|---|---|---|
| *Staff costs* | *EUR* | *EUR* |
| Remuneration | 154,254,485 | 136,691,101 |
| Social security and pension expenses | 18,366,821 | 16,655,185 |
| | | |
| ***TOTAL*** | ***172,621,306*** | ***153,346,286*** |

## Note 27. Other financial income

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| ***On current assets / liabilities*** | | |
| Interest from receivables and cash and cash equivalents | 1,528,653 | 257,892 |
| Forward exchange contracts | 1,853,811 | -509,300 |
| Exchange gains | 35,133,721 | 8,656,061 |
| Others | 723,543 | 3,215,518 |
| | | |
| ***TOTAL*** | ***39,239,728*** | ***11,620,171*** |

## Note 28. Financial expenses

| | 2022 | 2021 |
|---|---:|---:|
| | EUR | EUR |
| Interest and finance expense | 9,406,822 | 9,033,545 |
| Interest expense on lease liabilities | 1,147,359 | 1,062,744 |
| Realised exchange losses | 40,291,953 | 13,176,294 |
| Unrealised exchange losses | 3,704,219 | -3,357,962 |
| Forward exchange contracts | -1,092,802 | 950,711 |
| Impairment of financial assets | 0 | 20,000 |
| Others | 3,091,131 | 2,035,365 |
| ***TOTAL*** | ***56,548,682*** | ***22,920,697*** |

## 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.

| | 2022 | 2021 |
|---|---:|---:|
| Net profit / (loss) for the period (in euros) | 75,586,975 | 80,389,523 |
| Average number of shares | 14,159,720 | 14,159,720 |
| ***Net earnings per share undiluted (in euros)*** | ***5.34*** | ***5.68*** |

## Note 30. Dividends and directors' fees

The Board will propose to the Annual General Meeting on 30th May 2023, to pay a dividend of EUR 1.25, out of which an interim dividend of EUR 0.75 per share was paid in November 2022.

If the proposed dividend is approved by the general meeting of shareholders, a balance of EUR 0.50 per share for a total amount of EUR 7.1 million would therefore remain payable.

| | 2022 | 2021 |
|---|---:|---:|
| Dividends paid to the owners of the Parent | 17,699,650 | 1,415,972 |
| Average number of shares | 14,159,720 | 14,159,720 |
| ***Dividend per share distributed during the period*** | ***1.25*** | ***0.10*** |

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***

| | 31/12/2022 | 31/12/2021 |
|---|---:|---:|
| | *EUR* | *EUR* |
| Short-term benefits | 18,071,177 | 7,864,842 |
| Post-employment benefits | 78,433 | 160,333 |

**** Related party transactions***

| | 31/12/2022 | 31/12/2021 |
|---|---:|---:|
| | *EUR* | *EUR* |
| ***Current liabilities*** | | |
| Other payables | 40,405,480 | 40,403,288 |

| | 2022 | 2021 |
|---|---:|---:|
| | *EUR* | *EUR* |
| ***Income statement*** | | |
| Financial expenses | 1,600,000 | 1,600,000 |

Related party transactions are made at arm's length.

Transactions relating to other related parties are carried out with Bolloré Participations and Palmboomen Cultuur Maatschappij (Mopoli).

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

Bolloré Participations is a shareholder and director of Socfinaf.

In 2014, Socfinaf obtained a cash advance of EUR 35 million from Mopoli. This advance bears an annual interest (net of tax) of 4%. Interest is payable in arrears at the end of each calendar quarter. The amount of interest recognised for the year 2022 is EUR 0.8 million. As of 31st December 2022, the outstanding balance amounts to EUR 20.2 million and is repayable on demand with final maturity on July 2024.

In 2016, Socfinaf obtained a loan of EUR 20 million from Bolloré Participations. The loan has an annual interest rate of 4%. The amount of interest recognised for the year 2022 is EUR 0.8 million euros. As of 31st December 2022, the outstanding balance amounts to EUR 20.2 million and is repayable on demand with final maturity on June 2024.

## Note 32. Off balance sheet commitments

In 2019, a subsidiary of Socfinaf, Okomu Palm Oil Company obtained a loan of Naira 10 billion, whose contract stipulates that Okomu will use as mortgage guarantee, up to the loan granted, the 11,416 ha plantation. At 31st December 2022, the balance of the loan amounts to EUR 15 million (2021: EUR 14 million).

In 2019, a subsidiary of Socfinaf, Plantations Socfinaf Ghana (PSG), obtained a loan of EUR 16.5 million for the construction of an oil mill. This loan consists of a credit line of EUR 15 million and a bank overdraft of EUR 1.5 million. The contract stipulates that PSG will use the oil mill as mortgage guarantee, up to the loan granted. At 31st December 2022, the balance of the loan amounts to EUR 8.1 million (2021: EUR 11.4 million) and the overdraft is nil (2021: nil).

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

In 2021, PNS Ltd obtained a loan of USD 100 million which stipulates that as long as the loan remains outstanding, PNS Ltd may not provide any guarantee or provision of any other security or arrangement to other creditors without granting them on the same terms to the bank. PNS Ltd also opened a reserve account with enough funds to service principal and interest due in the first 12 months. In addition, 100% of PNS Ltd shares, owned by Socfinasia, have been pledged to the bank under this loan. The contract also stipulates that a change of control in PNS Ltd's or in the Company's shareholding would result in the early repayment of the loan. At 31st December 2022, the balance of the loan amounts to USD 30 million (2021: USD 100 million). As the loan has been fully reimbursed in February 2023, the share pledge and the securities have been waived (see also Note 37).

## Note 33. Segment information

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

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

The stated figures originate from internal reporting. They do not include any consolidation or IFRS adjustments or restatements and are therefore not directly comparable to amounts reported in the consolidated statement of financial position and income statement.

