N.V. CONSOLIDATED INDUSTRIES CORPORATION

ANNUAL REPORT 2022

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WHO WE ARE

N.V. Consolidated Industries Corporation (CIC) is situated near the southern end of Paramaribo, the capital city of Suriname. We are a publicly traded company that was established in 1967 and a member of the VSH United group of companies.
We commenced our commercial activities with the production and distribution of powder detergents for household and industrial use. The initial equipment included a spray tower, a steam boiler, and a box-filling machine. The potential for success in different detergent types was quickly realized and we expanded to include a wide variety of liquid detergents, insect repellent and plastic packaging materials.

In January 2010, after a devastating fire, replacement investments of plastic and liquid equipment resulted in modern production facilities, which readied us for further regional expansion. 2018 marked another milestone with the rebranding of our most successful and biggest brand, OZON. The rebranding commenced with the launch of the new OZON powder detergents and continued across the full line of our OZON products.

In 55 years, we have become a reliable and successful company supported by partners and consumers across the Caribbean. Our employees and distributors work to make a positive difference to millions of households every day, by creating quality products that support clean and healthy living. In 2022, CIC generated over SRD 262 million in sales in 14 countries by proudly producing, distributing, and marketing OZON, SUN, KLINOL, TROPICAL BUSH and LYSOL products for our customers.

In our continued pursuit of excellence, we take a closer look at things, ask questions, and think ahead. Our core values guide us in this.

SUPERVISORY BOARD

1. Stephen Smit - *Chairman*, 2. Malini Ramsundersingh - *Vice Chairman*, 3. Aubrey Nai Chung Tong, 4. Patrick Healy, 5. Oliver Smith, 6. Elton Woei- A- Tjoen

CIC SHAREHOLDERS

Assuria Beleggingsmaatschappij N.V. 14.85%

Other 24.52%

VSH United 60.63%

BANKERS

De Surinaamsche Bank N.V.
Henck Arronstraat 26-30
Paramaribo - Suriname

Finabank N.V.
Dr. Sophie Redmondstraat 59-61
Paramaribo - Suriname

Hakrinbank N.V.
Dr. Sophie Redmondstraat 17A
Paramaribo - Suriname

Rabobank N.V.
Croeselaan 18
3521 CB Utrecht
Netherlands

AUDITORS

Reliant Corporate Finance & Accountancy (RCFA)
Jakob Reintjesstraat 2
Paramaribo, Suriname

MANAGEMENT TEAM

Kathleen Healy
Managing Director

Maikel Macintosh
Deputy Managing Director - Operations

From left to right:
Amiet Mohan - *Engineering Manager* • Tamira Esajas - *Financial Controller* • Trees Djasiman - *HSEQ Manager* •
Danielle Phang - *Sales Manager Regional* • Ratna Basant - *Sales Manager Local* •
Raoul Weijers - *Procurement & Logistics Manager* • Xamira Visser - *Human Resource Manager* • Jane Setrowidjojo - *Management Assistant*

THE COMPANY

120 EMPLOYEES

OUR MISSION

We are a dynamic manufacturing company of high-quality household detergents and plastic packaging materials located in Paramaribo, Suriname. Since its foundation in 1967 the Company identified itself through continuous attention to quality and development of products to the demands of our customers and produced in state-of-the-art production facilities.

We have committed ourselves to consolidation of our number 1 position in the Suriname market and to expand the market position of our products in the region for the benefit of our clients, employees, shareholders and society as a whole.

OUR CORE BELIEF

TO BE A CHAMPION FOR OUR CUSTOMERS, PARTNERS, SHAREHOLDERS AND IN THE COMMUNITY, WE HOLD FAST TO THESE VALUES:

- YOUR **SUCCESS** IS OUR DESIRE
- **TRUST** IN OUR RELATIONSHIPS AND PERSONALLY RESPONSIBLE FOR ALL OUR ACTIONS
- CREATING A **BETTER COMPANY** FOR A **BETTER WORLD**

MARKET LEADER

in Suriname and solid market positions in the region.

PRODUCTION

6,347 MT

WATER

In 2022, we continued our efforts to decrease potable water usage which resulted in a decrease of 15% compared to 2021.

14 International distribution partners

CORPORATE RESPONSIBILITY

Our sense of responsibility towards the community and environment, in which we operate, focuses on the following areas:

INJURY

1 incident with personal harm was registered in 2022 resulting in 1 lost working day.

ELECTRICITY

In 2022 we realized **258 kva/MT**. The target is set at ≤ 235 kva/MT for energy consumption.

FOSSIL FUEL

Total usage remained the same at **91 liters per metric ton** compared to the previous year.

CONTRIBUTION

SRD 541K was contributed to VSH Community Fund and to other donations made.

CODE OF CONDUCT

The Code of Conduct applies to the members of the Supervisory Board, management, employees of CIC and all customers, suppliers, service providers, contractors and other relations of CIC who perform activities for or on behalf of CIC. They are deemed to be aware of these provisions and to apply them in their activities on behalf of CIC.

THE COMPANY

QUALITY MANAGEMENT SYSTEM (QMS)

CIC has been ISO9001 certified since 2006. The ISO9001 family addresses various aspects of quality management and contains some of ISO's best-known standards. The standards provide guidance and tools for the Company to ensure that every time a process is performed, the same information, methods, skills and controls are used and applied in a consistent manner. In August 2022, we successfully passed the external QMS audit and are therefore in compliance with the ISO9001:2015 standard.

Our Quality policy

Our policy is to satisfy our customers by providing them on-time delivery of products and services that meet their requirements and enable them to achieve their goals. This is achieved by a mindset of continuous improvement and a critical eye on quality in all aspects, where consumer and market demands are central, and every employee is involved.

The main quality results for 2022 were:

	Target 2022	2022	2021
Re-work Plastic	< 2 bottles	3.2 bottles	2.6 bottles
Re-work Liquid	< 5.5 kg	11.1 kg	6.9 kg
Re-work Powder	< 6.5 kg	7.5 kg	7.2 kg

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

CIC is ISO14001 certified since 2013. The ISO14001 family of standards provides practical tools for the Company to manage our environmental responsibilities. ISO14001 focuses on EMS to aid us in achieving this. In Augustus 2022, we successfully passed the external EMS audit and are therefore in compliance with the ISO14001:2015 standard.

Our Environmental policy

We are aware that our operations impact our surroundings. We strive to ensure that these activities have minimal impact on the environment.

