Socfinasia S.A.

2022 ANNUAL REPORT

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Group profile

1. Overview of the Group

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

The principal activity of Socfinasia is to manage a portfolio of shares focused on the operation of more than 52,000 hectares of tropical palm oil and rubber plantations in South-East Asia. Socfinasia employs 9,595 people and has achieved a consolidated turnover of EUR 202 million in 2022.

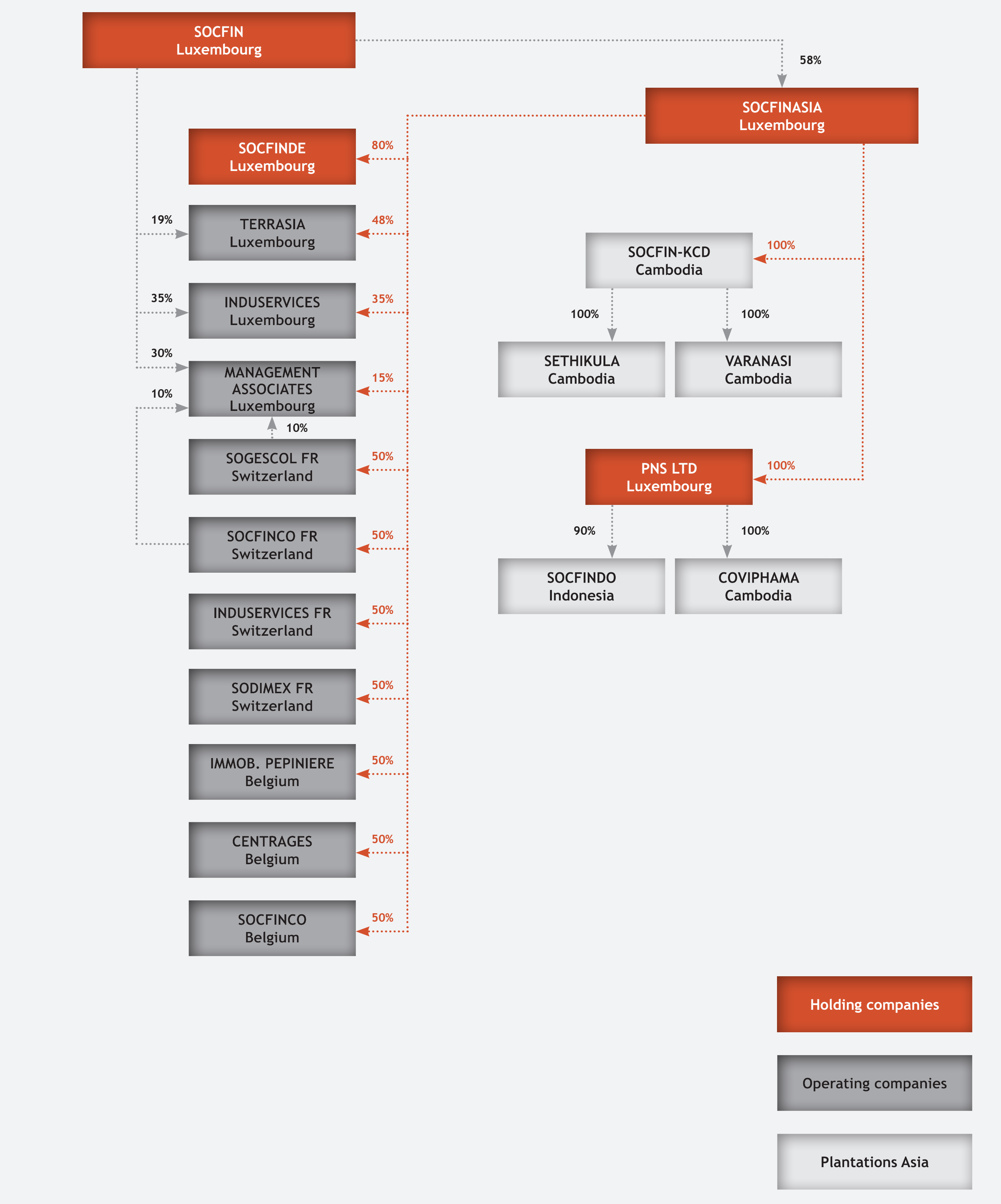
2. History

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

Group profile

3. Group structure

31/12/2022



4. Information on Socfinasia's holdings

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

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

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

Corporate data refers to consolidated data.

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

Group profile

PT SOCFIN INDONESIA "SOCFINDO"

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

Key data

Area (hectares)		*Planted area*	
At 31st December 2022	***Mature***	***Immature***	***Total***
Rubber	5,676	927	**6,603**
Palm	35,050	4,229	**39,279**
	40,726	***5,156***	***45,882***

Concessions: 47,536 ha

Permanent staff at 31st December 2022: 8,782

Production and turnover		
At 31st December	***2022***	***2021***
Production (tons)		
Rubber	6,896	8,550
Palm oil	179,516	180,584
Seeds (thousands)	13,189	9,366
Turnover (EUR 000)	193,796	160,251
Result (EUR 000)	71,954	64,841
Average selling price (EUR / kg)		
Rubber	2.05	1.49
Palm oil	0.95	0.78
Seeds (EUR / 1,000)	564	567
Average rate EUR / IDR	15,648	16,938
Closing rate EUR / IDR	16,713	16,161

Key figures (IDR millions)		
At 31st December	***2022***	***2021***
Non-current assets	1,526,371	1,473,092
Current assets	609,115	783,085
Shareholder's Equity (*)	994,045	1,045,550
Debt, provisions and third parties (*)	1,141,440	1,210,627
Profit / (loss) for the period	1,125,920	1,098,297
Dividend per share (USD)	(**)	1,200
Interim dividend per share (USD)	400	800
PNS Ltd's stake (%)	89.98	89.98

(*) After interim dividend, before profit allocation.

(**) Not known to-date.

PT SOCFIN INDONESIA "SOCFINDO"

STATEMENT OF FINANCIAL POSITION

At 31st December 2022 and 2021
(Expressed in IDR 000, unless otherwise stated)

Closing rate: EUR 1 = IDR	**16,713**	**16,161**
Average rate: EUR 1 = IDR	**15,648**	**16,938**

ASSETS	*31/12/2022*	*31/12/2021*
CURRENT ASSETS		
Cash and cash equivalents	185,733,528	332,219,716
Receivables		
Trade receivables		
Amount from related parties	20,381,992	17,186,198
Amount due from customers	21,720,236	11,945,572
Other receivables	4,986,085	15,938,930
Inventories	207,972,126	225,683,668
Advance payment on order	8,192,643	8,096,179
Biological assets	160,128,112	172,015,227
TOTAL CURRENT ASSETS	***609,114,722***	***783,085,490***
NON-CURRENT ASSETS		
Fixed assets	1,521,296,612	1,464,467,746
Rights-of-use of assets	2,941,698	4,412,547
Deferred tax assets	2,121,243	4,200,294
Other	11,100	11,100
TOTAL NON-CURRENT ASSETS	***1,526,370,652***	***1,473,091,687***
TOTAL ASSETS	***2,135,485,374***	***2,256,177,176***

Group profile

LIABILITIES AND EQUITY	*31/12/2022*	*31/12/2021*
LIABILITIES		
CURRENT LIABILITIES		
Amount payable to suppliers	32,906,833	25,976,433
Other payables		
Amount due to third parties	12,019,642	12,954,770
Amount due to related parties	1,082,630	3,467,106
Accruals	324,622,563	303,800,224
Advances and payments on work in progress	27,449,274	30,555,928
Employee benefit obligations	3,433,799	5,006,977
Current tax liabilities	166,607,114	232,322,738
TOTAL CURRENT LIABILITIES	***568,121,855***	***614,084,175***
NON-CURRENT LIABILITIES		
Employee benefit obligations	573,318,210	596,542,873
TOTAL LIABILITIES	***1,141,440,065***	***1,210,627,048***
Equity		
Share capital		
Type A	2,385	2,385
Type B	265	265
Type C	7,947,350	7,947,350
Type D	34,300,000	34,300,000
Total share capital	***42,250,000***	***42,250,000***
Share premium	3,670,500	3,670,500
Retained earnings		
Allocated to the general reserve	-177,794,840	-50,385,700
Retained earnings not allocated	1,125,919,650	1,050,015,328
TOTAL EQUITY	***994,045,310***	***1,045,550,128***
TOTAL LIABILITIES AND EQUITY	***2,135,485,374***	***2,256,177,176***

Group profile

STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE INCOME

At 31st December 2022 and 2021
(Expressed in IDR 000, unless otherwise stated)

	2022	*2021*
Revenue	3,011,660,868	2,694,322,407
Cost of sales	-1,050,595,306	-897,162,856
GROSS PROFIT	***1,961,065,562***	***1,797,159,551***
Selling expenses	-48,099,014	-47,001,057
General and administrative overheads (*)	-494,204,078	-476,184,530
Other income	86,128,668	33,839,381
Other expenses	-47,880,050	-23,462,872
Gain / (loss) arising from change in fair value of biological assets	-40,755,194	63,903,276
OPERATING PROFIT	***1,416,255,894***	***1,348,253,749***
Finance Income	7,407,886	8,987,330
PROFIT BEFORE TAX	***1,423,663,780***	***1,357,241,079***
Income tax expense	***-316,637,933***	***-296,641,780***
Profit / (loss) for the period	***1,107,025,847***	***1,060,599,299***
Comprehensive income		
Revaluation of post-employment benefits	*18,893,803*	-10,583,972
TOTAL COMPREHENSIVE INCOME	***1,125,919,650***	***1,050,015,327***

(*) These amounts include emoluments paid to the directors of PT Socfindo who are members of the Board of Directors of Socfinasia (2022 = IDR 135,314,429,990 and 2021 = IDR 61,066,588,216).

Group profile

SOCFIN-KCD Co Ltd

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

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

Key data

Area (hectares)		*Planted area*	
At 31st December 2022	***Mature***	***Immature***	***Total***
Rubber	3,529	163	**3,692**

Concessions: 6,659 ha (including subsidiaries)

Permanent staff at 31st December 2022: 677

Production and turnover		
At 31st December	***2022***	***2021***
Production (tons)		
Rubber	6,018	6,107
Turnover (EUR 000)	8,164	7,935
Result (EUR 000)	-1,402	915
Average selling price (EUR/kg)		
Rubber	1.36	1.30
Average rate EUR / USD	1.05	1.18
Closing rate EUR / USD	1.07	1.13

Key figures (USD 000)		
At 31st December	***2022***	***2021***
Fixed assets	49,833	53,468
Current assets	3,475	4,940
Equity (*)	31,950	33,418
Borrowing, provisions and third-parties (*)	21,358	24,991
Profit / (loss) for the period	-1,469	1,081
Socfinasia's holding (%)	100.00	100.00

(*) Before profit allocation.

Group profile

COVIPHAMA Co Ltd

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

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

Key data

Area (hectares)		*Planted area*	
At 31st December 2022	***Mature***	***Immature***	***Total***
Rubber	1,361	1,867	**3,228**

Concessions: 5,345 hectares

Permanent staff at 31st December 2022: 136

	2022	*2021*
Average rate EUR / USD	1.05	1.18
Closing rate EUR / USD	1.07	1.13

Key figures (USD 000)		
At 31st December	***2022***	***2021***
Fixed assets	22,710	23,002
Current assets	572	1,052
Equity	-1,603	-447
Borrowing, provisions and third-parties	24,884	24,500
Profit / (loss) for the period	-1,156	79
Socfinasia's holding (%)	100.00	100.00

Group profile

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

Share capital: USD 260,084,774.

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

	2022	*2021*
Average rate EUR/USD	1.05	1.18
Closing rate EUR/USD	1.07	1.13

Key figures (USD 000)		
At 31st December	***2022***	***2021***
Fixed assets	306,521	391,271
Current assets	37,660	19,786
Equity (*)	313,879	310,358
Borrowing, provisions and third-parties (*)	30,302	100,700
Profit / (loss) for the period	64,637	49,591
Distribution	61,116	47,226
Socfinasia's holding (%)	100.00	100.00

(*) Before profit allocation.

Group profile

SOCFINDE S.A.

Share capital: EUR 1,250,000.

Socfinde is a Luxembourg holding company.

Profit for the year ended 31st December 2022 is EUR 139,836. The Board of Directors will not propose any dividend distribution at the Annual General Meeting.

Key figures (EUR 000)		
At 31st December	***2022***	***2021***
Fixed assets	9,962	9,932
Current assets	47,412	28,728
Equity	6,023	5,883
Borrowing, provisions and third-parties	51,350	32,776
Profit / (loss) for the period	140	10
Socfinasia's holding (%)	79.92	79.92

Group profile

SOGESCOL FR S.A.

Share capital: CHF 5,300,000.

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

Profit for the year ended 31st December 2022 amounted to USD 8,864,552. The Board of Directors will propose a dividend distribution of USD 8,000,000 at the Annual General Meeting.

	2022	*2021*
Average rate EUR / USD	1.05	1.18
Closing rate EUR / USD	1.07	1.13

Key figures (USD 000)		
At 31st December	***2022***	***2021***
Fixed assets	773	1,034
Current assets	50,991	51,544
Equity (*)	17,955	14,940
Borrowing, provisions and third-parties (*)	33,809	37,637
Profit / (loss) for the period	8,865	6,057
Distribution	8,000	6,000
Dividend per share (USD)	1,509	1,132
Socfinasia's holding (%)	50.00	50.00

(*) Before profit allocation.

Group profile

SOCFINCO FR

Capital: CHF 1,300,000.

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

The profit of the year ended 31st December 2022 is EUR 8,833,675. The Board of Directors will propose a dividend distribution of EUR 8,000,000 at the Annual General Meeting.

