Société Internationale de Plantations d'Hévéas (International Rubber Plantation Company)

Statutory auditors' report on the consolidated accounts

(Financial year ending 31 December 2023)

PricewaterhouseCoopers Audit
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Statutory auditors' report on the consolidated accounts

(Financial year ending 31 December 2023)

To the General Meeting
SOCIETE INTERNATIONAL DE PLANTATIONS D'HEVEAS (International Rubber Plantation Company)
53, rue du Capitaine Guynemer 92400
Courbevoie

Opinion

In performance of the project entrusted to us by the General Meeting, we have audited the consolidated accounts of SOCIETE INTERNATIONALE DE PLANTATIONS D'HEVEAS (International Rubber Plantation Company) for the financial year ending 31 December 2023, as attached to this report.

We hereby certify that the consolidated accounts at the end of the financial year are regular and accurate with regard to the IFRS standards as adopted in the European Union, and give a true picture of the results of operations for the past financial year as well as at the financial situation and assets at the end of the financial year, for the entire Group consisting of the persons and entities included in the consolidation.

Basis of the opinion

Audit framework

We conducted our audit in accordance with the professional standards applicable in France. We believe that the elements we have collected are sufficient and appropriate to form a basis for our opinion.

The responsibilities assigned to us in accordance with these standards are set out in the "Responsibilities of the statutory auditors relating to the auditing of the annual accounts" section of this report.

Independence

We carried out our audit process in compliance with the applicable independence rules as specified by the French Commercial Code and the French Code of Ethics for Statutory Auditors, over the period from 1 January 2023 to the date of issue of our report.

Justification of our assessments

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code, relating to the justification of our assessments, we inform you that the focus of the most important assessments that we have carried out is on the appropriateness of the accounting principles applied and on the reasonableness of the significant estimates used, as well as on the overall presentation of the accounts, particularly with regard to the following:

- Notes 3.3 "Accounting assumptions and estimates", 3.11 "Impairment of tangible and intangible fixed assets", 6.1 "Goodwill and other intangible assets" and 7 "Tangible assets" to the consolidated financial statements describe the accounting treatments retained by your company relating to impairment tests of all assets, including goodwill. We have examined the methods for carrying out impairment tests as well as the consistency of the assumptions used and the cash flow forecasts and checked that the information given was adequate.

- Notes 3.12 “Organic assets – bearer plants” and 8 “Organic producing assets” in the appendix to the consolidated accounts describe the accounting treatments used by your company relating to rubber and palm plants. Our work consisted of examining the methodology adopted by your company, reviewing the assumptions made during the valuation of bearer plants at historical cost and checking the appropriateness of the information given in the notes to the consolidated financial statements.

The assessments made form part of the context of the consolidated accounts audit taken as a whole, and of the formation of our opinion expressed above. We have not expressed an opinion on elements from these consolidated accounts taken in isolation.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verifications set out in the legal and regulatory texts on information relating to the Group, as given in the Board of Directors' Management Report.

We have no observations to make on their authenticity or on their consistency with the consolidated accounts.

We certify that the consolidated declaration of extra-financial performance provided for by Article L.225-102-1 of the French Commercial Code appears in the Group's management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, the information contained in this declaration has not been verified by us for fairness or consistency with the consolidated accounts and must be the subject of a report by a third-party independent body.

Responsibilities of the leadership and the people making up the corporate governance body for the consolidated accounts

It is the responsibility of the Management to prepare consolidated accounts presenting a true and fair view in accordance with IFRS standards, as adopted in the European Union, as well as to implement any internal checks they deem necessary to draw up consolidated accounts that are free from material misstatement, whether these result from fraud or errors.

In preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue operating as a going concern, to disclose in those financial statements, where appropriate, the necessary information relating to the going concern basis of accounting and to apply the going concern basis of accounting unless the company is to be wound up or cease trading.

The consolidated accounts have been approved by the Board of Directors.

Responsibilities of the statutory auditors during the consolidated accounts audit

It is our responsibility to prepare a report on the consolidated accounts. Our objective is to be reasonably assured that the consolidated accounts, taken as a whole, do not contain any material misstatements. "Reasonable assurance" refers to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards can systematically detect every material misstatement. Misstatements may arise from fraud or result from errors and are considered material when it could be reasonably expected that they could influence the economic decisions that the account users make on their basis, whether taken individually or cumulatively.

As specified by Article L.821-55 of the French Commercial Code, our role in certifying the accounts does not consist of guaranteeing the viability or the quality of the Management of your company.

As part of an audit carried out in accordance with the professional standards applicable in France, the statutory auditor shall exercise professional judgement throughout this audit.
Moreover:

- they shall identify and assess the risks of the consolidated accounts containing material misstatements, whether these result from fraud or result from errors; define and implement audit procedures to address these risks; and collect information that they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, because fraud may involve collusion, falsification, intentional omissions, false declarations or bypassing internal checks.

- they shall take note of the internal checks relevant to the audit to define the appropriate audit procedures in the circumstances, and not with the aim of expressing an opinion on the effectiveness of said internal checks.

- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as the information relating to it in the consolidated accounts.

- They assess the appropriateness of the management's application of the going concern accounting policy and, depending on the information collected, whether there is any material uncertainty relating to events or circumstances that is likely to affect the company's ability to continue operating as a going concern. This assessment is based on the information collected up to the date of the report. However, it is noted that subsequent circumstances or events could call into question the going concern principle. If they conclude that there is a significant uncertainty, they shall draw the attention of the report readers to the information provided in the consolidated accounts about this uncertainty or, if this information is not provided or is not relevant, issue a reservation or refuse to certify.

- they shall assess the overall presentation of the consolidated accounts and evaluate whether the consolidated accounts reflect the underlying transactions and events to give a true and fair view.

- regarding the financial information of the persons or entities included in the scope of consolidation, they shall collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and performance of the audit of the consolidated accounts as well as for the opinion expressed on these accounts.

Prepared in Neuilly-sur-Seine & Paris La Défense, 23 May 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG AUDIT
23-05-2024 | 18:55 CEST	23-05-2024 | 09:22 PDT
Thierry Charron	Pierre Abily

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING 31 DECEMBER 2023

SOCIÉTÉ INTERNATIONALE DE PLANTATIONS D'HÉVÉAS (INTERNATIONAL RUBBER PLANTATION COMPANY)

Société Anonyme (French Public Limited Company) with a share capital of EUR 11 568 965.94
53, rue du Capitaine Guynemer – 92400 COURBEVOIE
RCS (Trade and Companies Register) Nanterre B 312 397
730

CONTENTS

CONSOLIDATED BALANCE SHEET

ASSETS *(in thousands of euros)*	*Notes*	As at 31/12/2023	As at 31/12/2022
Non-current assets			
Goodwill and other intangible fixed assets	*Note 6*	13 933	14 283
Tangible fixed assets	*Note 7*	136 902	132 029
Rights of use for tangible fixed assets	*Note 7*	6 393	7 308
Bearer biological assets	*Note 8*	141 695	147 631
Financial fixed assets	*Note 9*	2 231	2 159
Deferred taxes	*Note 22*	1 732	216
Other long-term assets	*Note 10*	1 269	851
		304 156	**304 476**
Current assets			
Inventories and outstanding amounts	*Note 11*	120 401	112 784
Trade and other receivables	*Note 12*	101 389	62 626
Other current financial assets	*Note 13*	460	4 485
Cash and cash equivalents	*Note 14*	38 128	58 702
		260 379	**238 596**
TOTAL ASSETS		**564 534**	**543 073**

LIABILITIES AND EQUITY *(in thousands of euros)*	*Notes*	As at 31/12/2023	As at 31/12/2022
SHAREHOLDER EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Capital contributed	*Note 15*	11 569	11 569
Issue premiums	*Note 15*	25 179	25 179
Consolidated reserves		165 773	161 476
Income for the financial year		19 662	33 882
		222 182	**232 106**
Minority interests		**93 620**	**104 058**
Total shareholder equity		**315 802**	**336 164**
LIABILITIES			
Non-current liabilities			
Borrowings	*Note 16*	65 767	68 043
Rental liabilities	*Note 16*	7 107	7 944
Deferred tax liabilities	*Note 22*	5 914	4 443
Pension commitments and similar benefits	*Note 17*	8 036	10 414
Other long-term liabilities	*Note 18*	109	109
		86 934	**90 953**
Current liabilities			
Suppliers and other creditors	*Note 15*	83 151	50 928
Income tax liabilities		5 258	10 050
Borrowings	*Note 16*	67 723	53 943
Short-term rental liabilities	*Note 16*	612	608
Other current financial liabilities	*Note 13*	4 189	94
Provisions for other liabilities	*Note 19*	865	333
		161 798	**115 956**
Total liabilities		**248 732**	**206 908**
Total shareholder liabilities and equity		**564 534**	**543 073**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of euros)	Notes	As at 31/12/2023	As at 31/12/2022
Sales of rubber		451 914	514 890
Other sales		22 112	21 673
Total turnover		**474 027**	**536 563**
Total cost of goods sold		**-390 812**	**-415 914**
Margin on direct costs		**83 215**	**120 649**
Overheads		-34 650	-33 561
Amortisation charges		-23 130	-23 841
Depreciation and amortisation of right of use		-795	-772
Current operating income		**24 640**	**62 475**
Gains and losses on disposals of fixed assets		-352	-707
Other financial income		33 923	
Other expenses	*Note 28*	-14 708	-213
Operating income		43 503	61 555
Net income from cash and cash equivalents		3 521	9 617
Gross cost of financial debt		-7 642	-7 487
Gross cost of financial debt IFRS 16		-635	-658
Net cost of financial debt	*Note 24*	**-4 756**	**1 471**
Income tax expense	*Note 25*	**-13 081**	**-14 637**
Net income		**25 666**	**48 389**
Attributable to			
- Group result		19 662	33 881
- Minority interests		6 005	14 508
		25 666	48 389

(in thousands of euros)	**As at 31/12/2023**	**As at 31/12/2022**
Net profit for the period	**25 666**	**48 389**
I. Items subsequently recyclable in the profit and loss account:		
Change in fair value of hedging instruments	-7 275	10 081
Income tax effect	*-208*	*1 253*
Currency conversion adjustment	-19 813	-1 999
Sub-total I	***-27 296***	***9 335***
II. Items not re-classifiable in the profit and loss account:		
Gain/loss – Actuarial gain/loss on pension obligation	-95	57
Income tax effect	*8*	*-5*
Sub-total II	***-87***	***52***
Consolidated total income for the period, net of tax	**-1 718**	**57 777**
Attributable:		
To the shareholders of the Company	-220	41 499
To non-controlling interests	-1 497	16 277
	-1 717	**57 776**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	As at 31/12/2023	As at 31/12/2022
NET CASH FLOW FROM OPERATING ACTIVITIES			
Total consolidated net profit		25 666	48 389
Net provisions for depreciation and amortisation		25 396	23 683
Revaluation gains and losses at fair value	*Note 26.1*	-13 207	-260
Other calculated income and expenses		-	-
Dividend income		0	-6
Capital gains and losses on disposals		-45	707
Net cost of financial debt		757	5 896
Tax expense		13 081	14 637
Elimination of spreading of derivatives		-	-
Cash flow from operations before cost of net financial debt and tax		**51 649**	**93 047**
Taxes paid		-15 808	-12 705
Change in working capital requirements	*Note 26.2*	-9 587	8 500
NET CASH FLOW FROM OPERATING ACTIVITIES		**26 254**	**88 842**
NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES			
Acquisition of tangible and intangible fixed assets		-37 013	-45 620
Acquisition of tangible assets (net of change in liabilities) IFRS 16		-	-931
Disposal of tangible fixed assets (net of change in receivables)		133	235
(Increase) / decrease in financial fixed assets		-199	-584
Impact of changes in the scope of consolidation, net of cash acquired		-343	-
Dividends received		-0	6
NET CASH FLOW RELATED TO INVESTMENT ACTIVITIES		**-37 422**	**-46 894**
NET CASH FLOW RELATED TO FINANCING ACTIVITIES			
Capital increase			
Dividends paid to minority shareholders of consolidated companies		-7 773	-6 652
Dividends paid to shareholders of the parent company		-8 785	-4 504
Loan issues		16 933	12 747
Loan repayments		-20 399	-19 058
Loan repayments IFRS 16		-602	-540
Net financial interest paid		-901	-5 899
Net change in partners' current accounts		-	-
Other flows related to short-term financing operations		15 291	6 860
Other flows related to financial instruments (derivatives)		-84	-43
NET CASH FLOW RELATED TO FINANCING ACTIVITIES		**-6 321**	**-17 088**
Impact of changes in foreign exchange rates		-4 839	-52
Impact of changes in accounting principles		-	-
CASH FLOW CHANGE		**-22 329**	**24 808**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	*Note 26.3*	**58 534**	**33 725**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*Note 26.3*	**36 205**	**58 534**

	Attributable to the shareholders of the Company						Minority interests	TOTAL
	Capital	Premiums	Group reserves	Conv. diff.	Income for the financial year	Shareholder equity, Group share		Shareholder equity
Shareholder equity As at 1 January 2022	**11 569**	**25 179**	**152 846**	**-30 063**	**34 703**	**194 335**	**94 455**	**288 790**
Allocation of 2020 income to reserves			34 703		-34 703	**0**	0	**0**
Dividends paid			-4 504		0	**-4 504**	-6 652	**-11 156**
2022 income			0		33 882	**33 882**	14 508	**48 390**
Conversion differences – REN				-776		**-776**	-337	**-1 113**
Conversion differences – CRC				-865		**-865**	0	**-865**
Deferred tax asset reclassification – CRC						**0**		**0**
Fair value of financial instruments			10 124	21		**10 145**	2 081	**12 226**
Actuarial gains						**0**	19	**19**
Other			54	-64		**-10**	-15	**-25**
Equity as at 31 December 2022	**11 569**	**25 179**	**193 223**	**-31 747**	**33 882**	**232 106**	**104 059**	**336 165**
Shareholder equity as at 1 January 2022	**11 569**	**25 179**	**193 223**	**-31 747**	**33 882**	**232 106**	**104 059**	**336 165**
Allocation of 2022 income to reserves and reclassification			33 882		-33 882	**0**	0	**0**
Dividends paid			-8 785		0	**-8 785**	-7 773	**-16 558**
2023 income					19 662	**19 662**	6 005	**25 666**
Conversion differences – REN				-13 439		**-13 439**	-5 831	**-19 270**
Conversion differences – CRC				734		**734**	0	**734**
Deferred tax asset reclassification – CRC			0			**0**		**0**
Fair value of financial instruments			-5 732			**-5 732**	-1 751	**-7 483**
Actuarial gains			-56			**-56**	-31	**-87**
Other			-2 307			**-2 307**	-1 057	**-364**
Equity as at 31 December 2023	**11 569**	**25 179**	**210 225**	**-44 452**	**19 662**	**222 182**	**93 620**	**315 803**

The share capital is composed of 5 060 790 fully paid-up shares with a nominal value of EUR 2.286 each and has not been subject to any changes during the 2023 financial year.

As at 31 December 2023, the Group's shareholding structure was as follows:

Shareholders	31/12/2021			31/12/2022			31/12/2023		
	No. of shares	% of share capital	% of voting rights	No. of shares	% of share capital	% of voting rights	No. of shares	% of share capital	% of voting rights
SIFCA	2 813 410	55.59%	54.82%	2 813 410	55.59%	54.82%	2 936 770	58.03%	57.26%
CFM	2 247 380	44.41%	45.18%	2 247 380	44.41%	45.18%	2 124 020	41.97%	42.74%
TOTAL	**5 060 790**			**5 060 790**			**5 060 790**		

Following the general meeting held on XXXXX to approve the accounts for the year ending 31 December 2023, the net result of EUR 25 666 million was fully allocated to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

SIPH is a French public limited company (société anonyme), incorporated on 29 January 1956, with its registered office at 53 rue du Capitaine Guynemer, 92400 Courbevoie. The expiry date of the company is set for 7 January 2056.

SIPH is the parent company of an international Group of which the main activity is the production and marketing of natural rubber.
This rubber is obtained from factories in Côte d'Ivoire, Ghana, Nigeria and Liberia, from latex sourced either from the Group's rubber plantations or from village farms and independent growers.