The main environmental results for 2022 were:

per MT	Target 2022	2022	2021
Energy consumption	< 235 kva	258 kva	259 kva
Fuel consumption	< 85 liters	91 liters	114 liters
Water consumption	< 1000 liters	887 liters	1,521 liters

Where we do business

Antigua
Barbados
Belize
Curaçao
Dominica
French Guiana
Grenada
Guyana
Jamaica
Netherlands
St. Lucia
St. Vincent
Trinidad and Tobago
Suriname

OUR BRANDS

Bottles

Home care

Fabric care

Complementary items

Industrial cleaners

.....coming soon

picture page 8.a

picture page 8.b

REPORT OF THE SUPERVISORY BOARD

To the Shareholders

We hereby present our report on the activities of the Supervisory Board in 2022.

The Supervisory Board performed its duties in accordance with Suriname law, the Company's bylaws and Corporate Governance Code. We advised Management on relevant issues and monitored management's performance about set goals. Management regularly informed us, both verbally and in writing on material aspects of the business, major events, competitor activities, investments and transactions. We were kept informed of results and the financial position, operations and risk management.

Consultation and decision-making

The Supervisory Board held regular monthly meetings, 11 in total. The subjects discussed in the meetings included the financial position and results, company strategy, company policy, corporate governance, business plans and appraisals, management letter, health, safety and environment, management development, commercial developments and appointments in key positions.

In the meeting of the Supervisory Board held on 18 October 2022 Management presented the financial and operational plan for 2023 and the Board approved capital expenditures for 2023.

Corporate Governance

In the meeting of the Supervisory Board held on 13 January 2022 the internal audit plan for 2022 was presented by the Internal Audit Department and approved by the Supervisory Board.

On 14 February 2023, the results of the internal audits 2022 were presented to the Supervisory Board by the Audit and Risk Committee. In the Supervisory Board meeting held on 18 April 2023, the Internal Audit department presented their audit plan for 2023 which covers enterprise risks.

Audit and Risk Committee

Board members P. Healy (chair), E. Woei A Tjoen and A. Nai Chung Tong form the Audit and Risk Committee (ARC). The ARC assists the Supervisory Board in its responsibility regarding the financial reports, the internal and external control systems, and the process of monitoring compliance with laws and regulations and the Corporate Governance Code of the Company.

In 2022, a tender was held to select the new auditor for the VSH Group and their subsidiaries. The financial audits for the year 2022 was assigned to Reliant Corporate Finance & Accountancy (RCFA). The previous auditor was Lutchman and Co and we thank them for their services.

The ARC held 3 meetings in 2022. Topics discussed during these meetings were the Management letters, Annual- and Half year reports, Enterprise Risk Management and Audit-reports presented by the Internal Audit Department.

In a meeting held on 23 May 2023 the Audit and Risk Committee and the external auditor discussed the annual figures 2022 with Management. These discussions were productive and led to the finalization of the Annual Report 2022.

Supervisory Board changes and appointments

Under article 13 of the bylaws all Supervisory Board members retire in the Annual Meeting of Shareholders. All members, Mr. S. Smit, Mrs. M.A. Ramsundersingh, Mr. O. Smith, Mr. P. Healy, Mr. A. Nai Chung Tong and Mr. E. Woei-A-Tjoen were re-elected as member of the Supervisory Board in the Annual Meeting of Shareholders held on 28 March 2022.

Being eligible, the members Mr. S. Smit, Mrs. M.A. Ramsundersingh, Mr. O. Smith, Mr. P. Healy and Mr. E. Woei- A -Tjoen offer themselves for re-election in the Annual General Meeting of Shareholders to be held on 9 June 2023. Mr. A. Nai Chung Tong has decided to step down. To fill the vacancy the Supervisory Board advises the Shareholders to elect Mr. D. Jong A Lock as a member of the Supervisory Board. The Board thanks Mr. Nai Chung Tong for his contribution to the Company.

Management Changes and Appointments

On 31 January 2023, Barbara Roep, Project Manager, accepted a position at a sister company, VSH Real Estate. This vacancy will not be filled in the near future.
Jo-Ann Abdoelkariem resigned from her position as Management Trainee on 29 July 2022. Management decided to start a development program with Danielle Phang, Regional Sales Manager, and Ratna Basant Khedoe, Local Sales Manager, in order to fulfil the company's marketing needs internally. Therefor this position has not been filled.

Performance of the Supervisory Board

The performance of the Supervisory Board was evaluated through a self-assessment by the members. Based upon individual appraisals by the members, the performance was found to be good. In the coming period the Board will support Management by focusing on enterprise risks, diversification, the strategic plan, succession and export opportunities.

Management Performance and Executive Performance Pay

Management remuneration was evaluated, and an adjustment was approved in the Board meeting held in December 2022. The performance of the Managing Director is measured against a short-term and long-term target. The short-term target is measured against financial and non-financial key performance indicators while the long-term target is measured against a yearly minimum target of 20% Return on Capital Employed and a 3-year (2022 - 2024) earnings before tax growth target of 12% represented in USD.

REPORT OF THE SUPERVISORY BOARD

Based on the short-term target key performance indicators, the target was achieved and a short-term bonus amounting to SRD 934,533 will be awarded to the Managing Director after approval of the financial statements by the Shareholders.

Supervisory Board evaluated the overall performance of the Managing Director and found the performance to be good. Specific areas of attention were discussed with the Managing Director including product development and diversification, monitoring the strategic plan, corporate risk assessments, cash flow constraints, modernization of operations and environmental aspects.

Remuneration of the Supervisory Board

The Annual General Meeting of Shareholders held on 28 March 2022 approved an annual remuneration for the Supervisory Board of SRD 240,000.
In the meeting of the Supervisory Board held on 14 March 2023, the Managing Director recommended increasing the remuneration of the Supervisory Board to SRD 348,000 per year effective 1 July 2023. The Supervisory Board endorses this recommendation and requests the approval of the Shareholders.

Dividend Policy

The policy of the Group is to pay a dividend in the order of 30% of the net earnings, not including the other comprehensive income and unrealized exchange gains. Depending on circumstances, the Company may elect to deviate from this target based on the following considerations:
- Capital position
- Financial flexibility
- Leverage ratios
- Strategic considerations

In line with good business practices, two (2) dividend payments (Interim and final) are recommended for the year to which it relates.

In November 2022, an interim dividend amounting to SRD 0.10 per share was paid to the shareholders. Considering the investment phase relating to the long-term growth plan of the Company, Management has advised not to pay a final dividend for 2022. The Supervisory Board supports this recommendation.

Financial Statements and division of earnings

In compliance with the requirements of article 36 of the bylaws, Management presented the financial statements 2022 to the Supervisory Board on 25 May 2023.