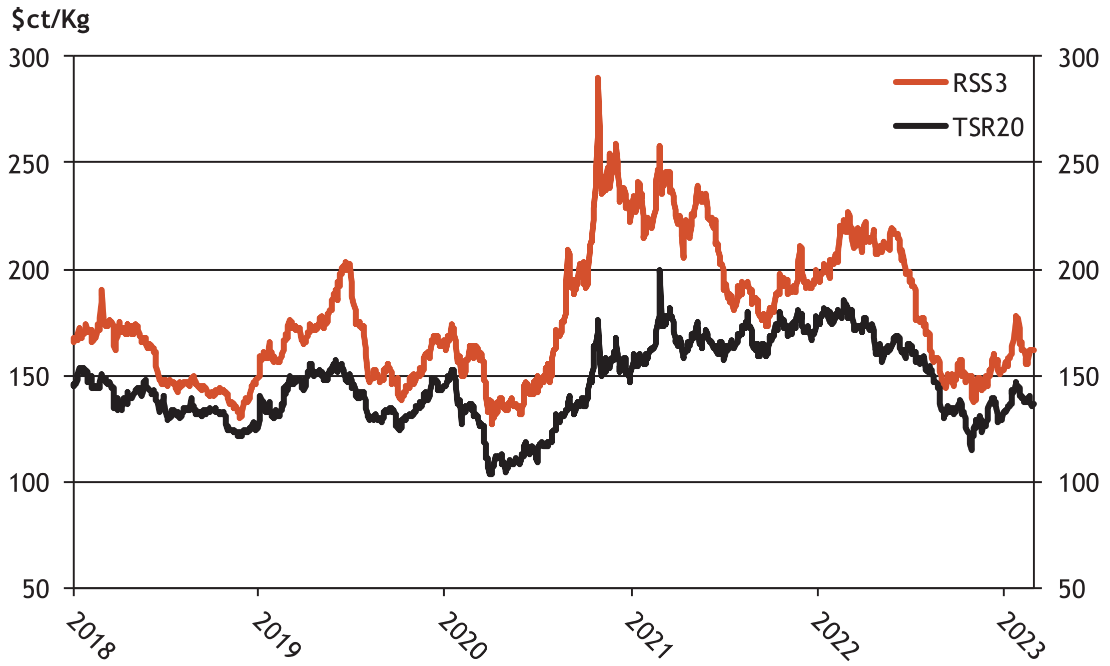
Key Figures (EUR 000)		
At 31st December	***2022***	***2021***
Fixed assets	4,309	5,974
Current assets	22,133	19,609
Equity (*)	16,432	15,598
Borrowing, provisions and third parties (*)	10,010	9,985
Sales and services	30,293	25,179
Profit / (loss) for the period	8,834	6,288
Distribution	8,000	8,000
Dividend per share (EUR)	6,154	6,154
Socfinasia's holding (%)	50.00	50.00

(*) Before profit allocation.

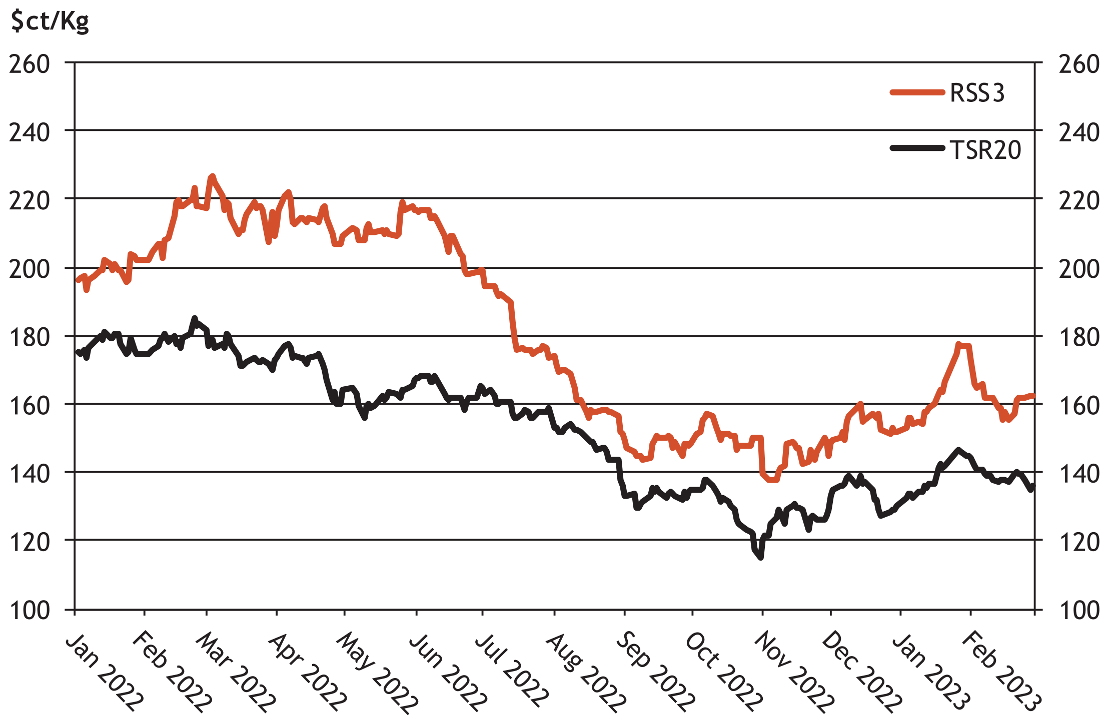
International market for rubber and palm oil

1. Rubber

SGX - NATURAL RUBBER - 5 years +



SGX - NATURAL RUBBER - 1 year +



International market for rubber and palm oil

The international market in 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 crude oil and other commodity prices.

Market sentiment turned bearish as from April onwards because of the Chinese government's "zero Covid" policy 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.

At the end of 2022 the tyre manufacturers, facing a slowdown in production in their factories and therefore an increase in stocks, requested their suppliers to reduce the 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, significantly improved in the last quarter of the year.

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

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

Outlook 2023

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

Indeed, inflationary pressure from prolonged supply chain disruptions and high-energy costs will continue to threaten the 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 natural rubber prices, which are expected to fluctuate according to the indicators of the industrial health of the world's largest natural rubber consumer.

International market for rubber and palm oil

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 crude 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, to the detriment of African rubber. Freight rates out of Africa are also expected to fall, but with a time lag.

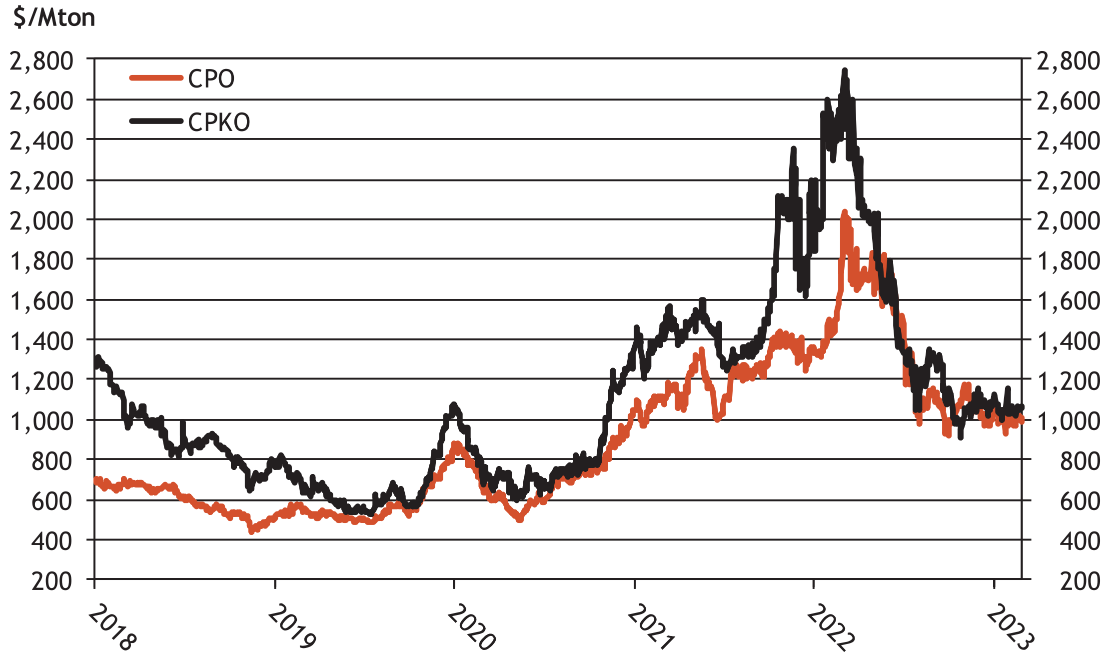
For 2023, the IRSG estimates world production at 14.74 million tons (up 1.1%) and world demand at 14.61 million tons (up 2.1%), resulting in a rubber surplus of 129,000 tons, which would be half the surplus in 2022.

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.

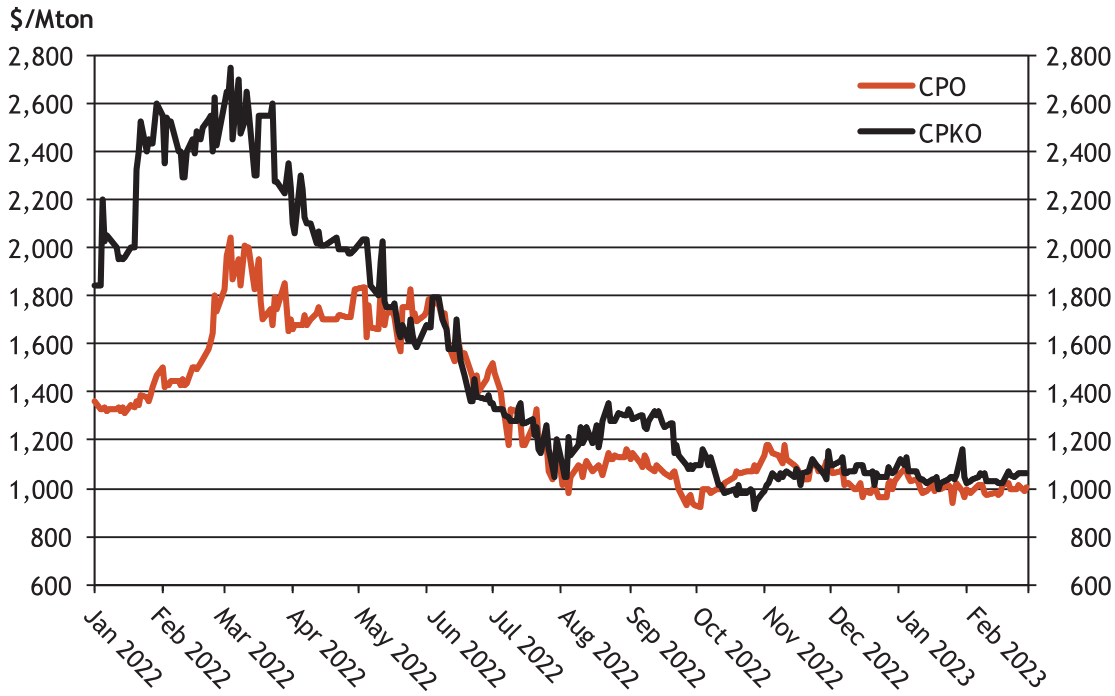
The TSR20 1st position FOB Singapore on SGX settled on 28th February 2023 at USD 1,362/T.

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 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
Coconut	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 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 exceeding 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 affect 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		167		1,724
2021		120		1,286
2020		189		1,219
2019		155		0
2018		215		0
2017		80		0
2016		0		0
2015		726		0
2014		940		0
2013		183		0
2012		9		0
2011		139		0
2010		33		0
Total immatures		***2,957***		***4,229***
Young	(from 6 to 11 years)	3,230	(from 3 to 7 years)	7,265
Prime	(from 12 to 22 years)	7,039	(from 8 to 18 years)	12,167
Old	(above 22 years)	296	(above 18 years)	15,618
Total in production		***10,565***		***35,050***
TOTAL		***13,523***		***39,279***

Area (hectares)	*2022*	*2021*	*2020*	*2019*	*2018*
Palm	39,279	39,089	38,727	38,447	39,476
Rubber	13,523	13,886	14,414	14,829	15,655
TOTAL	***52,802***	***52,975***	***53,141***	***53,276***	***55,131***

Production	*2022*	*2021*	*2020*	*2019*	*2018*
Palm Oil (tons)					
Own production	179,516	180,584	182,577	189,462	194,705
Rubber (tons)					
Own production	12,914	15,430	15,110	15,123	15,142
Seeds (thousands)					
Own production	13,189	11,668	8,042	6,308	14,875

Key figures

Turnover (EUR million)	*2022*	*2021*	*2020*	*2019*	*2018*
Palm	171	141	105	99	98
Rubber	22	21	18	19	17
Other agricultural products	7	5	4	4	10
Other	1	1	0	0	0
TOTAL	***202***	***168***	***127***	***122***	***125***

Staff	*2022*	*2021*	*2020*	*2019*	*2018*
Average workforce	9,595	10,168	10,363	10,567	10,885

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

(EUR million)	*2022*	*2021*	*2020*	*2019*	*2018*
Turnover	202	168	127	122	125
Operating income	56	73	34	21	36
Profit / (loss) for the period attributable to the Group	48	57	16	14	23
Net cash flows from operating activities	91	69	36	25	8
Free cash flows (*)	80	60	25	12	-12

(*) Free Cash Flows = Cash flows from operating activities + cash flows from investing activities.

3. Key figures in the consolidated statement of financial position

(EUR million)	*2022*	*2021*	*2020*	*2019*	*2018*
Bearer biological assets	90	115	107	117	110
Other non-current assets	183	256	154	87	85
Current assets	145	115	75	143	148
Total equity	280	296	247	255	253
Non-current liabilities	40	121	37	45	38
Current liabilities	99	70	52	47	51

Stock market data

(EUR)	*2022*	*2021*	*2020*	*2019*	*2018*
Number of shares	19,594,260	19,594,260	19,594,260	19,594,260	19,594,260
Equity attributable to the owners of the Company	273,585,223	289,258,777	241,466,670	247,709,358	246,510,612
Undiluted net profit per share	2.45	2.93	0.84	0.73	1.44
Dividend per share	3.50	1.40	0.80	0.80	0.90
Share price					
Minimum	14.20	13.10	11.10	11.70	12.60
Maximum	18.80	17.80	17.80	16.40	20.40
Closing	16.50	14.30	14.50	16.30	12.60
Market capitalisation (*)	323,305,290	280,197,918	284,116,770	319,386,438	246,887,676
Dividend paid / net profit attributable to the owners of the Company	143.03%	47.78%	95.36%	109.27%	62.50%
Dividends / market capitalisation	21.21%	9.79%	5.52%	4.91%	7.14%
Market price / undiluted net profit per share	6.74	4.88	17.28	22.26	8.75

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

Financial highlights of the year

Liquidation of Sodimex.
Sale of 5% of Management Associates to Socfin.

Corporate governance statement

1. Introduction

Socfinasia pays close attention to the evolution of the ten principles of corporate governance of the Luxembourg Stock Exchange. It commits to 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 1980	AGO 2027
Mr. Vincent Bolloré	French	1952	Director [(a)]	AGE 1990	AGO 2024
Mr. Cyrille Bolloré	French	1985	Director [(a)]	AGO 2019	AGO 2025
Administration and Finance Corporation “AFICO” represented by Régis Helsmoortel	Belgian	1961	Director [(b)]	AGO 1997	AGO 2028
Mr. François Fabri	Belgian	1984	Director [(b)]	AGO 2014	AGO 2026
Mr. Philippe Fabri	Belgian	1988	Director [(b)]	AGO 2018	AGO 2024
Mrs. Valérie Hortefeux	French	1967	Director [(c)]	AGO 2019	AGO 2025

[(a)] Non-Executive non-independent Director
[(b)] Executive non-independent Director
[(c)] Independent Director

The mandate of Mr. 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.