**** Segmental breakdown of profit / (loss) at 31st December 2021***

| *EUR* | *Revenue from ordinary business with external customers* | *Revenue from ordinary business between segments* | *Sector profit / (loss) (*)* |
|---|---|---|---|
| Europe | 142,849,707 | 35,576,448 | 9,055,878 |
| Sierra Leone | 46,760,015 | | 19,240,229 |
| Liberia | 36,783,462 | | 5,538,511 |
| Côte d'Ivoire | 176,301,160 | 69,873 | 37,488,425 |
| Ghana | 26,377,673 | | 13,096,295 |
| Nigeria | 79,363,158 | | 34,174,303 |
| Cameroon | 143,222,868 | | 33,644,277 |
| São Tomé and Principe | 4,776,845 | | -1,691,862 |
| Congo (DRC) | 13,117,259 | | -2,058,986 |
| Cambodia | 7,935,361 | | 988,373 |
| Indonesia | 160,157,062 | 94,373 | 82,976,153 |
| ***TOTAL*** | ***837,644,570*** | ***35,740,693*** | ***232,451,598*** |

| | |
|---|---|
| Elimination of revenue from intra-group activities | -35,740,693 |
| Depreciation, amortisation and impairment of bearer plants | 1,417,866 |
| Fair value of agricultural production | 6,821,496 |
| Other IFRS adjustments | 1,161,838 |
| Consolidation adjustments (intra-group and others) | 29,221,565 |
| Financial income | 11,822,872 |
| Financial expenses | -26,234,642 |
| Income tax expense | -54,378,975 |
| ***Net Profit / (loss) for the period*** | ***166,542,925*** |

(*) Profit / (loss) for the period include operating expenses.

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

| *EUR* | *Revenue from ordinary business with external customers* | *Revenue from ordinary business between segments* | *Sector profit / (loss) (*)* |
|---|---|---|---|
| Europe | 152,377,408 | 48,262,436 | 15,456,815 |
| Sierra Leone | 58,553,604 | | 21,826,293 |
| Liberia | 40,756,657 | | 1,747,945 |
| Côte d'Ivoire | 200,451,043 | 136,882 | 38,224,054 |
| Ghana | 33,083,346 | | 18,234,769 |
| Nigeria | 133,279,822 | | 56,251,979 |
| Cameroon | 147,069,445 | | 34,187,590 |
| São Tomé and Principe | 7,781,775 | | 779,099 |
| Congo (DRC) | 16,366,246 | | -398,915 |
| Cambodia | 8,164,138 | | -2,490,942 |
| Indonesia | 193,627,923 | 167,896 | 91,818,399 |
| ***TOTAL*** | ***991,511,407*** | ***48,567,214*** | ***275,637,085*** |

| | |
|---|---|
| Elimination of revenue from intra-group activities | -48,567,214 |
| Depreciation, amortisation and impairment of bearer plants | 7,320,577 |
| Fair value of agricultural production | -17,677,960 |
| Other IFRS adjustments | -1,373,700 |
| Consolidation adjustments (intra-group and others) | 43,998,348 |
| Financial income | 40,137,640 |
| Financial expenses | -58,863,884 |
| Income tax expense | -76,255,764 |
| ***Net Profit / (loss) for the period*** | ***164,355,128*** |

(*) Profit / (loss) for the period include other expenses for EUR 110.4 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …), and other operating expenses for EUR 27.9 million not related directly to the operational activity (other taxes, property taxes, …).

*** Total segmental assets**

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Europe | 189,191,768 | 155,140,042 |
| Sierra Leone | 128,721,882 | 132,030,565 |
| Liberia | 121,732,913 | 115,585,545 |
| Côte d'Ivoire | 166,346,688 | 170,140,614 |
| Ghana | 57,837,090 | 78,724,410 |
| Nigeria | 145,216,147 | 139,257,028 |
| Cameroon | 184,081,225 | 175,101,980 |
| São Tomé and Principe | 28,111,519 | 27,822,826 |
| Congo (DRC) | 68,260,622 | 68,664,450 |
| Cambodia | 67,618,326 | 68,843,348 |
| Indonesia | 117,769,545 | 127,714,996 |
| ***Total*** | ***1,274,887,726*** | ***1,259,025,805*** |
| | | |
| IFRS 3 / IAS 16: Bearer plants | -53,381,980 | -28,557,894 |
| IAS 2 / IAS 41: Agricultural production | 13,057,113 | 6,243,749 |
| Other IFRS adjustments | -9,617,424 | -9,048,166 |
| Consolidation adjustments (intra-group and others) | -91,269,968 | -115,097,075 |
| ***Total consolidated segmental assets*** | ***1,133,675,467*** | ***1,112,566,419*** |
| | | |
| ***Consolidated assets not included in segmental assets*** | | |
| Goodwill | 4,951,057 | 4,951,057 |
| Right-of-use assets | 11,902,768 | 10,505,511 |
| Financial assets at fair value through other comprehensive income | 688,024 | 715,578 |
| Long-term advances | 1,978,537 | 1,858,758 |
| Deferred tax | 11,698,485 | 19,434,382 |
| Other non-current assets | 2,699,565 | 1,823,796 |
| ***Consolidated non-current assets*** | ***33,918,436*** | ***39,289,082*** |
| Other debtors | 8,665,133 | 10,238,140 |
| Current tax assets | 14,942,449 | 15,291,971 |
| ***Consolidated current assets*** | ***23,607,582*** | ***25,530,111*** |
| ***Total of consolidated assets in the segmental assets*** | ***57,526,018*** | ***64,819,193*** |
| ***Total assets*** | ***1,191,201,486*** | ***1,177,385,612*** |

Segmental assets are not part of internal reporting, they are included to meet the requirements of IFRS 8. They include fixed assets, biological assets, trade receivables, inventories, cash and cash equivalents. They do not include any consolidation or IFRS adjustments.