These financial statements can be found on pages 16 to 47 of this annual report. The independent external auditor, Reliant Corporate Finance & Accountancy (RCFA), audited the financial statements. Their independent auditor's report can be found on page 48 to 53.
The consolidated net earnings in 2022 amounts to SRD 29,044,311 (2021: SRD 42,523,575). We recommend that the Shareholders approve the accounts as presented.

The Supervisory Board endorses the recommendation of Management to pay a cash dividend for the year 2022 of SRD 500,220 (2021: SRD 4,501,980). If approved, the total dividend, attributable to the Shareholders, amounts to SRD 0.10 per share and the balance of the net earnings amounting to SRD 28,544,091 will be added to retained earnings. An interim dividend totaling SRD 0.10 per share was paid in November 2022, therefore no final dividend will be paid. We advise the Shareholders to approve the dividend as recommended.

Subsequent event 2023

In the Supervisory Board meeting held on 18th April 2023, CIC management received approval to commence a share issuance project to finance phases two and three of the long-term strategic plan 2022 - 2027. The goal of this share issuance is to raise approximately SRD 80M of which SRD 60M will be allocated to expansion into the Personal Care segment and SRD 20M into replacement investment of current operations.

Appreciation

The Supervisory Board is aware that the year 2022 provided unprecedented challenges and is grateful for the contribution made by Management and all the employees of the Company to stay on course.

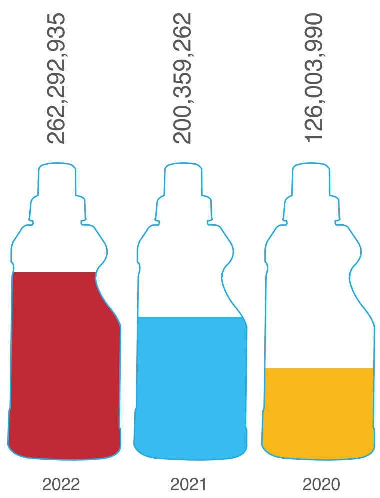
Paramaribo, 25 May 2023

The Supervisory Board,
Stephen Smit, *Chairman*
Malini Ramsundersingh, *Vice Chairman*
Aubrey Nai Chung Tong
Oliver Smith
Patrick Healy
Elton Woei- A- Tjoen

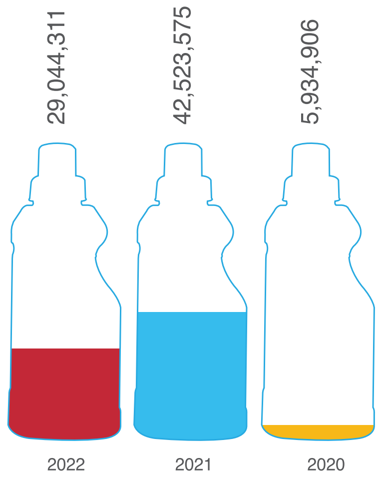
FINANCIAL HIGHLIGHTS

in SRD	2022	2021	2020
Sales	262,292,935	200,359,262	126,003,990
Net earnings	29,044,311	42,523,575	5,934,906
Return on sales	11.1%	21.2%	4.7%
Return on assets	9.8%	20.6%	6.6%
Return on equity	27.7%	72.0%	24.0%
Shareholders' equity	105,008,184	59,049,022	24,664,306
Liabilities	192,480,906	147,596,634	64,751,278
Total equity and liabilities	297,509,388	206,661,442	89,430,894
Per share of nominal SRD 0.10			
Earnings per share	5.81	8.50	1.19
Cash dividend	0.10	0.90	0.50
Share price	17.00	14.25	13.00
USD exchange rate per end of year	32.00	21.65	17.50
Intrinsic value	20.99	11.80	4.93

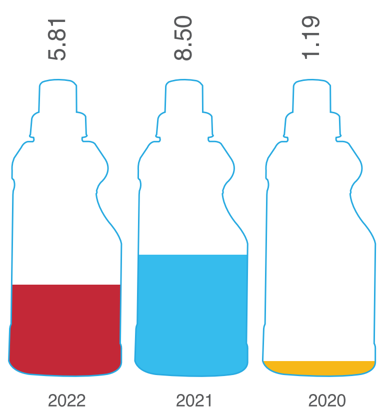
SALES



NET EARNINGS



EARNINGS PER SHARE



MANAGING DIRECTOR'S REPORT

The business environment

Global economic activity experienced a broad-based and sharper-than-expected slowdown, with inflation higher than experienced in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering pandemic weighed heavily on the business environment in 2022. Global inflation increased from 4.7% in 2021 to 8.7% in 2022.
The Latin America and Caribbean inflation rate increased from 9.8% in 2021 to 14.1% in 2022 increasing pressure on an already rigid disposable income for households. Some Caribbean countries have seen a recovery in tourism which lessens the impact of global inflation on their economy.

The overall business environment in Suriname was precarious with continued foreign currency shortages resulting in the constant increase of the official U.S. dollar (USD) exchange rate. The year 2022 started with an administrative exchange rate of SRD 21.65 for a U.S. dollar and ended with SRD 32.00 for a U.S. dollar by the end of the year. By December 2022, the 12-month inflation was 54.6% (2021: 60.7%)[1], further impacting local consumer spending power.

Production

Looking at the production results, overall output was lower in 2022 compared to the same period in the previous year.
As the world was in recovery from the implications of the pandemic, Russia's invasion of Ukraine only added to the already fragile logistics segment. The Caribbean region was severely impacted and economies suffered, from significant delays in the supply of raw- and packaging materials to substantial price increases across the board. These were the main impactors in the production departments:

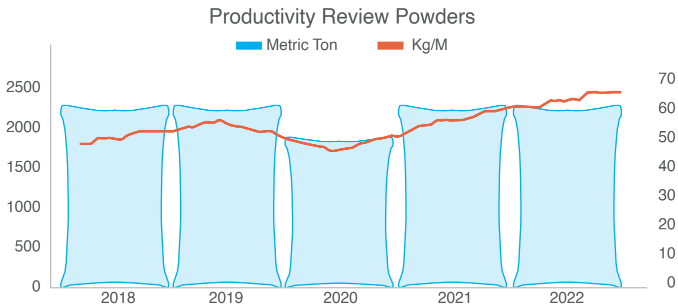
Department	2022	2021	Variance in %
Powders	2,331MT	2,340 MT	-0.4%
Liquids	3,711 MT	3,996 MT	-7.7%
Plastics	305 MT	341 MT	-10.6%
Total	**6,347 MT**	6,677 MT	-4.9%

Overall the liquids department incurred a 7.7% decline in output, mainly driven by the delay in the replenishment of raw- and packaging materials, combined with a decline in volumes of sanitizing products.