On an ancillary basis, the Group carries out commercial transactions on other types of products with the entities attached to the main shareholder. In addition, the Group has started the creation of palm oil plantations in Côte d'Ivoire, Ghana and Liberia, in addition to the operation of its rubber plantations.

On 19 April 2024, the Board of Directors approved the consolidated accounts as at 31 December 2023 and authorised their publication. They are expressed in thousands of euros, unless otherwise indicated.

NOTE 2: KEY EVENTS OF THE YEAR

KEY EVENTS

- **The Russia - Ukraine conflict and the rubber market:**

Economic uncertainties related to the ongoing armed conflict between Russia and Ukraine have left markets in limbo throughout 2023. Volumes were not affected because overall demand remained stable, while our products gained market share. However, high inventory levels at ports put a lot of pressure on prices.

- **Production**

In 2023, agricultural production was stable at 83 kt compared to 2022. This increase concentrated on each of SIPH's subsidiaries, reflecting the effects of the gradual renewal of surfaces with more efficient varieties and better-quality planting, as well as reflecting efforts to optimise operating methods.

Industrial production increased by 10% to 364 kt. This is mainly the consequence of the ramp-up of production at the Loeth site.

An expansion of the customer portfolio, through the approval of new major tyre customers, thus allowing an increase in long-term contracts and an improvement in sales prices, which will have a significant effect in the future, must be noted.

- **Financial equilibrium 2023**

In 2023, volumes sold increased by 5.8% compared to 2022, with an average sales price of EUR 1.27 EUR/kg, down 25% compared to 2022. At a level of EUR 474 million, revenue was down 11.6% compared to 31/12/2022.
The SIPH Group overcame the COVID crisis by controlling its production costs and its supply chain in a difficult context. SAPH remains the main contributor to the income, but all the companies, except for CRC, returned to a strongly positive net profitability.

The Group's consolidated net income is up slightly at EUR 25.7 million compared to EUR 48.4 million in 2021.

Cash flow from operations, at EUR 52.0 million (before corporate tax), was down sharply (EUR -41.5 million). After a fall in WCR of EUR 9.6 million and the payment of income tax in the amount of EUR 15.7 million, the activity generated a cash flow of EUR 26 million, compared to EUR 89 million in 2022.

The 37 million investments saw the end of Loeth's investment for the most part and the constant efforts to renew the plantation.

After a total distribution of EUR 16 million in dividends for the Group, the repayment of EUR 20 million in short- and long-term financing, and the drawdown of EUR 31 million in new lines (EUR 16 million long-term, EUR 15 million short-term), cash and cash equivalents were at EUR 36 million, down EUR 22 million.

The Group's net debt, including rental liabilities amounts to EUR 103 million compared to EUR 72 million in 2022. It represents 33% of equity compared to 21.3% in 2022. This net debt represents 1.5 years of EBITDA compared to less than one year in 2022.

OUTLOOK

◗ Market

Prices, which were quite low in the first three quarters of 2023 (around USD 1.30/kg), increased in the third quarter of 2023, driven by a tentative recovery in China. Prices were therefore around USD 1.60/kg in mid-March.
Even during the global crisis due to the events in Ukraine, demand remains strong at a time when supply is limited by wintering in Asia (seasonal drop in production).
Even if the fundamentals continue to improve, it is very difficult at this stage to comment on the evolution of demand and rubber prices, while the consequences of the forthcoming US elections, linked to the crises that began in 2022, are not yet clear.

◗ Development and financing

SIPH continued its industrial investment programme in 2023, by finalising its Loeth plant.

For the agricultural business, SIPH is continuing the renewal of old plantations.

In 2023, SIPH resumed its social investments (housing construction and maintenance), to meet its commitments in this area.

SIPH intends to maintain its strategic investments to have all the necessary assets for a sustainable market recovery.

This investment programme represented EUR 37.7 million in 2023 (compared to EUR 46 million in 2022). It will continue in 2024, but at a level compatible with price levels.

These investments will be covered by the company's own funds and by the loan taken out, where necessary.

With a debt-to-equity ratio of 33% compared to 21.3% at the end of 2022, the Group has sufficient debt capacity to carry out its development strategy.

◗ Shareholding structure

SIFCA has held 58.03% of the shares since 12 July 2022. The other shareholder, Compagnie Financière Michelin, holds 41.97%. SIFCA still holds an option on 2.71% of the share capital due on 31 December 2024.

POST-CLOSING EVENTS

At the date of writing this report, no significant event has occurred that could significantly impact the accounts as they are presented, partially or totally call into question the operation of the SIPH Group.

The market in 2023

Global production of natural rubber:

Given the maturity of the rubber tree, which produces 7 years after planting, trees planted from 2000 to 2012 during the price recovery are currently producing.

After the depressive effect of the COVID pandemic of 2020, which caused global production to fall to 13 MT, production in 2022 rose to 14.6 million tonnes, and again to 14.74 million tons in 2023, a 1.1% increase.

While Thailand and Indonesia still accounted for 55% of global production in 2022, Côte d'Ivoire's output now exceeds 1.3 million tonnes, meaning that it remains a very close 4th in the rankings behind Vietnam.

Asia therefore still accounts for 86% of natural rubber production in 2021, and Africa continues to increase its contribution, which reaches 11.4% of global production.

Global consumption of natural rubber:

Global consumption in 2023 stands at 14.61 million tonnes, a very slight increase compared to 2021, which partly explains the change in prices.
China accounts for 40% of global consumption, which is stagnating.

The trough in the cycle in recent years has been a deterrent to renewals and new plantings, which will limit the growth in supply over the next few years.
If demand returns to its growth level of the past 12 years of around 2% per year, the market should confirm the exit from the trough in the cycle that emerged between the end of 2021 and early 2022, but this is not currently the case.

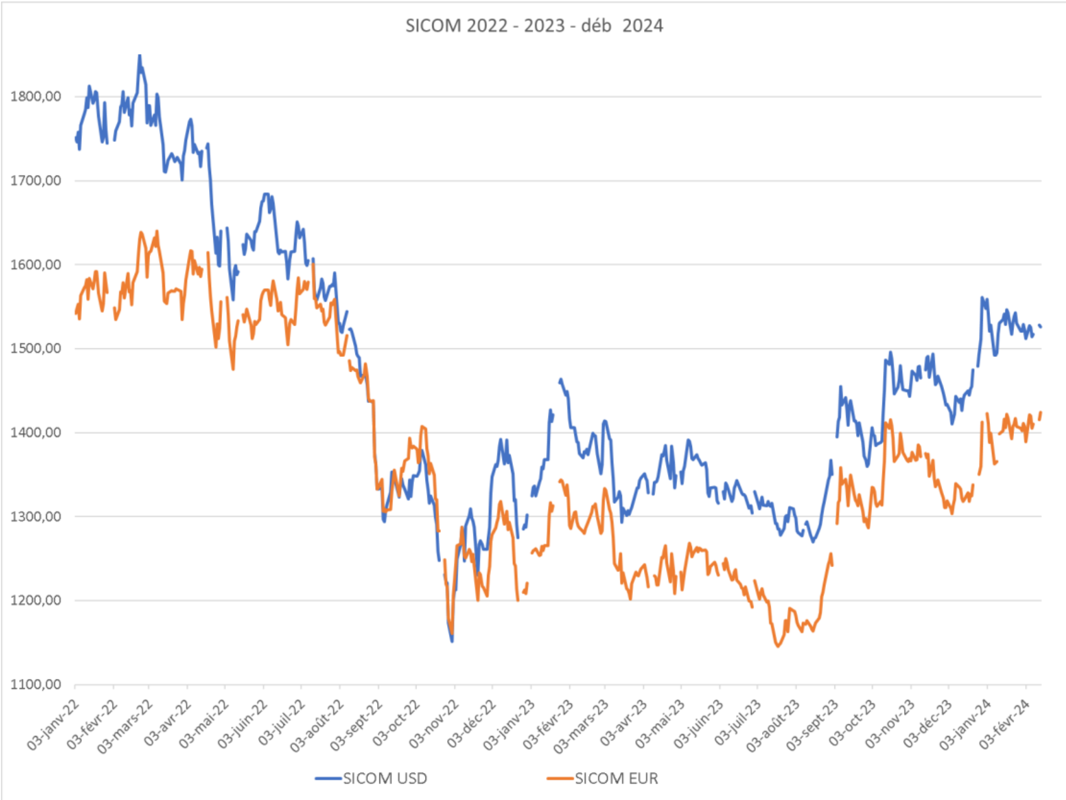
(Source on the natural rubber market: Rubber Statistical Bulletin Q1 – 2023)

Changes in SICOM 20

The first half of 2023 saw the price fall to an average level of USD 1.35/kg compared to an average of USD 1.54/kg in 2022.
In January 2023, SICOM briefly rose with China's reopening, demand rebounding and Chinese exports surging sharply.
However, this increase was short-lived. From February, SICOM began a slow decline until August, when the low point of USD 1.29/kg was reached. This decline can be explained by a global economic slowdown coupled with a tightening of monetary policy by central banks.
The rebound in the Chinese economy was also short-lived as local and international demand quickly showed signs of weakness. Manufacturing activity and domestic investment also declined. Large rubber stocks of nearly one million tonnes remaining docked at Chinese ports also contributed to weighing on prices.
During this period, SIPH was faced with an obligation to apply discounts on the selling price of its products to maintain the activity of the factories as much as possible while maintaining a reasonable level of stocks.
In the second half of 2023, the market recovered to an average level of USD 1.39/kg, in the last quarter, after a slight speculative flash in September.
The situation has thus improved with more sustained demand: SIPH has been able to improve the price level of sales, particularly on the European market with a less profitable Asian market that was lagging.
The year 2024 shows signs of price recovery with a SICOM average over the month of January at USD 1.53/kg. The market is continuing the rise that began at the end of 2023 by adding the new positive point of the new European regulation, the EUDR.

The compliance of a large proportion of SIPH's subsidiaries' productions with this new regulation has already made it possible to attract many user customers who have launched rapid approvals with more remunerative selling prices. The short-term scarcity of these rubbers should allow the remuneration of this compliance via substantial bonuses that will decrease as more and more compliant products become available worldwide, but from which SIPH will be able to take advantage at least at the end of 2024 and throughout 2025 (the regulations come into force on 31/12/2024).

CHANGES IN SICOM 20
From January 2023 to February 2024:



In USD/kg and equivalent in EUR/kg

NOTE 3: ACCOUNTING PRINCIPLES

The main accounting methods applied during the preparation of the consolidated financial statements are described below. Unless otherwise indicated, these methods have been applied on a consistent basis across all years presented.

3-1 PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to European Regulation 16/06/2002 of 19 July 2002 on international standards, the consolidated financial statements of the SIPH Group for the financial year ending 31 December 2023 have been prepared in accordance with IFRS, as published by the IASB and adopted by the European Union on 19 July 2002. They include, for comparison purposes, data relating to the 2022 financial year, presented according to the same rules. The accounting policies adopted are consistent with those used for the preparation of the consolidated financial statements for the year ended 31 December 2022, apart from the changes resulting from the application of the standards below:

3-2 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- *Standards, interpretations and amendments to existing standards that are mandatory for fiscal years beginning on or after 1 January 2023*

The following standards and amendments, which have been in force since 1 January 2023, have been applied, where necessary, to the consolidated financial statements drawn up on 31 December 2023:

• IFRS 17 "Insurance Contracts", including amendments published in June 2020.
• amendments to IFRS 17 "Insurance Contracts" concerning comparative information in the context of the first application of IFRS 17 and IFRS 9.
• amendment to IAS 1 "Presentation of Financial Statements" and its Practice Statement 2 concerning the concept of materiality – improvement of the accounting policy disclosures in the notes, regarding the concept of materiality.
• amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" clarification of the boundary between change in estimate and change in method.
• amendment to IAS 12 "Income Taxes" concerning deferred taxes relating to assets and liabilities arising from a single transaction.
• amendment to IAS 12 "Income Taxes" concerning the international tax reform model Pillar Two rules: mandatory and temporary exemption from the accounting of deferred taxes associated with Pillar Two top-up taxation, with specific disclosure requirements.

The main final decisions issued by IFRIC in 2023 relate to:

• IFRS 16 "Leases" – Definition of a lease - Substitution rights.
• IFRS 9 "Financial Instruments" – Guarantee granted under a derivative contract.
• IFRS 9 "Financial Instruments" and IFRS 17 "Insurance Contracts" – Insurance premium receivables from an intermediary.
• IFRS 9 "Financial Instruments " and IAS 19 "Employee Benefits" – Housing and housing loans to employees.

These texts have no significant impact on the Group's financial statements.

Deferred tax on assets and liabilities arising from a single transaction– Amendments to IAS 12
The amendments to IAS 12 Income Tax reduce the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible time differences, such as leases and decommissioning liabilities.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures on Accounting Policies
The amendments provide guidance on the application of materiality judgements relating to disclosures on accounting policies. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with the requirement to disclose "important" accounting policies. Illustrative guidance and examples are included in the practice notice to assist in the application of the concept of materiality when making decisions about accounting policy disclosures.

The accounting policies applied by the Group are already disclosed in the financial statements. There are no new methods that generate significant impacts and involve more information.

Amendment to IAS 8 "DEFINITION OF ACCOUNTING ESTIMATES" clarifying the difference between an accounting estimate and an accounting policy
These amendments clarify that an accounting policy may require that items in the financial statements be measured in a manner that implies uncertainty in their measurement, i.e. the accounting policy may require that these items be measured for monetary amounts that cannot be directly observed and must instead be estimated.
The Group is not affected by this amendment.

AMENDMENTS TO IFRS 17 "INSURANCE CONTRACTS"
These amendments are intended to reduce costs by simplifying certain provisions of the standard, making financial performance easier to explain, and facilitating the transition by delaying the effective date of the standard to 2023 and providing additional relief to reduce the effort required when first applying IFRS 17.
SIPH does not fall within the scope of IFRS 17.

Pension reform in France
As the pension reform was promulgated in April 2023 (LAW No. 2023-270 on the amended funding of social security for 2023), SIPH assesses the impact of the postponement of the retirement age to a minimum age of 64 years in France, which resulted in a non-significant decrease in its pension commitments in France on that date.

STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE NOT BEEN APPLIED IN ADVANCE OR HAVE NOT YET COME INTO FORCE

New standards, interpretations and amendments to existing standards applicable to accounting periods beginning on or after 1 January 2024 were not adopted in advance by the Group as of 31 December 2023.
They concern:
• amendments to IFRS 16 "Leases" relating to leaseback liabilities.
• the amendment to IAS 1 on the classification of liabilities as current/non-current, as well as non-current liabilities with restrictive covenants.

As of the date of authorisation of these financial statements, the Company had not applied the following new and revised IFRSs, which had been issued but had not yet become effective:

The provisional timetable for the application of these standards is as follows:

Standards or interpretations	Issue	Date of adoption by the European Union (EU)	Date of entry into force within the EU
Amendments to IFRS 16	Lease-based debt in a sale and leaseback transaction	Not adopted	1 January 2024
Amendments to IAS 1	Non-current debts with covenants	Not adopted	1 January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	Not adopted	1 January 2024
Amendments to IAS 7	Funding agreements for suppliers	Not adopted	1 January 2024

APPLICABLE STANDARDS

Application of IFRS 16

IFRS 16 "Leases" to replace IAS 17 "Leases" as well as the corresponding interpretations (IFRIC 4, SIC 15 and SIC 27) aims for a more faithful representation of the assets and liabilities of companies, transparency and improved comparability between companies that use leasing to own an asset and those that borrow to buy an asset.
It provides for a single principle of accounting for all leases on the balance sheet of lessees, with recording of:

- an asset representing the right of use for the leased asset during the term of the contract,
- a debt in respect of the obligation to pay rent,
- an impact on shareholder equity net of deferred taxes.

In the profit and loss account, the rent expense is replaced by:

- amortisation of the right of use, and
- interest on rent debt.

The Group has chosen to apply IFRS 16 pursuant to the simplified retrospective method as of 1 January 2019.
Leases were previously identified by the legal department and then reconciled with the lease expense accounts.
The analysis shows the following values:
Rental expenses that have not been the subject of any adjustment relate to one-off leases with terms of well under one year and/or with an underlying asset value of less than USD 5000.