*** Total segmental liabilities**

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Europe | 155,833,973 | 130,502,649 |
| Sierra Leone | 3,426,717 | 1,538,755 |
| Liberia | 13,882,723 | 15,247,453 |
| Côte d'Ivoire | 22,364,064 | 17,484,516 |
| Ghana | 1,066,056 | 972,502 |
| Nigeria | 6,950,565 | 9,223,850 |
| Cameroon | 20,840,351 | 25,172,132 |
| São Tomé and Principe | 3,492,126 | 3,468,418 |
| Congo (DRC) | 1,045,995 | 3,650,948 |
| Cambodia | 1,318,995 | 1,154,105 |
| Indonesia | 24,094,356 | 23,690,765 |
| ***Total*** | ***254,315,921*** | ***232,106,092*** |
| | | |
| Other IFRS adjustments | 104,156 | 48,895 |
| Consolidation adjustments (intra-group and others) | -109,277,626 | -92,478,141 |
| ***Total consolidated segmental liabilities*** | ***145,142,451*** | ***139,676,845*** |
| | | |
| ***Consolidated liabilities not included in segment liabilities*** | | |
| Total equity | 809,044,033 | 736,910,826 |
| Non-current liabilities | 126,630,705 | 212,253,585 |
| Current financial debts | 51,060,969 | 38,433,365 |
| Current lease liabilities | 1,836,468 | 1,401,018 |
| Current tax liabilities | 56,820,337 | 48,328,464 |
| Provisions | 666,524 | 381,506 |
| ***Total consolidated liabilities not included in segmental liabilities*** | ***1,046,059,034*** | ***1,037,708,764*** |
| ***Total equity and liabilities*** | ***1,191,201,485*** | ***1,177,385,609*** |

Segmental liabilities include only trade payables and other payables.

*** Costs incurred for acquisition of segmental assets during 2021**

| EUR | Intangible assets | Tangible assets | Investment properties | Biological assets | TOTAL |
|---|---|---|---|---|---|
| Europe | 6,670 | 179,922 | 36,504 | 0 | **223,096** |
| Sierra Leone | 0 | 2,207,733 | 0 | 0 | **2,207,733** |
| Liberia | 0 | 1,613,464 | 0 | 3,808,942 | **5,422,406** |
| Côte d'Ivoire | 3,666 | 6,125,172 | 0 | 4,144,678 | **10,273,516** |
| Ghana | 0 | 1,978,271 | 0 | 137,231 | **2,115,502** |
| Nigeria | 0 | 27,082,944 | 0 | 1,632,191 | **28,715,135** |
| Cameroun | 0 | 9,974,210 | 0 | 3,177,201 | **13,151,411** |
| São Tomé and Principe | 0 | 256,352 | 0 | 0 | **256,352** |
| Congo (DRC) | 0 | 781,126 | 0 | 0 | **781,126** |
| Cambodia | 0 | 436,270 | 0 | 859,167 | **1,295,438** |
| Indonesia | 658,565 | 4,258,034 | 0 | 4,914,771 | **9,831,370** |
| ***TOTAL*** | ***668,902*** | ***54,893,499*** | ***36,504*** | ***18,674,180*** | ***74,273,085*** |

*** Costs incurred for acquisition of segmental assets during 2022**

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

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

Revenue from external customers :

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Palm | 582,827,456 | 471,225,684 |
| Rubber | 269,137,780 | 233,974,853 |
| Other agricultural activities | 9,316,123 | 5,607,086 |
| Trading activities | 119,380,568 | 118,572,588 |
| Others | 10,849,478 | 8,264,360 |
| ***TOTAL*** | ***991,511,407*** | ***837,644,570*** |

**** Information by geographical region***

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

EUR 2021

| Origin \ Geographical location | Europe | Africa | Asia | America | Oceania | TOTAL |
|---|---|---|---|---|---|---|
| Europe | 4,178,220 | 2,207,994 | 794,752 | 0 | 0 | **7,180,966** |
| Africa | 56,244,615 | 307,777,744 | 277,729,299 | 23,343,369 | 0 | **665,095,027** |
| Asia | 6,351,240 | 9,166,449 | 148,817,865 | 1,030,279 | 2,742 | **165,368,575** |
| ***TOTAL*** | ***66,774,075*** | ***319,152,187*** | ***427,341,915*** | ***24,373,648*** | ***2,742*** | ***837,644,569*** |

EUR 2022

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

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

Revenue from external customers by business segment and geographical area:

EUR 2021

| Business Segment / Category | Palm | Rubber | Other agricultural products | Service and other commercial business | TOTAL |
|---|---|---|---|---|---|
| Sierra Leone | 46,760,015 | 0 | 0 | 0 | **46,760,015** |
| Liberia | 0 | 36,783,462 | 0 | 0 | **36,783,462** |
| Côte d'Ivoire | 30,383,586 | 143,723,806 | 0 | 2,193,768 | **176,301,160** |
| Ghana | 25,714,194 | 391,733 | 0 | 271,746 | **26,377,673** |
| Nigeria | 67,439,332 | 11,787,948 | 0 | 135,878 | **79,363,158** |
| Cameroon | 130,353,234 | 12,176,882 | 393,932 | 298,821 | **143,222,868** |
| São Tomé and Principe | 4,776,845 | 0 | 0 | 0 | **4,776,845** |
| Congo (DRC) | 13,117,259 | 0 | 0 | 0 | **13,117,259** |
| Indonesia | 137,718,617 | 16,041,901 | 5,213,154 | 1,183,389 | **160,157,062** |
| Cambodia | 0 | 7,935,361 | 0 | 0 | **7,935,361** |
| Europe | 14,962,599 | 5,133,761 | 0 | 122,753,347 | **142,849,707** |
| ***TOTAL*** | ***471,225,681*** | ***233,974,854*** | ***5,607,086*** | ***126,836,949*** | ***837,644,570*** |

EUR 2022

| Business Segment / Category | Palm | Rubber | Other agricultural products | Service and other commercial business | TOTAL |
|---|---|---|---|---|---|
| Sierra Leone | 58,553,604 | 0 | 0 | 0 | **58,553,604** |
| Liberia | 0 | 40,635,339 | 0 | 121,318 | **40,756,657** |
| Côte d'Ivoire | 39,919,397 | 157,537,229 | 0 | 2,994,417 | **200,451,043** |
| Ghana | 31,991,119 | 968,476 | 0 | 123,751 | **33,083,346** |
| Nigeria | 120,757,226 | 12,346,955 | 0 | 175,641 | **133,279,822** |
| Cameroon | 133,093,402 | 10,764,990 | 1,947,102 | 1,263,951 | **147,069,445** |
| São Tomé and Principe | 7,781,775 | 0 | 0 | 0 | **7,781,775** |
| Congo (DRC) | 16,366,246 | 0 | 0 | 0 | **16,366,246** |
| Indonesia | 170,771,625 | 14,157,868 | 7,369,021 | 1,329,408 | **193,627,923** |
| Cambodia | 0 | 8,164,138 | 0 | 0 | **8,164,138** |
| Europe | 3,593,062 | 24,562,785 | 0 | 124,221,560 | **152,377,408** |
| ***TOTAL*** | ***582,827,457*** | ***269,137,780*** | ***9,316,123*** | ***130,230,047*** | ***991,511,407*** |

## Note 34. Risk management

**Capital management**

The Group manages its capital and adjusts accordingly in response 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 close monitoring of the ratio of debt over equity.