In pursuance of our long-term modernization and diversification strategy, our liquid department realized a key milestone; commissioning a new high-speed filling line (*picture page 8.a*).
We are proud to announce that this milestone was realized with 100% of its installation done by our Technical & Engineering team. This milestone shows that we are well on our way to realizing our long-term strategic goal and that our team is can facilitate this.

[1] Source: General Bureau of Statistics

A key element in the company's long-term growth strategy is to increase efficiency to offset increasing production costs.
Washing powders remain the number 1 choice for laundry in the region, resulting in a total output on par as the previous year, while increasing our productivity by 10%.



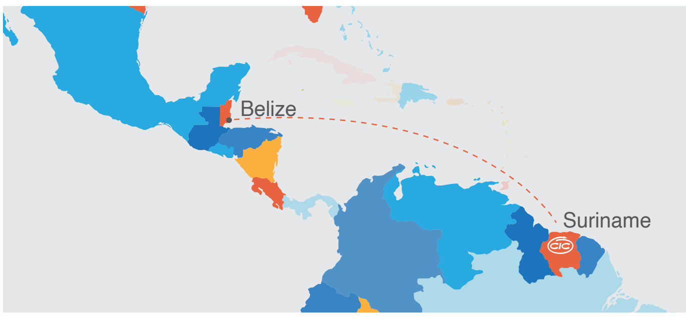
The plastic output declined by 11.8% due to the delay in replenishment of raw- and packaging materials. This motivated us to look at different efficiency gains, resulting in a reduction of plastic waist by 12% in 2022 compared to 2021.

Sales and Marketing

We are pleased to announce that, for a third consecutive year, the commercial team accomplished a growth in profitability. While total volume dropped by 5%, sales grew by 31% and gross profit increased by 14% compared to the previous year. The volume decrease is mostly attributable to a lower completion rate of purchase orders in export markets, due to supply chain disruptions, resulting in shutdowns due to out-of-stock situations of raw- and packaging materials. To mitigate this impact, we focused our efforts on maximizing profitability and selling an ideal product mix. We remained focused on the brands in our portfolio that successfully competed across multiple price tiers, which positions us well in today's challenging retail environment.

We continued our evolution journey of developing the portfolio towards higher growth segments and in October 2022, we launched Supro Extreme - the brand that offers the best solution for industrial cleaning. This brand targets the industrial segment and currently has two product categories:
- Supro Extreme Brand Spiritus (*picture page 8.b*)
- Supro Extreme Heavy Duty Degreaser (*picture page 8.b*)

A significant milestone was our market expansion to Central America with Belize being the first country to launch our products. This development brings us to 14 destinations in the Caribbean, Europe, South America and now Central America.

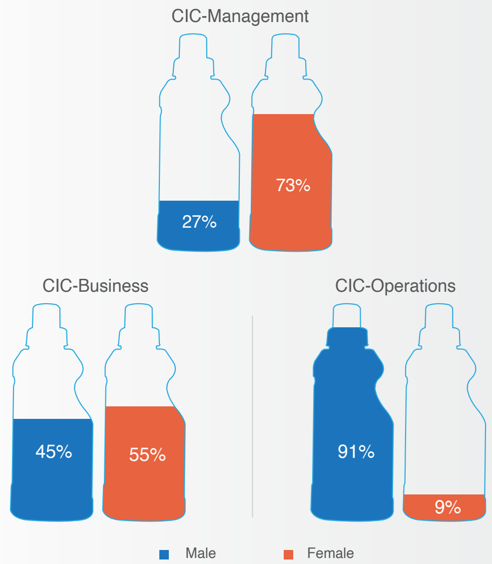


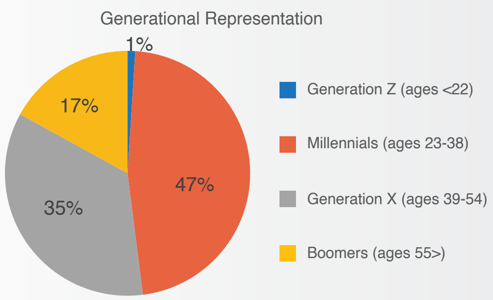
MANAGING DIRECTOR'S REPORT

Human Resource Management (HRM)

We are proud to be a diverse company with 120 full-time employees and 35 flexible workers operating from two different locations, spanning different generations, a variety of ethnicities and personal stories.

Total number of employees	155
Total number of locations	2
CIC-Business	Administrative, Sales & Marketing, Finished Goods Warehouse
Male	14%
Female	17%
CIC-Operations	Production, Technical Services, Raw Materials Warehouse, HSEQ
Male	63%
Female	6%
Management positions	11
Male	27%
Female	73%
Average age of employees	44 years
Average length of service	16 years
Generational representation:	
Generation Z (ages <22)	1%
Millennials (ages 23-38)	47%
Generation X (ages 39-54)	35%
Boomers (ages 55>)	17%





We want to pay special tribute to the employees who celebrated their work anniversaries in 2022. Employees below have been an essential to the organization's journey and success. We are grateful for their dedication and passion shown throughout their career. A special thanks to Mr. Widjaikoemar Ramsaran who celebrated his well-deserved retirement in June 2022 after 39 years of service. Thank you for choosing us.

Name	Years of service	Department
Lassoe, Jurgan	20	Production
Winter, Alfredo	20	Production
Soetowidjojo, Jurgen	20	Warehouse
Nelom, Silvan	20	Production
Reumel, Jurmen	20	Production
Dragtenstein, Letitia	12.5	Sales & Marketing
Rapan, Henk	25	Production
Nandpersad, Dharminderkoemar	35	Sales & Marketing
Basant-Khedoe, Ratna	12.5	Sales & Marketing
Dhauri, Raoulkhan	12.5	Warehouse
Karijo, Orlando	30	Facilities
Marcelino Hoogvliets	30	Warehouse

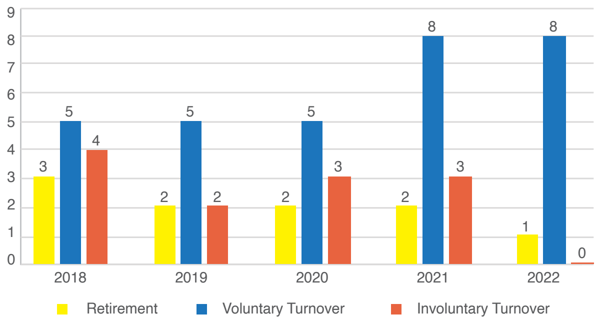
As part of a holistic approach, supported by the VSH Holding multi-year plan, the Employee Journey was introduced in 2022. The Employee Journey maps out recruiting and hiring, onboarding, compensation and benefits, engagement, communication and ongoing learning and development.
Our management approach aims to ensure stability and certainty in business continuity by developing strong internal talent for critical leadership and non-leadership positions. We started with a pilot group of key staff members and will continue expanding the group in 2023.