The treatment of property leases is governed by the following rules:

- ***Real estate leases other than long-term:*** The lease term of the contracts corresponds to the non-terminable period, supplemented, where applicable, by renewal options whose exercise by the Group is deemed reasonably certain. The ANC position has been retained for French commercial leases of type 3/6/9 for which the duration of the lease is limited to a maximum of nine years.
  Certain properties are the subject of leases concluded for a period of one year and tacitly renewed. Based on the significance of the value of the underlying asset and the perpetual renewal

of these leases, the Group takes the option to consider the 20-year period from 1 January 2019 for the valuation of the right of use.

- ***Long-term leases:*** The duration of these contracts extends over periods ranging from 20 to 99 years. Agreements including a building and land are broken down into land use right and building use right in order to take into account the indefinite life of the land.
  The Group does not depreciate the right of use related to long-term leases on land.

The implicit rate is only applied whenever it is mentioned in the legal documentation.

Otherwise, the Group determines a marginal borrowing rate. This corresponds to the rate generally used by financial institutions for Group entities when they have recourse to a loan.

The discount rates used on 1 January 2023 are as follows:

	SIPH	SAPH	GREL	RENL	CRC
Discount rate	3.99%	7%	6.25%	7.50%	3.99%

Application of IFRIC 23

IFRIC 23 clarifies the application of the provisions of IAS 12 "Income Taxes" concerning the recognition and measurement of tax when there is uncertainty about the accounting treatment in profit or loss. The uncertain tax liabilities previously presented in the provisions have been reclassified under corporate income tax liabilities.
The Group has chosen to apply the simplified retrospective method. The adoption of IFRIC 23 did not have a material impact on the Group's consolidated financial statements.

Application of IAS 29

A consensus was reached that all the conditions to consider Ghana as a hyperinflationary economy within the meaning of IFRS had been met (the last requirement was the level of cumulative inflation over 3 years, with wholesale and consumer price inflation having exceeded the 100% threshold in the first half of 2023), and consequently, that IAS 29 on financial reporting in hyperinflationary economies would become applicable.

As a result, the Group applied IAS 29 in Ghana as of 1 January 2023. IAS 29 requires the restatement of the non-monetary items of the country's hyperinflationary assets and liabilities as well as its income statement to reflect changes in the general purchasing power of its functional currency, resulting in a gain or loss on the net monetary position that is recorded in net income. In addition, the financial statements of that country are converted at the closing rate of the reporting period.

However, as the Group's activities in this entity are mainly carried out in euros, no restatement is made in the Group's accounts about GREL

3-3 ACCOUNTING ASSUMPTIONS AND ESTIMATES

The preparation of consolidated financial statements requires certain critical accounting estimates to be retained and assumptions to be made that affect the amounts shown in the financial statements, such as amortisation and provisions. These estimates, based on the going concern assumption, are established based on the information available at the time of their preparation.
They may be revised if the circumstances on which they were based change because of new information. The actual results may differ from these estimates. Management is also called upon to exercise its judgement when applying the Group's accounting methods.
When an estimate is revised, it does not constitute an error correction. The areas where the issues at stake are the highest in terms of judgement or complexity or where assumptions

and estimates are significant with respect to the consolidated financial statements concern, the valuation of biological assets (Notes 3-12 and 8), pension obligations (Notes 3-20 and 19), all assets subject to depreciation tests (Notes 3-10 and 6-1) and the valuation of inventories (Notes 3-13 and 11).
To a lesser extent, estimates and assumptions are also made in the following areas:

- Income taxes, including estimates of the recoverability of deferred taxes (Note 3-22 and Note 22),
- The valuation of financial instruments (Note 3-15),
- The valuation of provisions for other liabilities (Note 3-21).

3-4 METHODS OF CONSOLIDATION

The consolidated financial statements include the financial statements of SIPH and its subsidiaries. Subsidiaries are consolidated from the time the Group exercises significant influence over them and until the date on which this control is transferred outside the Group.

Control is the power, direct or indirect, to govern the financial and operating policies of an enterprise to obtain benefits from its activities, usually accompanied by the holding of more than half of the voting rights. All subsidiaries of the SIPH Group are fully consolidated from the date on which control was transferred to the Group.

3-5 ACCOUNTS CLOSING DATE

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

3-6 SEGMENT REPORTING

The Group's segment information breaks down as follows:

- In “sector of activity” or “operating sector” *(Rubber and Other activities)* and
- into "geographical segment", composed of the West African countries where the Group is established and France, where all marketing is carried out.

A business segment is a component of an entity:

- that engages in activities from which it is likely to earn revenues from ordinary activities *and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).*
- of which the operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance; and
- for which isolated financial information is available.

Segment data for internal reporting and those presented in the notes to the financial statements follow the same accounting rules as those used for the consolidated financial statements.

A business segment is a distinguishable component of the enterprise that is engaged in providing a single product or service or a group of related products or services and that is subject to risks and returns that are different from the risks and returns of other business segments.

A geographical segment is a distinguishable component of the enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of other geographical segments operating in other economic environments.

Turnover is presented by geographical segment based on the geographical origin of the product sold, except for France, which corresponds to "General Trade" sales made mainly for export with SIFCA Group companies.

The "Other activities" segment includes the supply of products or services incidental to the main activity, "Rubber". The profitability of these activities is separate from that of the Rubber segment.
These "Other activities" include:

- the provision of services,
- the supply of seedlings to independent growers,
- the production of palm oil,
- the sale of palm oil and derivatives,
- timber sales,
- the export of equipment, consumables and spare parts
- commodity trading, which can lead to significant fluctuations in turnover but only makes a marginal contribution to earnings. These operations are mainly carried out for companies in the SIFCA Group.

Segment assets are operating assets used by a segment in its operating activities. They include attributable goodwill, property, plant and equipment, biological assets and current assets used in operating activities typical of the sector. They do not include intangible assets (excluding goodwill), deferred tax assets, other non-current financial assets, other non-current assets and prepaid expenses. These assets are identified in the “Unallocated assets” row.

Segment liabilities are liabilities arising from the activities of a segment that are directly attributable to the segment or can reasonably be allocated to it. They include current and non-current liabilities, with the exception of deferred tax liabilities and non-current financial liabilities. These liabilities are identified in the “Unallocated liabilities” row.

3-7 CONVERSION OF FINANCIAL STATEMENTS DRAWN UP IN FOREIGN CURRENCIES

The operating currency of each of the Group's entities is the currency of the economic environment in which the entity operates. The Group's functional and presentation currency is the euro (EUR).
All assets and liabilities of consolidated entities of which the operating currency is not the euro are converted at the closing rate into EUR, the currency in which the consolidated financial statements are presented. Income and expenses are converted at the average exchange rate for the financial year ending. Exchange differences resulting from this treatment and those resulting from the conversion of the shareholder equity of subsidiaries at the beginning of the financial year based on closing rates are included under the heading "Conversion differences" in the consolidated shareholder equity.
Goodwill and fair value adjustments arising on the acquisition of a foreign operation of which the functional currency is not the EUR are treated as assets and liabilities relating to foreign business and are converted into EUR at the closing rate. Biological assets are valued in foreign currency at the time of acquisition.
Exchange differences arising on the conversion of the net investment in foreign subsidiaries are accounted for in the shareholder equity.
On disposal of a foreign entity, these exchange differences are included in the profit and loss account as a profit or loss on disposal.

Nigeria, Liberia and Ivory Coast were not considered hyperinflationary countries in accordance with the criteria defining the phenomenon of hyperinflation and are therefore not subject to the provisions of IAS 29.
The exchange rates used for the preparation of the consolidated financial statements are given in Note 5. The closing rate is used for the conversion of the balance sheet, and the average rate for the period for the conversion of the profit and loss account and the cash flow statement.

3-8 CONVERSION OF FOREIGN CURRENCY TRANSACTIONS

Items included in the financial statements of each individual Group entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). As a result, transactions denominated in currencies other than the local currency are recorded in the entity's accounts on the basis of the exchange rate in effect on the date of the transaction. On the closing date, monetary assets and liabilities denominated in foreign currencies are converted into the entity's functional currency at the exchange rate applicable on the closing date. All resulting conversion differences are recorded in the current operating income, except for items that, in substance, form part of the net investment in foreign subsidiaries, which are recorded in the shareholder equity.

3-9 INTANGIBLE ASSETS (EXCLUDING GOODWILL) AND TANGIBLE ASSETS

In accordance with IAS 38 "Intangible Assets", only assets of which the cost can be reliably determined and for which it is probable that future economic benefits will flow to the Group are recognised as intangible assets.

A tangible asset is de-recognised when the risks and rewards of ownership of the asset have been transferred or when no future economic benefits are expected from its use or sale.
The Group's intangible assets *(excluding goodwill)* mainly correspond to software (Note 6.2).
In accordance with IAS 16 "Tangible Assets", only assets of which the cost can be reliably determined and for which it is probable that future economic benefits will flow to the Group are recognised as tangible assets.

An intangible asset is de-recognised when the risks and rewards of ownership of the asset have been transferred or when no future economic benefits are expected from its use or sale.

Any profit or loss arising on the de-recognition of an asset *(calculated as the difference between the net disposal proceeds and the book value of the asset)* is included in the profit and loss account in the financial year in which the asset is de-recognised.

Intangible and tangible fixed assets are recognised at their historical acquisition or production cost, minus accumulated amortisation *(excluding)* and any impairment losses.

Amortisation is accounted for as an expense on a linear basis over the useful life of the asset. These periods are mainly as follows:

Type of fixed assets	Term
- Buildings and infrastructure	From 10 to 25 years
- Industrial equipment	8 years
- Office and IT equipment	8 years
- Transport equipment	3 years
- Software	From 1 to 3 years

The initial and residual useful lifespans of assets are reviewed at each year-end and are adjusted in the event of a significant change.

3-10 GOODWILL

In accordance with the revised IFRS 3R "Business Combinations", the difference between the acquisition cost of a business and the Group's share of its net assets measured at fair value is accounted for as goodwill. To date, all goodwill of the SIPH Group has been accounted for using the partial goodwill method.

Goodwill is allocated to the Group's Cash Generating Units (CGU), which are identified according to the country in which the activities are carried out and the business segment, as indicated in Note 6.1 "Goodwill".

In accordance with the revised IFRS 3R, goodwill is not depreciated but is subject to an impairment test as soon as there is an indication of an impairment loss and at least once a year.

In accordance with IAS 36 "Impairment of Assets", the methodology used by the Group to determine any depreciation of these assets consists of comparing the recoverable values of the Cash Generating Units to the book value of their respective assets.

In the event of asset impairment, this is recorded in operating income. Depreciation losses recorded are irreversible.

The main procedures and conclusions resulting from the performance of these tests at the end of 2022 are presented in Note 6-1 "Goodwill".

3-11 IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Goodwill and intangible assets, the useful life of which is indefinite, and which are not amortised, are subject to a depreciation test at least every year, or as soon as events or changes in the environment market signals indicate a risk of asset impairment. Similarly, when events or changes in the market environment indicate a risk of loss of value, depreciable intangible or tangible fixed assets undergo depreciation testing, to determine whether their net book value is lower than their recoverable value. When this test shows that the value thus determined is lower than their net book value, the Group considers the effect of alternative investment strategies on future cash flows. If a difference remains, a provision is recorded to reduce the net book value of both intangible and tangible fixed assets to the value determined based on discounted future operating cash flows or the fair value if it exists.

In particular, as at 31 December 2023, depreciation tests concern non-current assets. The balance sheet value is compared to their recoverable amount. The latter is determined from discounted cash flow projections over just over thirty years based on the crop maturity cycle.

The recoverable amount of the CGU thus determined is then compared with the contributory value on the consolidated balance sheet of goodwill and economic assets *(tangible fixed assets, working capital requirements and share of support assets)*. Depreciation is accounted for, if necessary, if this balance sheet value is higher than the recoverable value of the CGU and is charged in priority to goodwill.

To determine their value in use, fixed assets to which it is not possible to directly attribute independent cash flows are grouped together within the cash generating unit (CGU) to which they belong. The CGUs correspond to homogeneous groups generating identifiable cash flows.

3-12 CONSOLIDATION OF BIOLOGICAL ASSETS (MATURE AND IMMATURE PLANTATIONS, NURSERIES AND INVENTORIES)

The grouping of areas at biological assets carried out as part of the determination of the fair value of plantations (biological assets) and the estimation of production inventories in terms of volume are carried out based on physical inventories at the end of the financial year.

In rubber tree cultivation, saplings are prepared in nurseries for 2 to 3 years. They are then planted in the ground. The trees are not tapped (productive) for a period of about 6 to 7 years. After this period, the tree is sufficiently resistant to tapping (exploitation) for about 30 years.

Biological assets fall into three categories: mature and immature crops and nurseries. Mature crops are rubber trees which have already been tapped. Immature crops are rubber trees which have not yet been tapped. Nurseries, for their part, include young saplings, not yet planted, grafted or to be grafted, as well as the graft-wood garden (rubber clones). The "replanting" areas are those which are felled or where the land is being prepared. They have usually been tapped in the past year and are intended to be replanted in the following year. They are not valued with the biological assets.

As far as agricultural production is concerned, a distinction is made between raw material only from own plantations, not yet processed at the close (cup lump rubber) and raw material included in stocks of finished incomes (rubber ready for sale). These stocks are inventoried at each year-end.

3-13 BIOLOGICAL ASSETS – BEARER PLANTS

Regulation 2015/2113, dated 23 November 2015, endorses the adoption of the changes (amendments) to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture", entitled "Agriculture: Bearer Plants".
These amendments state that plants that are only used to produce agricultural products over several periods, called bearer plants, should be accounted for in the same way as tangible assets under the requirements of IAS 16 Property, Plant and Equipment, as their operation is similar to manufacturing activities.
SIPH opted for the historical cost option when it adopted the revised IAS 16.

RUBBER AND PALM TREE PLANTATIONS

Mature rubber and palm tree plantations are now depreciated using the straight-line method, which reflects the rate of economic benefits expected (mature crops):

- between 30 and 33 years for mature rubber plantations,
- between 20 and 25 years for mature palm oil plantations

The basis for amortisation of trees under IAS 16 corresponds to the gross value of the plantations at their maturity date.

3-14 INVENTORIES AND OUTSTANDING AMOUNTS

In accordance with IAS 2, inventories from external purchases (from private growers) are valued at purchase cost.

As for inventories from own plantations, they are valued at fair value at the date of harvest (IAS 41) represented by the purchase price from private growers in the given month. This purchase price is considered to be the fair value on the valuation date.
This purchase price paid to the growers is equal to the purchase cost, used to value stocks from external purchases, from which purchasing commissions and transport subsidies are deducted.
Inventories of goods are valued at their purchase cost.
Finished incomes are valued at production cost, which includes the cost of raw materials as well as processing costs.
A provision for depreciation is established when an impairment loss is identified.

3-15 FINANCIAL ASSETS AND LIABILITIES

The Group places its financial assets in the following categories: assets measured at fair value through profit or loss, assets held to maturity, loans and receivables, assets available for sale, and liabilities at amortised cost. The classification depends on the reasons for which the financial assets were acquired. The Management determines the classification of its financial assets on initial accounting.

• ***Financial assets at their fair value in the profit and loss account***

Financial assets measured at fair value in the profit and loss account are financial assets held for trading. A financial asset is placed in this category if it was acquired principally for the purpose of reselling it in the short term. Derivative financial instruments are also designated as held-for-trading unless they qualify as hedges.

• ***Assets held to maturity***

Non-derivative financial assets with fixed or determinable payments and a fixed maturity are classified as held-to-maturity investments when the Group has the positive intention and ability to hold them to maturity. Gains and losses are recognised in the profit and loss account when these investments are removed from the accounts or are depreciated.

• ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are included in current assets, except for the portion with a maturity which is greater than twelve months after the closing date. This is classified under non-current assets.
Loans and receivables are accounted for at their amortised cost using the effective interest rate method.

At each balance sheet date, the Group assesses whether there is an objective indicator of the depreciation of a financial asset or group of financial assets.

• ***Assets available for sale***

Financial assets available for sale are non-derivative instruments attached to this category or those not attached to any other category. They are included as non-current assets, unless management intends to sell them within twelve months of the year end. These assets are initially accounted for at fair value plus transaction costs and changes in fair value are accounted for in shareholder equity.

• ***Offsetting of financial assets and liabilities***

A financial asset and a financial liability are offset, and the net amount is shown on the balance sheet when the Group has a legally enforceable right to offset the recognised amounts and intends either to extinguish them on a net basis or to simultaneously realise the active and extinguish the passive.