Administration and Finance Corporation “AFICO”
Director

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

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

François Fabri
Director

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

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

Philippe Fabri
Director

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

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

Valérie Hortefeux
Director

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

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

Corporate governance statement

Appointments of Directors

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

In the event of a vacancy due to 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 of shareholders 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 year-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: 95%
- 2021: 98%
- 2020: 100%
- 2019: 91%
- 2018: 96%

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 is assigned as President of the Audit Committee.

The Members of the Audit Committee are appointed for one year and are eligible for re-election. This Audit Committee is effective as of 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 Socfinasia 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. Remuneration

The remuneration allocated to the members of the Board of Directors of Socfinasia for financial year 2022 amounts to EUR 15,278,115 compared to EUR 5,849,500 in 2021.

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

6. Shareholding status

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

7. Financial calendar

30th May 2023	Annual General Meeting at 11.00 am
8th June 2023	Payment of the balance of dividend for 2022 (coupon number 84)
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 11.00 am

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

8. External audit

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

In 2022, the audit fees amounted to EUR 394,614 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 kept continuously up to date. 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 Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Socfinasia and of all the entities included in consolidation, and

(b) the management report 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 Socfinasia, 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. Socfinasia (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 amounted to EUR 47.9 million compared to EUR 57.4 million in 2021. This results in earnings per share attributable to the Group of EUR 2.45 compared to EUR 2.93 in 2021.

Consolidated revenue amounted to EUR 202.0 million in 2022 compared to EUR 168.2 million in 2021 (an increase of EUR 33.8 million). This increase in revenue was mainly due to rise in the price (EUR +15.6 million) and the variation of the Indonesian Rupiah versus Euro (EUR +15.6 million).

Likewise, operating profit decreased to EUR 55.7 million compared to EUR 73.2 million in 2021. The fixed assets were subject to a non-recurring impairment of EUR 27.3 million in 2022.

Other financial income increased to EUR 26.8 million compared to EUR 8.1 million in 2021 and consisted mainly of exchange gains for EUR 17.5 million and of EUR 7.7 million of interest on long-term advances to Socfin.

Financial expenses amounted to EUR 8.8 million compared to EUR 2.1 million in 2021 and consisted mainly of foreign exchange losses for EUR 3.6 million and of interest expenses for EUR 3.5 million.

The tax expense increased. Income taxes amounted to EUR 28.3 million compared to EUR 21.7 million in 2021.

Profit for the year from associates attributable to the Group increased to EUR 10.8 million compared to EUR 7.1 million in 2021.

Consolidated statement of financial position

The assets of Socfinasia consist of:

- non-current assets of EUR 273.1 million compared to EUR 371.7 million in 2021, a decrease of EUR 98.6 million mainly due to decrease of long-term advances towards Socfin for EUR 75.5 million and of biological assets for EUR 25.1 million;

- current assets for EUR 145.4 million compared to EUR 115.1 million in 2021. This increase is mainly due to the increase of the cash and cash equivalents for EUR 21.2 million.

Shareholders' equity attributable to the Group amounted to EUR 273.6 million compared to EUR 289.3 million in 2021. The decrease in shareholders' equity of EUR -15.7 million is mainly due to the profit for the period (EUR +47.9 million), the allocation of the net results (EUR -58.8 million, final dividend 2021 and interim dividend 2022 included), and the change in translation reserve (EUR -6.5 million).

On the basis of the consolidated shareholders' equity, the net value per share attributable to the Group (before distribution of the balance of the dividend) was EUR 13.96 compared to EUR 14.76 a year earlier. At 31st December 2022, the share price stood at EUR 16.50.

Current and non-current liabilities decreased to EUR 138.6 million compared to EUR 190.9 million a year earlier. The financial liabilities decreased from EUR 87.4 million to EUR 28.3 million.

Consolidated cash flow

At 31st December 2022, cash and cash equivalents amounted to EUR 94.6 million, an increase of EUR 21.2 million for the period compared to an increase of EUR 53.6 million in the previous financial year.

Net cash flows from operating activities amount to EUR 91.3 million in 2022 (EUR 69.2 million in 2021) and cash flow from operating activities amount to EUR 107.9 million compared to EUR 92.3 million in the previous financial year.

Cash flows from investing activities show a net inflow, amounting to EUR 60.9 million (compared to net outflow of EUR 6.0 million in 2021), due to the partial reimbursement of the long-term advance from Socfin. Cash flows from financing activities amounted to EUR 132.0 million (EUR 11.6 million in 2021) of which EUR 66.3 million of dividends (EUR 23.1 million in 2021) and EUR 65.6 million repayment of borrowings.

2. Financial instruments

Financial risk management policies are described in the notes to the consolidated financial statements of the Company (see notes 23 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 management of the Group, 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 evolution 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 operating in South-East Asia.

Given the economic and political instability in some of these countries, these investments 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 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.

5. Events after the closing date

Early final reimbursement 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.

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Socfinasia S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31st 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 31st 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 23rd July 2016 on the audit profession (the "Law of 23rd 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 23rd 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 31st December 2022, the value of the Group's biological assets amounted to EUR 90.4 million out of total assets of EUR 418.6 million.

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

The note 8 "Impairment of assets" of the consolidated financial statements describes the methodology used by Group management to assess whether there is any indicator of impairment or any indicator of impairment reversal at the balance sheet date. When an indicator is identified, Group management determines the recoverable amount of the biological assets and thus determines the impairment loss or the reversal of impairment to be recognised, if any.

The indicators used by Group Management are:

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

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

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

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

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

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

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

Audit response

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

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

- In case of identification of an indicator of impairment or an indicator of impairment reversal, we:
  - Assess the appropriateness of the methodology applied by Group Management to determine the recoverable value of the biological assets and the accuracy of any impairment loss or any impairment reversal recorded;
  - Analyze the reasonableness of the cash flow forecasts used by Group Management to determine the value in use of the biological assets;
  - Assess the reasonableness of the assumptions and inputs used by Group management; and

- Reconcile the key inputs used in the model with information audited by the components auditors of material subsidiaries.

- Assess whether the disclosures required by IAS 36 "Impairment of Assets" for biological assets are properly disclosed in the notes of the consolidated financial statements.

Other information

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

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

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

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

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

The Board of Directors is also responsible for presenting 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 23rd 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 23rd 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 26th 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 27 to 33 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19th 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

Auditor’s report on the consolidated financial statements

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 31st 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 31st December 2022, identified as Socfinasia 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

Consolidated financial statements

1. Consolidated statement of financial position

		31/12/2022	31/12/2021
ASSETS	*Note*	*EUR*	*EUR*
Non-Current Assets			
Right-of-use assets	3	1,866,143	910,065
Intangible assets	4	237,776	828,613
Property, plant and equipment	5	40,992,845	41,308,451
Biological assets	6	90,355,051	115,405,596
Investments in associates	10	25,588,659	21,934,906
Financial assets at fair value through other comprehensive income	11	773,528	501,082
Long-term advances	12	100,503,325	175,971,270
Deferred tax assets	13	5,817,338	7,870,916
Other non-current assets	31	7,000,000	7,000,000
		273,134,665	***371,730,899***
Current Assets			
Inventories	16	15,945,854	16,115,866
Current biological assets	6	1,684,003	1,135,194
Trade receivables	17	3,141,096	2,304,055
Other receivables	18	28,426,558	20,904,231
Current tax assets	14	1,574,532	1,228,967
Cash and cash equivalents	19	94,648,047	73,404,709
		145,420,090	***115,093,022***
TOTAL ASSETS		***418,554,755***	***486,823,921***

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	24,492,825	24,492,825
Legal reserve	21	2,449,283	2,449,283
Consolidated reserves		321,299,102	321,053,764
Translation reserves		-122,604,832	-116,151,273
Profit / (loss) for the period		47,948,844	57,414,177
		273,585,222	***289,258,776***
Non-controlling interests	9	***6,404,183***	***6,662,431***
Total Equity		***279,989,405***	***295,921,207***
Non-Current Liabilities			
Deferred tax liabilities	13	4,856,278	5,579,195
Employee Benefits Obligations	22	34,304,488	36,912,326
Long-term debt, net of current portion	23	9,375,586	78,136,408
Long-term lease liabilities	3	397,717	401,008
		48,934,069	***121,028,937***
Current Liabilities			
Short-term debt and current portion of long-term debt	23	18,522,296	8,853,829
Short-term lease liabilities	3	28,105	26,341
Trade payables	24	4,333,217	4,003,740
Current tax liabilities	14	11,928,558	16,005,952
Other payables	24	54,819,105	40,983,915
		89,631,281	***69,873,777***
TOTAL EQUITY AND LIABILITIES		*418,554,755*	*486,823,921*

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

2. Consolidated income statement

	Note	2022 EUR	2021 EUR
Revenue	33	201,959,951	168,186,805
Work performed by entity and capitalised		587,915	1,105,836
Change in inventories of finished products and work in progress		-772,075	3,452,902
Other operational income		3,767,343	1,305,827
Raw materials and consumables used	33	-18,662,703	-11,421,404
Other expenses	33	-15,267,663	-13,038,627
Staff costs	26	-73,154,782	-60,755,553
Depreciation and impairment expense	7	-37,867,992	-10,948,422
Other operating expenses	31	-4,845,092	-4,648,823
Operating profit / (loss)		***55,744,902***	***73,238,541***
Other financial income	27	26,794,435	8,059,609
Gain on disposals		382,822	696,738
Loss on disposals		-301,923	-2,236,973
Financial expenses	28	-8,794,505	-2,062,103
Profit / (loss) before taxes		***73,825,731***	***77,695,812***
Income tax expense	15	-28,346,768	-21,664,691
Deferred tax (expense) / income	15	-1,042,777	357,786
Share of the Group in the result from associates	10	10,844,143	7,147,777
Profit / (loss) for the period		***55,280,329***	***63,536,684***
Profit / (loss) attributable to non-controlling interests		***7,331,485***	***6,122,507***
Profit / (loss) attributable to the owners of the Parent		***47,948,844***	***57,414,177***
Basic earnings per share undiluted	29	***2.45***	***2.93***

Number of Socfinasia's shares	**19,594,260**	**19,594,260**
Basic earnings per share	2.45	2.93
Diluted earnings per share	2.45	2.93

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		***55,280,329***	***63,536,684***
Other comprehensive income			
Actuarial gains / (losses)	22	1,548,009	-801,102
Deferred tax on actuarial losses and gains		-285,761	-25,588
Fair value changes of securities measured at fair value through other comprehensive income, before taxes	11	-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		*1,241,566*	*-853,995*
Gains / (losses) on exchange differences on translation of subsidiaries		-6,643,883	8,936,823
Share of other comprehensive income related to associates	10	443,738	317,468
Subtotal of items eligible for reclassification to profit or loss		*-6,200,145*	*9,254,291*
Total other comprehensive income		***-4,958,579***	***8,400,296***
Comprehensive income		***50,321,750***	***71,936,980***
Comprehensive income attributable to non-controlling interests		***7,263,233***	***6,411,487***
Comprehensive income attributable to the owners of the Parent		***43,058,517***	***65,525,493***

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

4. Consolidated statement of cash flows

	Note	2022 EUR	2021 EUR
Operating activities			
Profit / (loss) attributable to the owners of the Parent		47,948,844	57,414,177
Profit / (loss) attributable to non-controlling shareholders		7,331,485	6,122,507
Income from associates	10	-10,844,143	-7,147,177
Dividends received from associates	10	7,126,982	3,383,509
Fair value of agricultural production		-2,378,830	1,380,915
Other adjustments having no impact on cash position		-9,102,961	-1,526,193
Depreciation, impairment, provisions and allowances		38,118,718	9,839,642
Net loss on disposals of assets		344,053	1,540,235
Income tax expense and deferred tax	15	29,389,545	21,306,905
Cash flows from operating activities		***107,933,693***	***92,313,920***
Interest expense / (income)	27, 28	***-5,700,645***	***-3,521,702***
Income tax paid	15	***-28,346,768***	***-21,664,691***
Change in inventory		1,391,037	-6,112,598
Change in trade and other receivables		4,985,088	1,105,895
Change in trade and other payables		9,619,162	3,694,583
Change in accruals and prepayments		1,444,533	3,352,891
Change in working capital requirement		***17,439,820***	***2,040,771***
Net cash flows from operating activities		***91,326,100***	***69,168,298***
Investing activities			
Acquisitions / disposals of intangible assets		-635,933	-647,322
Acquisitions of property, plant and equipment and biological assets	5, 6	-13,786,271	-10,468,242
Disposals of property, plant and equipment		2,534,443	977,739
Acquisitions / disposals of financial assets and loans with shareholder	31	67,069,288	621,710
Interest received		5,700,645	3,521,702
Net cash flows from investing activities		***60,882,172***	***-5,994,413***
Financing activities			
Dividends paid to the owners of the Parent	30	-58,782,780	-17,634,834
Dividends paid to non-controlling shareholders	9	-7,521,462	-5,497,754
Proceeds from borrowings	23	0	12,082,392
Repayment of borrowings	23	-65,642,097	-483,046
Repayment of lease liabilities		-28,470	-25,145
Net cash flows from financing activities		***-131,974,809***	***-11,558,387***
Effect of exchange rate fluctuations		1,009,875	1,957,095
Net cash flows		***21,243,338***	***53,572,593***
Cash and cash equivalents at 1st January	19	73,404,709	19,832,116
Cash and cash equivalents at 31st December	19	94,648,047	73,404,709
Net increase / (decrease) in cash and cash equivalents		***21,243,338***	***53,572,593***

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

5. Consolidated statement of changes in equity

EUR	Share capital	Legal reserve	Translation reserves	Consolidated reserves	Equity attributable to the owners of the Parent	Non-controlling interests	TOTAL EQUITY
Balance at 1st January 2021	24,492,825	2,449,283	-125,183,537	339,708,101	241,466,672	5,748,691	247,215,363
Profit / (loss) for the period				57,414,177	57,414,177	6,122,507	63,536,684
Actuarial (losses) / gains				-744,021	-744,021	-82,669	-826,690
Change in fair value of securities at fair value through other comprehensive income				-21,821	-21,821	-5,484	-27,305
Foreign currency translation adjustments			8,559,690	0	8,559,690	377,133	8,936,823
Transfer between reserves			472,574	-472,574	0		0
Share in other comprehensive income from associates				317,468	317,468	0	317,468
Other comprehensive income			9,032,264	56,493,229	65,525,493	6,411,487	71,936,980
Dividends (Note 30)				-9,797,130	-9,797,130	-5,497,754	-15,294,884
Interim dividends (Note 30)				-7,837,704	-7,837,704	0	-7,837,704
Other movements				-98,555	-98,555	7	-98,548
Transactions with shareholders				-17,733,389	-17,733,389	-5,497,747	-23,231,136
Balance at 31st December 2021	24,492,825	2,449,283	-116,151,273	378,467,941	289,258,776	6,662,431	295,921,207
Balance at 1st January 2022	24,492,825	2,449,283	-116,151,273	378,467,941	289,258,776	6,662,431	295,921,207
Profit/(loss) for the period				47,948,844	47,948,844	7,331,485	55,280,329
Actuarial losses and gains				1,136,023	1,136,023	126,225	1,262,248
Change in fair value of securities at fair value through other comprehensive income				-16,529	-16,529	-4,153	-20,682
Foreign currency translation adjustments			-6,453,559		-6,453,559	-190,324	-6,643,883
Share in other comprehensive income from associates				443,738	443,738	0	443,738
Other comprehensive income			-6,453,559	49,512,076	43,058,517	7,263,233	50,321,750
Dividends (Note 30)				-19,594,260	-19,594,260	-5,521,954	-25,116,214
Interim dividends (Note 30)				-39,188,520	-39,188,520	-1,999,508	-41,188,028
Other movements				50,709	50,709	-19	50,690
Transactions with shareholders				-58,732,071	-58,732,071	-7,521,481	-66,253,552
Balance at 31st December 2022	24,492,825	2,449,283	-122,604,832	369,247,946	273,585,222	6,404,183	279,989,405

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

Socfinasia S.A. (the “Company") was incorporated on 20th November 1972. 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 exploitation of tropical oil palm and rubber plantations mainly in South-East of Asia.