In 2022, we continued to focus on delivering high quality-, need-based learning- and training programs. Because discipline in all aspects is an essential trait required for any CIC employee to gain true success, we started the year with a Discipline Training for all employees provided by The National Army Suriname. To further support ongoing learning and development, we invested in the following areas:
I. Skills development
II. Knowledge building
III. Safety and Security
IV. HR related enhancements

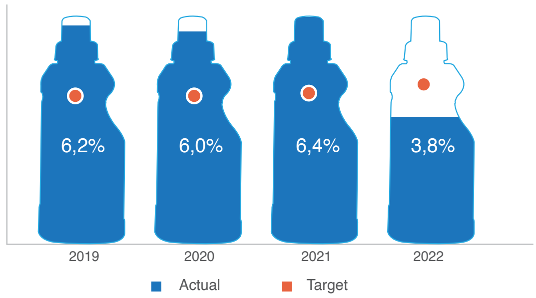
In a year with unprecedented inflation, the company extended support to employees through various actions including salary corrections totaling 63%. Our number one focus will continue to be business continuity, job security and employees stability.

Market conditions in 2022 were similar to those in 2021, and CIC continued to compete for highly desired talent in a changing business landscape. In 2022, we hired 9 new employees, 3 less than in 2021. Through our Employee Journey we want to reduce the voluntary turnover rate and become the preferred employer.

MANAGING DIRECTOR'S REPORT



We strongly believe that physical, mental, and social well-being are equally important and the cornerstone of sustainable employee performance. With this approach, we aim to provide the best possible conditions for our employees to ensure their well-being, safety, and health. The year 2022 ended with an absenteeism rate of 3.8%. Several actions were implemented to reduce the percentage that had been around 6% for the last years. The measurements included stricter monitoring in special cases, adjustments in the daily workload and employees' efforts to improve overall health.



Risk Management

In the normal course of business, the Company is exposed to market risks, liquidity risks and credit risks.
Corporate Risk Management, which includes a set of practices for the identification, measurement, processing and reporting of key risks, is an integral part of the management style required by the Company for its employees, in line with good risk governance practices, in accordance with legal and regulatory requirements and meeting the expectations and demands of the Companies internal and external stakeholders. Risks are crucial when opportunities are assessed and decisions made.
Consciously managing our risks increases the likelihood of achieving our business objectives.

Due to our proactive approach, risk management is embedded in our processes by fostering continuous communication, internal process and product controls, brainstorming sessions, management of change and having a Business Continuity Plan. The Supervisory Board oversees the management of these risks and is supported by an Audit and Risk Committee.

The company measures and controls market risks primarily through the use of risk sensitivity analysis. This method of stress testing provides an indication of the potential size of losses that could arise in extreme conditions. Increases in market risk may also be associated with high inflation and the loss of purchasing power of local and international markets due to the macroeconomic situation.

Our Quality Management system ISO9001:2015 and our Environmental Management system ISO1400:2015 were audited in August 2022 and were found to be sufficient. No significant shortcomings were reported and only recommendations for further improvements were made.
Incidents are recorded and discussed during department-, management- and board meetings. The number of incidents in 2022 was 33 versus 35 in 2021. Of the 33 incidents,
3 were environmental incidents, mainly product spills, that were intercepted in accordance with our spill policy which resulted in zero spillage into the environment.

Enterprise Risk Assessments have become a higher priority in the last years. The Company has implemented a methodology that looks at risk management strategically from the perspective of the entire organization. It is a top-down strategy that aims to identify, assess, and prepare for potential losses, dangers, hazards, and other potential harm that may interfere with CIC's operations and objectives. These assessments have aided us to navigate through the recent storms and we are committed to identify and mitigating enterprise risks in the future.

Investments

Total capital investments in 2022 amounted to SRD 23.7 million (2021: SRD 27.3 million), of which SRD 5.6 million was invested in CIC's core operations and SRD 18.0 million in the long-term expansion project, specifically the construction of the new warehouse and offices, named CIC-Business. Core operations investments included commissioning a new liquid filling line and high-priority replacement investments.

MANAGING DIRECTOR'S REPORT

Sales
Sales increased compared to the previous year by SRD 61.9 million while cost of sales increased by SRD 50.1 million. This increased gross profit by SRD 11.8 million.

Operational expenses
Operational expenses increased by SRD 18.6 million to SRD 71.0 million. Significant impactors leading to these increases were:

- Increases in personnel expenses of SRD 11.3 million are mainly due to the pension obligation for employees in accordance with IAS19
- Increases in depreciation and amortization expenses by SRD 2.7 million which was a result of the implementation of the hyperinflation standard

Net earnings
Company results for the previous year have been restated in accordance with IFRS standards. Earnings from operations amounted to SRD 25.1 million compared to SRD 31.9 million in 2021 impacted mainly by sharper increases in expenses in relation to gross profit growth. Net earnings before tax amounted to SRD 38.9 million compared to SRD 67.6 million last year and was impacted mainly by adopting IFRS standards to the financial figures and exchange rate losses.

Appropriation of net earnings
The Company's dividend policy is a pay-out ratio in the order of 30% of the net earnings. Management proposes to pay a cash dividend for the year of SRD 500,220 (2021: SRD 4,501,980). This dividend amount represents a 1.7% payout ratio. In the Supervisory Board meeting of 16 May 2023, Management requested a deviation from the dividend policy taking into account the strategic investment in our long-term growth plan, including CIC-Business and the implementation of our diversification plans. If approved, the total dividend for the year will amount to SRD 0.10 per share. An interim dividend amounting to SRD 0.10 per share was paid to the shareholders in November 2022, thus no final dividend is proposed. If approved, the balance of the net earnings amounting to SRD 28,544,091 will be added to retained earnings.
Shareholders' equity after appropriation of earnings will increase by 78% to SRD 105.0 million (2021: SRD 59.0 million).

Act on Annual Reporting
According to the Act on annual reporting ("Wet op de jaarrekening (S.B. 2017 No.84)"), all "large" Surinamese Companies should be compliant with IFRS as of 2022. CIC has implemented first time adoption of IFRS as of 1 January 2022 resulting in a re-statement of the financials of 2021 and 2020.

