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Decree of 14 November 2007

Press release
Schoten, 14 August, 2023

SIPEF

HALF-YEAR RESULTS 2023

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Half-yearly financial report of the SIPEF group

as per 30 June 2023 (6m/23)

Satisfying performance in a more challenging environment

- A general cyclical decline in palm oil production, mainly in the second quarter, caused a temporary drop in production by 2.8% over the first semester of the year.
- Palm oil production in South Sumatra increased by 77.7% against the first semester of last year, and already represents close to a quarter of the SIPEF group's palm oil production in Indonesia.
- The increase in banana production on the first semester of 2022 already reached 26.3%. Over the last two years, the banana plantations in Ivory Coast have been extended by 46.5%.
- Palm oil markets continued to remain favourable from a historical perspective and prices hovered around USD 1 000 per tonne for most of the second quarter.
- The 2023 half-yearly result of KUSD 31 216 (share of the Group) is satisfactory, but could not match the record figures of the first semester of 2022 (KUSD 63 922).
- The Group's financial position has remained extremely healthy with a total equity of KUSD 848 811 and a positive net financial position of KUSD 4 391.
- The expansion in South Sumatra has continued steadily: already 17 402 hectares have been cultivated and the replanting of more than 10 000 hectares in Dendymarker plantations is completed. The construction of the second palm oil mill in that area will be finalised by mid-year 2024.
- The Group's recurring annual results are expected to remain satisfying, in a range of USD 60 to 70 million. 69% of the budgeted palm oil production has been sold at an average ex-mill gate price of USD 878 per tonne and prospects are positive with modest increasing annual production volumes and sustained strong palm oil markets.
- The Group is expected to head for a limited net financial debt position at year end 2023, including tax payments on last year's profits and the record dividend paid out. The generated cash flow will support the extensive annual investment program of more than USD 100 million.
- SIPEF achieved Roundtable on Sustainable Palm Oil (RSPO) certification for nearly 3 000 hectares (100%) of smallholder area at PT Dendymarker Indah Lestari.
- The Group's headquarters in Belgium obtained banana supply chain certification in accordance with the GlobalG.A.P. Chain of Custody standard. It also successfully completed audits for supply chain certification under the Rainforest Alliance and Fairtrade standards.

1. Half-yearly financial report

1.1. Group production

Group production

2023 *(in tonnes)*	Own	Third parties	Q2/23	YoY%	Own	Third parties	YTD Q2/23	YoY%
Palm oil	79 883	17 799	97 682	*-7.3%*	148 879	36 442	185 321	*-2.8%*
Rubber	217	16	233	*-30.7%*	514	141	655	*-19.7%*
Bananas	9 047	0	9 047	*22.5%*	19 230	0	19 230	*26.3%*

2022 *(in tonnes)*	Own	Third parties	Q2/22	Own	Third parties	YTD Q2/22
Palm oil	87 136	18 280	105 416	156 163	34 478	190 642
Rubber	272	64	336	593	223	816
Bananas	7 388	0	7 388	15 230	0	15 230

The first semester of 2023 was less favourable from an agronomical perspective than the first half-year of 2022: the Group noted a general cyclical decline in palm oil production of 2.8%. In the first quarter, the drop in production in Indonesia was still compensated by further increases in the operations in Papua New Guinea. However, in the second quarter, both production areas showed a decline of up to 7.3% overall.

The decrease occurred mainly in Indonesia, in the mature plantations in North Sumatra and to a lesser extent in Bengkulu. After two good production years, and despite generally good precipitation in all estates of the Group, a decline was clearly observed in available palm fruits, which in addition often had a lower weight per bunch. The average Oil Extraction Rate (OER) on 30 June 2023 also dropped by 0.4% in all Group mills against the same period last year. This phenomenon is recognised as ‘a cyclical decline’. It was exacerbated by the delayed effects of previous droughts, especially in the UMW/TUM plantations with organic soils.

However, growth continued in the young plantations in South Sumatra, with a 77.7% increase in own palm oil production volumes compared with those recorded by the end of June last year. This rise was mainly due to the greater maturity of the oil palms, more hectares coming into production and the processing of all bunches in the Group’s Dendymarker mill. The palm oil production of the South Sumatra estates represented almost a quarter of the Group’s production in Indonesia.

Papua New Guinea operations delivered another strong performance in the first quarter of 2023, with an increase of 12.8% against the palm oil production of the first quarter of 2022. Unfortunately, in the second quarter of 2023, production did not follow the same growth pattern. Instead, it was reversed, ending with similar production volumes (-0.1%) to last year at the end of the first half-year.

Banana production for the first semester of 2023 grew by 26.3% compared to the same period last year. This was mainly due to the performance of the new plantations in Lumen and Akoudié in Ivory Coast, where yields were even better than anticipated. The latter exported their first 164 tonnes as from May onwards. The existing operations, however, were subject to weather conditions that limited normal returns per hectare and were the reason why the first semester of 2023 ended with a 7.7% decline in export volumes compared with the first half of 2022.

1.2. Markets

Average market prices

In USD/tonne		YTD Q2/23	YTD Q2/22	YTD Q4/22
Palm oil	CIF Rotterdam*	987	1 617	1 345
Rubber	RSS3 FOB Singapore**	1 577	2 065	1 810
Bananas	CFR Europe***	870	735	762

** Oil World Price Data*
*** World Bank Commodity Price Data (updated database)*
**** CIRAD Price Data (in EUR)*

The palm oil market started the second quarter of 2023 with a lower production following the long Ramadan break in April, but this was partially compensated in May. Despite the slow demand, stocks at the end of April were the lowest in a year in Malaysia. The corresponding high spot prices made palm oil uncompetitive, predominantly against rapeseed oil and sunflower oil.

The European Union (EU), and to a lesser extent the United States (US), were overloaded with ‘Used Cooking Oil’ (UCO) and other waste flows for the production of biodiesel in the first half of the year, mostly coming from China. Waste flows are eligible for double counting in carbon offsets. This volume was replacing rapeseed oil and palm oil, which are, in contrast to waste flows, only eligible for single counting. During the second quarter, there were governmental investigations into this matter to validate the source and check if it involved actual waste flows and not fraudulently produced biofuel. Also, the International Sustainability and Carbon Certification (ISCC), the certifying body for raw materials into biofuels, intensified its investigations. In the meantime, storage facilities in the EU were filled with these waste flows, and simultaneously the demand for ‘traditional’ biodiesel raw materials was very low. As a result, the very rare situation occurred that the usual premium rapeseed oil price became the cheapest oil in the world, and it dragged the prices of palm oil and sunflower oil down.