Socfinasia is controlled by Société Financière des Caoutchoucs, abbreviated as “Socfin” which is the largest entity that consolidates. The registered office of the latter company is also located in Luxembourg.

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

1.2. Statement of compliance

The consolidated financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) 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 Socfinasia 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.

- On 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 the 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.

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

o 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.

o 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.

o 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.

o 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 Socfinasia as well as those of the companies controlled by the parent ("subsidiaries") and those of the companies in which Socfinasia exercises significant influence ("associates"), all of which constitute the "Group".

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

a) 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.

b) Investments in associates and joint-ventures

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

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

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

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

The list of subsidiaries and associated companies (including joint-ventures) of the Group is presented in note 2.

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

A change in accounting policy is applied only if it meets the requirements of a standard or 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 judgements intended to give a reasonable assessment of the latest reliable information available. An estimate is revised to reflect changes in circumstances, new information available and the effects of experience.

1.6. Business combinations

IFRS 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 Socfinasia 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 reserves". In the event of a disposal, the translation reserves relating to the company concerned are recognised in the income statement for the year in which the sale occurred.

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

The following exchange rates have been used for the conversion of the consolidated financial statements:

	Closing rate		Average Rate	
1 euro equals to:	31/12/2022	31/12/2021	2022	2021
Euro	1.000	1.000	1.000	1.000
Indonesian rupiah	16,713	16,161	15,648	16,938
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. Bearer biological assets

The Group has biological assets in South-East Asia. These biological assets, mainly consisting of palm oil and rubber plantations, are valued according to the principles defined in IAS 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 25 years
Bearer plants - Rubber	20 to 25 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 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.

1.13. Leases

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

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

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

The Group's lease contracts are standard contracts that do not include additional non-leasing components, except for some vehicle lease contracts that include a maintenance service. The Group has used the practical expedient that allows 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 takes into account 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 8.

1.14. Impairment of assets

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

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

1.15. Inventories

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

Where specific identification is not possible, the cost is determined 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 1.12. Bearer biological assets, agricultural production is measured at fair value less estimated costs necessary to make the sale.

1.16. Trade receivables

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

1.17. Cash and cash equivalents

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.

1.18. 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

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

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

The receivables are valued at their nominal value (at cost) less any write-downs covering amounts considered as non-recoverable if the Group deems it necessary. Impairment of assets is recognised in the income statement under "Other operating income/expenses". The Group has established a provision matrix, based on its historical credit loss experience (average default over several years), 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.

1.19. 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.

1.20. Pension obligations

Defined contribution plans

These plans refer to post-employment benefit 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.

1.21. 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.

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.

1.22. Taxes

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

Temporary differences between the book values of assets and liabilities and their tax bases give rise to the recognition of a deferred tax using the tax rates 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.

1.23. 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.

1.24. 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 6 and 16), IAS 16 (Note 5), IAS 36 (Notes 6 and 8), IFRS 9 (Notes 25 and 34) and IFRS 16 (Note 3).

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 1.12).

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

1.25. 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 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.

1.26. 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	*% Group Control*	*Consolidation Method (*)*	*% Group Interest*	*% Group Control*	*Consolidation Method (*)*
	2022	2022	2022	2021	2021	2021
ASIA						
Rubber and palm						
PT SOCFIN INDONESIA "SOCFINDO"	90.00	90.00	FI	90.00	90.00	FI
Rubber						
SETHIKULA CO LTD	100.00	100.00	FI	100.00	100.00	FI
SOCFIN-KCD CO LTD	100.00	100.00	FI	100.00	100.00	FI
VARANASI CO LTD	100.00	100.00	FI	100.00	100.00	FI
COVIPHAMA CO LTD	100.00	100.00	FI	100.00	100.00	FI
EUROPE						
Other activities						
CENTRAGES S.A.	50.00	50.00	EM	50.00	50.00	EM
IMMOBILIERE DE LA PEPINIERE S.A.	50.00	50.00	EM	50.00	50.00	EM
INDUSERVICES S.A.	35.00	35.00	EM	35.00	35.00	EM
INDUSERVICES FR S.A.	50.00	50.00	EM	50.00	50.00	EM
MANAGEMENT ASSOCIATES S.A.	15.00	15.00	NC	20.00	20.00	EM
PLANTATION NORD-SUMATRA LTD "PNS Ltd" S.A.	100.00	100.00	FI	100.00	100.00	FI
SOCFINCO S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFINCO FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOCFINDE S.A.	79.92	79.92	FI	79.92	79.92	FI
SODIMEX S.A.	-	-	NC	50.00	50.00	EM
SODIMEX FR S.A.	50.00	50.00	EM	50.00	50.00	EM
SOGESCOL FR S.A.	50.00	50.00	EM	50.00	50.00	EM
TERRASIA S.A.	47.81	47.81	EM	47.81	47.81	EM

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

List of subsidiaries and associated companies

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

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

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

* INDUSERVICES S.A. is a company under 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.

* MANAGEMENT ASSOCIATES S.A. has been removed from the consolidation scope in 2022.

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

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

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

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

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

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

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

* 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.

*

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

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

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

Note 3. Leases

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

Right-of-use assets

EUR	*Buildings*	*Land and concession of agricultural area*	*TOTAL*
Gross value at 1st January 2021	***277,158***	***1,174,217***	***1,451,375***
Foreign exchange differences	23,125	86,441	**109,566**
Gross value at 31st December 2021	***300,283***	***1,260,658***	***1,560,941***
Accumulated depreciation at 1st January 2021	***-96,279***	***-396,946***	***-493,225***
Depreciation	-25,224	-90,185	**-115,409**
Foreign exchange differences	-9,108	-33,133	**-42,241**
Accumulated depreciation at 31st December 2021	***-130,611***	***-520,264***	***-650,875***
Net book value at 31st December 2021	***169,672***	***740,394***	***910,066***
Gross value at 1st January 2022	***300,283***	***1,260,658***	***1,560,941***
Transfer	0	1,171,888	**1,171,888**
Foreign exchange differences	18,581	-90,767	**-72,186**
Gross value at 31st December 2022	***318,864***	***2,341,779***	***2,660,643***
Accumulated depreciation at 1st January 2022	***-130,611***	***-520,264***	***-650,875***
Depreciation	-28,424	-112,901	**-141,325**
Additions	0	-14,218	**-14,218**
Foreign exchange differences	-7,584	19,502	**11,918**
Accumulated depreciation at 31st December 2022	***-166,619***	***-627,881***	***-794,500***
Net book value at 31st December 2022	***152,245***	***1,713,898***	***1,866,143***

Lease liabilities

	31/12/2022	31/12/2021
	EUR	*EUR*
Long-term lease liabilities	397,717	401,008
Short-term lease liabilities	28,105	26,341
TOTAL	*425,822*	*427,349*

Long-term lease liabilities are payable as follows:

2021 *EUR*	*2023*	*2024*	*2025*	*2026*	*2027 and above*	*TOTAL*
Lease liabilities	26,467	26,594	26,721	26,850	294,376	**401,008**

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

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

	2022 *EUR*	2021 *EUR*
Depreciation of right-of-use assets	141,325	115,409
Expenses related to short term leases and leases of low-value assets	8,553	30,560
Interest expense (included in the financial expenses)	42,471	37,808
TOTAL	***192,349***	***183,777***

Agricultural land and concessions

The Group does not own all of the land on which its 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*
SETHIKULA CO LTD	2010	99 years	4,273 ha
VARANASI CO LTD	2009	70 years	2,386 ha
COVIPHAMA CO LTD	2008	70 years	5,345 ha
PT SOCFINDO	1995/2015/2019	25 to 35 years	47,536 ha

Note 4. Intangible assets

EUR	Concessions and patents	Softwares	TOTAL
Cost at 1st January 2021	*40,866*	*1,490,231*	*1,531,097*
Additions	545,053	113,512	**658,565**
Disposals	-421	-24,514	**-24,935**
Foreign exchange differences	29,598	110,062	**139,660**
Cost at 31st December 2021	*615,096*	*1,689,291*	*2,304,387*
Accumulated depreciation at 1st January 2021	*-40,866*	*-1,281,969*	*-1,322,835*
Depreciation	-13,944	-55,593	**-69,537**
Depreciation reversals	397	13,295	**13,692**
Foreign exchange differences	-4,061	-93,033	**-97,094**
Accumulated depreciation at 31st December 2021	*-58,474*	*-1,417,300*	*-1,475,774*
Net book value at 31st December 2021	*556,622*	*271,991*	*828,613*
Cost at 1st January 2022	*615,096*	*1,689,291*	*2,304,387*
Additions	582,356	53,577	**635,933**
Disposals	-446	-591	**-1,037**
Transfer	-1,171,888	0	**-1,171,888**
Foreign exchange differences	21,897	-59,530	**-37,633**
Cost at 31st December 2022	*47,015*	*1,682,747*	*1,729,762*
Accumulated depreciation at 1st January 2022	*-58,474*	*-1,417,300*	*-1,475,774*
Depreciation	0	-80,101	**-80,101**
Depreciation reversals	446	591	**1,037**
Transfer	14,218	0	**14,218**
Foreign exchange differences	-3,205	51,841	**48,636**
Accumulated depreciation at 31st December 2022	*-47,015*	*-1,444,969*	*-1,491,984*
Net book value at 31st December 2022	*0*	*237,778*	*237,778*

Note 5. Property, plant and equipment

EUR	Land and nurseries	Buildings	Technical installations	Furniture, vehicles and others	Work in progress	Advances and pre-payments	TOTAL
Cost at 1st January 2021	*4,218,619*	*65,610,295*	*60,386,607*	*1,637,151*	*62,423*	*370,843*	*132,285,938*
Additions (*)	1,116,667	754,850	1,807,369	1,109,080	221,178	-314,840	**4,694,304**
Disposals	0	-207,419	-623,604	-687,077	0	0	**-1,518,100**
Transfer	-1,045,343	210,233	64,200	0	-255,722	-60,031	**-1,086,663**
Foreign exchange differences	341,787	4,859,745	4,400,557	147,943	3,469	8,277	**9,761,778**
Cost at 31st December 2021	*4,631,730*	*71,227,704*	*66,035,129*	*2,207,097*	*31,348*	*4,249*	*144,137,257*
Accumulated depreciation at 1st January 2021	*-19,593*	*-43,907,304*	*-46,470,607*	*-1,730,837*	*0*	*0*	*-92,128,341*
Depreciation	0	-1,957,512	-2,139,255	-1,157,181	0	0	**-5,253,948**
Depreciation reversals	0	81,020	591,549	680,485	0	0	**1,353,054**
Foreign exchange differences	-1,635	-3,249,198	-3,395,099	-153,640	0	0	**-6,799,572**
Accumulated depreciation at 31st December 2021	*-21,228*	*-49,032,994*	*-51,413,412*	*-2,361,173*	*0*	*0*	*-102,828,807*
Net book value at 31st December 2021	*4,610,502*	*22,194,710*	*14,621,717*	*-154,076*	*31,348*	*4,249*	*41,308,450*
Cost at 1st January 2022	*4,631,730*	*71,227,704*	*66,035,129*	*2,207,097*	*31,348*	*4,249*	*144,137,257*
Additions (*)	897,761	867,390	2,411,185	1,936,327	118,524	72,671	**6,303,858**
Disposals	-814,455	-41,902	-387,475	-766,566	0	0	**-2,010,398**
Transfer	-458,382	39,874	-12,788,979	12,788,688	-39,874	-1,550	**-460,223**
Foreign exchange differences	191,134	-999,343	-1,025,891	-870,621	561	-984	**-2,705,144**
Cost at 31st December 2022	*4,447,788*	*71,093,723*	*54,243,969*	*15,294,925*	*110,559*	*74,386*	*145,265,350*
Accumulated depreciation at 1st January 2022	*-21,228*	*-49,032,994*	*-51,413,412*	*-2,361,173*	*0*	*0*	*-102,828,807*
Depreciation	0	-1,972,066	-2,220,215	-1,305,477	0	0	**-5,497,758**
Depreciation reversals	22,946	39,989	381,523	731,185	0	0	**1,175,643**
Transfer	0	0	9,176,617	-9,174,777	0	0	**1,840**
Foreign exchange differences	-1,718	1,270,341	980,800	627,153	0	0	**2,876,576**
Accumulated depreciation at 31st December 2022	*0*	*-49,694,730*	*-43,094,687*	*-11,483,089*	*0*	*0*	*-104,272,506*
Net book value at 31st December 2022	*4,447,788*	*21,398,993*	*11,149,282*	*3,811,836*	*110,559*	*74,386*	*40,992,844*

(*) Additions for the period include capitalised costs.