**Financial risk**

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

Potential risk

None of the countries in which the Group operates has a hyperinflationary economy or suffers from an immediate threat of price devaluation. Nevertheless, in a minority of countries in which the Group operates, 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 and its decisions are based on a variety of risks and opportunities which are themselves based 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 which 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 in order to generate margins for the viability of structures in the event of a significant drop in the selling prices of raw materials 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:

- production of agricultural products of superior quality and branded, in particular for rubber and;
- 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, mainly being US dollar, Nigerian naira and Indonesian rupiah. In addition, financial instruments hedging against exchange rate fluctuations may not be available for certain currencies. This creates exposure to exchange rate fluctuations which may have an impact on the financial result denominated in euro.

In Nigeria, the availability of hard currency is extremely limited. The gap between the central bank rate (CBN) and OTC rates is widening, reaching 30 to 35% in 2022. For consolidation purposes, the Group uses the Central Bank of Nigeria (CBN) rates. These rates are disclosed in Note 1.9 to the financial statements. The impact of the Group's Nigerian operations on the consolidated result is disclosed in Note 33 (Segmental information) to the financial statements.

Risk management and opportunities

Apart from the current currency hedging instruments for operational transactions (which remain relatively limited), the main policy of the Group is to finance its development projects in local currencies in the region given the significant investments made in the plantations and wherever possible, to reduce borrowings.

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

***Interest rate risk***

Potential risk

This risk includes a change in cash flows relating to short-term borrowings (often on a variable rate) and the relatively high level of base interest rates on cash and cash equivalents and developing markets when borrowing in local currency.

Risk management and opportunities

The first risk is put under control by an active policy of monitoring the evolution of local financial markets and sometimes short-term debt consolidation in the long term, if necessary. The second risk is considered by a systematic policy of 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 this risk, the Group ensures the payment of local sales in cash or the guarantee of the receivables by obtaining approved bills of exchange. The export sales of the plantations are centralised in the Group's sales structure, which applies either a cash payment policy or a commercial credit policy whose limits are defined by its Board of Directors.

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

**Liquidity risk**

Potential risk

Liquidity risk is defined as the risk that the Group cannot meet its obligations on time or at a reasonable price. This risk is mainly impacting 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 this risk in a decentralised manner. However, both the cash available and the implementation of the financing are supervised by the Group Management.

The Group chooses, whenever possible, to maintain financial liabilities and cash position (as mentioned respectively in notes 23 and 19) with low credit risk institutions.

**Emerging market risks**

Potential risk

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

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

Risk management and opportunities

The Group's activities contribute to improve the quality of life in the countries in which the Group operates while improving the stability of its markets may lead to an appreciation of the value of the Group's companies located locally.
Diversifying the geographic mix of countries, economies and currencies in which the Group generates its revenues and cash flows reduces its exposure to emerging market risk.
The Group is aware of the environmental and social responsibility it has towards the local population and is 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 impose control over the Group's assets.

Risk management and opportunities

The diversification of the 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

The Group is exposed to the risk of loss of confidence of the financial markets in relation to its ability to maintain a 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, updated in 2022. This complements the Group's sustainable development commitments, formalised in 2012.

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

**Risk sensitivity**

**** Exchange rate risk***

The Group is exposed to changes in value arising from fluctuations in exchange rates generated by its operating activities. However, as local turnover were made in the local currency and export sales are made in US dollar, the Group's exposure is mainly limited to fluctuations in dollar against the euro. The impact on the result of a 10% increase or decrease (EUR/USD) in foreign currency financial instruments amounts to EUR 8.6 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 2022 (including US dollars) amounted to EUR 565.4 million. The global sales (mainly concluded in US dollars) in 2022 amounted to EUR 426.1 million.

**** Interest rate risk***

The breakdown of fixed rate loans and variable rate loans is described in Note 23. Following the variable rate loan arrangement entered into by PNS Ltd in November 2021, the Group is exposed to interest rate risk. To control this risk, the management closely monitors the interests rate evolution. In February 2023, PNS Ltd repaid the last instalment of the loan, reducing the Group exposure to interest rate risk (see note 37).

**** Credit risk***

At 31st December 2022, the trade receivables from global customers and local customers amounted to EUR 16.2 million and EUR 24.6 million respectively. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Raw palm oil is sold locally to local players (wide range of customers). The marketing of refined palm oil and rubber is entrusted to Sogescol FR. It trades either on the physical markets or directly with end customers.

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Trade receivables | 40,812,839 | 46,089,287 |
| Provision incurred mainly on non-operational receivables | -3,945,723 | -4,006,494 |
| Other receivables | 8,665,133 | 10,238,137 |
| ***Total net receivables*** | ***45,532,249*** | ***52,320,930*** |
| Amount not due | 44,544,890 | 51,464,658 |
| Amount due less than 6 months | 236,316 | 68,122 |
| Amount due for more than 6 months and less than one year | 405,019 | 760,051 |
| Amount due for more than one year | 346,024 | 28,099 |
| ***Total net receivables*** | ***45,532,249*** | ***52,320,930*** |

## *Note 35. 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 23rd 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, relying itself exclusively on the investigation file submitted by the Belgian Public Prosecutor's Office in criminal matters, maintains that Socficom meets the conditions for it 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 were carried out there).

Socficom was therefore automatically assessed with corporate income tax, on 4th 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 1st January 2018.

On 5th April 2013, Socficom filed a tax claim against these 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 26th 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 partly 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 of 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 considerations the judgement of the Court of Appeal of 23rd 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, dated 23rd October 2018 which confirms: "that the real seat of the defendant Socficom is indeed established in Liechtenstein and that there is no reason to locate it in Brussels". Based on these elements, the management is of the opinion that no provision should be recorded as the probability of an outflow of financial resources by the Group is low. The findings of the Court of Appeal are not expected before 2024.