During June, more attention was drawn to the upcoming soybean crop in the US, where the weather was dryer than usual, albeit that the weather in July and August is more important for that crop. At the end of the quarter, the US Department of Agriculture published a report that the actual planted acreage was 5% below expectations. This instigated a short covering rally, also offsetting the slightly bearish input of a somewhat lower biofuel blending allocation for the coming two years in the US.

Most factors that determined price direction in the second quarter were driven by other markets than palm oil, as the physical demand for palm oil was still, generally, slow. Palm oil was a follower in the entire vegetable oil complex, and stocks were growing throughout the quarter. Prices dropped nearly USD 200 in early June, before recovering USD 100. The CIF Rotterdam market closed at around USD 930 per tonne at the end of June.

The palm kernel oil (PKO) market mostly followed palm oil, as the market has been unable to find its own demand yet. Demand for oleochemical products was very sluggish. The PKO prices traded around similar levels as palm oil for the first quarter.

Up to 30% higher average banana prices were recorded in the European spot markets at the end of last year and in the first quarter of the current year, caused by high inflation and disrupted supply. However, in the second quarter, ahead of the usually low-consumption summer season, and driven by a normalised supply from the Latin American producers, prices declined, but not yet to the usual summer levels of previous years.

1.3. Financial statements

The 2023 half-yearly result of KUSD 31 216 (share of the Group) could not match the record figures of the first semester of 2022 (KUSD 63 922). This was mainly due to reduced production and lower palm oil selling prices. Nevertheless, this result can be considered as satisfactory from a historical perspective.

Free cash flow for the first six months of 2023 remained positive at KUSD 3 768. The intensive investment programme continued with investments amounting to KUSD 42 930.

The financial position remained extremely healthy with a total equity of KUSD 848 811 and a positive net financial position of KUSD 4 391.

For additional information on the financial statements, we refer to chapter 2 – condensed half-yearly financial statements.

1.4. Prospects

1.4.1. Production

Once the effects of the Lebaran holidays were absorbed at the end of May, a production increase was noted in Indonesia in June, which has continued so far in the third quarter of the year. Production is exceeding last year's volumes, except for the North Sumatra estates with organic soils, still affected by the delayed drought effects. Forecasts show a steady production growth for the three months to come.
In Papua New Guinea, production in the third quarter of 2023 is expected to decline, the usual production profile for many years, with the exception of the last two years.

This declining profile would also affect the second semester's palm oil volumes of the Group. Higher performances are anticipated by year end as the result of more maturing hectares in South Sumatra. However, it is unlikely that the projected 5.1% production increase will be met. Despite this current temporary setback, SIPEF is still on track with its long-term annual production forecast of about 600 000 tonnes of crude palm oil (CPO) by 2030.

Additional maturing hectares of newly planted banana plants in the Lumen and Akoudié plantations assure that the annual export production of bananas will continue to increase in the second semester of 2023.

1.4.2. Markets

The drop in prices in early June triggered more export demand for the third quarter, and, despite the seasonal growth in production, stocks will remain quite stable. Palm oil is still a reluctant price follower, but the July rally in soybean oil, rapeseed oil and sunflower oil has made palm oil very competitive again. The immediate focus is on the US soybean crop conditions, with hot and dry weather still ongoing. More attention is being paid to the El Niño development that could bring hot and dry conditions in Southeast Asia. If that emerges, it could negatively impact the 2024 production outlook.

Palm oil is very competitively priced, and current growing conditions in many places in the world are sub-optimal for vegetable oil crops. Therefore, the SIPEF group is confident of a positive price outlook in the coming months, and expects, historically, still very good prices.

After the European summer season, banana consumption is predicted to remain dynamic. However, market prices would be higher than usual for the remainder of the year as supply could continue to be impacted by the fluctuating imports on the Russian market, and due to the rather difficult climatic conditions in the large production areas in Central America.

1.4.3. Results

In a sustained buoyant palm oil market with, from a historical perspective, continuing high price levels, SIPEF was able to sell 69% of its projected palm oil volumes at an average ex-mill gate price of USD 878 per tonne, premiums for sustainability and origin included. At the same time last year, SIPEF had contracted 65% of the volumes at a 24.9% higher average price of USD 1 097 per tonne ex-mill gate equivalent.

The current 2023 sales correspond to 93% of the projected volumes of Papua New Guinea, at an average ex-mill gate price of USD 1 038 per tonne, while 56% of the volumes of the Indonesian operations were sold at an average ex-mill gate price of USD 738 per tonne. In Indonesia, local sales prices continue to be impacted by a combined export tax and levy, fixed every two weeks by the Indonesian Government and currently being USD 118 per tonne. Given the uncertainty of the determination of the reference price for palm oil, which is the basis for the imposed tax and levy, most of the available palm oil volumes in Indonesia are placed in the market biweekly.

Contrary to last year, the production cost of palm oil is no longer impacted by increasing inputs. Fertiliser and diesel prices, as well as high transport costs, have all declined compared with the second semester of 2022. The wage increases for 2023, imposed by local governments, were in line with local inflation, being about half of the inflation rate recorded in Europe last year.

The prospect of modest increasing annual production volumes, combined with sustained strong palm oil markets, allows SIPEF to confirm satisfying net recurring year results, that, in all likelihood, would be in the range of USD 60 to 70 million. The final recurring result will largely be determined by the continued strength of the palm oil prices, the achievement of the expected production growth, the maintaining of the current export tax and levy policy in Indonesia, and the evolution of cost prices in the remainder of the year.

1.4.4. Cash flow and expansion

The Group continues to focus on the investments in South Sumatra. These programmes concern the further expansion of planted hectares and infrastructure in Musi Rawas and the completion of the replanting and infrastructure improvement in Dendymarker. Good progress has been made on the construction of the first palm oil extraction mill in Musi Rawas, the 10th mill of the SIPEF group, which will be completed by mid-year 2024.

The compensation and planting of new hectares in Musi Rawas were pursued with good progress being made in the first semester of 2023. A total of 885 hectares were additionally compensated, while 979 additional hectares were cultivated. This brings the total cultivated area to 17 402 hectares, corresponding to 83.1% of the total compensated area of 20 950 hectares.