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

Note 6. Biological assets

	Palm		Rubber		TOTAL
EUR	Mature	Immature	Mature	Immature	
Cost at 1st January 2021	***55,889,111***	***13,914,280***	***56,796,540***	***23,881,440***	***150,481,371***
Additions (*)	0	4,245,559	0	1,528,379	**5,773,938**
Disposals	-630,350	-10,740	-1,344,475	-781,103	**-2,766,668**
Transfer	6,695,221	-5,653,783	5,195,825	-5,150,601	**1,086,662**
Foreign exchange differences	4,258,855	919,460	4,665,299	1,758,297	**11,601,911**
Cost at 31st December 2021	***66,212,837***	***13,414,776***	***65,313,189***	***21,236,412***	***166,177,214***
Accumulated depreciation at 1st January 2021	***-24,816,102***	***0***	***-11,948,675***	***0***	***-36,764,777***
Depreciation	-2,973,072	0	-2,477,994	0	**-5,451,066**
Depreciation reversals	489,107	0	750,394	0	**1,239,501**
Foreign exchange differences	-1,880,985	0	-977,024	0	**-2,858,009**
Accumulated depreciation at 31st December 2021	***-29,181,052***	***0***	***-14,653,299***	***0***	***-43,834,351***
Accumulated impairment at 1st January 2021	***0***	***0***	***-216,282***	***-6,130,481***	***-6,346,763***
Impairment	0	0	-201,978	0	**-201,978**
Impairment reversal	0	0	0	143,516	**143,516**
Transfer	0	0	-4,058,669	4,058,669	**0**
Foreign exchange differences	0	0	-234,155	-297,887	**-532,042**
Accumulated impairment at 31st December 2021	***0***	***0***	***-4,711,084***	***-2,226,183***	***-6,937,267***
Net book value at 31st December 2021	***37,031,785***	***13,414,776***	***45,948,806***	***19,010,229***	***115,405,596***
Cost at 1st January 2022	***66,212,837***	***13,414,776***	***65,313,189***	***21,236,412***	***166,177,214***
Additions (*)	0	6,199,700	0	1,282,713	**7,482,413**
Disposals	-952,198	0	-905,821	-1,635,892	**-3,493,911**
Transfer (***)	7,424,736	-6,997,999	-4,213,088	-1,846,110	**-5,632,461**
Foreign exchange differences	-2,597,597	-391,853	2,244,270	1,012,781	**267,601**
Cost at 31st December 2022	***70,087,778***	***12,224,624***	***62,438,550***	***20,049,904***	***164,800,856***
Accumulated depreciation at 1st January 2022	***-29,181,051***	***0***	***-14,653,300***	***0***	***-43,834,351***
Depreciation	-3,500,858	0	-2,778,468	0	**-6,279,326**
Depreciation reversals	794,304	0	592,730	0	**1,387,034**
Transfer (***)	0	0	65,294	0	**65,294**
Foreign exchange differences	1,135,500	0	-57,472	0	**1,078,028**
Accumulated depreciation at 31st December 2022	***-30,752,105***	***0***	***-16,831,216***	***0***	***-47,583,321***
Accumulated impairment at 1st January 2022	***0***	***0***	***-4,711,086***	***-2,226,181***	***-6,937,267***
Impairment (**)	0	0	-27,341,960	-182,149	**-27,524,109**
Impairment reversal	0	0	386,164	1,268,463	**1,654,627**
Transfer (***)	0	0	4,705,732	1,319,816	**6,025,548**
Foreign exchange differences	0	0	98,668	-179,948	**-81,280**
Accumulated impairment at 31st December 2022	***0***	***0***	***-26,862,482***	***1***	***-26,862,481***
Net book value at 31st December 2022	***39,335,673***	***12,224,624***	***18,744,852***	***20,049,905***	***90,355,054***

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

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

Note 7. Depreciation and impairment

	2022	2021
	EUR	EUR
Depreciation		
Of right-of-use assets (Note 3)	141,325	115,409
Of intangible assets (Note 4)	80,101	69,537
Of property, plant and equipment excluding biological assets (Note 5)	5,497,758	5,253,948
Of biological assets (Note 6)	6,279,327	5,451,066
Impairment		
Of biological assets (Note 6)	27,524,109	201,978
Impairment reversal		
Of biological assets (Note 6)	-1,654,627	-143,516
TOTAL	*37,867,993*	*10,948,422*

Note 8. Impairment of assets

Intangible and tangible assets and right-of-use assets

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

At 31st December 2022, no impairment was recognised on above mentioned assets.

Bearer biological assets

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

For this purpose, the Group assesses several indicators: The significant and sustained decreasing trend in the prices of natural rubber (TSR20 1st 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 31st December 2022, the closing prices did not exceed 15% of the average price over the past 5 years for the Rubber and Palm segments.

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

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

In addition to these external indicators, the Group considers the following indicators:
- Internal performance indicators;
- Criteria relating to the local market;
- Physical indicators of impairment;
- Significant changes in plantations that could have a material impact on their future cash flows.

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 producing biological assets is determined.

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

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

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

The recoverable amount of bearer biological assets is determined 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 discount rates.

Changes in realised margins

Initially, the Group determines separately the expected production of each category of biological assets within the entity over their remaining life. This expected production is estimated on the basis of the surface areas planted at reporting date as well as the actual crops 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 agricultural activities. The value-in-use of the biological asset is then obtained by discounting these cash flows. Average margins are considered constant over the duration of the financial projection. An indexing factor is not 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 6), the recoverable amounts for these biological assets being respectively 14.1 million and 10.5 million.

At 31st December 2022, accumulated impairment losses amounted to EUR 18.6 million for Socfin KCD and EUR 8.3 million for Coviphama (Note 6).

Note 9. 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					
SOCFINDO	Indonesia	10%	10%	10%	10%

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
SOCFINDO	7,307,921	6,001,300	5,570,075	5,847,731
Subsidiaries that hold non-controlling interests that are not significant individually			834,108	814,700
Non-controlling interests			***6,404,183***	***6,662,431***

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
	EUR	EUR	EUR	EUR
SOCFINDO				
2021	48,455,059	91,150,642	37,997,748	36,912,343
2022	36,446,379	91,330,388	33,993,571	34,304,495

Subsidiary	Revenue from ordinary activities	Net income for the year	Comprehensive income for the year	Dividends paid to non-controlling interests
	EUR	EUR	EUR	EUR
SOCFINDO				
2021	160,251,333	64,841,457	64,841,457	5,499,223
2022	193,795,921	71,954,260	71,954,260	7,524,578

Subsidiary	*Net cash inflows (outflows)*			
	Operating activities	*Investing activities*	*Financing activities*	*Net cash inflows (outflows)*
	EUR	*EUR*	*EUR*	*EUR*
SOCFINDO				
2021	71,121,523	-9,573,215	-54,992,234	6,556,074
2022	78,446,226	-12,561,950	-75,245,783	-9,361,507

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

Note 10. Investments in associates

	2022	**2021**
	EUR	*EUR*
Value at 1st January	***21,934,906***	***20,600,069***
Income from associates	10,844,143	7,147,776
Dividends	-7,126,982	-3,383,509
Share in other comprehensive income from associates	443,737	317,467
Scope exits (Note 2)	-442,029	-2,274,586
Other movements	-65,117	-472,311
Value at 31st December	***25,588,658***	***21,934,906***

	Value of investment in associates	*Income from associates*	*Value of investment in associates*	*Income from associates*
	31/12/2022	2022	**31/12/2021**	**2021**
	EUR	*EUR*	*EUR*	*EUR*
Centrages	3,365,183	132,473	3,432,710	241,051
Immobilière de la Pépinère	1,866,129	1,962	1,864,426	-46,822
Induservices	114,673	30,840	83,833	1,188
Induservices FR	0	-108,679	0	164,940
Management Associates	0	154,201	245,799	531,279
Socfin Green Energy	0	0	0	-641,650
Socfin Research	0	0	0	1,140,424
Socfinco	318,537	-256,646	775,183	20,607
Socfinco FR	8,639,420	5,223,770	7,364,276	3,386,981
Sodimex	0	-49,895	153,374	1,557
Sodimex FR	2,183,194	451,950	1,890,380	227,628
Sogescol FR	8,807,490	5,249,578	5,845,483	2,106,457
Terrasia	294,033	14,590	279,441	14,136
TOTAL	***25,588,659***	***10,844,144***	***21,934,906***	***7,147,776***

Consolidated financial statements

	Total assets	Revenue	Total assets	Revenue
	31/12/2022	2022	31/12/2021	2021
	EUR	EUR	EUR	EUR
Centrages	4,106,686	3,880,683	4,052,720	4,128,202
Immobilière de la Pépinère	4,019,267	591,134	3,983,909	510,366
Induservices	815,459	2,700,576	1,853,192	3,128,650
Induservices FR	6,629,460	2,937,282	6,611,187	2,779,036
Management Associates	18,854,237	3,922,498	12,567,871	3,438,858
Socfinco	1,589,976	169	2,456,705	20,569
Socfinco FR	26,442,122	30,292,559	25,583,207	25,179,023
Sodimex	0	0	306,953	0
Sodimex FR	10,279,841	21,313,415	8,634,788	14,238,890
Sogescol FR	48,532,250	411,044,829	46,421,846	371,317,721
Terrasia	624,891	0	593,179	0
TOTAL	*121,894,189*	*476,683,145*	*113,065,557*	*424,741,315*

Main data of significant associates accounted for using the equity method

Associate company	Main location	Main activity	Dividend received	Dividend received
			2022	2021
			EUR	EUR
Socfinco	Belgium	Rendering of services	200,000	125,000
Socfinco FR	Switzerland	Rendering of services	4,000,000	1,000,000
Sodimex FR	Switzerland	Purchase and sale of equipment	250,000	250,000
Sogescol FR	Switzerland	Trade of tropical products	2,816,020	1,885,091
TOTAL			*7,266,020*	*3,260,091*

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

Associate company	*Current assets*	*Non-current assets*	*Current liabilities*	*Non-current liabilities*
2021	*EUR*	*EUR*	*EUR*	*EUR*
Management Associates	1,424,905	11,142,966	2,868,219	7,000,000
Socfinco FR	19,608,845	5,974,362	4,970,769	5,014,035
Sodimex FR	8,585,658	49,131	4,585,941	0
Sogescol FR	45,509,154	912,692	33,230,531	0
TOTAL	*75,128,562*	*18,079,151*	*45,655,460*	*12,014,035*
2022	*EUR*	*EUR*	*EUR*	*EUR*
Management Associates	1,537,121	17,317,115	9,398,157	7,000,000
Socfinco FR	22,132,936	4,309,187	6,658,770	3,351,275
Sodimex FR	10,245,556	34,286	5,825,789	0
Sogescol FR	47,807,127	725,123	31,698,353	0
TOTAL	*81,722,740*	*22,385,711*	*53,581,069*	*10,351,275*

Summary financial information of interests held in associates - Income statement

Associate company	*Profit from operations*	*Net income for the period*	*Comprehensive income for the period*
2021	*EUR*	*EUR*	*EUR*
Management Associates	262,563	262,563	262,563
Socfinco FR	6,288,105	6,288,105	6,288,105
Sodimex FR	413,732	413,732	413,732
Sogescol FR	5,129,175	5,129,175	5,129,175
TOTAL	*12,093,575*	*12,093,575*	*12,093,575*
2022	*EUR*	*EUR*	*EUR*
Management Associates	-243,573	-243,573	-243,573
Socfinco FR	8,833,675	8,833,675	8,885,013
Sodimex FR	905,204	905,204	996,068
Sogescol FR	8,459,383	8,459,383	8,652,202
TOTAL	*17,954,689*	*17,954,689*	*18,289,711*

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

Associate company	*Net assets of the associate*	*% stake held by the Group*	*Other IFRS adjustments*	*Value of stake held by the Group*
2021	*EUR*		*EUR*	*EUR*
Management Associates	2,699,652	20%	-294,131	245,799
Socfinco FR	15,598,403	50%	-434,926	7,364,276
Sodimex FR	4,048,848	50%	-134,044	1,890,380
Sogescol FR	13,191,315	50%	-750,175	5,845,483
TOTAL	***35,538,218***		***-1,613,275***	***15,345,938***

2022	*EUR*		*EUR*	*EUR*
Management Associates	2,456,079	15%	-368,412	0
Socfinco FR	16,432,078	50%	423,381	8,639,420
Sodimex FR	4,454,053	50%	-43,833	2,183,194
Sogescol FR	16,833,897	50%	390,542	8,807,490
TOTAL	***40,176,107***		***401,678***	***19,630,104***

There is no goodwill attributed to the above associates.

Aggregated information relating to associates that are not significant individually

	2022	2021
	EUR	*EUR*
Share of profit from continued operations attributable to the Group	-235,355	895,431
Share of other comprehensive income attributable to the Group	-235,355	895,431
Total book value of investments in associates held by the Group	5,958,555	6,588,968

Profit after tax from discontinued operations for 2022 and 2021 are nil for all associate companies of the Group.

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

Note 11. Financial assets at fair value through other comprehensive income

	2022	2021
	EUR	EUR
Fair value at 1st January	***501,082***	***584,990***
Change in fair value (*)	-27,554	-36,378
Disposals	0	-47,530
Transfer	300,000	0
Fair value at 31st December	***773,528***	***501,082***

(*) 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	771,587	471,587	773,528	501,082

Note 12. Long term advance payments

At 31st December 2022, the long-term advance payments consist mainly of a receivable from Socfin for a nominal amount of EUR 100,412,500 (2021: 2 receivables for respectively EUR 100,592,500 and EUR 75,293,177).

This receivable bears interest at rate of 4% per annum (2021: rates of 4% per annum and 3-month USD Libor rate +6.7%), and is repayable within 4 years.

Note 13. Deferred taxes

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

	2022	2021
	EUR	*EUR*
IAS 2 / IAS 41: Agricultural production	-1,430,218	-1,255,209
IAS 16: Property, plant and equipment	-4,455,862	-4,249,920
IAS 19: Pension obligations	7,546,987	8,093,894
IAS 12: Losses carried forward	4,148,849	5,210,941
IFRS 16: Leases	10,525	9,555
IAS 12: Withholding Tax	-4,856,278	-5,579,195
IFRS 9: Financial assets measured at fair value through other comprehensive income	-2,943	-9,815
Others	0	71,470
Balance at 31st December	***961,060***	***2,291,721***
Of which Deferred Tax Assets	5,817,338	7,870,915
Of which Deferred Tax Liabilities	-4,856,278	-5,579,195

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.

PNS Ltd, Socfin KCD and Coviphama have unused tax losses for respectively EUR 15.1 million, EUR 8.7 million and EUR 2.2 million.