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

As described above, the Federal Public Service Finance maintains that Socficom is a Belgian resident company. The tax authorities are claiming VAT of EUR 3,054,160.15 for the years 2006, 2007, 2008 and 2009, adding to this tax fines and interest at a rate of 0.8% per month as from 20th 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 21st December 2013.

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

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

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

3. Claim against "Caisse Nationale de Prévoyance Sociale"

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

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

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

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

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

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

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

The CNPS had always granted a tolerance concerning the determination of benefits in kind constituted by the provision of housing in rural areas.

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

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

## *Note 36. Political and economic environment*

The Group (company) holds interests in subsidiaries that operate indirectly in Africa and South-East Asia.

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

## *Note 37. Events after the closing date*

### Early partial repayment of loan

As of 24th February 2023 and following an early prepayment of Socfin's debt to PNS Ltd, PNS Ltd itself repaid early the outstanding balance of its bank loan, amounting to USD 30,000,000.

Following this final repayment, PNS Ltd bank loan is fully reimbursed, the share pledge and the securities have been waived.

## *Note 38. Auditor's fees*

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Audit (VAT included) | 1,509,211 | 1,387,989 |

The audit fees include all fees paid to the independent statutory auditor of the Group namely EY as well as those paid to member firms within EY network for the relevant years. No consulting work or other non-audit services have been performed by this firm in 2022 or in 2021.

# Company's Management Report

**Presented by the Board of Directors at the Annual General Meeting of 30th May 2023**

Ladies and gentlemen,

We are pleased to present our annual report and to submit for your approval the annual accounts of our Company at 31st December 2022.

## Activities

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

## Result of the year

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

| (EUR million) | 2022 | 2021 |
|---|---|---|
| INCOME | | |
| Income from participating interests | | |
| derived from affiliated undertakings | | |
| Dividends | 34.2 | 10.3 |
| Interest on receivables | 8.8 | 4.9 |
| | **43.0** | **15.2** |
| Income from current assets | 3.6 | 1.4 |
| ***Total income*** | ***46.6*** | ***16.6*** |
| EXPENSES | | |
| Other external charges | 1.5 | 1.6 |
| Interest payable and similar expenses | 11.3 | 4.9 |
| ***Total expenses*** | ***12.8*** | ***6.5*** |
| PROFIT FOR THE FINANCIAL YEAR | 33.8 | 10.1 |

At 31st December 2022, net profit amounted to EUR 33.8 million compared to EUR 10.1 million at the end of the previous year.

Revenue amounted to EUR 46.6 million (EUR 16.6 million at 31st December 2021).

Total expenses amounted to EUR 12.8 million compared to EUR 6.5 million at 31st December 2021.

# Company's Management Report

## Balance sheet

At 31st December 2022, Socfin's total assets amounted to EUR 324.5 million compared to EUR 383.7 million at 31st December 2021.

Socfin's assets consist of a portfolio of EUR 187.4 million, financial fixed assets of EUR 120.4 million, and other debtors of EUR 16.5 million.

Equity amounted to EUR 210.1 million.

## Porfolio

***Movements***

During the financial year 2022, Socfin acquired 22,299 shares in Socfinaf for a total amount of EUR 0.3 million, 31,494 shares in Socfinasia for a total amount of EUR 0.5 million and 1,000 shares in Management Associates for a total amount of EUR 0.2 million. Socfin sold 10 shares of Brabanta for a total amount of EUR 0.1 million.

***Revaluations***

At 31st December 2022, the unrealised capital gains on the investment portfolio are estimated at EUR 141.5 million compared to EUR 95.7 million in previous year.

## Holdings

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

**Socfinasia S.A. (Luxembourg) - 58.25%**

The company holds stakes in Southeast Asian companies active in the rubber and palm oil sector.

At 31st December 2022, net profit amounted to EUR 70.7 million compared to EUR 45 million at 31st December 2021.

The net value of Socfinasia's investments amounted to EUR 289.6 million at 31st December 2022 and the valuation of the portfolio shows unrealised gains of EUR 101.9 million.

At the next General Meeting, the Board of Directors of Socfinasia will propose the payment of a final dividend of EUR 1.50 per share, an interim dividend of EUR 2.00 has already been paid in November 2022.

| Socfinasia (EUR million) | 2022 | 2021 |
|---|---|---|
| ***Assets*** | ***457.7*** | ***451.9*** |
| Fixed assets | 405.7 | 410.5 |
| Current assets | 52.0 | 41.4 |
| | | |
| ***Equity and Liabilities*** | ***457.7*** | ***451.9*** |
| Equity | 452.1 | 446.8 |
| Liabilities | 5.6 | 5.1 |

***Socfinaf S.A. (Luxembourg) - 64.64%***

The company has interests in entities in tropical Africa active in the rubber and palm oil sector.

At 31st December 2022, net loss amounted to EUR 37.5 million compared to a net profit of EUR 6.5 million at 31st December 2021. This result was impacted by the non-recurrent impairment of EUR 66.1 million which has been accounted on the investment in Brabanta.

# Company's Management Report

The net asset value of financial assets amounted to EUR 182.9 million at 31st December 2022 and the valuation of the portfolio generated unrealised gains of EUR 505.8 million. This unrealised capital gain, however, takes into account a valuation of Okomu at the NGN/USD exchange rate of the Central Bank of Nigeria. This exchange rate is significantly out of line with the price obtained on the OTC markets. Taking the latter into account, the capital gain would be reduced to EUR 419.9 million.