Outlook 2023
The global forecasts suggest economic growth to fall in 2023, with advanced economies expected to see an especially pronounced growth slowdown. It is expected that these economies will not fully recover until 2025.

Utilizing our resilience and adaptability, we will have to continue to manage the crisis while growing our business.

We remain proactive in dealing with all challenges that come our way and continue our trajectory to build on the plans developed. We will invest in employee morale and we are optimistic that the foundation on which CIC operates is strong enough to not only withstand challenges but also to continue to build on.

In the Supervisory Board meeting held on 18th April 2023, CIC management received approval to commence a share issuance project to finance phases two and three of the long-term strategic plan 2022 - 2027. CIC chose to diversify and expand their revenue streams with 'Personal Care and Health & Grooming' segment by using current production facilities, raw materials, and knowledge. Management believes that through diversification, further growth and expansion of CIC can be ensured.

Appreciation
For 55 years now, we continue to be impressed by the resilience of our employees. Their consistent dedication and trust in the Company and its long-term goals are evident every day. We will continue to prioritize their safety and well-being while maintaining our focus to come out stronger.
We also take this opportunity to thank all our stakeholders, shareholders and Supervisory Board for their continued support. We appreciate the confidence our customers and distribution partners have in our products and company and we thank them for their contribution throughout the year.

Paramaribo, 25 May 2023

Kathleen Healy,
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022 BEFORE APPROPRIATION OF NET EARINGS

	Note	At 31 December 2022 SRD	At 31 December 2021* SRD	At 1 January 2021* SRD
ASSETS				
Non-current assets				
Property, plant and equipment	6	**128,996,544**	83,609,445	24,443,606
Long-term investment	7	**83**	83	83
Total non-current assets		**128,996,627**	**83,609,528**	**24,443,689**
Current assets				
Inventories	8	**129,014,443**	76,323,751	45,596,550
Trade and other receivables	9	**33,080,510**	22,291,222	12,648,217
Income tax receivable	10	**636,765**	3,180,269	3,551,085
Cash and cash equivalents	11	**5,781,043**	21,256,672	3,191,353
Total current assets		**168,512,761**	**123,051,914**	**64,987,205**
Total assets		**297,509,388**	**206,661,442**	**89,430,894**
EQUITY AND LIABILITIES				
Equity				
Share capital	12	**5,187,787**	3,509,862	2,837,071
Share premium	12	**4,409,068**	2,983,010	2,411,209
Retained earnings		**56,942,697**	15,670,148	19,421,798
Net earnings		**29,025,197**	42,523,099	-
Other reserves		**9,443,435**	(5,637,097)	(1,506,432)
Equity attributable to equity holders of the parent company		**105,008,184**	**59,049,022**	**23,163,646**
Non-controlling interest		**20,298**	15,786	15,310
Total equity		**105,028,482**	**59,064,808**	**23,178,956**
LIABILITIES				
Non-current liabilities				
Deferred tax liability	10	**33,271,242**	21,059,894	5,390,093
Employee benefit obligation	13	**26,742,992**	42,928,150	27,366,476
Long-term borrowings	14	**24,649,504**	26,840,411	-
Lease liabilities	15	**1,902,474**	1,564,397	1,727,089
Total non-current liabilities		**86,566,212**	**92,392,852**	**34,483,658**
Current liabilities				
Short-term borrowings	14	**32,866,816**	16,163,810	5,730,182
Lease liabilities	15	**1,385,120**	1,156,189	1,230,983
Income tax payable	10	**444,265**	-	-
Trade and other payables	16	**71,218,493**	37,883,783	24,807,115
Total current liabilities		**105,914,694**	**55,203,782**	**31,768,280**
Total equity and liabilities		**297,509,388**	**206,661,442**	**89,430,894**

**Restated in accordance with first time adoption of IFRS*

The accompanying notes on pages 21 to 47 are an integral part of these financial statements.

Paramaribo, 25 May 2023

Supervisory Board
S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei- A- Tjoen

Managing Director
K. Healy

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 SRD	2021* SRD
Sales	*17*	**262,292,935**	200,359,262
Cost of sales	*17*	**(166,183,226)**	(116,052,601)
Gross profit		**96,109,709**	**84,306,661**
Personnel expense	*18*	**(39,724,676)**	(28,435,105)
Distribution expense		**(4,866,993)**	(3,498,805)
Administrative expense	*19*	**(20,424,893)**	(17,135,272)
Depreciation and amortization		**(5,971,043)**	(3,296,190)
Total expenses from operations		**(70,987,605)**	**(52,365,372)**
Earnings from operations		**25,122,104**	**31,941,289**
Finance costs	*20*	**(2,141,875)**	(871,166)
Exchange rate (losses)/ gains	*21*	**(9,855,775)**	(2,154,981)
Net monetary (losses)/ gains		**25,604,959**	38,264,428
Other non-operating income	*22*	**128,661**	383,253
Earnings before tax		**38,858,074**	**67,562,823**
Income tax	*10*	**(9,813,763)**	(25,039,248)
Net earnings		**29,044,311**	**42,523,575**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 SRD	2021* SRD
Net earnings	**29,044,311**	**42,523,575**
Other comprehensive income:		
Actuarial (losses) / gains on defined benefit obligation	**23,563,331**	(7,046,801)
	23,563,331	(7,046,801)
Income tax on defined benefit obligation	**(8,482,799)**	2,916,136
Other comprehensive income net of taxes	**15,080,532**	(4,130,665)
Total comprehensive income	**44,124,843**	**38,392,910**

**Restated in accordance with first time adoption of IFRS*

The accompanying notes on pages 21 to 47 are an integral part of these financial statements.