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

Note 14. Current tax assets and liabilities

*** Components of current tax assets**

	2022	2021
	EUR	*EUR*
Current tax assets at 1st January	***1,228,967***	***980,690***
Tax income	11,108	31,318
Taxes paid or recovered	323,667	562,949
Tax adjustments	3,004	-376,776
Foreign exchange differences	7,785	30,786
Current tax assets at 31st December	***1,574,531***	***1,228,967***

*** Components of current tax liabilities**

	2022	2021
	EUR	*EUR*
Current tax liabilities at 1st January	***16,005,952***	***10,048,388***
Tax expense	32,284,407	30,644,770
Other taxes	68,832	8,096
Taxes paid or recovered	-35,985,895	-25,361,738
Tax adjustments	-3,049	63
Foreign exchange differences	-441,690	666,373
Current tax liabilities at 31st December	***11,928,557***	***16,005,952***

Note 15. Income tax expense

*** Components of the tax expense**

	2022	2021
	EUR	*EUR*
Current income tax expense (*)	28,346,768	21,664,692
Deferred tax expense / (income)	1,042,777	-357,787
Tax expense at 31st December	***29,389,545***	***21,306,905***

(*) 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 (*)	339,175	-448,261
IAS 19: Pension obligations	13,070	-466,416
IAS 2 / IAS 41: Fair value of agricultural produce	230,832	-118,326
IAS 16: Tangible assets	382,839	744,451
IFRS 16: Leases	-386	-686
Others	77,247	-68,548
Deferred tax expense / (income) at 31st December	***1,042,777***	***-357,786***

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

*** Reconciliation of income tax expense**

	2022	2021
	EUR	*EUR*
Profit before tax from continuing operations	***73,825,731***	***77,695,812***
Nominal tax rate of the parent company	24.94%	24.94%
Nominal tax rate of subsidiaries	from 20% to 24.94%	from 20% to 24.94%
Income tax at nominal tax rates of subsidiaries	17,052,299	17,079,179
Unfunded taxes	-20,640	37,693
Definitively taxed income / (expense)	-1,568,319	-32,224
Use of capital allowances	745,288	269,892
Specific tax regimes in foreign countries	7,061,849	9,621,193
Non-taxable income	-1,937,160	-1,314,690
Non-deductible expenses	7,914,796	1,125,255
Use of unrecognised accumulated tax losses	-263,288	-6,178,320
Unrecognised losses carried forward	379,823	578,034
Impact of change in tax rate	25,110	122,896
Other adjustments	-213	-2,003
Tax expense at 31st December	***29,389,545***	***21,306,905***

Note 16. Inventories

*** Carrying value of inventories by category**

	31/12/2022	31/12/2021
	EUR	*EUR*
Raw materials	768,403	1,044,685
Consumables	3,537,708	3,024,646
Spare parts	2,066,773	1,767,983
Production in progress	2,693,651	1,218,562
Finished products	7,608,564	9,650,351
Gross amount (before impairment) at 31st December	***16,675,099***	***16,706,227***
Inventory write-downs	-729,244	-590,361
Net amount at 31st December	***15,945,855***	***16,115,866***

*** Reconciliation of inventories**

	2022	2021
	EUR	*EUR*
Situation at 1st January	***16,706,227***	***12,023,088***
Change in inventory	-1,413,348	6,144,248
Fair value of agricultural products	1,754,937	-2,464,157
Foreign exchange differences	-372,717	1,003,048
Gross amount (before impairment) at 31st December	***16,675,099***	***16,706,227***
Inventory write-downs	-729,244	-590,361
Net amount at 31st December	***15,945,855***	***16,115,866***

*** Quantity of inventory by category**

31/12/2021	*Raw Materials*	*Production-in-progress*	*Finished goods*
Crude Palm Oil / Palm Kernel Oil (tons)	0	0	5,576
Rubber (tons)	1,076	0	3,935
Others (units)	0	4,737,950	24,926

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

Note 17. Trade receivables (current assets)

	31/12/2022	31/12/2021
	EUR	*EUR*
Trade receivables	2,645,367	1,802,589
Advances and prepayments	495,729	501,466
TOTAL	*3,141,096*	*2,304,055*

Note 18. Other receivables (current assets)

	31/12/2022	31/12/2021
	EUR	*EUR*
Social security	8,860	8,708
Other receivables (*)	28,371,836	20,864,847
Accrued charges	45,859	30,677
TOTAL	*28,426,555*	*20,904,232*

(*) The "Other receivables" consist mainly of cash pooling receivables at Socfinde for EUR 13.4 million (EUR 18.5 million in 2021) and receivables from Socfin at PNS Ltd for EUR 14.1 million (see also Note 38).

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

Note 19. Cash and cash equivalents

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

	2022	2021
	EUR	*EUR*
Current account	94,648,047	73,404,709
TOTAL	*94,648,047*	*73,404,709*

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

	2022	2021
	EUR	*EUR*
Current account	94,648,047	73,404,709
TOTAL	*94,648,047*	*73,404,709*

Note 20. Share capital

Issued and fully paid capital amounted to EUR 24.5 million at 31st December 2022 (no change compared to 2021).

At 31st December 2022, the share capital is represented by 19,594,260 shares without nominal value.

	Ordinary shares	
	2022	2021
Number of Shares at 31st December	***19,594,260***	***19,594,260***
Number of fully paid shares issued without designation of par value	19,594,260	19,594,260

Note 21. Reserve

Legal reserve

In accordance with 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.

	2022	2021
	EUR	*EUR*
Assets and liabilities recognised in the statement of financial position		
Present value of obligations	34,304,488	36,912,326
Net amount recognised in the statement of financial position for defined benefit plans	***34,304,488***	***36,912,326***
Components of net charge		
Current service costs	2,028,323	2,080,954
Financial costs	1,894,992	1,889,375
Past service costs	0	-555,090
Defined benefit plan costs	***3,923,315***	***3,415,239***
Movements in liabilities / net assets recognised in the statement of financial position		
At 1st January	***36,912,326***	***35,114,910***
Costs as per income statement	3,923,315	3,415,239
Contributions	-3,859,526	-4,879,625
Actuarial gains and losses of the year recognised in other comprehensive income	-1,548,010	801,101
Foreign exchange differences	-1,123,617	2,460,701
At 31st December	***34,304,488***	***36,912,326***

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

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

	2022	2021
	EUR	*EUR*
Adjustments of liabilities related to experience	533,879	-2,759,574
Changes in financial assumptions related to recognised liabilities	1,014,131	1,958,473
Actuarial gains and losses recognised during the period in other comprehensive income	*1,548,010*	*-801,101*

*** Actuarial valuation assumptions**

	31/12/2022	31/12/2021
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 present value of defined benefit obligations**

	31/12/2022	31/12/2021
	EUR	*EUR*
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 analyses are 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)	2,924,588	4,227,108

	31/12/2022	31/12/2021
Weighted average duration of defined benefit plan obligations (in years)	12.85	12.75

Note 23. Financial debts

31/12/2021			
EUR	*< 1 year*	*> 1 year*	*TOTAL*
Loans held by financial institutions (*)	8,842,663	78,136,408	**86,979,071**
Other loans	11,166	0	**11,166**
Lease liabilities	26,341	401,008	**427,349**
TOTAL	***8,880,170***	***78,537,416***	***87,417,586***

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

(*) 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 38).

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

**** 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	78,136,408	3-month LIBOR + 5%	**78,136,408**
	0		***78,136,408***		***78,136,408***

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

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

31/12/2021	USD	TOTAL EUR
Loans held by financial institutions	78,136,408	**78,136,408**
Lease liabilities	401,007	**401,007**
TOTAL	***78,537,415***	***78,537,415***

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

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

31/12/2021						
EUR	*2023*	*2024*	*2025*	*2026*	*2027 and above*	*TOTAL*
Loans held by financial institutions	16,952,946	61,183,462	0	0	0	**78,136,408**
Lease liabilities	26,467	26,594	26,721	26,850	294,376	**401,008**
TOTAL	***16,979,413***	***61,210,056***	***26,721***	***26,850***	***294,376***	***78,537,416***

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

Consolidated financial statements

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

	31/12/2022	31/12/2021
	EUR	*EUR*
Cash and cash equivalents	94,648,047	73,404,709
Long-term debt net of current portion	-9,375,586	-78,136,408
Short-term debt and current portion of long-term debt	-18,522,296	-8,853,829
Lease liabilities	-425,822	-427,349
Net cash surplus / (Net debt)	***66,324,343***	***-14,012,877***
Cash and cash equivalents	94,648,047	73,404,709
Loan bearing interest at a variable rate	-27,897,882	-86,990,237
Lease liabilities	-425,822	-427,349
Net cash surplus / (Net debt)	***66,324,343***	***-14,012,877***

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

	Cash and cash equivalents	*Long-term debt, net of current portion*	*Short-term debt and current portion of long-term debt*	*Debt related to leases*	*TOTAL*
At 1st January 2021	***19,832,117***	***0***	***0***	***-418,637***	***19,413,480***
Cash flows	51,615,483	-12,001,941	402,595	25,143	**40,041,280**
Foreign exchange differences	1,957,109	-3,195,394	-361,616	-33,860	**-1,633,761**
Transfers	0	-62,939,073	-8,894,808	0	**-71,833,881**
At 31st December 2021	***73,404,709***	***-78,136,408***	***-8,853,829***	***-427,354***	***-14,012,882***
Cash flows	20,233,462	66,817,381	-1,175,284	28,468	**85,904,027**
Foreign exchange differences	1,009,876	-6,148,630	-384,269	-26,936	**-5,549,959**
Transfers	0	8,092,070	-8,108,913	0	**-16,843**
At 31st December 2022	***94,648,047***	***-9,375,586***	***-18,522,296***	***-425,822***	***66,324,343***

Note 24. Trade and other payables

	31/12/2022	31/12/2021
	EUR	*EUR*
Trade payables	4,333,218	4,003,741
Staff cost liabilities	431,513	841,332
Other payables (*)	34,838,679	21,344,312
Accruals	19,548,913	18,798,271
TOTAL	***59,152,323***	***44,987,656***

(*) Other payables consist mainly of debts of EUR 24.2 million (EUR 10.4 million in 2021) relating to the cash pooling at Socfinde.

Note 25. Financial instruments

31/12/2021 EUR	Loans and borrowings at cost	Financial assets at fair value through other comprehensive income at fair value	Other financial assets and liabilities at cost	TOTAL	Loans and borrowings (*) at fair value	Other financial assets and liabilities (*) at fair value
Assets						
Financial assets at fair value through other comprehensive income	0	501,082	0	**501,082**	0	0
Long-term advances	175,885,677	0	85,592	**175,971,269**	175,885,677	85,592
Other non-current assets	7,000,000	0	0	**7,000,000**	7,000,000	0
Trade receivables	0	0	2,304,055	**2,304,055**	0	2,304,055
Other receivables	0	0	20,904,231	**20,904,231**	0	20,904,231
Cash and cash equivalents	0	0	73,404,709	**73,404,709**	0	73,404,709
Total Assets	***182,885,677***	***501,082***	***96,698,587***	***280,085,346***	***182,885,677***	***96,698,587***
Liabilities						
Long-term debts (**)	78,136,408	0	0	**78,136,408**	78,136,408	0
Short-term debts (**)	0	0	8,853,829	**8,853,829**	0	8,853,829
Trade payables (current)	0	0	4,003,741	**4,003,741**	0	4,003,741
Other payables (current)	0	0	40,983,912	**40,983,912**	0	40,983,912
Total Liabilities	***78,136,407***	***0***	***53,841,482***	***131,977,889***	***78,136,407***	***53,841,482***

(*) 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	501,082	***501,082***

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

(*) For information purposes.

(**) See Note 23.

31/12/2022	Fair Value			
EUR	*Level 1*	*Level 2*	*Level 3*	*TOTAL*
Financial assets at fair value through other comprehensive income	0	0	773,528	*773,528*

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

	2022	2021
Average number of employees		
Directors	195	197
Employees	2,253	2,396
Workers (including temporary workers)	7,147	7,575
TOTAL	*9,595*	*10,168*

	2022	2021
Staff costs	*EUR*	*EUR*
Remuneration	67,364,459	56,030,593
Social security and pension expenses	5,790,322	4,724,960
TOTAL	*73,154,781*	*60,755,553*

Note 27. Other financial income

	2022	2021
	EUR	*EUR*
On non-current assets / liabilities		
Interest on other investments (*)	7,720,339	1,063,405
On current assets / liabilities		
Interest from receivables and cash and cash equivalents	1,555,214	2,940,712
Exchange gains	17,463,418	3,233,227
Others	55,464	822,265
TOTAL	*26,794,435*	*8,059,609*

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

Note 28. Financial expenses

	2022	2021
	EUR	*EUR*
On non-current assets / liabilities		
Impairment on non-current assets	30,000	20,000
Interest expense on lease liabilities	42,471	37,808
On current assets / liabilities		
Interest and finance expense	3,532,438	444,607
Impairment on current assets	-4,258	342,741
Realised exchange losses	3,614,032	980,270
Others	1,579,822	236,677
TOTAL	***8,794,505***	***2,062,103***

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)	47,948,844	57,414,177
Average number of shares	19,594,260	19,594,260
Net earnings per share undiluted (in euros)	***2.45***	***2.93***

Note 30. Dividends and directors' fees

The Board will propose at the Annual General Meeting of 30th May 2023 the payment of a total dividend of EUR 3.50 per share, out of which an interim dividend of EUR 2.00 per share was paid in November 2022. If the proposed dividend is approved by the general meeting of shareholders, a balance of EUR 1.50 per share for a total amount of EUR 29.4 million would therefore remain payable.

	2022	*2021*
Dividends and interim dividends distributed during the period	58,782,780	17,634,834
Number of shares	19,594,260	19,594,260
Dividend per share distributed during the period	3.00	0.90

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

Note 31. Information on related party

*** Directors' remuneration**

	2022	2021
	EUR	*EUR*
Short-term benefits	15,278,115	5,849,500

*** Other related party transactions**

31/12/2021 *EUR*	*Parent*	*Associates*	*Other related parties*	*TOTAL*
Non-current assets				
Long-term advances	175,293,177	592,500	0	**175,885,677**
Other non-current assets	0	7,000,000	0	**7,000,000**
	175,293,177	***7,592,500***	***0***	***182,885,677***
Current assets				
Trade receivables	0	1,023,084	0	**1,023,084**
Other receivables (Note 18)	11,479,691	5,539,924	2,249,186	**19,268,800**
	11,479,691	***6,563,008***	***2,249,186***	***20,291,884***
Current liabilities				
Financial debts	0	11,044	0	**11,044**
Trade payables	0	97,731	0	**97,731**
Other payables (Note 24)	0	9,631,904	1,587,759	**11,219,663**
	0	***9,740,679***	***1,587,759***	***11,328,438***
Income statement				
Services and goods delivered	0	14,752,300	94,373	**14,846,673**
Services and goods received	0	5,616,532	0	**5,616,532**
Financial income	679,322	25,004	2,819,718	**3,524,044**

31/12/2022 EUR	Parent	Associates	Other related parties	TOTAL
Non-current assets				
Long-term advances	100,000,000	132,500	280,000	**100,412,500**
Other non-current assets	0	0	7,000,000	**7,000,000**
	100,000,000	***132,500***	***7,280,000***	***107,412,500***
Current assets				
Trade receivables	0	1,308,312	37,405	**1,345,717**
Other receivables (Note 18)	14,498,034	6,016,300	7,520,601	**28,034,935**
	14,498,034	***7,324,612***	***7,558,006***	***29,380,652***
Current liabilities				
Trade payables	0	102,981	0	**102,981**
Other payables (Note 24)	1,914,036	7,780,667	15,313,990	**25,008,693**
	1,914,036	***7,883,648***	***15,313,990***	***25,111,674***
Income statement				
Services and goods delivered	0	13,371,056	167,896	**13,538,952**
Services and goods received	0	5,596,574	447,562	**6,044,136**
Financial income	7,682,513	4,004,774	311,305	**11,998,592**
Financial expenses	2,220	30,020	71,073	**103,313**

Related party transactions are made at arm's length.