3-16 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

SIPH uses foreign exchange risk hedging instruments and derivative financial instruments on rubber *(forward sales contracts and swaps)* to secure its margin.
To protect itself against the increase in the Euribor interest rate to which the interest rate for Colette financing is indexed, the Group also uses rate hedging.
Derivative financial instruments that meet the criteria for hedge accounting under IFRS 9 are classified in hedging instruments.
Derivatives that do not qualify for hedge accounting, although they are put in place for risk management purposes, are accounted for as instruments held for trading.
Derivative financial instruments are valued at fair value. The fair value of a derivative hedging instrument is classified as a non-current asset or liability when the residual maturity of the covered item is greater than 12 months, and as current assets or liabilities when the residual maturity of the covered item is less than 12 months.
Derivative instruments held for trading are classified as current assets and liabilities.

3-17 TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at their fair value, then eventually valued at their amortised cost using the effective interest rate method, minus provisions for depreciation. Depreciation of trade receivables is recorded when there is an objective indicator of the Group's inability to collect all amounts due under the conditions initially foreseen at the time of the transaction.

Significant financial difficulties encountered by the debtor, the likelihood of bankruptcy or financial restructuring of the debtor, and default or non-payments are indicators of the depreciation of a receivable. The amount of the depreciation represents the difference between the carrying amount of the asset and the value of the estimated future cash flows, discounted at the initial effective interest rate.

Charges and reversals relating to the depreciation of receivables appear under the heading “Other operating income and expenses” in the consolidated profit and loss account.

3-18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents recorded in the consolidated balance sheet include cash in the bank and in hand, short-term deposits with a maturity of less than three months, and any short-term liquid monetary investment that is readily convertible to a determinable amount of cash.

In accordance with IFRS 9 "Financial Instruments", marketable securities are valued at their fair value at the financial year-end date. For investments considered as held for trading, changes in fair value are systematically accounted for in the financial income.

For the purposes of the consolidated cash flow statement, cash and cash equivalents include the cash and cash equivalents as defined above, net of bank overdrafts. Bank overdrafts are assimilated to financing and appear in the current liabilities section, under "Borrowings", on the balance sheet.

3-19 BORROWINGS

In accordance with IFRS 9 “Financial Instruments”, borrowings are initially recognised at the fair value of the amount received, net of transaction costs incurred.
Following their initial recognition, interest-bearing borrowings are valued at amortised cost, using the effective interest rate method. The effective interest rate is the rate that equals the net cash position of the loan with the total cash flows generated by servicing the loan. The amortised cost is calculated by taking into account all issue costs and any redemption discounts or premiums.

Borrowings are classified as current liabilities, except when the Group has an unconditional right to defer payment of the debt for at least twelve months after the closing date, in which case these portions of borrowings are classified as non-current liabilities.

3-20 SUPPLIERS AND OTHER CREDITORS

Trade payables and other current liabilities are recorded at their fair value and are subsequently measured at their amortised cost, using the effective interest rate method.

3-21 PENSIONS, END-OF-CAREER INDEMNITIES AND OTHER EMPLOYEE BENEFITS

In accordance with the laws and practices in force in each country in which it operates, the Group provides its employees with various pension, welfare and medical plans.

In France, each Group employee benefits from a retirement bonus. For other countries, the schemes depend on the local legislation of the country and the activity and historical practices of the subsidiary concerned.

In addition to the basic schemes, supplementary plans may be either defined contribution or defined benefit plans, and in the latter case fully or partially covered by dedicated *investments (equities, bonds, insurance contracts or other forms of dedicated investments, etc.).*

- ***Basic schemes***

In some countries, particularly in France, the Group participates in basic social security schemes for which the expense recorded is equal to the contributions called by state bodies.

- ***Defined contribution schemes***

The benefits paid to the beneficiaries of these schemes depend solely on the accumulation of contributions made and the return on investments of the latter. The Group's commitment is therefore limited to the contributions paid, which are recorded in the income statement in the financial year to which they relate.

- ***Defined benefit schemes***

The valuation of the Group's commitment under these plans is calculated annually by independent actuaries using, in accordance with IAS 19 "Employee Benefits", the "Projected Unit Credit" method.
Under this method, each period of service gives rise to the recognition of an additional unit of benefit entitlement, each of which is measured separately, to measure the final obligation. These calculations incorporate assumptions:

- of retirement dates,
- of staff turnover,
- of mortality,
- of future wage increases and inflation,
- of future returns on hedging assets, if any
- and finally, of discount.

The probable future benefits are discounted using country-specific rates. Discount rates are determined by reference to the rate of return on bonds issued by the State and first-tier companies, with the exception of the rate used at SAPH. Indeed, in Côte d'Ivoire, actuaries retain the rate of return on short-term investments as a reference.

Supplementary pension plans, where applicable, are fully or partially covered by dedicated investments known as plan assets (shares, bonds, insurance contracts or other forms of dedicated investments, etc.). The supplementary pension plans set up within the Group for France (SIPH), Côte d'Ivoire (SAPH), Liberia (CRC), Nigeria (REN) and Ghana (GREL) respectively, are presented as follows:

Supplementary plans	SIPH	SAPH	CRC	REN	GREL
Defined benefit	✓	✓	✓	✓	✓
Defined contribution	×	×	×	×	×

Assets used to hedge bonds are measured at fair value (level 3) at the end of the financial year.

As part of the restatement of the consolidated financial statements at the end of December 2022, the amount used for retirement bonuses is the net amount between the plan assets measured at fair value and the provision recognised for defined benefits. To date, the Group's consolidated financial statements do not show any amount of net plan assets.

Actuarial profits and losses arise when differences are recorded between actual data and previous forecasts, or because of changes in actuarial assumptions; these actuarial profits and losses are recognised in equity in accordance with IAS 19 (revised).

The net expense for the financial year, corresponding to the sum of the current service cost, the discount cost less the expected return on plan assets, is fully recorded in the current operating income.

3-22 PROVISIONS FOR OTHER LIABILITIES

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognised when the Group has a current obligation *(legal or implicit)* resulting from a past event, whereby it is probable that an outflow of resources will be required to settle this obligation and that the amount of this obligation can be reliably estimated.
The amount accounted for as a provision is the best estimate of the expenditure required to settle the current obligation at the financial year-end date. Where the effect of the time value of money is material, the amount of the provision is the current value of the expected expenditure that is expected to be required to settle the obligation.

However, provisions are not discounted as they are not material.
Provisions for litigation are analysed on a case-by-case basis and are valued based on the opinions formulated by the lawyers in charge of the cases.

When the Group expects partial or total repayment of the provisioned amount, for example because of insurance cover or a liability guarantee, the repayment is accounted for only when it is certain.

3-23 DEFERRED TAXES

In accordance with IAS 12 “Income Taxes”, deferred taxes are calculated on temporary differences between the tax base and the consolidation value of assets and liabilities.
Taxable temporary differences mainly arise from:

- the elimination, in the consolidated financial statements, of entries recorded in the financial statements of subsidiaries pursuant to exemptions from tax options.
- restatements made to the financial statements of consolidated subsidiaries to align the accounting principles used with those of the Group.

Deferred tax assets and liabilities are assessed using the liability method, on the basis of the tax rates and regulations in force or virtually adopted on the closing date, and which are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability settled.

Deferred tax assets are recorded and maintained in the balance sheet to the extent that it is more likely than not that they will be recovered in subsequent years, i.e. that future taxable profit will be available against which the temporary differences can be offset. Similarly, deferred tax assets on unused tax loss carry-forwards are accounted for to the extent that it is probable that the Company that generated the loss carry-forwards will have future taxable profits against which these unused tax losses can be offset.

The Group's assessment of its ability to recover these assets is based primarily on the following factors:

- forecasts of future tax results.
- the existence of taxable temporary differences.
- the analysis of the portion of extraordinary expenses not expected to recur in the future, included in past losses.
- finally, the history of tax results for previous years.

3-24 TURNOVER

Turnover consists of sales of finished products and sales of goods within the framework of the Group's core business, net of value added tax, returns, discounts and rebates, as well as unrealised and realised results related to hedging transactions (forward sales of rubber).

In accordance with IFRS 15 "Revenue from contracts with customers", sales of goods and finished goods are recorded when the risks and rewards of ownership have been transferred to the buyer. Revenues from the provision of services are recorded on the basis of the services actually rendered during the financial year.

3-25 STATE SUBSIDIES

State subsidies are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions for granting these subsidies.

State subsidies relating to costs are deferred and recognised in the profit and loss account over the periods necessary to link them to the related costs that they are intended to compensate for.

State subsidies relating to the acquisition of property, plant and equipment are included in non-current liabilities as deferred state subsidies and credited to the profit and loss account on a straight-line basis over the expected useful life of the assets concerned.

3-26 OPERATING INCOME

Given the nature of the Group's business, the profit and loss account has been presented by function.

In accordance with the recommendations of the Conseil National de la Comptabilité (CNC – National Accounting Council) and the Autorité des Marchés Financiers (AMF – French Financial Markets Authority), the Group has opted to isolate significant non-recurring items within its operating income and, in this respect, reports current operating income and other non-recurring income and expenses. These include only a limited number of unusual, abnormal and infrequent items.

3-27 EARNINGS PER SHARE

Consolidated net income per share is calculated based on the weighted average number of shares in circulation during the period.

Diluted income per share is obtained by dividing the consolidated income by the weighted average number of shares outstanding and considering the effects of all dilutive potential ordinary shares.

3-28 DISTRIBUTION OF DIVIDENDS

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends have been approved by the Company's shareholders but have not yet been disbursed.

3-29 COMMITMENTS TO PURCHASE MINORITY INTERESTS

In the case of debt relating to put options granted to minority interests, the fair value of the debt is accounted for as a financial liability with a corresponding reduction in minority interests. When the value of the commitment exceeds the amount of minority interests, the balance is accounted for under shareholder equity, Group share.

NOTE 4 – CONSOLIDATION SCOPE

As of 31 December 2023, the companies included in the consolidation scope are as follows:

Names	Address
Société Internationale de Plantations d'Hévéas SA (SIPH)	53, rue du Capitaine Guynemer, 92400 Courbevoie (France)
Cavalla Rubber Corporation Inc (CRC)	Gedetarbo, Maryland County (Republic of Liberia)
Ghana Rubber Estates Ltd (GREL)	P.O. Box 228 Takoradi (Ghana)
Société Africaine de Plantations d'Hévéas (SAPH)	Rue des Gallions, Zone Portuaire Abidjan 01 (Côte d'Ivoire)
Rubber Estates Nigeria Limited (REN)	Ovia s/w LG (Nigeria)

The percentages of interest and control are as follows for 2023 and 2022:

Companies	Controlling percentage		Percentage of interest	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
SIPH (parent company)	100.00	100.00	100.00	100.00
CRC	100.00	100.00	100.00	100.00
GREL	64.25	64.25	64.25	64.25
SAPH	68.22	68.06	68.22	68.06
REN	70.32	70.32	70.32	70.32

All the above subsidiaries are fully consolidated.

NOTE 5 – CONVERSION OF FINANCIAL STATEMENTS

REN's financial statements included in the consolidation, denominated in Nigerian Naira, have been converted into euros at the following rates in 2023 and 2022:

REN

	EUR/NGN rate
Rate as at 1 January 2022	466.125
Rate as at 31 December 2022	478.843
Average rate for 2022 financial year	445.094
Rate as at 1 January 2023	478.843
Rate as at 31 December 2023	989.016
Average rate for 2023 financial year	688.081

SAPH's financial statements included in the consolidation, denominated in CFA, have been converted into euros at the following rates in 2023 and 2022:

SAPH

	EUR/FCFA rate
Rate as at 1 January 2022	655.957
Rate as at 31 December 2022	655.957
Average rate for 2022 financial year	655.957
Rate as at 1 January 2023	655.957
Rate as at 31 December 2023	655.957
Average rate for 2023 financial year	655.957

GREL's accounts are kept in EUR and are therefore not impacted by conversion issues.

CRC's financial statements included in the consolidation, denominated in USD, have been converted into EUR at the following rates in 2023 and 2022.

CRC

	EUR/USD rate
Rate as at 1 January 2022	1.134
Rate as at 31 December 2022	1.070
Average rate for 2022 financial year	1.054
Rate as at 1 January 2023	1.070
Rate as at 31 December 2023	1.104
Average rate for 2023 financial year	1.081

NOTE 6 – GOODWILL AND OTHER INTANGIBLE FIXED ASSETS

6-1 Goodwill

Goodwill is allocated to the Group's cash-generating units, which are identified according to the country in which the activities are carried out and the sector of activity:

Cash-generating units / Headings	SAPH (Côte d'Ivoire)	REN (Nigeria)	CRC (Liberia)	Total
Net change as at 1 January 2022	**11 606**	**1 764**	**0**	**13 370**
Change in conversion difference	0	-47	0	-47
Depreciation for the year	0	0	0	0
Net value as at 31 December 2022	**11 606**	**1 717**	**0**	**13 323**
Change in conversion difference	0	-886	0	-886
Depreciation for the year	0	0	0	0
Net value as at 31 December 2023	**11 606**	**831**	**0**	**12 437**

At each year-end, the recoverable amount of each Group CGU is compared with its contributory value in the consolidated balance sheet, comprising goodwill and economic assets *(tangible fixed assets, working capital requirements and share of support assets)*.
Depreciation is accounted for, if necessary, if this balance sheet value is higher than the recoverable value of the CGU and is charged in priority to goodwill.

The Group has four cash-generating units (CGU), three of which have goodwill attached and which are subject to a mandatory impairment test at the end of the financial year. The third CGU (CRC) is totally depreciated.
At the end of each reporting period, SIPH assesses whether there is any indication that a CGU may be impaired. In the event of such indices, the recoverable amount of the CGU is calculated.
Additional tests are carried out if there is an indication of loss of value.

The recoverable amount of each CGU corresponds to its value in use within the meaning of IAS 36, which is determined according to multiple criteria *(WACC, SICOM, etc.*). The business plans reflect these assumptions and have been approved by the Management.

As at 31 December 2023, following the depreciation test, no depreciation of goodwill was recorded. As the recoverable amount of the CRC CGU is still zero, the economic asset continues to be maintained at zero.

The country discount rates used for Ivory Coast (SAPH), Liberia (CRC), Nigeria (REN) and Ghana (GREL), respectively, are as follows as at 31 December 2023 and 31 December 2021. We have highlighted below the comparative discount rates between 2022 and 2021 on each of the CGUs.

A sensitivity test was carried out and varied the following parameters:

- The CMPR at + or - 1% around the central value which stood at 15.54% (Ghana), 18.93% (Liberia), 15.05% (Nigeria), 11.29% (Côte d'Ivoire)
- The growth rate at infinity at + or - 1% compared to the base value set at 1.5%

Côte d'Ivoire SAPH

	CMPR		
Rate g	10.29%	11.29%	12.29%
0.50%	634 714	561 218	500 759
1.50%	684 555	599 334	530 488
2.50%	747 193	646 123	566 290

Côte d'Ivoire SAPH

	CMPR		
Rate g	10.29%	11.29%	12.29%
0.50%	634 714	561 218	500 759
1.50%	684 555	599 334	530 488
2.50%	747 193	646 123	566 290

Ghana GREL

	CMPR		
Rate g	14.54%	15.54%	16.54%
0.50%	151 293	138 715	127 784
1.50%	157 485	143 767	131 947
2.50%	164 705	149 593	136 703

Ghana GREL

	CMPR		
Rate g	14.54%	15.54%	16.54%
0.50%	151 293	138 715	127 784
1.50%	157 485	143 767	131 947
2.50%	164 705	149 593	136 703

Heading	SAPH			CRC			REN			GREL		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Discount rate	11.29%	15.79%	8.97%	18.93%	26.76%	15.02%	15.04	21.19%	10.83%	15.54%	35.57%	13.25%

6-2 OTHER TANGIBLE FIXED ASSETS

The "Other intangible fixed assets" item increased from EUR 956 K to EUR 1 496 K as at 31 December 2023. This change is mainly explained by the annual amortisation of software (SAP in particular) at RENL, SIPH and GREL in accordance with the initial amortisation plan.