The replanting of the existing RSPO certified plantations of Dendymarker Indah Lestari (DIL) acquired in 2017, is virtually complete. Of the currently projected 10 183 hectares of young mature and maturing palms, only 28 hectares remain for renewal in the coming month.

At the end of June, the total of renewed and cultivated palm plantations in the South Sumatra business unit amounted to 27 557 hectares, of which 16 840 hectares were declared ‘young mature’ and have started generating crop.

Also, the expansion of the banana operations in Ivory Coast is evolving as planned. At the end of the first semester, the banana plantations at Plantations J. Eglin comprised 1 235 planted hectares, of which 392 hectares were newly planted in the last two years in Lumen and Akoudié, representing an extension of 46.4%. 296 hectares were already declared mature and produced their first bunches.

Together with the usual replacement investments, the total capital expenditure budget is expected to exceed USD 100 million by year end. Given that the Group prioritises this programme, it is unlikely that the generated cash flow will remain positive in the second half-year, despite reasonably favourable forecasts for production and sales prices. Including the tax payments on last year’s profits and the record dividend paid out early July 2023, the Group is expected to head for a limited net financial debt position at year end 2023.

1.5. Sustainability

1.5.1. RSPO certification achieved for smallholders supplying PT Dendymarker Indah Lestari

On 27 July 2023, SIPEF reached its target to achieve 100% RSPO certification for the smallholders supplying the Group's mill at PT Dendymarker Indah Lestari (PT DIL). The target was met much earlier than expected, with the original target having been set for 2025. The group of newly certified smallholders are represented by nine cooperatives with members from the surrounding villages. Together these cooperatives form the Sei Rupit estate, which was included for the first time in the RSPO certificate of PT DIL's mill, alongside the Sei Mandang and Sei Liam estates. The achievement adds nearly 3 000 hectares to the certified area of SIPEF's supply base, demonstrating the Group's commitment to smallholder certification and fully segregated and traceable supply chains.

1.5.2. SIPEF group's headquarters certified as supply chain actor for SIPEF's banana supply chain

SIPEF is committed to transparency, traceability, and compliance with the latest requirements of all the standards the Group adheres to. As of 5 July 2023, the Group's headquarters in Belgium is certified in accordance with the GlobalG.A.P. Chain of Custody Standard, following a successful audit that was held last June. The headquarters in Belgium also successfully completed audits for the Rainforest Alliance supply chain certification standard (2020 Sustainable Agriculture Standard: Supply Chain Requirements) and the Fairtrade Trader Standard in May and July this year.

2. Condensed half-yearly financial statements

2.1. Condensed half-yearly financial statements of the SIPEF group

2.1.1. Condensed consolidated balance sheet

In KUSD (condensed)	30/06/2023	31/12/2022
Non-current assets	**866 725**	**847 168**
Intangible assets	196	226
Goodwill	104 782	104 782
Biological assets - bearer plants	317 197	316 714
Other property, plant & equipment	397 582	379 931
Investments in associated companies and joint ventures	2 495	3 032
Financial assets	120	98
Other financial assets	120	98
Receivables > 1 year	32 334	28 287
Other receivables	32 334	28 287
Deferred tax assets	12 020	14 097
Current assets	**211 023**	**215 055**
Inventories	51 595	48 936
Biological assets	12 409	10 936
Trade and other receivables	82 123	92 371
Trade receivables	29 839	44 643
Other receivables	52 284	47 728
Current tax receivables	8 919	1 100
Investments	212	10 208
Other investments and deposits	212	10 208
Derivatives	1 471	1 639
Cash and cash equivalents	39 313	34 148
Other current assets	1 462	2 197
Assets held for sale	13 520	13 520
Total assets	**1 077 748**	**1 062 223**
Total equity	**848 811**	**850 144**
Shareholders' equity	815 251	817 803
Issued capital	44 734	44 734
Share premium	107 970	107 970
Treasury shares (-)	-11 307	-11 588
Reserves	684 926	687 933
Translation differences	-11 072	-11 246
Non-controlling interests	33 561	32 341
Non-current liabilities	**88 774**	**89 665**
Provisions > 1 year	546	767
Provisions	546	767
Deferred tax liabilities	53 720	48 131
Financial liabilities > 1 year	9 000	18 000
Leasing liabilities > 1 year	2 177	2 320
Pension liabilities	23 331	20 448
Current liabilities	**140 162**	**122 414**
Trade and other liabilities < 1 year	107 319	83 438
Trade payables	23 625	29 863
Advances received	9 543	5 698
Other payables	47 626	14 437
Income taxes	26 524	33 440
Financial liabilities < 1 year	23 956	23 913
Current portion of amounts payable > 1 year	18 000	18 000
Financial liabilities	5 442	5 323
Leasing liabilities < 1 year	514	590
Other current liabilities	8 887	15 063
Total equity and liabilities	**1 077 748**	**1 062 223**

The increase in 'biological assets – bearer plants' and 'other property plant & equipment' by KUSD 18 134 during the first six months of 2023 resulted mainly from investments (KUSD 42 908) that exceeded depreciation (KUSD 24 404).

'The receivables over one year' increased due to the granting of loans to plasma farmers in South Sumatra to finance their new plantings.

'Assets held for sale' of KUSD 13 520 concerned the estimated net sales value of the part of PT Melania still held by the Group until all conditions for a final sale are met.

'Net current assets' can be broken down as follows:

In KUSD	30/06/2023	31/12/2022
Inventories	51 595	48 936
Biological assets	12 409	10 936
Trade receivables	29 839	44 643
Other receivables	52 284	47 728
Current tax receivables	8 919	1 100
Derivatives	1 471	1 639
Other current assets	1 462	2 197
Trade payables	-23 625	-29 863
Advances received	-9 543	-5 698
Other payables	-47 626	-14 437
Income taxes	-26 524	-33 440
Other current liabilities	-8 887	-15 063
NET CURRENT ASSETS, NET OF CASH	**41 772**	**58 679**

'Net current assets' decreased by KUSD 16 906 in total, without any impact on the overall structure of the balance sheet. This drop can be broken down into three main movements:

- Biological assets increased following higher FFB productions at June compared to December in Indonesia as well as higher biological assets for bananas following the expansions in Akoudié and Lumen, offset by slightly lower world market prices for palm oil (USD 950/tonne in June 2023 compared to USD 1 070 /tonne in December 2022).
- Overall inventories have remained relatively stable. Although the number of tonnes of CPO stock at June was slightly higher than at December 2022, the CPO stock was valued at a lower cost as a consequence of the slightly lower world market prices. This has resulted in a total MUSD 1,4 decrease in stock value of finished goods compared to December 2022. This was offset by a MUSD 4,1 increase in stock of raw materials compared to December 2022, primarily an increase fertiliser stock.
- By far the most important movement was the booking of the dividend relating to 2022 in 'other payables' in the amount of KUSD -33 765. This dividend was payable in early July 2023.
- In addition, 'other current liabilities' decreased by KUSD 6 176, mainly as a consequence of the payment of the variable remuneration in respect of 2022.
- Finally, the taxes paid were KUSD 9 140 higher than the taxes payable, so the net taxes payable ('income taxes' minus 'current tax receivable') also decreased.