At 31st December 2022, Socfinasia has an amount receivable of EUR 100 million from Socfin. This receivable bears interest at 4%. The amount of interest recognised for the year 2022 is EUR 4.0 million.

At 31st December 2022, PNS Ltd has an amount receivable of EUR 14.1 million from Socfin. This receivable bears interest at 3-month LIBOR + 6.7%. The amount of interest recognised for the year 2022 is EUR 3.7 million.

No other significant transactions have been noted with the parent company Socfin, with the exception of the payment of dividends by Socfinasia amounting to EUR 10.2 million in 2021 and EUR 34.2 million in 2022. In addition, Socfinde has a payable of EUR 1.9 million with the parent company at 31st December 2022.

At 31st December 2022, Socfinde has an amount receivable of EUR 0.3 million from Socfinaf (2021: EUR 2.2 million).

At 31st December 2022, Socfinde has a USD denominated loan equivalent to EUR 12.2 million (2021: EUR 1.6 million) towards Socfinaf. This loan bears annual interest rate of SOFR (Secured Overnight Financing Rate) - 0,50% x 85% with a minimum rate of 0%. The amount of interest recognised for 2022 is EUR 0.1 million.

Note 32. Off balance sheet commitments

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 (this amount is reflected in Note 23). 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 38).

Note 33. Segment information

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

The products of the operating sector from Indonesia come from sales of palm oil and rubber, those from Cambodia come exclusively from sale of rubber, those from Europe come from the rendering of administrative services, assistance in managing the areas under plantation and the marketing of products outside the Group. The segment profit 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 adjustments 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	0	0	-2,924,837
Cambodia	7,935,361	0	988,373
Indonesia	160,251,445	0	82,976,211
TOTAL	***168,186,805***	***0***	***81,039,747***
Fair value of agricultural production			-1,439,376
Other IFRS adjustments			2,928,458
Consolidation adjustments (intra-group and others)			-9,290,288
Financial income			8,756,347
Financial expenses			-4,299,076
Group share of income from associates			7,147,777
Income tax expense			-21,306,905
Net Profit / (loss) for the period			***63,536,684***

(*) 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	0	0	-2,502,234
Cambodia	8,164,138	0	-2,490,942
Indonesia	193,795,812	0	91,818,347
TOTAL	***201,959,951***	***0***	***86,825,171***
Fair value of agricultural production			-23,308,503
Other IFRS adjustments			899,993
Consolidation adjustments (intra-group and others)			-8,671,760
Financial income			27,177,257
Financial expenses			-9,096,428
Group share of income from associates			10,844,143
Income tax expense			-29,389,545
Net Profit / (loss) for the period			***55,280,329***

(*) Profit / (loss) for the period include other expenses for EUR 15.3 million, corresponding mainly to external services invoiced to plantations and related directly to the operational activity (road maintenance, …), and other operating expenses for EUR 4.8 million not related directly to the operational activity (other taxes, property taxes, …).

*** Total segmental assets**

	31/12/2022	31/12/2021
	EUR	*EUR*
Europe	82,675,979	50,366,111
Cambodia	67,618,326	68,843,348
Indonesia	117,769,545	127,714,998
Total at 31st December	***268,063,850***	***246,924,457***
IFRS 3 / IAS 16: Bearer plants	-25,178,480	-395,689
IAS 2 / IAS 41: Agricultural production	1,752,466	114,882
Other IFRS adjustments	-1,494,716	-530,493
Consolidation adjustments (intra-group and others)	3,861,555	4,389,329
Total consolidated segmental assets	***247,004,675***	***250,502,486***
Consolidated assets not included in segmental assets		
Right-of-use assets	1,866,143	910,065
Investments in associates	25,588,659	21,934,906
Financial assets at fair value through other comprehensive income	773,528	501,082
Long-term advances	100,503,325	175,971,270
Deferred tax	5,817,339	7,870,915
Other non-current assets	7,000,000	7,000,000
Consolidated non-current assets	***141,548,994***	***214,188,239***
Other debtors	28,426,554	20,904,231
Current tax assets	1,574,532	1,228,967
Consolidated current assets	***30,001,086***	***22,133,197***
Total of consolidated assets in the segmental assets	***171,550,080***	***236,321,436***
Total assets	***418,554,755***	***486,823,921***

Segmental assets and liabilities are presented to meet the requirements of IFRS 8. They are derived from internal reporting and do not take into account any consolidation or IFRS adjustments.

Segmental assets include only fixed assets, producing biological assets, trade receivables, inventories, cash and cash equivalents.

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** Total segmental liabilities*

	31/12/2022	31/12/2021
	EUR	*EUR*
Europe	48,589,840	29,914,750
Cambodia	1,318,995	1,154,105
Indonesia	24,094,356	23,690,766
Total at 31st December	***74,003,191***	***54,759,620***
Other IFRS adjustments	-1,973	0
Consolidation adjustments (intra-group and others)	-14,848,896	-9,771,966
Total consolidated segmental liabilities	***59,152,322***	***44,987,654***
Consolidated liabilities not included in segmental liabilities		
Total equity	279,989,406	295,921,208
Non-current liabilities	48,934,069	121,028,937
Current financial debts	18,522,296	8,853,829
Current lease liabilities	28,105	26,341
Current tax liabilities	11,928,558	16,005,952
Provisions	0	0
Total consolidated liabilities not included in segmental liabilities	***359,402,433***	***441,836,268***
Total equity and liabilities	***418,554,755***	***486,823,921***

Segmental liabilities include only trade and other payables.

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

EUR	*Intangible assets*	*Tangible assets*	*Biological assets*	*TOTAL*
Cambodia	0	436,270	859,167	**1,295,437**
Indonesia	658,565	4,258,034	4,914,771	**9,831,369**
TOTAL	***658,565***	***4,694,304***	***5,773,938***	***11,126,806***

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

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

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

	2022	2021
	EUR	*EUR*
Palm	170,873,347	140,988,797
Rubber	22,322,007	20,706,986
Other agricultural activities	7,435,188	5,307,630
Others	1,329,409	1,183,392
TOTAL	***201,959,951***	***168,186,805***

**** Information by geographical region***

EUR — 2021

Origin / *Geographical location*	*Europe*	*Africa*	*Asia*	*America*	*Oceania*	*TOTAL*
Asia	14,752,311	235,968	152,940,190	255,594	2,742	**168,186,805**

EUR — 2022

Origin / *Geographical location*	*Europe*	*Africa*	*Asia*	*America*	*Oceania*	*TOTAL*
Asia	13,092,428	785,781	187,277,153	804,588	0	**201,959,951**

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

EUR — 2021

Business Segment / *Category*	*Palm*	*Rubber*	*Other agricultural products*	*TOTAL*
Indonesia	140,988,797	12,771,626	6,491,022	**160,251,445**
Cambodia	0	7,935,360	0	**7,935,360**
TOTAL	***140,988,797***	***20,706,986***	***6,491,022***	***168,186,805***

EUR — 2022

Business Segment / *Category*	*Palm*	*Rubber*	*Other agricultural products*	*TOTAL*
Indonesia	170,873,347	14,157,869	8,764,597	**193,795,813**
Cambodia	0	8,164,138	0	**8,164,138**
TOTAL	***170,873,347***	***22,322,007***	***8,764,597***	***201,959,951***

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.

<u>Potential risks</u>
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.

<u>Risk management and opportunities</u>
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***

<u>Potential risk</u>
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.

<u>Risk management and opportunities</u>
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***

<u>Potential risk</u>
The Group carries out transactions in local currencies, mainly being US dollar 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.

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

**** Interest rate risk***

<u>Potential risk</u>
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.

<u>Risk management and opportunities</u>
The first risk is managed 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 1.18.

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

<u>Potential risk</u>
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.

<u>Risk management and opportunities</u>
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 this risk are detailed in the information provided in the annual sustainable development report available on request at Group headquarters.

Risk sensitivity

**** Exchange rate risk***

The Group is exposed to changes in value arising from fluctuations in exchange rates generated by its operating activities. However, as local turnover were made in the local currency and export sales are made in US dollar, the Group's exposure is limited to fluctuations in dollar against the euro. The impact on the result of a 10% increase or decrease (EUR/USD) in foreign currency financial instruments amounts to EUR 6.4 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 amounted to EUR 175.5 million.

Socfinasia companies have a cash position of USD 68.4 million at 2022 year-end.

**** 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 38).

**** Credit risk***

At 31st December 2022, the trade receivables from global customers amounted to EUR 1.2 million and to EUR 1.3 million for local customers. Accounts receivable from global customers are mainly receivables related to the sale of rubber. Palm oil is sold locally to local players (wide range of customers). The marketing of rubber is entrusted to Sogescol FR (equity accounted company). It trades either on the physical markets or directly with end customers.

The outstanding trade receivables are not significant.

	31/12/2022	31/12/2021
	EUR	*EUR*
Trade receivables	3,141,096	2,304,055
Other receivables	28,426,554	20,904,232
Long-term advances	100,503,325	175,971,270
Total net receivables	***132,070,975***	***199,179,557***
Amount not yet due	132,070,975	199,179,557
Total net receivables	***132,070,975***	***199,179,557***

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

EBITDA

	2022	2021
	EUR	*EUR*
Profit after tax (Group's share)	47,948,844	57,414,177
Profit share of non-controlling interests	7,331,484	6,122,505
Income from associates	-10,844,143	-7,147,776
Dividends received from associates	7,126,982	3,383,509
Fair value of biological assets	-2,378,830	1,380,915
Depreciation, amortisation and provisions	38,054,928	11,304,028
Gains and losses on disposals of assets	344,053	1,540,235
Tax charge	29,389,546	21,306,905
Other financial income	-26,794,436	-8,059,609
Other financial income included in depreciation write-backs	0	233,171
Financial expenses	8,794,506	2,062,103
Financial expenses included in amortisation and provisions	-25,742	-362,741
Impact of lease restatement on EBITDA	-183,797	-153,217
TOTAL	***98,763,395***	***89,024,205***

Note 36. Contingent liabilities

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

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

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

Socficom was acquitted, following a ruling by the 11th Chamber of the Brussels Court of Appeal, sitting in correctional matters, dated 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.

Note 37. Political and economic environment

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

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

Note 38. Events after the closing date

Early final reimbursement 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 39. Auditor's fees

	2022	2021
	EUR	*EUR*
Audit (VAT included)	394,614	343,389

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

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

The result of the year

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

(EUR million)	2022	2021
INCOME		
Value adjustments in respect of financial assets	0.3	1.2
Income from participating interests		
Derived from affiliated undertakings	69.0	44.9
Other interest receivable and similar income	5.5	3.2
Total income	***74.8***	***49.3***
EXPENSES		
Other external expenses	2.0	2.2
Interest payable and similar expenses	1.4	1.5
Income tax	0.7	0.6
Total expenses	***4.1***	***4.3***
PROFIT FOR THE FINANCIAL YEAR	**70.7**	**45.0**

At 31st December 2022, the income from financial fixed assets amounted to EUR 69 million compared to EUR 44.9 million in 2021. The increase is mainly due to increased revenues from Indonesia as well as interest on the advance granted to Socfin.

The profit of the year, after structural charges and costs, stood at EUR 70.7 million compared to EUR 45 million at 31st December 2021.

Company's management report

Balance sheet

At 31st December 2022, Socfinasia's total assets amounted to EUR 457.7 million compared to EUR 451.9 million in 2021.

Socfinasia's assets mainly consist of financial fixed assets of EUR 405.7 million, receivables and cash at Bank of EUR 52 million.

Shareholders' equity, before allocation of the remaining dividend, amounts to EUR 452.1 million.

Portfolio

Movements

During the year, the liquidation of Sodimex was completed. In addition, Socfinasia sold 5% of its investment in Management Associates to Socfin.

Valuation

During the 2022 financial year, Socfinasia recognised a write-down reversal on Sodimex for EUR 0.3 million.

Unrealised capital gains on the portfolio of participating interests are estimated at EUR 101.9 million at 31st December 2022 compared with EUR 88.3 million at the end of the previous year.

Investments

The main investments have evolved as follows during the period:

PT Socfindo (Indonesia)
90% subsidiary of PNS Ltd which itself is 100% owned by Socfinasia.

Area (ha) as at 31/12/2022	Planted area		
	Mature	Immature	Total
Rubber	5,676	927	6,603
Palm	35,050	4,229	39,279
Total	***40,726***	***5,156***	***45,882***

Key figures	Realised 2022	Realised 2021	Difference (%)
Production (tons)			
Rubber	6,896	8,547	-19.3
Palm oil	179,516	180,584	-0.6
Turnover (EUR 000)			
Rubber	14,140	12,763	+10.8
Palm tree	170,656	140,898	+21.1
Seeds	7,426	5,304	+40.0
Total	***192,222***	***158,965***	***+20.9***
Result (EUR 000)	***71,863***	***61,951***	***+16.0***

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

The production of rubber processed by Socfin KCD during the year 2022 is down by 2% due to difficulties in recruiting and maintaining the workforce for tapping operations. However, turnover is up 3% due to 3% higher selling price. The net result is nevertheless down due to a less favourable unit margin and a non-recurring depreciation on unusable surfaces.

At Coviphama, raw rubber production is down for the same reasons as mentioned above. Turnover is also 48% lower compared to 2021 due to lower volume and lower selling price. The result shows a loss.

Allocation of profit

The profit for the year of EUR 70,684,907 increased by retained earnings of EUR 234,841,827, give a total earnings of EUR 305,526,734 which it is proposed to allocate as follows:

Earnings allocation	*EUR*
Retained earnings	229,326,834
From the balance:	
10% to the Board of Directors	7,619,990
90% to 19,594,260 shares	68,579,910
representing EUR 3.50 per share	
of which EUR 2.00 already paid at the end of 2022	***305,526,734***

As a reminder, the dividend relating to previous year was EUR 1.40.

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

Reserves	*EUR*
Legal reserve	2,449,282
Statutory reserve	125,993,370
Other reserves	30,070,910
Other available reserves	7,153,910
Retained earnings	229,326,834
	394,994,306

If this distribution is approved, Coupon No. 84 of EUR 1.50 will be declared on 6th June 2023 and payable as from 8th June 2023.

Own shares

During the year 2022, the Company did not buy back any of its shares.

Research and development

During the year 2022, Socfinasia did not incur any expenses relating to research and development.

Financial instruments

Socfinasia's treasury holds USD 40 million in its position at 31st December 2022. The purpose of holding this currency is to cover dollar related investments and expenses.

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

Branch

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

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

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

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

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

h) Art. 13. of the statutes: "The Company is administered by a Board composed of at least three members, whether natural or legal persons.