NOTE 7 – TANGIBLE FIXED ASSETS

As at 31 December 2023, this item breaks down by type as follows:

Headings	Gross value As at 01/01/2023	Acquisitions	Disposals	Transfers (*)	Conversion diff.	Gross value as at 31/12/2023
– Land	5 332	0	0	0	-621	4 711
– Buildings	134 689	3 311	-37	3 127	-5 686	135 864
– Industrial equipment and tools	88 936	5 186	-426	11 081	-5 233	99 544
– Office equipment	7 747	479	-16	580	-891	7 899
– Transport equipment	18 958	3 038	-729	1 480	-2 322	20 425
– Installation and fittings	20 590	1 485	0	688	0	22 763
– Other tangible fixed assets	187	52	0	0	-116	123
– Site preparation	8 104	1 020	0	-912	-3	8 210
– Other current fixed assets	24 276	15 279	0	-3 655	-140	35 759
– Advances and down-payments on tangible fixed assets	13 335	0	-2	-12 837	0	496
TOTAL	**322 156**	**29 849**	**-1 209**	**-448**	**-15 013**	**335 794**

Headings	Depreciation and provisions as at 01/01/2023	Charges	Write-backs	Disposals	Transfers (*)	Conversion diff.	Depreciation and provisions as at 31/12/2023
– Land	0	0	0	0	0	0	0
– Buildings	67 522	6 014	0	0	0	-2 447	71 089
– Industrial equipment and tools	67 758	7 630	0	-405	-3	-3 222	71 758
– Office equipment	6 534	1 138	0	-15	3	-672	6 987
– Transport equipment	15 865	2 026	0	-711	0	-1 567	15 613
– Installation and fittings	15 460	1 990	0	0	0	-29	17 422
– Other tangible fixed assets	-1 633	27	0	0	0	-77	-1 683
– Fixed assets in progress (α)	11 313	0	0	0	0	0	11 313
– Advances and down-payments on tangible fixed assets	0	0	0	0	0	0	0
TOTAL	**182 819**	**18 825**	**0**	**-1 131**	**0**	**-8 014**	**192 499**

(*) The residual amounts in the "Transfers" column correspond to assets (gross value and depreciation) reclassified during the financial year as tangible assets and bearer biological assets.

The net value of tangible fixed assets rose by EUR 3 958 K, to EUR 143 295 K, at the end of December 2023. They are detailed by type as follows:

Headings	Net value as at 01/01/2023	Charges for asset impairment provisions	Reversals of asset impairment provisions	Other net changes for the financial year	Net value as at 31/12/2023
– Land	5 332	0	0	-621	4 711
– Buildings	67 167	0	0	-2 392	64 775
– Industrial equipment and tools	21 178	0	0	6 608	27 786
– Office equipment	1 212	0	0	-301	911
– Transport equipment	3 093	0	0	1 718	4 811
– Installation and fittings	5 130	0	0	211	5 341
– Site preparation	8 104	0	0	105	8 210
– Other tangible fixed assets	1 821	0	0	-14	1 807
– Investments in progress	12 963	0	0	11 483	24 446
– Advances and down-payments on tangible fixed assets	13 335	0	0	-12 839	496
TOTAL	**139 337**	**0**	**0**	**3 958**	**143 295**

The Group has four cash-generating units, two of which have goodwill attached and which are subject to a mandatory depreciation test at the end of the financial year. At the end of each reporting period, SIPH assesses whether there is any indication that a CGU may be impaired. In the event of such indices, the recoverable amount of the CGU is calculated.
On the other hand, CRC's contributory assets have remained at zero since financial year 2015.

At the end of the 2023 financial year, following the asset impairment test on all of the Group's CGUs, no depreciation of depreciable tangible assets was recorded.

In addition, an upward change in discount rates for each of the CGUs would not result in any depreciation of depreciable tangible assets as at 31 December 2023.

We have highlighted below the comparative discount rates between 2023 and 2021 on each of the CGUs.

Heading	SAPH			CRC			REN			GREL		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Discount rate	11.29%	15.79%	8.97%	18.93%	26.76%	15.02%	15.04	21.19%	10.83%	15.54%	35.57%	13.25%

As a reminder, as at 31 December 2022, this item breaks down by type as follows:

Headings	*Gross value as at 01/01/2022*	*Acquisitions*	*Disposals*	*Transfers (*)*	*Conversion diff.*	*Gross value as at 31/12/2022*
– Land	5 365	0	0	0	-33	5 332
– Buildings	130 041	2 990	-1 462	3 452	-331	134 689
– Industrial equipment and tools	83 907	4 390	-915	1 874	-320	88 936
– Office equipment	7 376	442	-273	254	-52	7 747
– Transport equipment	18 890	1 042	-1 401	528	-101	18 958
– Installation and fittings	18 818	1 853	-479	398	-0	20 590
– Other tangible fixed assets	193	0	0	0	-5	187
– Site preparation	8 651	1 208	0	-1 754	-0	8 104
– Other current fixed assets	11 027	19 235	0	-5 981	-5	24 276
– Advances and down-payments on tangible fixed assets	5 103	8 757	0	-525	0	13 335
TOTAL	**289 370**	**39 917**	**-4 530**	**-1 754**	**-848**	**322 156**

(*) The residual amounts in the "Transfers" column correspond to assets (gross value and depreciation) reclassified during the financial year as intangible assets and bearer biological assets.

Headings	*Depreciation and provisions as at 01/01/2022*	*Charges*	*Write-backs*	*Disposals*	*Transfers (*)*	*Conversion diff.*	*Depreciation and provisions as at 31/12/2022*
– Land	0	0	0	0	0	0	0
– Buildings	62 613	5 907	0	-853	0	-145	67 522
– Industrial equipment and tools	61 728	7 026	0	-806	0	-190	67 758
– Office equipment	6 155	683	0	-261	0	-43	6 534
– Transport equipment	15 369	1 969	0	-1 380	0	-94	15 865
– Installation and fittings	13 844	1 964	0	-346	0	-2	15 460
– Other tangible fixed assets	-1 667	39	0	0	0	-5	-1 633
– Fixed assets in progress (α)	11 313	0	0	0	0	0	11 313
– Advances and down-payments on tangible fixed assets	0	0	0	0	0	0	0
TOTAL	**169 355**	**17 589**	**0**	**-3 646**	**0**	**-479**	**182 819**

Headings	Net value as at 01/01/2022	Charges for asset impairment provisions	Reversals of provisions for asset impairment	Other net changes for the financial year	Net value as at 31/12/2022
– Land	5 365	0	0	-33	5 332
– Buildings	67 428	0	0	-260	67 167
– Industrial equipment and tools	22 179	0	0	-1 001	21 178
– Office equipment	1 221	0	0	-9	1 212
– Transport equipment	3 521	0	0	-428	3 093
– Installation and fittings	4 974	0	0	156	5 130
– Site preparation	8 651	0	0	-546	8 104
– Other tangible fixed assets	1 860	0	0	-39	1 821
– Investments in progress	-286	0	0	13 249	12 963
– Advances and down-payments on tangible fixed assets	5 103	0	0	8 232	13 335
TOTAL	**120 016**	**0**	**0**	**19 321**	**139 337**

NOTE 7 A – RIGHT OF USE FOR TANGIBLE FIXED ASSETS

Following the application of IFRS 16, the changes in rights of use are detailed as follows:

Headings	Gross value as at 01/01/2023	Acquisitions	Disposals	Transfers (*)	Conversion diff.	Gross value as at 31/12/2023
– Land use rights	3 853	0	0	0	-621	3 232
– Right of use for buildings	5 309	460	0	0	755	6 524
– Right of use for transport equipment	235	0	0	0	0	235
– Right of use for installation and fittings	55	0	0	0	0	55
TOTAL	**9 453**	**460**	**0**	**0**	**134**	**10 046**

Headings	Depreciation and provisions as at 01/01/2023	Charges	Write-backs	Disposals	Transfers (*)	Conversion diff.	Depreciation and provisions as at 31/12/2023
– Right of use for buildings	1 854	795	0	0	0	29	2 678
– Right of use for transport equipment	235	0	0	0	0	236	471
– Right of use for installation and fittings	55	0	0	0	0	449	504
TOTAL	**2 144**	**795**	**0**	**0**	**0**	**714**	**3 653**

NOTE 8 – BEARER BIOLOGICAL ASSETS

The bearer plants, which since 1 January 2016 have fallen within the scope of the revised IAS 16 on “Tangible assets”, are accounted for according to the historical cost model.

The gross value of bearer plants is based on the capitalisation of capitalised costs in accordance with IAS 16 (Direct and indirect costs) and IAS 23 (Interest on borrowings).

The Group does not assess standing (pre-harvest) agricultural production. Indeed, by its very nature, this notion is not applicable to rubber trees of which the agricultural production (latex) is located inside the tree itself. In addition, the Group believes that the standing crop of palm trees cannot be reliably assessed with a sufficient degree of certainty without incurring costs disproportionate to the usefulness of the information thus collected.

Mature rubber and palm tree plantations are now depreciated using the straight-line method, which reflects the rate of economic benefits expected (mature crops):

- between 30 and 33 years for mature rubber plantations,
- between 20 and 25 years for mature palm oil plantations

The basis for amortisation of trees under IAS 16 corresponds to the gross value of the plantations at their maturity date.

This item can be broken down as follows by the nature of the bearer plants:

Headings	***Net value 31/12/2023***	***Net value 31/12/2022***
Immature and mature rubber tree plantations	129 947	136 808
Immature palm oil plantations	8 524	8 524
Nursery	3 224	298
TOTAL	**141 695**	**147 631**
Of which:		
Rubber trees	**133 171**	**139 105**
– SAPH	*62 994*	*61 298*
– GREL	*51 358*	*50 482*
– REN (α)	*9 035*	*17 609*
– CRC	*9 784*	*9 717*
Oil palm tree	**8 524**	**8 524**
– SAPH	*7 818*	*7 818*
– GREL	*707*	*707*
– REN	*0*	*0*
– CRC	*0*	*0*
TOTAL	**141 695**	**147 631**

The changes in the book value of the bearer plants are summarised as follows between 1 January and 31 December 2023:

Headings	***2023***	***2022***
Net worth as at 1 January 2023	***147 631***	***145 861***
Net change in nurseries	930	-1 825
Increase	6 269	6 931
Reduction	-9	-58
Transfers*	422	1 754
Amortisation charges	-4 277	-4 548
Depreciation for loss of value	0	0
Currency conversion adjustment (a)	-9 308	-505
Net value as at 31 December 2023	**141 695**	**147 631**

(*) The amounts in the "Transfers" line correspond mainly to assets (gross value and depreciation) reclassified from tangible fixed assets to biological assets.

Following the impairment test carried out at the end of the 2023 financial year, in comparison with the recoverable amount of the CRC CGU, with the contributory value of goodwill and economic assets recorded in the consolidated balance sheet, the value of the contributory assets of the CRC CGU remains at zero.
In addition, an upward variation in the discount rates of 1% for each of the CGUs would not result in any depreciation or reversal of additional provisions in the Group's consolidated accounts. As a reminder, these provisions for depreciation are reversible.

We have highlighted below the comparative discount rates between 2023 and 2021 on each of the CGUs.

Heading	**SAPH**			**CRC**			**REN**			**GREL**		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Discount rate	11.29%	15.79%	8.97%	18.93%	26.76%	15.02%	15.04%	21.19%	10.83%	15.54%	35.57%	12.30%

Nurseries are valued at historical cost and amounted to EUR 3 224 K at 31 December 2023 compared to EUR 2 298 K at the end of December 2022.
During the financial year, the financial costs incorporated into the production plants amounted to EUR 561.9 K, mainly at SAPH and GREL, for a weighted average rate of capitalisation of 1.32% By way of comparison, the amount of financial expenses activated in 2023 amounted to 1 118 K euros.
GREL's bearer plants were given, in their entirety (within the limit of outstanding loans, i.e. EUR 8.5 million), as collateral for debt, jointly to SG Ghana and PROPARCO at the end of the financial year.
There are no producing plants of which the ownership is restricted by SAPH, REN and CRC. The Group does not receive any subsidy relating to these biological assets.

NOTE 9 – FINANCIAL FIXED ASSETS

This item includes:

Headings	*Gross value 31/12/2023*	*Depreciation 31/12/2023*	*Net value 31/12/2023*	*Net value 31/12/2022*
Non-consolidated equity securities	131	0	131	131
Other financial assets	2 757	-656	2 101	2 028
Total	**2 887**	**-656**	**2 231**	**2 159**

NOTE 10 – OTHER NON-CURRENT ASSETS

Headings	*31/12/2023*	*31/12/2022*
Other non-current receivables	1 269	851
Advances to growers	-	-
Total	**1 269**	**851**

NOTE 11 – STOCKS

Headings	*31/12/2023*	*31/12/2022*
Rubber		
Raw materials	56 689	58 271
Finished products	37 141	28 384
Other		
Inventories of goods and other supplies	28 414	27 744
Impairment of inventories of goods and other supplies	-1 843	-1 616
Total	**120 401**	**112 784**

In application of IAS 2 (stocks) and IAS 41 (agricultural production), the quantities in stock are monitored by source (own plantations or purchases from village planters) and by age, which makes it possible to value:

- purchases from village growers made at their actual purchase cost for the period (purchase price to which incidental purchase costs are added);

- own production at fair value: corresponding to the purchase price from the village growers, villagers at harvest date: this purchase price is considered to be the fair value on the valuation date. The machined rubber (finished product) is valued by adding the machining costs to the average valuation of the cup bases.

As at 31 December 2023, rubber stocks of raw materials and finished products break down as follows:

Headings	*Quantity (in tonnes) at 01/01/2023*	*Unit price (EUR/kg) as at 01/01/2023*	*Value (in thousands of euros) as at 01/01/2023*	*Quantity (in tonnes) at 31/12/2023*	*Unit price (EUR/kg) as at 31/12/2023*	*Value (in thousands of euros) on 31/12/2023*	*Variation (tonnes)*	*Variation (EUR K)*
Raw materials:								
SAPH	48 734	0.796	38 769	48 853	0.834	40 719	119	1 950
GREL	16 312	0.975	15 899	10 175	1.087	11 061	-6 137	-4 838
REN	2 032	1.559	3 167	3 858	1.025	3 957	1 827	790
CRC	557	0.784	436	1 160	0.821	952	603	516
Total	**67 634**	**0.862**	**58 271**	**64 046**	**0.885**	**56 689**	**-3 588**	**-1 582**

Headings	*Quantity (in tonnes) at 01/01/2023*	*Unit price (EUR/kg) as at 01/01/2023*	*Value (in thousands of euros) as at 01/01/2023*	*Quantity (in tonnes) at 31/12/2023*	*Unit price (EUR/kg) as at 31/12/2023*	*Value (in thousands of euros) on 31/12/2023*	*Variation (tonnes)*	*Variation (EUR K)*
Finished products:								
SAPH	16 431	1.027	16 868	23 977	1.060	25 418	7 545	8 550
GREL	4 442	1.201	5 336	4 513	1.312	5 924	72	588
REN	2 979	1.750	5 214	4 359	1.124	4 902	1 380	-313
CRC	954	1.012	966	706	1.271	897	-249	-69
Total	**24 807**	**1.144**	**28 384**	**33 555**	**1.107**	**37 140**	**8 748**	**8 756**

No depreciation was recorded on rubber stocks in the accounts on 31 December 2023 and 31 December 2022.

NOTE 12 – TRADE AND OTHER RECEIVABLES

Headings	**2023**	**2022**
Customer receivables and related accounts	68 874	43 690
of which trade receivables	67 499	42 884
of which financial current accounts	1 375	806
Depreciation of customers and related accounts	-1 977	-2 378
Trade receivables – net	**66 897**	**41 311**
Other receivables	34 125	28 568
Depreciation of other receivables	-1 281	-864
Other receivables – net	**32 844**	**27 704**
Prepaid expenses	**1 648**	**528**
Total	**101 389**	**69 543**

The book values of receivables and other debtors are mainly denominated in euros. At 31 December 2023, trade receivables amounted to EUR 67 499 K.
Depreciation of trade receivables recorded a net increase of EUR 401 K as at 31 December 2023.