The methodology used to measure inventory and biological assets did not change compared to 31 December 2022 and we refer to the year-end financial statements as per 31 December 2022 for more details on the methodology used in Note 12. Inventories and Note 13. Biological assets.

The net financial position improved by KUSD 4 269, thanks to the positive free cash flow. We refer to 2.2.10 Net financial assets/(liabilities) for additional information.

Net deferred tax liability grew by KUSD 7 666, mainly due to an accelerated tax depreciation of mill infrastructure at Hargy Oil Palms Ltd in Papua New Guinea.

2.1.2. Condensed consolidated income statement

In KUSD (condensed)	30/06/2023	30/06/2022
Revenue	218 621	249 827
Cost of sales	-147 373	-123 639
Changes in the fair value of the biological assets	1 473	2 892
Gross profit	**72 721**	**129 080**
General and administrative expenses	-22 994	-24 082
Other operating income/(expenses)	1 542	- 351
Operating result	**51 269**	**104 647**
Financial income	1 072	376
Financial costs	- 794	-1 842
Exchange differences	658	-2 584
Financial result	**936**	**-4 050**
Result before tax	**52 205**	**100 597**
Tax expense	-19 231	-33 248
Result after tax	**32 974**	**67 349**
Share of profit and loss of associated companies and joint ventures	- 537	- 156
Result for the period	**32 436**	**67 192**
Attributable to:		
- Non-controlling interests	1 220	3 270
- Equity holders of the parent	31 216	63 922
Earnings per share (in USD)		
From continuing and discontinued operations		
Basic earnings per share	3.00	6.15
Diluted earnings per share	3.00	6.13
From continuing operations		
Basic earnings per share	3.00	6.15
Diluted earnings per share	3.00	6.13

The Group's total 'revenue' amounted to USD 218 621 as per 30 June 2023 and dropped by KUSD 31 205 or 12.5%, against the first semester of 2022.

The palm segment's revenue in particular dropped (KUSD -33 761), mainly as a result of the greatly reduced unit selling price (-26.4%). However, the volumes sold in the first half of 2023 rose significantly against the first half of 2022, which managed to mitigate the decline in revenue. This increase in volumes can be explained by the fact that SIPEF sold virtually no crude palm oil (CPO) in Indonesia in May and June 2022, because of low local palm oil selling prices as a result of the export ban.

Banana segment revenue expressed in euro, the functional currency, rose by 47.7% mainly due to an increase in the average unit selling price (+17.0%) and a rise in volumes produced and sold (+26.3%).

The total 'cost of sales' grew by KUSD 24 222 in the first half. The main reasons for this increase were an additional cost of KUSD 22 844 resulting from stock movements due to the high sales volume of palm oil compared to last year. On the one hand, sales rose sharply (see comments above regarding revenue) and, on the other hand, costs increased steeply. Overall, the impact of these increases on the gross margin was negligible, as the stock was already valued at market price.

The 'changes in the fair value’ concerned the effects of valuing the hanging fruits at their fair value (IAS41R).

'Gross profit' decreased from KUSD 129 080 at the end of June 2022 to KUSD 72 721 on 30 June 2023, a reduction of 43.7%.

Palm segment's gross profit (98.7% of the total gross margin) decreased by KUSD 57 281 to KUSD 71 785, mainly due to lower net CPO prices. The average realised net CPO price of USD 875 per tonne was 23.7% lower than that of USD 1 148 per tonne at the same time last year.

The gross profit of the banana and horticulture activities rose from KUSD 964 to KUSD 1 875, as a consequence of an increase in selling prices and a rise in volumes produced resulting from the expansion of planted areas.

The average ex works unit cost price for oil palm plantations grew significantly (+/- 11%) in the first six months of 2023, compared with the first semester of 2022. This was mainly due to decreased production and an overall cost increase. The average ex works unit cost price for banana plantations for the same period of 2023 even increased by about 21%, compared with the first semester of 2022.

'General and administrative expenses' declined in the first half of 2023 against the first six months of 2022. Indeed, an increase due to general cost inflation (mainly salaries) was more than offset by a decrease in the provision for variable remuneration for staff and management.

The 'operating result' as per 30 June 2023 amounted to KUSD 51 269 against KUSD 104 647 per 30 June last year.

'Financial income' mainly included interests on receivables on plasma farmers in South Sumatra and on deposit investments from temporary cash surpluses during the first semester of 2023.

'Financial costs' mainly related to long-term financing.

The positive 'exchange differences' (KUSD 658) mainly concerned the hedging of the expected euro dividend.

The 'result before tax' for the first half of 2023 amounted to KUSD 52 205, compared with KUSD 100 597 at the end of June 2022.

The 'tax expense', including the usual disallowed expenses of about USD 1 million, came to 36.8%. Since last year, this figure is significantly higher than historically usual, owing to the increase in Hargy Oil Palms Ltd's tax expense from 30.0% to 40.5% since 2022. This increase can be attributed to the recording of a 15% withholding tax on the dividend payable by Hargy Oil Palms Ltd, out of Papua New Guinea, to the Belgian parent company.

The 'share of profit and loss of associated companies and joint ventures' (KUSD -537) included the limited negative contribution of the research activities centralised at PT Timbang Deli and Verdant Bioscience Pte Ltd.

The half-year profit at 30 June 2023 was KUSD 32 436, a decline by 51.7% from that at the end of June last year.

Net profit, share of the Group, amounted to KUSD 31 216 against KUSD 63 922 on 30 June 2022.