The Directors are appointed for a period of six years by the General Meeting of Shareholders. They are eligible for re-election.

The Directors are renewed by lottery, so that at least one Director will be leaving each year ".

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

Art. 31. of the statutes: *"The present Articles of association 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. 17 and seq. of the statutes of the Company. They provide in particular that: *"The Board of Directors is vested with the broadest powers for the administration of the Company. All matters not expressly* *reserved to the General Meeting by the* statutes *or the law fall within the competence of the Board."*

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

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

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

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

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

- holding of shares giving special control rights;
- the existence of a staff shareholding system;
- shareholder agreements that may result in restrictions on the transfer of securities or voting rights;
- the agreements to which the Company is party, and which take effect are modified or terminated in the event of a change of control of the Company following a takeover bid;
- the indemnities provided in the event of the resignation or dismissal of members of the Board of Directors or staff following a takeover bid.

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 Socfinasia at 31st December 2022 before allocation of the result and after the interim dividend payment for the financial year amounts to EUR 554.1 million, that is EUR 28.28 per share compared to EUR 27.31 at the end of the previous financial year. This valuation incorporates the unrealised capital gains of the portfolio.

As a reminder, the share price at 31st December 2022 was EUR 14.80 compared to EUR 14.30 a year earlier.

Company's management report

Significant events after the end of the year

At 31st December 2022 and 2021, the Company had no significant off-balance sheet commitments.

Main risks and uncertainties

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

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

Perspectives

The result for the 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

Report on the audit of the financial statements

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Socfinasia S.A. (the "Company"), which comprise the balance sheet as at 31st 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 31st 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 23rd July 2016 on the audit profession (the "Law of 23rd 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 23rd 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 31st December 2022, the shares in affiliated undertakings amounts to 290 million euros and represents 63% 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).

Report on the audit of the financial statements

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

Our answer

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

- Assessing the accounting policies determined by the Board of Directors, as described in the note 2 of the financial statements, to determine the value adjustments to be recorded on shares in the affiliated undertakings;
- Ensuring that the accounting policies used by the Board of Directors were properly applied:
  - when the Board of Directors relied on market data, we reconciled the share prices as at 31st 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 31st 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 N° 537/2014, the Law of 23rd 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 23rd 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 26th 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 27 to 33 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19th December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31st 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 31st 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

Company financial statements

1. Balance sheet at 31st December 2022

ASSETS	Note	2022 EUR	2021 EUR
FIXED ASSETS			
Financial assets	3		
Shares in affiliated undertakings		289,622,628.31	289,824,828.31
Loans to affiliated undertakings		116,045,211.05	120,642,097.14
		405,667,839.36	***410,466,925.45***
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings Becoming due and payable within one year	4	12,794,759.27	13,792,713.29
Other debtors Becoming due and payable within one year		1,553,016.15	1,036,267.85
Shares in affiliated undertakings		0.00	20.00
		14,347,775.42	***14,829,001.14***
Cash at bank and in hand		37,681,058.52	26,595,021.45
		52,028,833.94	***41,424,022.59***
TOTAL ASSETS		***457,696,673.30***	***451,890,948.04***

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

Company financial statements

CAPITAL, RESERVES AND LIABILITIES	Note	2022 EUR	2021 EUR
CAPITAL AND RESERVES	5		
Issued capital		24,492,825.00	24,492,825.00
Reserves			
Legal reserve		2,449,282.50	2,449,282.50
Reserves provided for by the articles of association		125,993,370.46	125,993,370.46
Other reserves, including the fair value reserve			
Other available reserves		37,224,819.43	37,224,819.43
		165,667,472.39	***165,667,472.39***
Profit brought forward		234,841,827.35	220,321,607.44
Profit for the financial year		70,684,906.52	45,000,179.91
Interim dividends		-43,542,800.00	-8,708,560.00
		452,144,231.26	***446,773,524.74***
CREDITORS			
Amounts owed to credit institutions Becoming due and payable within one year		9.04	22.00
Trade creditors Becoming due and payable within one year		226,872.44	100,786.30
Amounts owed to affiliated undertakings Becoming due and payable within one year		1,872.00	342,496.74
Other creditors			
Tax authorities		1,852,680.00	1,199,020.00
Other creditors Becoming due and payable within one year	6	3,471,008.56	3,475,098.26
		5,552,442.04	***5,117,423.30***
TOTAL CAPITAL, RESERVES AND LIABILITIES		***457,696,673.30***	***451,890,948.04***

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

2. Profit and loss account for the year ended 31st December 2022

	Note	2022 EUR	2021 EUR
Other operating income		175,99	0,00
Raw materials and consumables and other external expenses			
Other external expenses		-1,922,242.44	-1,910,960.28
Other operating expenses		-107,709.95	-284,849.19
Income from participating interests			
Derived from affiliated undertakings	7	65,053,599.02	44,327,679.58
Income from other investments and loans forming part of the fixed assets			
Derived from affiliated undertakings	8	3,972,222.23	583,333.33
Other interest receivable and other similar income			
Derived from affiliated undertakings		5,183,952.87	3,139,177.65
Other interests and financial income		264,535.28	87,550.47
Value adjustments in respect of financial assets and of investments held as current assets		347,589.84	1,210,073.30
Interest payable and similar expenses			
Derived from affiliated undertakings		-492,636.07	-1,504,833.39
Other interest and similar charges		-883,552.26	-889.78
Tax on profit		-80,175.06	1,898.22
Profit after taxation		***71,335,759.45***	***45,648,179.91***
Other taxes not shown above		-650,852.93	-648,000.00
Profit for the financial year		***70,684,906.52***	***45,000,179.91***

Proposed distribution of profits

	2022	2021
	EUR	*EUR*
Retained earnings	229,326,833.87	234,841,827.35
From the balance:		
10% to the Board of Directors	7,619,990.00	3,047,996.00
90% to 19,594,260 shares	68,579,910.00	27,431,964.00
	305,526,733.87	***265,321,787.35***
Dividend per share	***3.50***	***1.40***

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

3. Notes to the financial statements for the year 2022

Note 1. Overview

SOCFINASIA, (the "Company") was incorporated on 20th November 1972 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 B10534, and is listed on the Luxembourg Stock Exchange under ISIN number LU0092047413.

The object of the company is (i) the acquisition, holding and disposal, in any form whatsoever and by any means, directly or indirectly, of participations, rights and interests, as well as bonds of Luxembourg or foreign companies, (ii) the acquisition by contribution, purchase, subscription or otherwise, as well as the disposal by sale, transfer, exchange or otherwise, of shares, interests, bonds, debts, notes and other securities or financial instruments of any kind (in particular bonds or shares issued by Luxembourg or foreign collective investment funds or any other similar body), loans or any other credit line, as well as contracts relating thereto and (iii) the holding, administration, development and management of a portfolio of assets (composed in particular of the assets described in points (i) and (ii) above).

The company may also acquire and develop any patents and other rights relating to or supplementing those patents.

The company may borrow in any form whatsoever. It may enter into any kind of loan agreement and may issue debt securities, bonds, certificates, shares, profit shares, warrants and all kinds of debt and equity securities, including by virtue of one or several issue programmes. The company may lend funds, including those resulting from borrowings and/or securities issues, to its subsidiaries, affiliates and any other company.

Although the company is included in the consolidated financial statements of Société Financière des Caoutchoucs, abbreviated as "Socfin", which is the largest entity in which the company is consolidated, the Company also prepares consolidated financial statements which are published in accordance with the law and which are available at the company's registered office (4, avenue Guillaume, L-1650 Luxembourg) or on the Internet site: www.socfin.com.

The financial year begins on 1st January and ends on 31st December.

Note 2. Accounting principles, rules and methods

General principles

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

The accounting policies and valuation principles are, apart from the rules imposed by the law of 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 date.

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

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

Valuation of financial assets

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

In the event of an impairment that, in the opinion of the Board of Directors, is of a lasting nature, these financial fixed assets are subject to value adjustments 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.

Securities

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

Liabilities

Debts are recorded at their reimbursement value. When the amount to be repaid on the debts exceeds the amount received, the difference is recorded to the profit and loss account.

Russia - Ukraine 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	***291,418,270.12***	***294,576,661.97***	***120,642,097.14***	***22,765,600.07***	***412,060,367.26***	***317,342,262.04***
Increases	0.00	11.55	0.00	100,000,000.00	0.00	100,000,011.55
Decreases	-549,789.84	-3,158,403.40	-4,596,886.09	-2,123,502.93	-5,146,675.93	-5,281,906.33
Acquisition cost/nominal value at the end of the year	***290,868,480.28***	***291,418,270.12***	***116,045,211.05***	***120,642,097.14***	***406,913,691.33***	***412,060,367.26***
Value adjustments at the beginning of the year	***-1,593,441.81***	***-2,803,515.11***	***0.00***	***0.00***	***-1,593,441.81***	***-2,803,515.11***
Impairment	0.00	0.00	0.00	0.00	0.00	0.00
Reversal	347,589.84	1,210,073.30	0.00	0.00	347,589.84	1,210,073.30
Value adjustments at the end of the year	***-1,245,851.97***	***-1,593,441.81***	***0.00***	***0.00***	***-1,245,851.97***	***-1,593,441.81***
Net book value at the end of the year	***289,622,628.31***	***289,824,828.31***	***116,045,211.05***	***120,642,097.14***	***405,667,839.36***	***410,466,925.45***

Note 3. Financial fixed assets (continued)

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

Name	Country	% held	NET BOOK VALUE EUR	Year end	Currencies of the annual accounts	Net equity at 31/12/2022 in foreign currency (including net income) (*)	Net result at 31/12/2022 in foreign currencies (*)
Induservices	Luxembourg	35.00	35,000	31.12.2022	EUR	327,636	88,113
Plantation Nord-Sumatra Ltd	Luxembourg	100.00	244,783,208	31.12.2022	USD	313,879,264	64,637,223
Socfinde	Luxembourg	79.92	1,072,391	31.12.2022	EUR	6,023,090	139,836
Terrasia	Luxembourg	47.81	118,518	31.12.2022	EUR	615,003	30,516
Induservices FR	Switzerland	50.00	642,202	31.12.2022	EUR	1,095,421	102,087
Socfinco FR	Switzerland	50.00	486,891	31.12.2022	EUR	16,432,078	8,833,675
Sogescol FR	Switzerland	50.00	1,985,019	31.12.2022	USD	17,955,034	8,864,552
Sodimex FR	Switzerland	50.00	621,424	31.12.2022	EUR	4,454,052	906,872
Centrages	Belgium	50.00	4,074,315	31.12.2022	EUR	3,378,041	223,191
Immobilière de la Pépinière	Belgium	50.00	3,015,798	31.12.2022	EUR	3,656,008	10,856
Socfinco	Belgium	50.00	750,365	31.12.2022	EUR	1,537,073	-6,383
Socfin-KCD Co	Cambodia	100.00	31,685,450	31.12.2022	USD	31,949,637	-1,468,650
			289,570,582				

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

Information on movements during the year

During the year, the company has sold:
- 500 shares of Management Associates.

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.

Note 3. Financial fixed assets (continued)

Valuation of loans to affiliated undertakings

At 31st December 2022, loans to affiliated undertakings are as follows:

Related parties	*Currency*	*Balance in currency*	*Balance in EUR*	*Unrealised exchange gains / (losses) * EUR*
Induservices	EUR	132,500	132,500	0
Socfin	EUR	100,000,000	100,000,000	0
Socfin-KCD Co	USD	18,403,890	15,632,711	1,622,014
Management Associates	EUR	280,000	280,000	0
TOTAL			*120,045,211*	*1,622,014*

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

At 31st December 2022, the Board of Directors is of the opinion that these receivables do not show any permanent impairment losses and consequently no impairment has been recorded.

Note 4. Amounts owed by affiliated undertakings

At 31st December 2022, this item consists mainly of:

- receivables from the subsidiary Socfinde corresponding to the cash pooling balance of EUR 3,482,992 (2021: EUR 4,349,049) and to a cash advance of EUR 7,043,085 (2021: EUR 8,350,000).

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	Legal reserves EUR	Other reserves EUR	Retained earnings EUR	Profit for the year EUR	Interim dividend paid EUR
Balance at 1st January 2021	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***205,600,141.29***	***31,992,823.02***	***-6,531,420.00***
Allocation of the result for the 2020 financial year following decision of the General Meeting held on 25th May 2021						
• Retained earnings				14,721,466.15	-14,721,466.15	
• Dividends					-9,143,988.00	
• Directors' fees					-1,741,712.00	
• 2020 interim dividend					-6,531,420.00	6,531,420,00
Interim dividend as per decision of the Board of Directors held on 26th October 2021						-8,708,560,00
Results for the financial year					45,000,179.91	
Balance at 31st December 2021	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***220,321,607.44***	***45,000,179.91***	***-8,708,560.00***
Allocation of the result for the 2021 financial year following decision of the General Meeting held on 31st May 2022						
• Retained earnings				14,520,219.91	-14,520,219.91	
• Dividends					-19,594,260.00	
• Directors' fees					-2,177,140.00	
• 2021 interim dividend					-8,708,560.00	8,708,560,00
Interim dividend as per decision of the Board of Directors held on 27th October 2021						-43,542,800,00
Results for the financial year					70,684,906.52	
Balance at 31st December 2022	***24,492,825.00***	***2,449,282.50***	***163,218,189.89***	***234,841,827.35***	***70,684,906.52***	***-43,542,800.00***

Issued capital

At 31st December 2022 and 2021, the issued and fully paid share capital is EUR 24,492,825 represented by 19,594,260 shares without nominal value.

Legal reserve

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

Statutory reserves

The statutory reserve includes an unavailable reserve of EUR 125,993,370 (2021: EUR 125,993,370), relating to the profit earned at the time of the formation of Plantation Nord-Sumatra Ltd. in 1997. Pursuant Article 33 of the Company's coordinated Articles of Association, this reserve is not available for distribution to shareholders.

Note 6. Other payables

At 31st December 2022, this item includes interest payable for EUR 3,471,008 (2021: EUR 3,475,098).

Note 7. Income from participating interests

	2022	2021
	EUR	*EUR*
Dividends received (*)	65,034,849	43,657,036
Capital gain on disposal of financial fixed assets	18,750	670,643
	65,053,599	***44,327,679***

(*) 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	3,972,222	583,333

Note 9. Taxation

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

Note 10. Remuneration of the Board of Directors

During 2022, the members of the Board of Directors received EUR 12,500 (2021: EUR 12,188) as attendance fees and EUR 6,616,420 (2021: EUR 2,209,426) as directors' fees.

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

Note 11. Political and economic environment

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

Given the political instability that exists in these countries and their economic fragility, the investments held by the Company present a risk in terms of exposure to political and economic fluctuations.

Note 12. Off-balance sheet commitments

At 31st December 2022 and 2021, the Company had no significant off-balance sheet commitments.