Paramaribo, 25 May 2023

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Managing Director
K. Healy

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

in SRD	Share capital	Share premium	Retained earnings	Other Reserves	Equity for shareholders of NV CIC	Non-controlling interest	Total Group Equity
Equity at 1 January 2021*	**2,837,071**	**2,411,209**	**19,421,798**	**(1,506,432)**	**23,163,646**	**15,310**	**23,178,956**
Net earnings	-	-	42,523,099	-	42,523,099	476	42,523,575
Other comprehensive income	-	-	-	(4,130,665)	(4,130,665)	-	(4,130,665)
Interim dividend	-	-	(3,751,650)	-	(3,751,650)	-	(3,751,650)
Hyperinflation adjustments	672,791	571,801	-	-	1,244,592	-	1,244,592
Equity at 31 December 2021 before appropriation of net earnings	**3,509,862**	**2,983,010**	**58,193,247**	**(5,637,097)**	**59,049,022**	**15,786**	**59,064,808**
Final dividend	-	-	(750,330)	-	(750,330)	-	(750,330)
Equity at 31 December 2021 after appropriation of net earnings	**3,509,862**	**2,983,010**	**57,442,917**	**(5,637,097)**	**58,298,692**	**15,786**	**58,314,478**
Equity at 1 January 2022	**3,509,862**	**2,983,010**	**57,442,917**	**(5,637,097)**	**58,298,692**	**15,786**	**58,314,478**
Net earnings	-	-	29,025,197	-	29,025,197	19,115	29,044,312
Other comprehensive income	-	-	-	15,080,532	15,080,532	-	15,080,532
Interim dividend	-	-	(500,220)	-	(500,220)	-	(500,220)
Hyperinflation adjustments	1,677,925	1,426,058	-	-	3,103,983	(14,603)	3,089,380
Equity at 31 December 2022 before appropriation of net earnings	**5,187,787**	**4,409,068**	**85,967,894**	**9,443,435**	**105,008,184**	**20,298**	**105,028,482**
Final dividend	-	-	-	-	-	-	-
Equity at 31 December 2022 after appropriation of net earnings	**5,187,787**	**4,409,068**	**85,967,894**	**9,443,435**	**105,008,184**	**20,298**	**105,028,482**

**Restated in accordance with first time adoption of IFRS*

The accompanying notes on pages 21 to 47 are an integral part of these financial statements.

Paramaribo, 25 May 2023

Supervisory Board
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E. Woei- A- Tjoen

Managing Director
K. Healy

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 SRD	2021 SRD
Cash flows from operating activities		
Earnings before tax	**38,858,074**	67,562,823
Adjusted for:		
- Depreciation / amortization recorded in expenses from operations	**5,971,043**	3,296,190
- Depreciation recorded in cost of sales	**7,534,618**	5,101,710
- Net monetary (losses)/gains	**(25,604,959)**	(38,264,428)
-(Gain)/ Loss on disposal of property, plant and equipment	**-**	84,520
- Corrections on property, plant and equipment	**172,330**	-
- Corrections of leases liabilities	**-**	(162,136)
- Write-down of inventories	**-**	1,500,000
- Bad Debts expense	**8,924**	-
- Maintenance on lease	**556,171**	511,913
- Finance costs	**2,141,875**	871,166
- Revaluation (gain) / loss on borrowings	**5,447,009**	1,859,724
- Revaluation (gain) / loss on lease liabilities	**898,376**	498,919
- Personnel costs related to defined benefit obligation	**8,132,336**	8,514,875
Changes in working capital:		
- Change in inventories	**(52,690,692)**	(30,727,201)
- Change in trade and other receivables	**(10,789,288)**	(9,643,005)
- Change in trade and other payables	**33,334,710**	13,076,668
- Adjustments due to write-down of inventory	**-**	(1,500,000)
- Adjustments regarding payables	**(170,090)**	436,108
- Adjustments for dividends payable	**-**	1,500,660
Other:		
Payment related to defined benefit obligation	**(622,305)**	(866,278)
Cash generated from operations	**13,178,132**	**23,652,228**
Paid income tax	**(8,733,074)**	(6,082,495)
Net cash generated from operating activities	**4,445,058**	**17,569,733**
Cash flows from investing activities		
Purchase of property, plant and equipment	**(23,660,830)**	(27,323,697)
Net cash from investing activities	**(23,660,830)**	**(27,323,697)**
Cash flows from financing activities		
Proceeds from loans and overdrafts	**9,215,645**	36,623,580
Repayments of loans	**(150,555)**	(1,209,265)
Lease payments	**(2,222,119)**	(2,124,301)
Paid interest	**(1,906,653)**	(648,591)
Dividend paid	**(1,196,175)**	(4,822,140)
Net cash from financing activities	**3,740,143**	**27,819,283**
Net increase / (decrease) in cash for the year	**(15,475,629)**	18,065,319
Cash and cash equivalents at 1 January	**21,256,672**	3,191,353
Cash and cash equivalents at 31 December	**5,781,043**	**21,256,672**

The accompanying notes on pages 21 to 47 are an integral part of these financial statements.

Paramaribo, 25 May 2023

Supervisory Board
S. Smit, Chairman
M. Ramsundersingh, Vice Chairman
A. Nai Chung Tong
O. Smith
P. Healy
E. Woei- A- Tjoen

Managing Director
K. Healy

INDEX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Information on the reporting entity

N.V. Consolidated Industries Corporation (CIC) is a company registered and domiciled in Suriname. The Company is a public listed company registered on the Suriname Stock Exchange. Its registered office is located at Industrieweg - Zuid BR 34, Paramaribo, Suriname.
The consolidated financial statements of the Company for the year ended 31 December 2022 comprise of the Company and its subsidiaries CARIFRICO N.V. and CIC Plastics N.V (together referred as the Group).
As per 2021 the Company consolidates the subsidiary CARIFRICO N.V. (98.9%) in full as it is no longer dormant, considering the assets in Carifrico are used for the long-term expansion project. CIC Plastics N.V. is a dormant subsidiary.

The Company's parent, which is also its ultimate parent entity, is N.V. Verenigde Surinaamse Holdingmij.-/ United Suriname Holding Company (VSH United). VSH United holds a majority share of 60.63% in the Company.

The Group is involved in the manufacturing of a wide range of industrial and household detergents and plastic packaging material and real estate.
The Group has a manufacturing plant at above-mentioned address and sells in Suriname, the Caribbean and Europe.

These consolidated financial statements were authorized for issue by the Supervisory Board on 25 May 2023 and will be submitted for approval at the Annual General Meeting of Shareholders on 9 June 2023.

2. Basis of preparation

2a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the revised act on annual reporting (Wet op de Jaarrekening 2017 no 84, zoals laatstelijk gewijzigd bij SB 2022 no 17).
For all periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP). These financial statements for the year ended 31 December 2022 are the first the Group has prepared in accordance with IFRS.
This involved a detailed IFRS conversion exercise to identify all significant differences between the accounting policies previously applied under local GAAP to that required by IFRS. The Group believes that it has adopted IFRS to the best of their abilities and will further improve the application robustness of IFRS in their accounting system and consolidated financial statements.

2b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis for the following items:
- Financial instruments at fair value
- Employee benefit obligations: Plan assets at fair value, Liability at present value

2c) Functional and presentation currency

The consolidated financial statements are presented in SRD, which is the Company's presentation and functional currency.
All financial information presented in SRD has been rounded to the nearest dollar.

2d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Subsidiaries are recognized according to the equity method.