2.1.3. Condensed consolidated statement of comprehensive income

In KUSD (condensed)	30/06/2023	30/06/2022
Result for the period	**32 436**	**67 192**
Other comprehensive income:		
Items that may be reclassified to profit and loss		
in subsequent periods		
- Exchange differences on translating foreign operations	174	- 712
- Cash flow hedges - fair value result for the period	- 421	1 855
- Income tax effect	105	- 464
Items that will not be reclassified to profit and loss		
in subsequent periods		
- Defined Benefit Plans	- 287	0
- Income tax effect	63	0
Total other comprehensive income:	**- 366**	**679**
Other comprehensive income for the year attributable to:		
- Non-controlling interests	0	0
- Equity holders of the parent	- 366	679
Total comprehensive income for the year	**32 070**	**67 871**
Total comprehensive income attributable to:		
- Non-controlling interests	1 220	3 270
- Equity holders of the parent	30 850	64 601

2.1.4. Condensed consolidated cash flow statement

In KUSD (condensed)	30/06/2023	30/06/2022
Operating activities		
Profit before tax	**52 205**	**100 597**
Result from discontinued operations before tax		
Adjusted for:		
Depreciation	24 457	23 775
Movement in provisions	2 438	- 61
Stock options	81	70
Changes in fair value of biological assets	-1 473	-2 892
Other non-cash results	- 171	513
Hedge reserves and financial derivatives	- 253	2 002
Financial income and expenses	- 233	603
(Gain)/loss on disposal of property, plant and equipment	405	603
Cash flow from operating activities before change in net working capital	77 457	125 211
Change in net working capital	- 74	-29 452
Cash flow from operating activities after change in net working capital	77 383	95 759
Income taxes paid	-26 194	-18 277
Cash flow from operating activities	**51 189**	**77 482**
Investing activities		
Acquisition intangible assets	- 22	0
Acquisition biological assets	-10 587	-9 390
Acquisition property, plant & equipment	-32 321	-25 883
Financing plasma advances	-4 057	-1 160
Acquisition subsidiaries*	0	0
Proceeds from sale of property, plant & equipment	204	123
Proceeds from sale of financial assets	- 638	-1 068
Cash flow from investing activities	**-47 421**	**-37 378**
Free cash flow	**3 768**	**40 105**
Financing activities		
Equity transactions with non-controlling parties*	0	-5 500
Acquisition of treasury shares	- 327	0
Proceeds from sales of treasury shares	608	0
Repayment long-term financial borrowings	-9 143	-9 358
Proceeds long-term financial borrowings	0	499
Repayment short-term financial borrowings	0	-7 204
Proceeds short-term financial borrowings	43	146
Dividends paid by subsidiaries to minorities	- 1	0
Interest received - paid	222	- 612
Cash flow from financing activities	**-8 598**	**-22 028**
Net increase in investments, cash and cash equivalents	**-4 830**	**18 076**
Investments and cash and cash equivalents (opening balance)	44 356	19 977
Investments and cash and cash equivalents (closing balance)	39 525	38 053

** Reclassification in prior year figures from investing activities to financing activities related to the purchase of the 5% shares in PT Agro Muko*

Following the reduction in operating profit, 'cash flow from operating activities' decreased from KUSD 125 211 as at 30 June 2022, to KUSD 77 457 as at 30 June this year.

The ’working capital’ in June 2023 remained almost at the same level as on 31 December 2022. The variation in working capital in June 2022 of KUSD -29 452 mainly related to a temporary augmentation in CPO stock by about 30 000 tonnes. Indeed, almost no volumes were sold in May and June 2022, due to the destabilised local CPO market in Indonesia.

In January 2023, the withholding tax on the dividend relating to 2022 from Hargy Oil Palms Ltd of KUSD 7 500 was paid. This was the main reason why 'income taxes paid' (KUSD 26 194) significantly exceeded taxes payable (KUSD 17 054).

The 'acquisitions intangible and tangible assets' (KUSD -42 930) related to the usual replacement investments in the existing operations and in the new developments in South Sumatra (KUSD -18 497). Besides further development of planted areas and associated infrastructure such as houses and roads, investments in South Sumatra, in particular, were made in the construction of the Agro Muara Rupit mill with a processing capacity, in the first phase of 45 tonnes of Fresh Fruit Bunches (FFB) per hour.

The ’proceeds from sales of property, plant and equipment and financial assets' (KUSD -435) related to the sale of minor property, plant and equipment and the cost of the sale of PT Melania.

'Free cash flow' for the first half of 2023 amounted to KUSD 3 768, compared with KUSD 40 105 for the same period last year.

The ‘cash flow from financing activities' (KUSD -8 598) mainly include a partial repayment of the long-term financing (KUSD -9 000 for the long-term loan and KUSD -143 for the leasing debts). There were also some limited net cash receipts from the sale of own shares (KUSD 281), an increase in short-term financing (KUSD 43) and interests received (KUSD 221).

2.1.5. Condensed statement of changes in consolidated equity

In KUSD (condensed)	Issued capital	Share premium	Treasury shares	Remeasurement gain/(loss) on defined benefit plans	Reserves	Translation differences	Shareholders' equity	Non-controlling interests	Total equity
January 1, 2023	**44 734**	**107 970**	**-11 588**	**-5 124**	**693 057**	**-11 246**	**817 803**	**32 342**	**850 144**
Result for the period					31 216		**31 216**	1 220	**32 436**
Other comprehensive income				- 224	- 316	174	**- 366**		**- 366**
Total comprehensive income	**0**	**0**	**0**	**- 224**	**30 901**	**174**	**30 850**	**1 220**	**32 070**
Last year's dividend accrued					-33 765		**-33 765**		**-33 765**
Other			281		81		**362**		**362**
June 30, 2023	**44 734**	**107 970**	**-11 307**	**-5 348**	**690 274**	**-11 072**	**815 250**	**33 561**	**848 811**
January 1, 2022	**44 734**	**107 970**	**-11 521**	**-5 033**	**601 846**	**-10 666**	**727 329**	**38 854**	**766 183**
Result for the period					63 922	0	**63 922**	3 270	**67 192**
Other comprehensive income					1 391	- 712	**679**		**679**
Total comprehensive income	**0**	**0**	**0**	**0**	**65 313**	**- 712**	**64 601**	**3 270**	**67 871**
Last year's dividend accrued					-22 280		**-22 280**		**-22 280**
Equity transactions with non-controlling parties (5% PT AM)					3 583		**3 583**	-9 083	**-5 500**
Other					70		**70**		**70**
June 30, 2022	**44 734**	**107 970**	**-11 521**	**-5 033**	**648 532**	**-11 378**	**773 303**	**33 041**	**806 344**