The Board of Directors of Socfinaf will propose at the next General Meeting not to pay a dividend for the financial year 2022.

| | 2022 | 2021 |
|---|---|---|
| **Socfinaf (EUR million)** | | |
| ***Assets*** | ***398.6*** | ***499.2*** |
| Fixed assets | 361.7 | 469.1 |
| Current assets | 36.9 | 30.1 |
| ***Liabilities*** | ***398.6*** | ***499.2*** |
| Equity | 221.3 | 258.8 |
| Liability | 177.3 | 240.4 |

## Allocation of profit

The profit for the year for Socfin of EUR 33,793,761 increased by the retained earnings of EUR 103,075,980 result in total earnings of EUR 136,869,741 which it is proposed to allocate as follows:

Earnings allocation

| | *EUR* |
|---|---|
| Retained earnings | 117,203,463 |
| From the balance: | |
| 10% to the Board of Directors | 1,966,628 |
| 90% to 14,159,720 shares | 17,699,650 |
| representing EUR 1.25 per share of which EUR 0.75 already paid on November 2022 | |
| | ***136,869,741*** |

As a reminder, the dividend relating to previous year was EUR 0.60.

Reserves

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

| | *EUR* |
|---|---|
| Legal reserve | 2,477,951 |
| Other reserves | 57,277,681 |
| Retained earnings | 117,203,463 |
| | ***176,959,095*** |

If this distribution is approved, coupon Nr 82 of EUR 0.50 will be declared on 6th June 2023 and will be payable as from 8th June 2023.

## Treasury shares

The company did not buy back its own shares during the 2022 financial year.

## Research and development

During the financial year 2022, Socfin did not incur any expenses for research and development.

## Financial instruments

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

## Branch

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

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

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

c) On 04/11/2022, Mr. Hubert Fabri declared that he held a direct and indirect stake of 55.38% in Socfin.

On 29/10/2021, Bolloré Participations SE declared that it held a direct and indirect interest of 39.75% in Socfin.

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

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

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

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

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

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

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

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

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

- holding of shares giving special control rights;
- the existence of a staff shareholding system;
- shareholder agreements that may result in restrictions on the transfer of securities or voting rights;
- the indemnities provided in the event of the resignation or dismissal of members of the Board of Directors or staff following a takeover bid.

## Corporate responsibility policy

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

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

## Estimated value of the share (company accounts)

The estimated value of Socfin at 31st December 2022 amounts to EUR 351.6 million (EUR 24.83 per share). This valuation includes unrealised gains on the portfolio.

As a reminder, the share price was EUR 20.20 at the end of the 2022 financial year compared to EUR 20.80 one year earlier.

# Company's Management Report

## Significant events after the end of the year

At 24th February 2023, Socfin early repaid an amount of USD 14,750,000 i.e. EUR 13,160,033 to PNS Ltd as a final reimbursement of the loan.

## Key risks and uncertainties

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

## Perspectives

The result for the 2023 financial year will depend to a large extent on the dividend distributions of the subsidiaries.

## Statutory appointments

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

***The Board of Directors***

# Audit report on the Company's financial statements

## *INDEPENDENT AUDITOR'S REPORT*

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

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Société Financière des Caoutchoucs S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, 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 2022, 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 (the "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 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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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 2022, the shares in affiliated undertakings amounts to 187 million euros and represents 58% 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 2022 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 2022 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 report 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 those in charge of 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 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 No 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

**Report on other legal and regulatory requirements**

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 26 May 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 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 19 to 24 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

## Audit report on the Company's financial statements

We have checked the compliance of the financial statements of the Company as at 31 December 2022 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 2022, 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, 31 March 2023

# Company's financial statements

## 1. Balance sheet at 31st December 2022

| | | 2022 | 2021 |
|---|---|---|---|
| *ASSETS* | *Note* | *EUR* | *EUR* |
| | | | |
| *FIXED ASSETS* | | | |
| **Financial assets** | 3 | | |
| Shares in affiliated undertakings | | 187,356,984.97 | 186,370,878.78 |
| Loans to affiliated undertakings | | 120,412,500.00 | 187,056,434.52 |
| | | ***307,769,484.97*** | ***373,427,313.30*** |
| *CURRENT ASSETS* | | | |
| **Debtors** | | | |
| Amounts owed by affiliated undertakings | 4 | | |
| Becoming due and payable within one year | | 16,325,350.98 | 10,195,491.23 |
| Other debtors | | | |
| Becoming due and payable within one year | | 153,785.88 | 102,752.43 |
| | | ***16,479,136.86*** | ***10,298,243.66*** |
| Cash at bank and in hand | | 259,023.92 | 4,640.73 |
| | | ***16,738,160.78*** | ***10,302,884.39*** |
| *TOTAL ASSETS* | | ***324,507,645.75*** | ***383,730,197.69*** |

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

# Company's financial statements

| CAPITAL, RESERVES AND LIABILITIES | Note | 2022 EUR | 2021 EUR |
|---|---|---|---|
| | | | |
| **CAPITAL AND RESERVES** | 5 | | |
| Issued capital | | 24,779,510.00 | 24,779,510.00 |
| Share premium account | | 501,846.51 | 501,846.51 |
| | | | |
| **Reserves** | | | |
| Legal reserve | | 2,477,951.00 | 2,477,951.00 |
| Other reserves, including the fair value reserve | | | |
| Other available reserves | | 57,277,681.15 | 57,277,681.15 |
| | | ***59,755,632.15*** | ***59,755,632.15*** |
| Profit brought forward | | 103,075,979.76 | 102,447,638.68 |
| Profit for the financial year | | 33,793,761.44 | 10,068,154.41 |
| Interim dividends | | -11,799,766.67 | -1,573,302.22 |
| | | | |
| | | ***210,106,963.19*** | ***195,979,479.53*** |
| | | | |
| **CREDITORS** | | | |
| Amounts owed to credit institutions | | | |
| Becoming due and payable within one year | | 18.18 | 24.25 |
| | | | |
| Trade creditors | | | |
| Becoming due and payable within one year | | 216,429.50 | 158,685.05 |
| | | | |
| Amounts owed to affiliated undertakings | | | |
| Becoming due and payable within one year | 6 | 13,830,365.13 | 20,822,207.84 |
| | | | |
| Becoming due and payable after more than one year | | 100,000,000.00 | 166,463,934.52 |
| | | | |
| Other creditors | | | |
| Tax authorities | | 86,520.00 | 38,190.00 |
| Other creditors | | | |
| Becoming due and payable within one year | | 267,349.75 | 267,676.50 |
| | | | |
| | | ***114,400,682.56*** | ***187,750,718.16*** |
| | | | |
| ***TOTAL CAPITAL, RESERVES AND LIABILITIES*** | | ***324,507,645.75*** | ***383,730,197.69*** |