Provisioned receivables are related to activities other than rubber: the rubber activity having cash payment terms against documents. The prior classification of provisions for depreciation of trade receivables is indicated below:

	31/12/2023	31/12/2022
Between six months and one year	1 726	302
For more than one year	251	2076
Total	1 977	2 378

	Amounts in thousands of euros
As at 1 January 2022	**2 108**
Provision for depreciation of receivables	302
Reversal of provision that has become irrelevant	-33
Reclassification	0
Currency conversion adjustment	0
As at 31 December 2022	**2 378**
Provision for depreciation of receivables	1 726
Reversal of provision that has become irrelevant	-3 962
Reclassification	1 835
Currency conversion adjustment	0
As at 31 December 2023	**1 977**

At 31 December 2023, trade receivables amounted to EUR 67 499 K. These receivables relate to a number of customers who do not have a recent history of default.
The classification by maturity of these receivables is indicated below:

	31/12/2023	31/12/2022
Due	1 724	0
Between 0 and 3 months	54 557	32 911
Between 3 and 6 months	3 969	2 146
Between 6 and 9 months	234	103
Between 9 months and 12 months	7 014	7 724
TOTAL	**67 499**	**42 884**

The customer payment methods usually practised within the Group (delivery of documents against payment) limit the credit granted to customers.
The other categories included in receivables and other receivables do not contain any significantly depreciated assets.

NOTE 13 – OTHER CURRENT FINANCIAL ASSETS / CURRENT FINANCIAL LIABILITIES

These positions include:

- forward hedging instruments to protect against the risk of volatility in
- rubber prices. These items are valued at their fair value.
- Currency forward contracts are used by the Group to deal with exchange risks on rubber purchase and sale contracts. These items are valued at their fair value.
- Hedging instruments (CAP option) to protect against the risk of a rise in the Euribor interest rate

MATERIAL DERIVATIVES FINANCIAL INSTRUMENTS

■ *Fair value of financial instruments*

As at 31 December 2023, the SIPH Group held different categories of financial instruments measured at fair value, which are presented in the following table:

Heading	Book value	Fair value	IFRS level
Other current financial assets			
Fair value of rubber hedging transactions	3 198	3 198	Level 2
fair value of rubber hedging contracts	1 287	1 287	Level 2
fair value of interest rate hedging contracts (premium)	3 684	3 684	Level 2

Heading	Book value	Fair value	IFRS level
Other current financial liabilities			0
Bank loans	86 923	86 923	Level 3
Fair value of rubber hedging contracts			Level 2
Fair value of forward currency contracts			Level 2
fair value of interest rate hedging contracts (premium)	-	-	Level 2

■ *SWAP contracts*

as at 31 December 2023, the commitment given under the SWAP contracts is 24 910 tonnes of rubber maturing in December 2024, or EUR 33 million. The valuation of these derivatives at the closing amounts to EUR -1.9 million.

Changes in the fair values of commodity derivatives directly recognised in equity:

Headings	31.12.23	31.12.22	Var.
Other current financial assets	0	3 198	-3 198
Fair value of rubber hedging contracts	0	3 198	-3 198

Headings	31.12.23	31.12.22	Var.
Other current financial liabilities	1 982	0	1 982
Fair value of rubber hedging contracts	1 982	0	1 982

■ *Fair value of currency hedging*

Currency forward contracts are used by the Group to deal with exchange risks on rubber purchase and sale contracts. These items are valued at their fair value. As at 31 December 2023, foreign exchange derivatives had a notional value of EUR 29.6 million.

The valuation of these derivatives at the closing amounts to more than EUR 460 K.

Headings	31.12.23	31.12.22	Var.
Other current financial assets	460	1 287	-827
Fair value of currency hedging contracts	460	1 287	-827

Headings	31.12.23	31.12.22	Var.
Other current financial liabilities	0	0	0
Other current financial assets			
Fair value of rubber hedging transactions	-1 982	-1 982	Level 2
Fair value of rubber hedging contracts	460	460	Level 2
Fair value of interest rate hedging contracts (premium)	2 416	2 416	Level 2

- *Fair value of interest rate derivatives*

Headings	*31/12/2023*	*31/12/2022*	*VARIATION*
Other current financial assets	**2 416**	**3 684**	**- 1 268**
Fair value of interest rate derivatives	2 416	3 684	- 1 268

NOTE 14 – CASH AND CASH EQUIVALENTS

Headings	31/12/2023	31/12/2022
Cash (Note 26.3)	38 080	55 716
Short-term marketable securities and bank deposits (Note 26.3)	48	2 986
TOTAL	**38 128**	**58 702**

Cash and cash equivalents are denominated in the currencies below as at 31 December 2023.

NOTE 15 – CONTRIBUTED CAPITAL AND ISSUE PREMIUMS

Headings	Number of actions	Capital (ordinary shares)	Issue premiums	Total
As at 1 January 2022	5 060 790	11 569	25 179	36 748

As at 31 December 2022	5 060 790	11 569	25 179	36 748
As at 31 December 2023	5 060 790	11 569	25 179	36 748

	2023	2022
Income attributable to the shareholders of the Company (in EUR K)	19 662	33 882
Average number of shares in circulation	5 060 790	5 060 790
Basic and diluted earnings per share (EUR per share)	**3.89**	**6.69**

Following the general meeting held on 9 June 2023 to approve the accounts for the year ending 31 December 2022, the net result of EUR 48 million was fully allocated to retained earnings.

Following the general meeting held on 25 June 2022 to approve the accounts for the year ending 31 December 2021, the net result of EUR 47.8 million was fully allocated to retained earnings.

Following the general meeting held on 25 June 2021 to approve the accounts for the year ending 31 December 2020, the net result of EUR 1.5 million was fully allocated to retained earnings.

SIPH's share capital is now exclusively held by SIFCA (55.59%) and CFM (44.41%).

	SIFCA		Compagnie Financière Michelin	
	% capital	% voting rights	% capital	% voting rights
As at 31 December 2022	58.08%	57.26%	41.97%	42.74%
As at 31 December 2023	58.08%	57.26%	41.97%	42.74%

NOTE 16 – SUPPLIERS AND OTHER CREDITORS

Headings	*31/12/2023*	*31/12/2022*
Suppliers	57 373	36 156
Fiscal and social debts, excluding tax liabilities	13 437	11 898
Other liabilities	12 342	9 229
TOTAL	**83 151**	**57 283**

"Suppliers" items increased by EUR 21 217 K compared to the previous year.

The “Other liabilities” item increased by EUR 3 113 K, mainly due to: Increase in other

liabilities at GREL in the amount of EUR 3 124 K.
Increase in other liabilities at REN in the amount of EUR 626 K.
Increase in other liabilities at SAPH in the amount of EUR 371 K.

The decrease in "tax and social security liabilities, excluding tax liabilities" is EUR 1 539 K. This is primarily due to:

- the increase in the outstanding tax debts at RENL (EUR 742 K) AND GREL (EUR -432 K).
- the increase in outstanding social liabilities at CRC (EUR 363 K) and SAPH (EUR 1 063 K).

NOTE 17 – INCOME TAX LIABILITIES

Headings	31/12/2023	31/12/2022	*Variation Net*
SAPH	1 158	9 359	-8 201
GREL	886	633	253
REN	3 214	58	3 156
TOTAL	**5 258**	**10 050**	**-4 792**

The increase in income tax liabilities is mainly due to the increase in the amount outstanding at SAPH.

NOTE 18 – LOANS

Headings	31/12/2023	31/12/2022
Non-current		
Bank loans	65 767	68 043
	65 767	**68 043**
Current		
Bank overdrafts (Note 26-3)	1 722	3
Bank loans	15 647	18 877
Spot credit	50 354	35 063
	67 723	**53 943**
Total borrowings	**133 490**	**121 986**

The "non-current bank borrowings" item shows a decrease of EUR 3 million due to:

- loan repayments over the year for an amount of EUR 2.27 million. The analysis of the

evolution of the Current Bank Loans item can be presented as follows:

- The “spot credit” item concerns SAPH.
- the "bank overdraft" item decreased by EUR 1.7 million as at 31 December 2023. It mainly concerns SAPH.

The maturities of non-current loans are indicated below:

Headings	31/12/2023	31/12/2022
Between 1 and 2 years	32 939	36 714
Between 2 and 5 years	16 077	18 158
Over 5 years	16 751	13 171
	65 767	**68 043**

■ *Interest rate swap*

Changes in the fair values of interest rate derivatives directly recognised in equity:

in EUR K	*Rate flow coverage*

As at 31 December 2022	3 684
Change in value Recycled as expenses / (income) for the year	
Period variation	-1 268
As at 31 December 2023	2 416

The characteristics of the main borrowings and spot credits contracted by the subsidiaries are summarised as follows:

Organisation	Rate	Fixed/variable rate	Amount due on 31/12/2023 (in thousands of euros)	Amount due on 31/12/2022 (in thousands of euros)
SIPH				
Société Générale	4.54%	Variable		
Principal			61 000	73 000
			0	
SAPH				
Ecobank (Spot credit)		Fixed		
Principal	5.00%		**12 196**	**7 622**
SIB (Spot credit)		Fixed		
principal	5.50%		**3 811**	**3 811**
BNI		Fixed		
principal	6.75%		**15 245**	**7 473**
BNI (Spot credit)		Fixed		
principal	5.00%		**3 049**	**3 049**
SGBCI (Spot credit)		Fixed		
principal	5.00%		**6 860**	**6 860**
BACI (Spot credit)		Fixed		
principal	5.50%		**3 049**	**3 049**
BOA (Spot credit)		Fixed		
principal	5.25%		**3 049**	**4 573**
BICICI (Spot credit)		Fixed		
principal	5.15%		**7 622**	**4 573**
STANDARD (Spot credit)		Fixed		
principal	5.00%			**1 524**
STANBIC BANK (Spot credit)		Fixed		
principal	5.00%		**7 622**	
NSIA BANK (Spot credit)		Fixed		
principal	5.50%		**3 049**	
GREL				
Société Générale	Euribor 6 months + 6.25%	Variable		
Principal				**1 406**
Proparco	Euribor 12 months +4.50%	Variable		
Principal			**2,059**	**3 943**
Sub-total Borrowings excluding the impact of amortised cost			**128 612**	**120 885**
Other *(including bank overdrafts and impact of amortised cost)*			**4 878**	**1 101**
Total			**133 490**	**121 986**

NOTE 19 – PENSION COMMITMENTS AND SIMILAR BENEFITS

This item comprises the retirement bonuses of Group employees, which are summarised as follows:

	Balance as at 01/01/23	*Actuarial gains/losses*	*Cost of services rendered*	*Financial costs*	*Paid benefits*	*Other*	*Conv. diff.*	*Balance as at 31/12/2023*
Retirement bonuses	10 414	4 064	-2 638			-19	-3 784	8 036

The main actuarial assumptions are summarised as follows *(the rate of inflation is taken into account in the rate of wage increase):*

Heading	REN		SIPH		SAPH		GREL		CRC	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	13.10%	13.30%	0.34%	0.34%	3.50%	3.50%	-19.8%	21.10%	15.00%	15.00%
Future rate of salary increase	13.00%	13.00%	2%	2%	2.00%	2.00%	12.00%	14.00%	5.00%	5.00%

NOTE 20 – OTHER LONG-TERM LIABILITIES

Headings	*31/12/2023*	*31/12/2022*
Other long-term liabilities	109	109
Total	**109**	**109**

This item remained stable between 2023 and 2022.

NOTE 21 – PROVISIONS FOR OTHER LIABILITIES

This item is made up of various provisions for litigation for a total amount of EUR 333 K as at 31 December 2023, which mainly concern the subsidiaries SAPH and CRC. It is unchanged.

Headings	*31/12/2023*	*31/12/2022*
Other provisions for charges within one year	-	-
Other provisions for risks within one year	855	312
Provisions for disputes within one year	10	21
Total	**865**	**333**

NOTE 22 – DEFERRED TAXES

Deferred tax assets and liabilities amounted to a net liability of EUR 5 914 K as at 31 December 2023, compared to a net liability of EUR 4 443 K as at 31 December 2022.
The change in net deferred tax liabilities (or assets) during the 2023 financial year is detailed below:

	Deferred tax change net	Impact on income	Impact on reserves
Cavalla Rubber Corporation Inc (CRC)	0	- 79 395	79 395
Ghana Rubber Estates limited (GREL)	- 78 471	- 162 267	83 796
Rubber Estates Nigeria Limited (REN)	40 564	- 304 092	344 656
Société Africaine de Plantations d'Hévéas (SAPH)	- 1 143 822	- 850 572	- 293 250
Société Internationale de Plantations d'Hévéas (International Rubber Plantation Company)	1 810 698	1 211 099	599 599
	628 969	- 185 227	814 196

Headings	31/12/2023	31/12/2022
Income for the financial year	25 666	48 389
Expense / (tax income)	- 13 081	- 14 637
Income before taxes	**38 748**	**63 027**
Parent company tax rate	27.50%	27.50%
Theoretical tax expense / (benefit)	10 656	17 332
Reconciliation:		
– Differences in tax rates	2 261	991
– Distribution taxes	-	
– Deficit carried forward not capitalised (GREL)	82	147
– Deferred deficit not capitalised (CRC)	1 241	2 423
Adjustment of tax payable	- 3 358	- 3 358
– Others (permanent differences)	2 199	- 2 897
Actual tax expense / (income)	**13 081**	**14 638**

NOTE 23 – PERSONNEL EXPENSES

Personnel expenses are detailed as follows:

	31/12/2023	31/12/2022
Wages and salaries	60 166	57 510
Social security charges	5 597	5 203

TOTAL	**65 763**	**62 713**

Staff expenses increased by approximately EUR 3 050 K compared to the financial year 2022 and amounted to EUR 62 713 K at the end of December 2023.
They are presented *excluding* the impact *of wage provisions and expenses paid on retirement.*

In addition, the average workforce of consolidated companies is as follows:

	31/12/2023	31/12/2022
Permanent	9 827	9 269
Not permanent	3 783	3 877
TOTAL	**13 610**	**13 146**

Non-permanent staff correspond to agricultural labour employed outside of a permanent employment contract, which is remunerated, according to the local context and in accordance with the legislation in force, by the task or by the season.

NOTE 24 – COST OF NET FINANCIAL DEBT

	31/12/2023	31/12/2022
Interest charges on long-term loans	-4 082	-4 075
Gross cost of financial debt	*-4 082*	*-4 075*
Securities income	6	9
Net exchange gains / (losses)	22 583	20 270
Other financial income	2 133	76
Other financial charges on short-term cash	-25 396	-14 808
Total net income from cash and cash equivalents	*-673*	*5 547*
Total cost of net financial debt	**-4 756**	**1 471**

The net cost of financial debt improved by EUR 6 226 K, and amounted to EUR 4 756 K as at 31 December 2023. This change is explained by a positive result on foreign exchange gains and losses, mainly for GREL.

NOTE 25 – CORPORATION TAX

The tax charge is analysed as follows:

	31/12/2023	*31/12/2022*
Current taxes	-6 690	-15 770

Other taxes due on income	-4 067	-11
Deferred taxes (Note 22)	-2 324	1 144
Total	**-13 081**	**-14 637**

(*) The difference in tax rate corresponds to the cumulative difference between the theoretical tax of the parent company, SIPH at 27.5% and the tax at the local rate for each subsidiary.

NOTE 26 – CONSOLIDATED TABLE OF CASH FLOWS

26-1 GAINS AND LATENT LOSSES RELATED TO CHANGES IN FAIR VALUE

	31/12/2023	***31/12/2022***
Valuation / fair value difference on inventories	-13 119	-260
Total	**-13 119**	**-260**

26-2 CHANGE IN WORKING CAPITAL REQUIREMENTS

	31/12/2023	***31/12/2022***
Inventory change	-2 193	-5 317
Change in customers and other debtors	-35 485	-757
Change in suppliers and other creditors	28 091	14 573
Total	**-9 587**	**8 500**

The variation in working capital requirement is due to the combination of the following factors:

- increase in outstanding stocks, mainly for SAPH, GREL and CRC.
- increase in outstanding receivables at SIPH.
- increase in supplier receivables at SAPH.