2.2. Notes

2.2.1. General information

SIPEF, a limited liability company ('naamloze vennootschap' / 'société anonyme'), incorporated in Belgium and registered at 2900 Schoten, Calesbergdreef 5, is a Belgian agro-industrial company listed on Euronext Brussels. It operates mainly agro-industrial activities in the production of sustainable oil palm products, including fresh fruit bunches (FFB), crude palm oil (CPO), palm kernels (PK), and crude palm kernel oil (CPKO), and sustainable bananas. Recently, the Group started phasing out operations in natural rubber and tea. The condensed financial statements of the Group for the first six months ended 30 June 2023 were established by the board of directors on 11 August 2023.

2.2.2. Basis of preparation and accounting policies

These condensed financial statements are prepared in accordance with 'International Accounting Standard' IAS 34, 'Interim Financial Reporting' as adopted by the EU. This report should be read in conjunction with SIPEF group's annual financial statements as at 31 December 2022, because the condensed financial statements herein do not include all the information and disclosures required in the annual financial statements. As required by amendments to IAS 1 Presentation of Financial statements and IFRS Practice Statement 2, a detailed review of the Group's accounting policies will be done for the year-end 2023 financial statements.

The amounts in this document are presented in KUSD, unless noted otherwise.

A summary of the accounting standards can be found in the audited consolidated financial statements for the year ended 31 December 2022 (https://www.sipef.com/hq/investors/annual-reports). The accounting policies of the SIPEF group which are used as of 1 January 2023 are consistent with the accounting standards used for the audited consolidated financial statements of 31 December 2022, with the exception that the Group has applied the new accounting standards and interpretations applicable for annual periods beginning on or after 1 January 2023. These new standards and interpretations have a minimal impact.

2.2.3. Updated use of accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires the Group to use accounting estimates and judgements and make assumptions that may affect the reported amounts of assets and liabilities at the date of the balance sheets and reported amounts of revenue and expense during the reporting periods. Actual results could differ from those estimates. We refer to Note 4 of the annual report of 2022.

Below we present an update of the most important estimates and judgement applicable in the half-year report:

The main areas in which estimates are used for the first 6 months of 2023 are:

- Deferred tax assets
- Estimate of the costs relating to the sale of PT Melania

The key estimates used in the calculation of deferred tax assets rely on making an estimate on commodity prices over a longer period. By nature, the commodity prices used in such estimates are volatile and will therefore in reality be different from the estimated amounts.

The Group has made an estimation of the costs that will occur in order to fulfil the requirements included in the sale and purchase agreement for the sale of PT Melania with the Shamrock Group. Any difference between the estimated costs and actually incurred costs will result in an increase or decrease of the capital gain upon finalisation of the SPA, no later than 2024.

2.2.4. Consolidation scope

There have not been any changes to the consolidation scope of the SIPEF group during this year.

2.2.5. Income taxes

As shown in the table below, the effective tax rate depends to a large extent on other matters than the local results and the applicable local tax rates. The reconciliation can be presented as follows:

In KUSD	30/06/2023	30/06/2022
Result before tax	52 204	100 597
Theoretical tax charge	**-14 060**	**-26 382**
Impairment on deferred taxes for fiscal losses	-1 239	576
Other non-deductible	-1 413	-1 787
Withholding tax on dividends	-2 519	-5 655
Tax charge	**-19 231**	**-33 248**
Effective tax rate	-36,8%	-33,1%

Applying the principles of IAS 12, a total impairment of KUSD 1 239 on tax losses carried forward has been recorded per June 30, 2023. Based on the Group's latest estimations, the Group expects not to recover these fiscal losses before they expire.

The withholding tax on dividends relates to a 15% withholding tax due on dividends that will be paid out by Hargy Oil Palms Ltd from Papua New Guinea to the Belgian parent company.

The total tax charge of KUSD 19 231 (2022: KUSD 33 248) can be split into a current tax component of KUSD 17 054 (2022: KUSD 32 026) and a deferred tax component of KUSD 2 177 (2022: KUSD 1 222).

2.2.6. Segment information

SIPEF's activities can be classified into segments based on the type of product. SIPEF has the following segments:

- Palm: Includes all palm products, including palm oil, palm kernels and palm kernel oil, both in Indonesia and Papua New Guinea.
- Rubber: Includes all different types of rubber produced in Indonesia and sold by the SIPEF group:
  - Ribbed Smoked Sheets (RSS)
  - Standard Indonesia Rubber (SIR)
  - Scraps and Lumps
- Tea: Includes the "cut, tear, curl" (CTC) tea produced by PT Melania in Indonesia and which the SIPEF group buys and sells.
- Bananas and horticulture: Include all sales of bananas and horticulture originating from Ivory Coast.
- Corporate: Mainly includes management fees received from non-group companies, commissions charged on sea freight and other commissions which are not covered by the sales contract.

The overview of segments below is based on the SIPEF group's internal management reporting. The executive committee is the chief operating decision maker. The most important differences with IFRS consolidation are:

- Instead of revenue the gross margin per segment is used as the starting point.

In KUSD (condensed)	30/06/2023	30/06/2022
Gross margin per product		
Palm	71 785	129 066
Rubber	-1 940	-1 941
Tea	77	100
Bananas and horticulture	1 875	964
Corporate	923	892
Total gross margin per product	**72 721**	**129 080**
General and administrative expenses	-22 994	-24 082
Other operating income/(expenses)	1 542	- 351
Financial income/(costs)	277	-1 466
Exchange differences	658	-2 584
Result before tax	**52 205**	**100 597**
Tax expense	-19 231	-33 248
Effective tax rate	-36.8%	-33.1%
Result after tax	**32 974**	**67 349**
Share of profit and loss of associated companies	- 537	- 156
Result for the period	**32 436**	**67 192**

Below we present the segment information per product and per geographical region in accordance with the IFRS profit and loss accounts.

The segment result is revenue minus expense that is directly attributable to the segment and the relevant portion of income and expense that can be allocated on a reasonable basis to the segment.