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

## 2. Income statement for the year ended 31st December 2022

| | Note | 2022 EUR | 2021 EUR |
|---|---|---|---|
| **Other operating income** | | 46,068.75 | 0.00 |
| **Raw materials and consumables** | | | |
| Other external expenses | | -1,509,020.71 | -1,542,982.22 |
| | | | |
| **Other operating expenses** | | -18,139.65 | -21,335.89 |
| | | | |
| **Income from participating interests** | | | |
| Derived from affiliated undertakings | 7 | 34,212,972.00 | 10,244,095.77 |
| | | | |
| **Income from other investments and loans forming part of the fixed assets** | | | |
| Derived from affiliated undertakings | 8 | 8,835,902.76 | 4,931,601.83 |
| | | | |
| **Other interest receivable and similar income** | | | |
| Derived from affiliated undertakings | | 3,601,489.37 | 1,395,636.98 |
| Other interest and similar income | | 2,063.34 | 664.52 |
| | | | |
| **Interest payable and similar expenses** | | | |
| Derived from affiliated undertakings | | -11,282,652.87 | -1,179,855.58 |
| Other interest and similar expenses | | -46,681.90 | -3,753,620.70 |
| | | | |
| Tax on profit or loss | | -6.49 | -230.26 |
| | | | |
| **Profit or loss after taxation** | | **33,841,994.60** | **10,073,974.45** |
| | | | |
| Other taxes not shown above | | -48,233.16 | -5,820.04 |
| | | | |
| **Profit for the financial year** | | **33,793,761.44** | **10,068,154.41** |

### *Beneficiary distribution proposal*

| | 2022 EUR | 2021 EUR |
|---|---|---|
| Retained earnings | 117,203,463.42 | 103,075,979.76 |
| | | |
| From the balance: | | |
| 10% on the Board of Directors | 1,966,627.78 | 943,981.33 |
| 90% to 14,159,720 shares | 17,699,650.00 | 8,495,832.00 |
| | ***136,869,741.20*** | ***112,515,793.09*** |
| | | |
| ***Dividend per share*** | ***1.25*** | ***0.60*** |

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

## 3. Notes to the financial statements for the year 2022

### *Note 1. Overview*

The company was incorporated on 5th December 1959 as a public limited company and adopted the status of "Soparfi" on 10th January 2011.

The duration of the company is unlimited, and its registered office is established in Luxembourg. The company is registered in the Register of Commerce and Companies under number B5937 and is listed on the Luxembourg Stock Exchange under ISIN number LU0027967834.

The object of the company is (i) the acquisition, holding and disposal, in any form whatsoever and by any means, directly or indirectly, of participations, rights and interests, as well as bonds of 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.

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 1st January and ends on 31st December.

### *Note 2. Accounting principles, rules and methods*

<u>General principles</u>

The annual financial statements are prepared in accordance with Luxembourg legal and regulatory requirements in force in Luxembourg under the historical cost convention.

The accounting policies and valuation principles are, apart from the rules imposed by the law of 19th 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, with the exception of the current portion of receivables, which is valued individually at the lower of their historical exchange rate value or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- bank accounts expressed in a currency other than the currency of the balance sheet are valued on the basis of the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses are recognised in the current period;

- all other assets, expressed in a currency other than the currency of the balance sheet, are valued individually at the lower of their value at the historical exchange rate or their value determined on the basis of the exchange rate prevailing at the balance sheet date;

- all liability items, expressed in a currency other than the currency of the balance sheet, are valued individually at the highest of their value at the historical exchange rate or 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 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.

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 one of these 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 smaller difference between the net book value of the investment and the share held in the revalued net assets or in the consolidated net assets;

- for investments in plantations or industrial companies, the Board of Directors makes a value adjustment to bring the carrying value at the enterprise value calculated on the basis of the discounted future cash flows available to the shareholders, which 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 have ceased to apply.

**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.

**Russia - Ukrain conflict**

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 have been made following military operations initiated by Russia against the Ukraine on 24th February 2022.

Due to the geopolitical tensions since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro.

Although neither the company's performance and going concern nor operations, have been significantly impacted by the above during 2022, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the company.

## Note 3. Financial fixed assets

| | Shares in affiliated undertakings | | Loans to affiliated undertakings | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | *EUR* | *EUR* | *EUR* | *EUR* | *EUR* | *EUR* |
| ***Acquisition cost nominal value at the beginning of the year*** | ***186,370,878.78*** | ***186,370,890.33*** | ***187,056,434.52*** | ***90,592,500.00*** | ***373,427,313.30*** | ***276,963,390.33*** |
| Increases | 1,049,628.23 | 0.00 | 0.00 | 96,463,934.52 | 1,049,628.23 | 96,463,934.52 |
| Decrease | -63,522.04 | -11.55 | -66,643,934.52 | 0.00 | -66,707,456.56 | -11.55 |
| ***Acquisition cost nominal value at the end of the year*** | ***187,356,984.97*** | ***186,370,878.78*** | ***120,412,500.00*** | ***187,056,434.52*** | ***307,769,484.97*** | ***373,427,313.30*** |
| ***Value adjustments at the beginning and at the end of the year*** | ***0.00*** | ***0.00*** | ***0.00*** | ***0.00*** | ***0.00*** | ***0.00*** |
| ***Net book value at the end of the year*** | ***187,356,984.97*** | ***186,370,878.78*** | ***120,412,500.00*** | ***187,056,434.52*** | ***307,769,484.97*** | ***373,427,313.30*** |

### Information on movements during the year

During the year, the Company has acquired: 31,494 shares of Socfinasia, resulting in a change of percentage holding from 58.09% to 58.25%; 22,299 shares of Socfinaf, resulting in a change of percentage holding from 64.51% to 64.64%; 1,000 shares of Management Associates, resulting in a change of percentage holding from 20.00% to 30.00%.

During the year, the company has sold: 10 shares of Brabanta.