26-3 CASH AND CASH EQUIVALENTS AT THE BEGINNING AND END OF THE PERIOD

The items comprising cash and cash equivalents at the opening and closing of the period are as follows:

Headings	*Cash and cash equivalents as at 31/12/2023*	*Cash and cash equivalents as at 01/01/2023*	*Notes*
Investment securities	48	2 986	*Note 14*
Cash	38 080	55 716	*Note 14*
Accrued interest not yet due / cash	-	-	*Note 14*
Sub-total cash and cash equivalents	*38 128*	*58 702*	
Bank overdrafts	-1 722	-3	*Note 18*
Accrued interest not yet due / liabilities	-202	-165	
Total	**36 204**	**58 533**	

NOTE 27 – EXTRACT FROM THE SUMMARY CONSOLIDATED INCOME STATEMENT as at 31 DECEMBER 2023.

In EUR millions	**As at 31/12/2023**	**As at 31/12/2022**
Sales of rubber	**451.9**	**514.9**
Total turnover	**474.0**	**536.6**
Costs of rubber products & expenses on sale	-385.1	-399.5
Stock variations raw materials & finished products	9.7	-1.7
Cost of other sales	-15.5	-14.7
Cost of goods sold	-390.8	-415.9
Margin on direct costs	**83.2**	**120.6**
Overheads	-34.7	-32.8
Amortisation charges	-23.1	-23.8
Amortisation charges for rights of use	-0.8	-0.8
Current operating income	**24.6**	**63.2**
Operating income	**43.5**	**61.6**
Net debt cost	-4.8	1.5
Income tax expense	-13.1	-14.6
Net income	**25.7**	**48.4**
Net income, Group share	**-19.7**	**33.9**

NOTE 28 – SEGMENT INFORMATION

In accordance with the Management rules and the Group's internal reporting, segment information is presented by activity and then by geographic region. The main operational decision-maker of the SIPH Group is its Managing Director.

28-1 INFORMATION BY ACTIVITY

Information by activity for the 2023 and 2022 financial years is presented as follows:

PROFIT AND LOSS ACCOUNT	**Rubber**		**Other activities**		**Total**	
In thousands of euros	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Turnover	**451 914**	**514 890**	**22 112**	**21 673**	**474 027**	**536 563**
of which turnover achieved with third parties	451 914	514 890	22 112	21 673	474 027	536 563
of which inter-sector turnover	0	0	0	0	0	0
Margin on direct costs	**78 245**	**113 684**	**4 970**	**6 965**	**83 215**	**120 649**
Overheads	-34 650	-33 561			-34 650	-33 561
Amortisation charges	-23 925	-24 613			-23 925	-24 613
Current operating income	**19 670**	**55 510**	**4 970**	**6 965**	**24 640**	**62 475**
+/- value	-352	-707			-352	-707
Other operating income & expenses	**19 215**	**-213**	**0**	**0**	**19 215**	**-213**
Operating income	**38 534**	**54 590**	**4 970**	**6 965**	**43 503**	**61 555**
Net debt cost	-4 756	1 471			-4 756	1 471
Income tax expense	-11 839	-12 239	-1 242	-2 398	-13 081	-14 637
Income for the period from continuing operations	**21 939**	**43 822**	**3 727**	**4 567**	**25 666**	**48 389**
Net income from discontinued operations	0	0			0	0
Net income for the financial year	**21 939**	**43 822**	**3 727**	**4 567**	**25 666**	**48 389**

Other operating income and expenses break down as follows:

Other operating income and expenses	**Rubber**		**Other activities**		**Total**	
(in thousands of euros)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Other purchase costs and external expenses	-450	- 1 346			-450	- 1 346
Other management expenses	-5 955	- 8 727			-5 955	- 8 727
Charges for dep. receivables provisions	-1 106	- 1 301			-1 106	- 1 301
Total other non-current expenses	-7 512	- 11 374			-7 512	- 11 374
Other management income	24 481	11 361			24 481	11 361
Reversal of provisions for dep. receivables	2 217	33			2 217	33
Total other non-current income	26 699	11 394			26 699	11 394
Charges for provisions for asset impairment (CRC)	29	- 233			29	- 233
Total other income & expenses	19 215	- 213			19 215	- 213

The increase in other operating income is explained by the subsidy in RENL's accounts for an amount of EUR 16 849 K.
The other management expenses mainly include directors' fees.

BALANCE SHEET AND OTHER INFORMATION	Rubber		Other activities		Total	
(in thousands of euros, excluding the workforce)	Dec-23	Dec-22	Dec-23	Dec-22	Dec-23	Dec-22
SEGMENT ASSETS						
Goodwill	12 437	13 323			12 437	13 323
Tangible fixed assets	143 295	139 337			143 295	139 337
Financial fixed assets	2 231	2 159			2 231	2 159
Biological assets	133 216	139 101	8 530	8 530	141 746	147 631
Inventories and work in progress	120 121	112 517	280	267	120 401	112 783
Trade and other receivables	52 770	32 096	7 680	8 409	60 450	40 505
Other current assets	29 773	20 532	6 094	7 944	35 867	28 476
Unallocated assets					43 085	65 214
TOTAL CONSOLIDATED ASSETS					**559 512**	**549 428**
SECTOR LIABILITIES						
Financial debt, long-term share	72 874	75 987			72 874	75 987
Long-term provisions	8 036	10 414			8 036	10 414
Current provisions	865	333			865	333
Financial debt, short-term share	68 335	54 551			68 335	54 551
Suppliers	46 674	31 331	5 627	4 825	52 301	36 156
Social and tax liabilities	13 437	11 898			13 437	11 898
Other current liabilities	544	1 149			544	1 149
Unallocated liabilities					27 269	22 776
TOTAL CONSOLIDATED LIABILITIES					**243 660**	**213 263**
Acquisitions of tangible and intangible assets	36 807	33 290	206	99	37 013	33 388
OTHER INFORMATION						**0**
Workforce (average)	13 610	13 146			**13 610**	**13 146**

28-2 INFORMATION BY GEOGRAPHIC AREA

Information by geographic area for the 2023 and 2022 financial years is presented as follows:

(in thousands of euros, excluding the workforce)		Turnover	Segment net assets				Operating income	Acquisition of intangible, tangible and biological assets	Workforce (average)
			Goodwill	Tangible fixed assets	Biological assets	Financial fixed assets			
Côte d'Ivoire	2022	343 712	11 606	85 167	69 116	0	35 242	22 274	6 265
	2023	314 793	11 606	91 625	70 812	0	15 238	21 926	6 582
Ghana	2022	117 087	0	51 678	51 189	0	15 266	7 385	3 760
	2023	95 829	0	52 858	52 065	0	1 235	8 738	3 888
Nigeria	2022	36 232	1 717	11 559	17 609	0	2 395	3 630	2 405
	2023	29 262	831	7 965	9 035	0	19 294	6 143	2 399
Liberia	2022	15 990	0	-9 696	9 717	0	-3 413	0	1 151
	2023	5 812	0	-9 696	9 834	0	-3 588	0	710
Total Africa	2022	513 021	13 323	138 709	147 631	0	49 490	33 290	13 581
	2023	445 697	12 437	142 752	141 746	0	32 179	36 807	13 579
France	2022	23 479	0	628		2 159	12 065	99	23
	2023	28 330	0	543		2 231	11 199	206	31
Total	**2022**	**536 500**	**13 323**	**139 337**	**147 631**	**2 159**	**61 556**	**33 389**	**13 604**
	2023	**474 027**	**12 437**	**143 295**	**141 746**	**2 231**	**43 378**	**37 013**	**13 610**

NOTE 29 – TRANSACTIONS WITH RELATED PARTIES

29-1 TRANSACTIONS BETWEEN SIPH, ITS SHAREHOLDERS AND RELATED COMPANIES

The consolidated accounts include transactions carried out by the Group in the normal course of its activities with its shareholders and their subsidiaries. Transactions are carried out at market price.

They can be summarised as follows for the financial years 2023 and 2022:

Company Service provider	Company Beneficiary	Expenses		Income		Nature of the transaction
		2023	2022	2023	2022	
SIPH	SIFCA			74	70	Sale of goods
SIFCA	SIPH	3 129	3 129			Technical assistance
Michelin	SIPH					Technical assistance
SIPH	Michelin					Sales of rubber
SIPH	INVENIO / OLAM					Derivatives sales
SIFCA	SAPH	117	117			Office rental
PALMCI	SIPH	-	-			General Trade Purchases
SIPH	MOPP			-	-	General Trade Sales
SIPH	PALMCI			604	1 653	General Trade Sales
SIPH	SANIA			864	369	General Trade Sales
SIPH	SUCRIVOIRE			1 463	1 814	General Trade Sales
SIPH	SIFCA			42	21	General Trade Sales

Company Service provider	Company Beneficiary	Liabilities		Nature of the transaction
		2023	2022	
COSMIVOIRE / SANIA	SIPH	0	0	Advances and down payments received / orders
SUCRIVOIRE	SIPH	186	230	Advances and down payments received / orders
PALMCI	SIPH	0	15	Advances and down payments received / orders
CFM	SIPH			Financial current account
SIFCA	SAPH	209	117	Trade payables
SIFCA	GREL	207	24	Trade payables
SIFCA	SIPH	170	0	Trade payables
SIFCA	REN	17	389	Financial current account
SIFCA	SAPH	0	0	Financial current account

29-2 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

The gross remuneration paid in the SIPH Group (or by the companies that control it or that it controls) to the members of the Board of Directors and the Executive Board for the years 2022 and 2023 amount to EUR 1 767 321 and EUR 586 453 respectively. To avoid disclosing individual remuneration, no details are given.

None of the following remuneration terms are applicable by SIPH:

- **There is no share subscription or purchase plan**, neither for corporate officers nor for employees. As a result, no share subscription or purchase option was granted to SIPH "corporate officers" during the 2023 financial year, and no share subscription or purchase option was granted by the “corporate officers” of SIPH during the 2023 financial year.

- **There is no performance share allocation plan.** As a result, no performance shares were allocated to SIPH's "corporate officers" during the 2023 financial year, and no performance shares became available to SIPH's "corporate officers" during the 2023 financial year.

Corporate officers	Employment contract		Supplementary pension scheme		Bonuses or benefits payable, or likely to be payable, due to termination		Bonuses relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre Billon Chairman of the Board of Directors		X		X		X		X
Marc Genot General Manager		X		X		X		X

29.4 Terms of guarantees given or received

Shareholders' Agreement between Compagnie Financière Michelin / "Senard & Cie" Group, SIFCA and Parme Investissement and Immoriv

A Shareholders' Agreement was concluded on January 2021, in the presence of SIPH, between (i) Compagnie Financière Michelin / "Senard & Cie" (hereinafter referred to as "CFM"), a private company limited by shares,[1] (ii) SIFCA, public limited company under Ivorian law[2], and (iii) Parme Investissement, a company incorporated under Ivorian law
Parme Investissement and a public limited company incorporated under the law of the British Virgin Islands, which are the main shareholders of SIFCA (hereinafter referred to as "the main shareholders").

The Shareholders' Agreement, concluded for a period of 20 years, will be automatically renewed for a further period of 10 years, unless previously terminated by CFM or SIFCA. The Shareholders' Agreement will automatically lapse on the day on which CFM or SIFCA, as the case may be, holds less than 5% of the share capital of SIPH.
This shareholder agreement governs:

- the company's governance rules (appointment of directors, changes to capital, articles of association, shareholder approval, level of indebtedness, guarantees given, legal proceedings, budget) voting rules for the board;
- commitment to maintain the level of equity.
- Forward call option by SIFCA on SIPH shares held by Michelin

As at 31 December 2023, the breakdown of SIPH shareholders is as follows:

Shareholders	31/12/2021			31/12/2022			31/12/2023		
	No. of shares	% of share capital	% of voting rights	No. of shares	% of share capital	% of voting rights	No. of shares	% of share capital	% of voting rights
SIFCA	2 813 410	55.59%	54.82%	2 813 410	55.59%	54.82%	2 936 770	58.03%	57.26%
CFM	2 247 380	44.41%	45.18%	2 247 380	44.41%	45.18%	2 124 020	41.97%	42.74%
TOTAL	**5 060 790**			**5 060 790**			**5 060 790**		

[1] *Controlled by the Compagnie Générale des Etablissement Michelin.*
[2] *Jointly controlled by the companies Parme Investissement (itself controlled by the Billon family) and Immoriv (itself controlled by the Doumbia family).*

NOTE 30 – RISK MANAGEMENT

30-1 LIQUIDITY RISK

30-1-1 Group liquidity and solvency risk

Careful management of liquidity risk involves maintaining a sufficient level of liquidity and negotiable securities in a market, having financial resources through appropriate credit facilities, and being able to unwind positions in the market. Due to the dynamism of the Group's activities, the financial department aims to maintain financial flexibility while retaining the possibilities of mobilising short-term financing.

The tables below analyse the Group's financial liabilities, which will be settled on a net basis according to maturity ranges based on the residual contractual term of the liabilities at the closing date. In addition, in the event of non-compliance with prudential ratios contained in bank loan agreements, the related outstanding long-term debts are reclassified as short-term financial debts on the closing date.

The amounts shown in the table represent the undiscounted contractual cash positions.

Headings	31/12/2023	Less than one year	More than one year and less than two years	Between two and five years	More than five years
As at 31 December 2022					
Bank loans (excluding derivatives)	63 059	14 526	16 529	25 205	6 799
Derivatives*					
Bank overdrafts and spot credit	70 431	70 431			
Total financial liabilities	**133 490**	**52 546**	**20 439**	**36 500**	**12 500**
Suppliers and other debts (excluding tax liabilities and taxes)	69 171	69 171		-	-

(*) Having an impact on equity for the period

The Group's consolidated current assets *(cash + trade and other receivables)* amounted to EUR 139 515 K as at 31 December 2023 (EUR 98 235 K as at 31 December 2022) plus EUR 120 401 K of outstanding inventories to cover financial liabilities due within one year.

30-1-1-a Assessment techniques

Foreign exchange risk hedging contracts are valued based on observable spot exchange rates, the yield curves of the currencies involved, and exchange rate differences between the currencies involved.

Interest *rate swaps* are assessed using valuation techniques based on observable interest rate yield curves.

➔ Risks on derivative products intended to secure selling prices

Derivatives qualified as fair value hedges correspond to forward hedging instruments used to protect against the risk of volatility in rubber prices. These items are valued at their fair value at the end of the financial year.

SIPH carries out hedging operations in the form of swaps, without speculative purpose, but to secure its turnover and its margins.

In return, the risks of having to finance calls for margins on derivative contracts or deliveries on forward sales are considered, in the event of unfavourable market movements.

Since covers are used to secure the price of physical sales, it is essential that they do not exceed the physical delivery capacity. This risk has been prudently managed by SIPH through commitments, the quantities and timing of which are appropriate to those of production, and which remain within the commitment limits authorised by the Board of Directors.

The risk of late delivery or production – mainly in cases of force majeure – cannot however be completely ruled out. Prudence in making commitments on derivative products helps to minimise this risk.

30-2 RISK RELATED TO FLUCTUATIONS IN THE RUBBER MARKET

30-2-1 The rubber market

Prices, which were quite low in the first three quarters of 2023 (around USD 1.30/kg), increased in the third quarter of 2023, driven by a tentative recovery in China. Prices were therefore around USD 1.60/kg in mid-March.
Even during the global crisis due to the events in Ukraine, demand remains strong at a time when supply is limited by wintering in Asia (seasonal drop in production).
Even if the fundamentals continue to improve, it is very difficult at this stage to comment on the evolution of demand and rubber prices, while the consequences of the forthcoming US elections, linked to the crises that began in 2022, are not yet clear.

Global consumption of natural rubber:

Global consumption in 2022 stands at 14 million tonnes, a very slight increase compared to 2021, which partly explains the change in prices.
China accounts for 40% of global consumption, which is stagnating.

The trough in the cycle in recent years has been a deterrent to renewals and new plantings, which will limit the growth in supply over the next few years.
If demand returns to its growth level of the past 12 years of around 2% per year, the market should confirm the exit from the trough in the cycle that emerged between the end of 2021 and early 2022, but this is not currently the case.

Global consumption in 2023 stands at 14 million tonnes, a very slight increase compared to

(Source on the natural rubber market: Rubber Statistical Bulletin Q1 – 2023)

The change in SICOM 20

The first half of 2023 saw the price fall to an average level of USD 1.35/kg compared to an average of USD 1.54/kg in 2022.
In January 2023, SICOM briefly rose with China's reopening, demand rebounding and Chinese exports surging sharply.