Gross profit by product

	Revenue	Cost of sales	Changes in the fair value	Gross profit	% of total
2023 - KUSD					
Palm	199 575	-128 731	940	71 785	98.7
Rubber	1 015	-2 954	0	-1 940	-2.7
Tea	1 756	-1 679	0	77	0.1
Bananas and horticulture	15 351	-14 008	532	1 875	2.6
Corporate	923	0	0	923	1.3
Total	**218 621**	**-147 373**	**1 473**	**72 721**	**100.0**
2022 - KUSD					
Palm	233 336	-107 167	2 897	129 066	100.0
Rubber	2 306	-4 246	0	-1 941	-1.5
Tea	2 153	-2 053	0	100	0.1
Bananas and horticulture	11 140	-10 171	- 5	964	0.7
Corporate	892	0	0	892	0.7
Total	**249 827**	**-123 638**	**2 892**	**129 080**	**100.0**

The segment ‘corporate’ comprises the management fees received from non-group entities, additional commissions on sea freights and any other commissions that are not included in the sales contracts.

Gross profit by geographical segment

	Revenue	Cost of sales	Other Income	Changes in the fair value	Gross profit	% of total
2023 - KUSD						
Indonesia	93 953	-68 317	377	1 930	27 943	38.4
Papua New Guinea	108 393	-65 043	0	- 990	42 361	58.3
Ivory Coast	15 351	-14 013	0	532	1 870	2.6
Europe	546	0	0	0	546	0.8
Total	**218 244**	**-147 373**	**377**	**1 473**	**72 721**	**100.0**
2022 - KUSD						
Indonesia	115 150	-54 919	470	1 746	62 448	48.4
Papua New Guinea	122 645	-58 549	0	1 151	65 247	50.5
Ivory Coast	11 140	-10 171	0	-5	964	0.7
Europe	421	0	0	0	421	0.3
Total	**249 356**	**-123 639**	**470**	**2 892**	**129 080**	**100.0**

Additional information on the gross margin can be found in 2.1.2. Condensed consolidated income statement.

Segment information – geographical

	30/06/2023					
In KUSD	Indonesia	PNG	Ivory Coast	Europe	Others	Total
Intangible assets	0	0	0	195	0	196
Goodwill	104 782	0	0	0	0	104 782
Biological assets	237 296	79 354	547	0	0	317 197
Other property, plant & equipment	276 478	108 505	11 474	437	688	397 582
Investments in associates and joint ventures	-1 762	0	0	0	4 257	2 495
Other financial assets	46	0	58	15	0	120
Receivables > 1 year	32 334	0	0	0	0	32 334
Deferred tax assets	9 673	0	571	1 776	0	12 020
Total non-current assets	**658 847**	**187 859**	**12 650**	**2 424**	**4 945**	**866 725**
% of total	76.02%	21.67%	1.46%	0.28%	0.57%	100.00%

	31/12/2022					
In KUSD	Indonesia	PNG	Ivory Coast	Europe	Others	Total
Intangible assets	0	0	0	226	0	226
Goodwill	104 782	0	0	0	0	104 782
Biological assets	236 406	79 844	464	0	0	316 714
Other property, plant & equipment	267 239	101 664	9 723	503	801	379 931
Investments in associates and joint ventures	- 769	0	0	0	3 801	3 032
Other financial assets	46	0	37	15	0	98
Receivables > 1 year	28 287	0	0	0	0	28 287
Deferred tax assets	11 762	0	558	1 776	0	14 097
Total non-current assets	**647 753**	**181 508**	**10 783**	**2 521**	**4 603**	**847 168**
% of total	76.46%	21.43%	1.27%	0.30%	0.54%	100.00%

The assets of Indonesia relate for roughly 98% to the palm segment and roughly 2% to the rubber segment. The assets of Papua New Guinea relate 100% to the palm segment. The assets of Ivory coast relate 100% to the bananas and horticulture segment. The assets of Europe do not relate specifically to one product segment.

2.2.7. Revenue

The timing of the revenue recognition always takes place at a point in time. Additional information on the turnover and financial results can be found in 2.1.2 condensed consolidated income statement and in 2.2.6. segments.

2.2.8. Equity consolidation – Share of profit and loss of associated companies and joint ventures

The share of profit and loss of 'associated companies and joint ventures' contains the research activities which are centralised in PT Timbang Deli and Verdant Bioscience PTE Ltd.

2.2.9. Shareholders' equity

On June 14, 2023, SIPEF shareholders approved the distribution of a EUR 3.00 gross dividend (coupon 15) for the financial year 2022, payable as from July 5, 2023. The total dividend paid amounts to EUR 31 217 310. Converted at the USD exchange rate of the day of the general assembly, this amounts to USD 33 764 504.

There were no changes in issued capital compared to 31 December 2022.

2.2.10. Net financial assets/(liabilities)

In KUSD	30/06/2023	31/12/2022
Short-term obligations – credit institutions	-5 442	-5 323
Long-term obligations – credit institutions	-9 000	-18 000
Current portion of amounts payable after one year	-18 000	-18 000
Short-term leasing obligations	- 514	- 590
Long-term leasing obligations	-2 177	-2 320
Investments and deposits	212	10 208
Cash and cash equivalents	39 313	34 148
Net financial assets/(liabilities)	**4 391**	**123**

The short-term obligations have a term of less than twelve months and comprise of a 'commercial paper' debt of KUSD 5 442 and the current portion of KUSD 18 000 related to the long-term loan for a total amount of KUSD 27 000. The short-term and long-term leasing obligations are a result of the IFRS 16 – leasing standard. On December 31, 2022, the Group had a time deposit of KUSD 10 000 with an investment horizon over 3 months. On June 30, 2023, all deposits had an investment horizon of less than 3 months.
Early July 2023 the important cash reserves were used to pay for the 2022 dividend (see also 2.2.15 Events after the reporting period).

At June 30, 2023, the Group has one financial covenant connected to the long-term obligations which states that the net financial debt may not exceed 2.50 times REBITDA ('recurring earnings before interest, tax and depreciations') of the financial year. At June 30, 2023 the Group has complied with the covenant (-0.0256 times REBITDA).

The EBITDA of the Group consists of the operating results + profit/loss from equity companies + depreciation and additional impairment/increases on assets. The REBITDA consists of the same calculation, but excluding the one-off, non-recurring effects.