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

| *Entity* | *Country* | *% held* | *Net book value EUR* | *Year end* | *Currencies of the annual accounts* | *Net equity at 31/12/2022* | *Net result at 31/12/2022* |
|---|---|---|---|---|---|---|---|
| Socfinaf (**) | Luxembourg | 64.64 | 137,565,946 | 31/12/2022 | EUR | 221,253,702 | -37,542,749 |
| Socfinasia (**) | Luxembourg | 58.25 | 49,071,662 | 31/12/2022 | EUR | 452,144,231 | 70,684,907 |
| Induservices (*) | Luxembourg | 35.00 | 35,000 | 31/12/2022 | EUR | 327,636 | 88,113 |
| Management Associates (*) | Luxembourg | 30.00 | 637,500 | 31/12/2022 | EUR | 2,456,079 | -243,572 |
| | | | ***187,310,108*** | | | | |

(*) Based on unaudited financial statements at 31st December 2022.
(**) Based on audited financial statements at 31st December 2022.

### Valuation of shares in affiliated undertakings

At 31st December 2022, the Board of Directors is of the opinion that there is no permanent value decrease for the shares in affiliated undertakings.

### Information and valuation of loans to affiliated undertakings

At 31st December 2022, the loans to affiliated undertakings are mainly comprised:

- of receivables from Socfinaf for a nominal amount of EUR 120,000,000 (2021: EUR 120,000,000) and which bear a fixed interest rate of 4.25%. The maturity of the receivable is fixed on 10th November 2026.

At 31st December 2022, the Board of Directors are of the opinion that these loans are recoverable as such, no impairment loss has been accounted for.

## Note 4. Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings mainly consist of an advance granted to Socfinaf for an amount of USD 14,750,000 (2021: USD 10,000,000) bearing interest at a variable rate.

At 31st December 2022, the Board of Directors is of the opinion that the amounts are fully recoverable and as such, no impairment has been accounted for.

## Note 5. Equity

| | Issued capital EUR | Share premium EUR | Legal reserve EUR | Other reserves EUR | Retained earnings EUR | Profit for the year EUR | Interim dividends EUR |
|---|---|---|---|---|---|---|---|
| ***Situation at 1st January 2021*** | ***24,779,510.00*** | ***501,846.51*** | ***2,477,951.00*** | ***57,277,681.15*** | ***93,782,497.98*** | ***8,665,140.70*** | ***0.00*** |
| Allocation of the result for the 2020 financial year following decision of the General Meeting held on 25th May 2021: | | | | | | | |
| • Retained earnings | | | | | 8,665,140.70 | -8,665,140.70 | |
| Interim dividends as per decision of the Board of Directors of 26th October 2021 | | | | | | | -1,573,302.22 |
| Financial year profit for 2021 | | | | | | 10,068,154.41 | |
| ***Situation at 31st December 2021*** | ***24,779,510.00*** | ***501,846.51*** | ***2,477,951.00*** | ***57,277,681.15*** | ***102,447,638.68*** | ***10,068,154.41*** | ***-1,573,302.22*** |
| Distribution of the result for the 2021 financial year following decision of the General Meeting held on 31st May 2022: | | | | | | | |
| • Retained earnings | | | | | 628,341.08 | -628,341.08 | |
| • Dividends | | | | | | -7,079,860.00 | |
| • Director’s fees | | | | | | -786,651.11 | |
| • 2021 interim dividend | | | | | | -1,573,302.22 | 1,573,302.22 |
| Interim dividends as per decision of the Board of Directors of 27th October 2022 | | | | | | | -11,799,766.67 |
| Financial year profit for 2022 | | | | | | 33,793,761.44 | |
| ***Situation at 31st December 2022*** | ***24,779,510.00*** | ***501,846.51*** | ***2,477,951.00*** | ***57,277,681.15*** | ***103,075,979.76*** | ***33,793,761.44*** | ***-11,799,766.67*** |

### Issued capital

At 31st December 2022 and 2021, the issued and fully paid capital is EUR 24,779,510 represented by 14,159,720 shares without nominal value.

### Share premium

At 31st December 2022 and 2021, the share premium amounts to EUR 501,846.

### Legal reserve

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

## Note 6. Amounts to affiliated undertakings

At 31st December 2022, the amounts owed to affiliated undertakings mainly consist of:

- a debt to Socfinasia for a nominal amount of EUR 100,000,000 (2021: EUR 100,000,000) plus accrued interest of EUR 400,000 (2021: EUR 583,333) and which bear a fixed interest rate of 4%. This debt is repayable early or at the latest on 10th November 2026.
- a debt to PNS Ltd for a nominal amount of EUR 13,160,033 (2021: EUR 8,829,242) plus accrued interest of EUR 269,045 (2021: EUR 500,533). This debt bears interest at a variable rate and is repayable within one year.

## Note 7. Income from participating interests

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Dividends received | ***34,212,972*** | ***10,244,095*** |

This amount corresponds to the dividend received from the affiliated undertakings (Note 3).

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

| | 2022 | 2021 |
|---|---|---|
| | *EUR* | *EUR* |
| Interest on related companies' receivables | ***8,835,903*** | ***4,931,601*** |

This amount corresponds to interest income received on the loans granted by affiliated undertakings (Note 3).

## Note 9. Taxation

The company is subject to all taxes to which Luxembourg commercial companies are subject to.

## Note 10. Remuneration of the Board of Directors

During the 2022 financial year, the remuneration of the Board members amounted to EUR 8,750 (2021: EUR 10,312) as attendance fees and EUR 1,966,628 (2021: EUR 157,330) as directors' fees.

During 2022, no advances or loans were granted to the Board members.

## Note 11. Political and economic environment

The company holds interests in companies that operate indirectly in Africa and South-East Asia.

Given the economic and political instability in these African countries (Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Nigeria, Cameroon, São Tomé and Principe and Democratic Republic of Congo) and South-East Asia (Cambodia and Indonesia), these holdings are exposed to political and economic fluctuations risks.

## Note 12. Off-balance sheet commitments

At 31st December 2022 and 2021, the company guaranteed the repayment of the loan of USD 100,000,000 from PNS Ltd with a financial institution.

## Note 13. Significant events after the year end

At 24th February 2023, the company early repaid an amount of USD 14,750,000 i.e. EUR 13.160.033 to PNS Ltd as a final reimbursement of the loan.