However, this increase was short-lived and from February SICOM began a slow decline until August, when the low point of USD 1.29/kg was reached. This decline can be explained by a global economic slowdown coupled with a tightening of monetary policy by central banks.
The rebound in the Chinese economy was also short-lived as local and international demand quickly showed signs of weakness. Manufacturing activity and domestic investment also declined. Large rubber stocks of nearly one million tonnes remaining docked at Chinese ports also contributed to weighing on prices.
During this period, SIPH was faced with an obligation to apply discounts on the selling price of its products in order to maintain the activity of the factories as much as possible while maintaining a reasonable level of stocks.
In the second half of 2023, the market recovered to an average level of USD 1.39/kg, in the last quarter, after a slight speculative flash in September.
The situation has thus improved with more sustained demand: SIPH has been able to improve the price level of sales, particularly on the European market with a less profitable Asian market that is lagging.
The year 2024 shows signs of a price recovery with a SICOM average over the month of January of USD 1.53/kg. The market is continuing the rise that began at the end of 2023 by adding the new positive point of the new European regulation, the EUDR.
The compliance of a large proportion of SIPH's subsidiaries' productions with this new regulation has already made it possible to attract many user customers who have launched rapid approvals with more remunerative selling prices. The short-term scarcity of these rubbers should allow the remuneration of this compliance via substantial bonuses that will decrease as more and more compliant products become available worldwide, but from which SIPH will be able to take advantage at least at the end of 2024 and throughout 2025 (the regulations come into force on 31/12/2024).

30-2-2 Risks linked with fluctuations in the rubber market

Rubber is a variable-price raw material, the volatility of which has increased in recent years. Four risk types linked to price fluctuations are identified:

a) A fluctuation of prices on income and cash and liquidity risk

i) <u>Impact of price fluctuations on current operating income</u>

The Group's results are linked to rubber prices; the Group markets rubber from two origins: the Group's plantations on the one hand and purchases from village growers on the other.

These two rubber sources do not contribute in the same way to the creation of added value:

- the rubber from the Group's plantations has a production cost independent of the price level. SIPH therefore generates a positive or negative margin depending on whether the price is higher or lower than the cost price. Beyond the break-even point, the margin increases in proportion to the prices.

- The purchase price from the village grower is set with reference to SICOM 20. The “20” grade listed in USD in Singapore (the SICOM 20) is representative of most of the SIPH Group's production. Therefore, the cost price of this rubber follows market fluctuations. Hence, in the event of a price increase, the margin per kilo generated on this purchased rubber does not increase as quickly as that achieved on rubber from the Group's plantations.

Thanks to these two sources of rubber, the Group has:

- a leverage effect in the event of an increase in prices, due to the margins achieved on its own productions.

- a "shock absorber" effect in the event of a fall in prices, the positive contribution of the rubber purchased, making it possible to lower the break-even point.

In order to guard against the risk of volatility of these prices, and to hedge against a fall in prices which could affect the Group's margin on sales of rubber from its subsidiaries, SIPH has set up hedges with firm or optional derivatives.

ii) An evaluation of organic assets

For financial years beginning after 1 January 2016, pursuant to the amendments to IAS 16 and IAS 41, bearer plants now fall within the scope of the revised IAS 16 "Tangible fixed assets" and are therefore accounted for according to the cost model.

The SIPH Group chose the cost model for the recognition of its biological assets and opted for the return to the historical costs of its rubber and palm plantations as their last book value as at 31 December 2015, replacing their fair value.

b) The risk of price fluctuations between production and sales

Raw materials: The purchase price of rubber (raw materials) purchased from independent producers (70% of SIPH's production), is established with reference to a floor price set by the organisations in the sector (in correlation with the international commodity prices). It adds purchase costs to this price, as do other market participants.

Finished products: sales are made as production progresses, between 1 to 3 months before shipping. The sale price is fixed at the time of the completion of the sale, on the basis of international prices on that date.

SIPH markets all of its products as they are harvested or purchased. Stocks are therefore covered by sales made but not yet shipped.

The terms for marketing and engagement are regularly set and reviewed by the Board of Directors.

In order to guard against the risk of volatility of these prices, and to hedge against a fall in prices which could affect the Group's margin on sales of rubber from its subsidiaries, SIPH uses firm or optional derivatives.

c) Risks on derivative products intended to secure selling prices:

SIPH secures its turnover by setting up derivative products (the sale of hedges and swaps).

As derivative products are used to secure the price of physical sales, it is essential that these sales of covers never exceed physical delivery capacity. This risk has been prudently managed by SIPH through commitments, the quantities and timing of which are appropriate to those of production, and which remain within the commitment limits authorised by the Board of Directors.

The risk of late delivery or production – mainly in cases of a force majeure – cannot however be completely ruled out.

Prudence in making commitments on derivative products helps to minimise this risk.

d) Stock risk

Stocks are covered by sales made but not yet shipped.

30-3 CLIENT RISK

A concentration of "tyre manufacturers" limits the number of customers.

Michelin is the Group's main customer and represented 29.24% of consolidated rubber sales in 2023. The top ten customers of the Group represent more than 85% of rubber sales.

Security of the collections is achieved on the one hand, by the inclusion of commercial relations in a long-term industrial partnership and, on the other hand, by the practice of "payment against document", which does not authorise delivery of merchandise to the customer until after receipt of payment. However, in a difficult and volatile market, the risk that customers will refuse deliveries on the grounds of any quality defect is likely to increase.

30-4 RISK OF CHANGE

All accounts between SIPH and its subsidiaries are denominated in euros (EUR), except for financial current accounts between SIPH and CRC denominated in US dollars (USD). Rubber is quoted in USD. SIPH sales are made in EUR.
Consequently, in the SIPH Group, production tools and customer accounts retain their values in hard currency. Liabilities are in the local currency, apart from certain clearly identified commitments *(the main item of which is GREL's long-term debt, which is denominated in EUR*).

Due to the nature of its commercial assets in EUR *(receivables)* and the management of its cash flow, which only keeps those resources corresponding to current foreign exchange needs in foreign currency, SIPH is not very sensitive to the operational exchange rate risk linked to exchange rate fluctuations on its assets, liabilities and commercial and monetary commitments.

◗ ***SAPH (Côte d'Ivoire)***

SAPH keeps its accounts in francs (CFA), a currency which has a fixed parity with the euro.

Financing of the SAPH subsidiary being denominated in CFA, as well as its accounts payable, a possible devaluation of the CFA would be favourable to it. The charges (including the payroll) and financial commitments would then be devalued. Indeed, most expenses are stated in CFA, while the turnover is invoiced in EUR. Consequently, this would result in an immediate improvement both in the profitability of the activity, but also in the balance sheet situation *(value of assets retained against devaluation of liabilities).*

◗ ***GREL (Ghana)***

GREL has obtained authorisation from the Ghanaian government to keep its accounts in EUR. The Ghanaian currency, the Cedi (GHS), is therefore treated as a currency in the SIPH Group's accounts. The keeping of GREL's accounts in EUR in a country of which the local currency is likely to experience devaluation realistically reflects the commitments of this company.

GREL's cash and cash equivalents are invested in euros, except for current requirements which are available in Ghanaian currency.
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◗ *REN (Nigeria)*

REN keeps its accounts in the local currency, the Naira (NGN).

The integration of REN's accounts into the consolidation of SIPH is therefore likely to generate exchange differences.

◗ *CRC (Liberia)*

The CRC maintains its accounts in USD. CRC's liabilities are denominated in USD.

The integration of CRC's accounts into the consolidation of SIPH is therefore likely to generate exchange differences, depending on EUR/USD parity.

30-5 CAPITAL RISK

As part of the management of its capital, the Group aims to preserve its continuity of operations to provide a return to shareholders, to provide advantages to other partners, and to maintain an optimal capital structure to reduce the cost of capital. To preserve or adjust its capital structure, the Group may in particular adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

In accordance with industry practice, the Group closely monitors its capital by controlling its debt ratio. This ratio represents net debt to total equity. The net debt corresponds to total borrowings as they appear in the consolidated balance sheet, minus cash and cash equivalents.

30-6 LEGAL RISK

30-6-1 A legal risk on compliance with laws and regulations

The legislative and regulatory context in the countries included in the SIPH Group is susceptible to rapid changes. SIPH and its subsidiaries shall ensure the correct application of the latest developments, in particular by using experts, specifically in the areas at tax law and labour law.

30-6-2 A legal risk on product marketing method

SIPH's sales of raw materials are subject to the provisions of international contracts adapted to the products marketed:

- rubber sales are made under the conditions of the RTAE *(Rubber Trade Association of Europe).*
- palm oil sales *are made* according to the *conditions* set by *the FOSFA (Federation of Oils, Seeds and Fats Association).*
- sales of cotton-seed meal are made under the conditions of the GAFTS *(Grain and Feed Trade* Association);
- sugar sales are made according to *"Sugar Association of London" conditions*.

30-6-3 Exceptional events and disputes

Based on the information available to the Company to date, there are no other extraordinary facts or disputes, other than those indicated in the consolidated financial statements and appendix, which may have or have had in the recent past, a significant impact on the activity, income, financial situation or assets of SIPH or its subsidiaries.

SIPH or its subsidiaries, with the exception of an ongoing tax audit of the SAPH subsidiary as at 31/12/2022, and which continues in 2023. The expected adjustments cannot be assessed with certainty.

30-6-4 A legal risk on intellectual property, franchises and licenses

The Group is not affected by this kind of risk.

30-7 SHARES RISK

SIPH does not intervene in its shares and does not hold any shares in the treasury at this time.

The SAPH subsidiary is listed on the Abidjan Stock Exchange. SIPH is not intended to intervene on the SAPH share market within the framework of price regulation and the shares it owns do not constitute a short-term cash investment.

NOTE 31 – COMMITMENTS GIVEN AND RECEIVED

31-7 COMMITMENTS GIVEN

- SAPH and GREL: For the EUR 85 million loan contracted by SIPH with Société Générale (Colette loan), SAPH and GREL give a joint and several guarantee on the payment of the instalments in the maximum of the value of the intragroup loans in their accounts.

- For the EUR 85 million loan contracted by SIPH with Société Générale (Colette loan), pledging of 9 188 000 SAPH shares to the lenders through a pledged securities account.

- For the EUR 85 million loan contracted by SIPH with Société Générale (Colette loan), pledge of the fruit account and income from the pledged securities account if no blocking event occurs.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), a commitment not to pledge any assets for SIPH and the Group.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), a commitment not to dispose of any assets.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), any accelerated repayment of the intragroup loans will result in a repayment of the same amount of Colette.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to maintain a ratio of net debt to equity of less than 3 in December 2021 and June 2022, 2 in December 2022 and June 2023 and 1.5 from December 2023 until maturity if the price of natural rubber is above EUR 1.25.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to maintain a ratio of net debt to equity of less than 3.5 in December 2021 and June 2022, 2.5 in December 2022 and June 2023 and 1.5 from December 2023 until maturity if the price of natural rubber is less than EUR 1.25.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), SIPH undertakes to maintain a general liquidity ratio of less than 1.2.

- For the EUR 85 million contracted by SIPH with Société Générale (Colette loan), SIPH undertakes to maintain a social debt of at least 40% of the Group debt between 2021 and 2023 and at least 30% beyond 2024.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), GREL undertakes to maintain a net debt and equity ratio of less than 1.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), SAPH undertakes to maintain a net debt and equity ratio of less than 1.

- For the EUR 85 million loan taken out by SIPH with Société Générale (Colette loan), SIPH has undertaken to allocate the repayment flows of the intragroup loans and the interest flows to the repayment of the Colette loan.

- SICAV blocking commitment for EUR 32 500 at Société Générale, as a guarantee for a deposit given by Société Générale for the benefit of the lessor of the offices occupied by SIPH in Courbevoie.

- For the EUR 7.5 million loan taken out by GREL with Société Générale Ghana in 2014, over a period of 10 years, a letter of comfort was provided by SIPH. GREL will have to deposit some of the payments from its export sales, including but not limited to transactions carried out with companies in the SIPH Group, up to the limit of SG Ghana's share, in the total financing of GREL. A mortgage has been granted to SG on land and buildings on the concession for a value of EUR 7.5 million. In addition, GREL's organic assets had been jointly pledged to SG Ghana and Proparco as collateral for liabilities (within the limit of outstanding liabilities at each closing), amounting to EUR 20 506 as at 31 December 2017. The remaining capital due amounted to EUR 1.406 million at the end of December 2022.

- For the loan of EUR 17.5 million contracted by GREL with PROPARCO in 2015 for a period of 10 years, GREL has undertaken to maintain a ratio between net debt and equity of less than 1 – a ratio between the net change in cash and debt service greater than or equal to 1.2 and a ratio between net debt and an EBIDTA less than or equal to 3.5. The financial ratios shall be calculated at each of the annual and half-yearly ends, considering the last twelve months of activity. A mortgage was given to PROPARCO on land and buildings present on the concession for a value of EUR 17.5 million.

- Since February 2016, SIPH has committed (by a comfort letter) to having sufficient resources to ensure the support of its subsidiary (CRC) for a period of twelve months. The comfort letter currently in progress, approved by the SIPH Board of Directors, covers the period 12/01/2023 to 11/01/2023.

- The main commitments given in the CRC concession agreement:
    - CRC will have to invest USD 78 000 000, broken down as follows: USD 35 000 000 during the rehabilitation period and USD 43 000 000 over 30 years. As at 31 December 2023, all the investments made amounted to approximately USD 53 318 451.
    - CRC must set up a programme for planting and/or replanting rubber and palm trees meeting the following obligations:
        - ✓ at least 40% of the concession must be planted or replanted by the end of the 10th year
        - ✓ at least 80% at the end of the 20th year
        - ✓ 100% at the end of 25th year
    - CRC will have to adhere to modern sanitary conditions, provide drinking water, homes, elementary and secondary schools and dispensaries.
    - Debt-to-covenant ratio: CRC must respect the debt ratio of 3:1 (maximum debt/equity).

- Commitments given to Société Générale and BNP to cover purchases in dollars by the Rubber business: EUR/USD 29 600 K with a residual maturity of 3 to 6 months.

- Commitments given on rubber futures as at 31 December 2023
  - EUR SWAP contracts covering 24 910 tonnes

31-2 COMMITMENTS RECEIVED

- Guarantees for assets and liabilities granted to SIPH by the Compagnie Financière Michelin as part of the operation to contribute REN's securities to SIPH:

  - A specific guarantee concerning the tax losses of AREL, ORREL and WAREL subsidiaries attributable to future results; on 1 January 2006, these deficits amounted to approximately EUR 1.6 million. This guarantee is not subject to any time limit.
  - A specific guarantee concerning certain tax risks identified for an amount of approximately EUR 2.8 million. This guarantee is not subject to any time limit.
  - These guarantees were not called into play during the 2023 financial year.
- Commitments received on rubber futures as at 31 December 2023: SWAP EUR contracts covering 35 560 tonnes
- A credit line with Crédit Agricole for an amount of EUR 5 million: Euribor 1 month + a margin of 1.5%
- ARES credit lines for an amount of EUR 25 million not drawn
- As at 31 December 2023, the SIPH Group had EUR 14.1 million of confirmed credit lines (including EUR 37.9 million not drawn) and detailed as follows:

Agencies *(in thousands of euros)*	Cash facilities			
	Confirmed	Drawn	Undrawn	Due date
Long term				
SAPH				
BNI	15 245	15 245	-	December 2028
Sub-total – Long term	**15 245**	**15 245**	**-**	
SIPH				
BNP PARIBAS	5 000	-	5 000	June 2024
SAPH				
BICICI	7 622	7 622	-	January 2024
BNI	3 049	3 049	-	August 2024
SIB	3 811	3 811	-	February 2024
Standard Bank	4 573	-	4 573	December 2024
BACI	3 049	3 049	-	January 2024
BOA	4 573	3 049	1 524	March 2024
SGBCI	6 860	6 860	-	March 2024
NSIA	6 098	3 049	3 049	October 2024
Ecobank	12 196	12 196	-	September 2024
Stanbic Bank	7 622	7 622	-	May 2024
Subtotal – Short term	**64 455**	**50 308**	**14 147**	
Total – Cash facilities	**79 700**	**65 553**	**14 147**	

NOTE 32 – SUBSEQUENT EVENTS

At the date of writing this report, no significant event has occurred that could significantly impact the accounts as they are presented, or partially or totally call into question the operation of the SIPH Group.