The current maximum credit lines available amount to KUSD 150 770 (2022: KUSD 159 292). Compared to the current total debt (excluding leasing) of KUSD 32 442, this leaves a freely available headroom of KUSD 118 328.

2.2.11. Financial instruments

The financial instruments were categorised according to principles that are consistent with those applied for the preparation of Note 26 of the 2022 financial statements. No transfer between levels occurred during the first six months of 2023.

All derivatives outstanding per 30 June 2023 measured at fair value relate to forward exchange contracts and interest rate swaps. The fair value of the forward exchange contracts is calculated as the discounted value of the difference between the contract rate and the current forward rate and is classified as level 2 (fair value determination based on observable inputs). As per 30 June 2023 the fair value amounts to KUSD 1 471 versus KUSD 1 639 per 31 December 2022.

In KUSD	30/06/2023	31/12/2022
Interest rate swaps	929	1 350
Forward exchange transactions	542	289
Fair value (+ = asset; - = liability)	**1 471**	**1 639**

The fair value of the forward exchange contracts and interest rate swap calculated at the closing value on the 30th of June 2023 were also incorporated in level 2. The notional amount from the forward exchange contracts amounts to KUSD 45 818.

The forward exchange contracts are not documented in a hedging relationship and accordingly, all changes in fair value are recorded in the financial result. The Group has documented the interest rate swaps (IRS) in a hedging relationship. The terms of the IRS and the hedged debt match 100%. Therefore, no effectiveness test based on a ratio of changes in fair value of the hedging instrument against that of the hedged debt is required. An IRS with matching contractual terms would have limited inefficiency.

The IRS has a notional amount of KUSD 27 000. The carrying amount is recorded on the derivatives (assets) for an amount of KUSD 929, the deferred tax liability for an amount of KUSD 232 and the other comprehensive income in the equity for an amount of KUSD 697.

The carrying amount of the other financial assets and liabilities approximates the fair value.

2.2.12. Business combinations, acquisitions, and divestitures

In 2021, SIPEF signed a sale and purchase agreement with Shamrock Group (SG) on the sale of 100% of the share capital of its Indonesian subsidiary, PT Melania. SG is an Indonesian group that runs several rubber plantations and factories and specialises in the production and sale of latex gloves. Before the transaction, SIPEF controlled 95% of PT Melania through its Indonesian 95% subsidiary, PT Tolan Tiga. The remaining 5% is owned by an Indonesian pension fund.

As a reminder, PT Melania owns half of the Group's Indonesian rubber operations in Sumatra and the entire tea operations in Java. Initially, 40% of the shares was sold for a payment of USD 19 million. After this first stage the Shamrock Group took over the management of the rubber activities. The second tranche of 60% of the shares (of which 55% are held by SIPEF) will be transferred no later than 2024 for USD 17 million, after the renewal of the permanent land rights (HGU) for the whole of the rubber and tea business. The gross transaction price for 100% of the shares is USD 36 million.

The final capital gain or capital loss will only be clear when the remaining shares are transferred to Melania (after the renewal of the permanent land rights), when the Group will know the final and exact costs relating to the transaction. We refer to 2.2.3. updated use of accounting estimates and judgements.

2.2.13. Related party transactions

There are no material changes to the related party transactions with regard to the annual report of December 2022. We refer to Note 29 of the annual report of 2022.

2.2.14. Important events

There are no important events outside of the normal course of business that have occurred in the SIPEF group, during the first 6 months of 2023, which could have a significant impact on the financial statements of the SIPEF group.

2.2.15. Events after the reporting period

There are no events after the reporting period that have a significant impact on the results and/or the shareholders' equity of the Group. SIPEF has paid a total dividend of EUR 31 217 310 (USD 33 946 015) on 5 July 2023.

2.2.16. Risks

In accordance with Article 13 of the Royal Decree of 14 November 2007, SIPEF group states that the fundamental risks confronting the company are unchanged from those described in the 2022 annual report, and that no other risks nor uncertainties are expected for the remaining months of the financial year.

On a regular basis, the board of directors and company management evaluate the business risks that confront the SIPEF group.

3. Certification of responsible persons

Baron Bertrand, chairman of the board of directors, and François Van Hoydonck, managing director, confirm that to the best of their knowledge:

- these interim condensed consolidated financial statements for the six-month period ending 30 June 2023 are prepared in accordance with IFRS (International Financial Reporting Standards) and give, in all material respects, a true and fair view of the consolidated financial position and consolidated results of the SIPEF group and of its subsidiaries included in the consolidation;

- the interim financial report gives, in all material respects, a true and fair view of all important events and significant transactions with related parties that have occurred in the first six months of the fiscal year 2023 and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties the SIPEF group is confronted with.

4. Report of the statutory auditor

See annex 1.

Translation: this press release is available in Dutch and English. The Dutch version is the original; the English version is a free translation. We have made every reasonable effort to avoid any discrepancies between the different language versions. However, should such discrepancies exist, the Dutch version will take precedence.

Schoten, 14 August 2023

For more information, please contact:

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www.sipef.com (section 'investors')

SIPEF is a Belgian agro-industry group listed on Euronext Brussels and specialised in the – as sustainable certified - production of tropical agricultural commodities, primarily crude palm oil and palm products. These labour-intensive activities are consolidated in Indonesia, Papua New Guinea and Ivory Coast and are characterised by broad stakeholder involvement, which sustainably supports the long-term investments.

Report of the statutory auditor

ANNEX 1

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EY Réviseurs d'Entreprises
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Statutory auditor's report to the board of directors of SIPEF NV on the review of the condensed consolidated interim financial information as at 30 June 2023 and for the 6-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of SIPEF NV as at 30 June 2023, the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement and condensed statement of changes in equity for the 6-month period then ended, and notes ("the condensed consolidated interim financial information").

The condensed consolidated interim financial information shows a balance sheet total of 1.077.748 (000) USD and the condensed consolidated income statement shows a profit (share of the group) for the 6-month period ended 30 June 2023 of 31.216 (000) USD.

The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".
A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2023 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Antwerp, 11 August 2023

EY Réviseurs d'Entreprises SRL/EY Bedrijfsrevisoren BV
Statutory auditor
represented by

Christoph Oris*
Partner
*Acting on behalf of a BV/SRL

Wim Van Gasse*
Partner
*Acting on behalf of a BV/SRL

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