When assessing whether it has power over an investee and therefore controls the variability of its returns, CIC considers all relevant facts and circumstances, including:
• Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
• Exposure, or rights, to variable returns from its involvement with the investee
• The ability to use its power over the investee to affect its returns

Subsidiaries are fully consolidated, and the financial statements of the subsidiaries are prepared for the same reporting year as the Company. Inter-company balances, transactions, income and expenses between Group companies are eliminated. Non-controlling interests represent the portion of earnings and net assets not held by the Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position.

2e) Use of estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis
Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 'Employee benefits Pension obligation'.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management has, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2f) First time adoption

These financial statements, for the year ended 31 December 2022, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2022, together with the comparative period data for the year ended 31 December 2021. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2021, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2021 and the financial statements as of, and for, the year ended 31 December 2021.

Exemptions applied:

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions:

- Deemed costs

The Group elected to use the Local GAAP valuation of each item of property, plant and equipment at the date of transition to IFRSs as deemed cost, since the valuation based on Local GAAP was, broadly comparable to cost or depreciated cost in accordance with IFRS. Items of property, plant and equipment are therefore carried in the IFRS based statement of financial position at the date of transition to IFRS based on the valuations in accordance with the Local GAAP as of 1 January 2021. Additionally, adjustments for changes in the general price index have been applied in accordance with IAS 29: Financial Reporting in Hyperinflationary Economies (see also section 3).

- Leases

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2018. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before 1 January 2018. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

Estimates

The estimates at 1 January 2021 and at 31 December 2021 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Local GAAP did not require estimation:

- Pensions and other postemployment benefits
- Investments in equity instruments - unquoted equity shares

The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 January 2021, the date of transition to IFRS and as at 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Impact from Local GAAP to IFRS

The following tables present the restatements, reclassifications and remeasurements in the statement of financial position, the consolidated statement of income based on Local GAAP versus IFRS

Group reclassification of statement of financial position as at 1 January 2021 (date of transition to IFRS)

	Note	Local GAAP as at 1 January 2021**	Restatements	Reclassifications and Remeasurements	IFRS as at 1 January 2021
		SRD	SRD	SRD	SRD
ASSETS	*Note*				
Non-current assets					
Property, plant and equipment	3a	29,346,397	-	(4,902,791)	24,443,606
Long-term investment		1,083	-	(1,000)	83
Total non-current assets		29,347,480	-	(4,903,791)	24,443,689
Current assets					
Inventories	3b	44,347,430	-	1,249,120	45,596,550
Trade and other receivables		12,648,217	-	-	12,648,217
Income tax receivable	3c	-	-	3,551,085	3,551,085
Cash and cash equivalents		3,191,353	-	-	3,191,353
Total current assets		60,187,000	-	4,800,205	64,987,205
Total assets		89,534,480	-	(103,586)	89,430,894
EQUITY AND LIABILITIES					
Equity					
Share capital	3d	500,220	2,336,851	-	2,837,071
Share premium	3d	39,874	2,371,335	-	2,411,209
Revaluation reserve	3e	4,902,791	-	(4,902,791)	-
Retained earnings	3f	35,715,605	(4,708,186)	(11,585,621)	19,421,798
Other reserves	3f	(830,711)	-	(675,721)	(1,506,432)
Equity attributable to equity holders of the parent company		40,327,779	-	(17,164,133)	23,163,646
Non-controlling interest		15,310	-	-	15,310
Total equity		40,343,089	-	(17,164,133)	23,178,956
LIABILITIES					
Non-current liabilities					
Deferred tax liability	3g	4,940,410	-	449,683	5,390,093
Employee benefit obligation	3h	6,959,009	-	20,407,467	27,366,476
Lease liabilities		1,727,089	-	-	1,727,089
Total non-current liabilities		13,626,508	-	20,857,150	34,483,658
Current liabilities					
Short-term borrowings		5,730,182	-	-	5,730,182
Lease liabilities		1,230,983	-	-	1,230,983
Income tax payable	3c	3,795,603	-	(3,795,603)	-
Trade and other payables		24,808,115	-	(1,000)	24,807,115
Total current liabilities		35,564,883	-	(3,796,603)	31,768,280
Total equity and liabilities		89,534,480	-	(103,586)	89,430,894

*** After appropriation of net earnings 2020*

Group reclassification of statement of financial position as at 31 December 2021

	Note	Local GAAP as at 31 December 2021	Restatements	Reclassifications and Remeasurements	IFRS as at 31 December 2021
		SRD	SRD	SRD	SRD
ASSETS	*Note*				
Non-current assets					
Property, plant and equipment	3a	53,715,282	34,796,954	(4,902,791)	83,609,445
Long-term investment		1,083	-	(1,000)	83
Total non-current assets		53,716,365	34,796,954	(4,903,791)	83,609,528
Current assets					
Inventories	3b	74,372,508	-	1,951,243	76,323,751
Trade and other receivables		22,291,222	-	-	22,291,222
Income tax receivable	3c	-	-	3,180,269	3,180,269
Cash and cash equivalents		21,256,672	-	-	21,256,672
Total current assets		117,920,402	-	5,131,512	123,051,914
Total assets		171,636,767	34,796,954	227,721	206,661,442
EQUITY AND LIABILITIES					
Equity					
Share capital	3d	500,220	3,009,642	-	3,509,862
Share premium	3d	39,874	2,943,136	-	2,983,010
Revaluation reserve	3e	4,902,791	-	(4,902,791)	-
Retained earnings	3f	31,963,955	(4,708,186)	(11,585,621)	15,670,148
Net earnings	3f	19,506,298	23,994,596	(977,795)	42,523,099
Other reserves	3f	(3,099,538)	-	(2,537,559)	(5,637,097)
Equity attributable to equity holders of the parent company		53,813,600	25,239,188	(20,003,766)	59,049,022
Non-controlling interest		15,786	-	-	15,786
Total equity		53,829,386	25,239,188	(20,003,766)	59,064,808
LIABILITIES					
Non-current liabilities					
Deferred tax liability	3g	10,799,681	9,557,766	702,447	21,059,894
Employee benefit obligation	3h	17,381,633	-	25,546,517	42,928,150
Long-term borrowings		26,840,411	-	-	26,840,411
Lease liabilities		1,564,397	-	-	1,564,397
Total non-current liabilities		56,586,122	9,557,766	26,248,964	92,392,852
Current liabilities					
Short-term borrowings		16,163,810	-	-	16,163,810
Lease liabilities		1,156,189	-	-	1,156,189
Income tax payable	3c	6,016,477	-	(6,016,477)	-
Trade and other payables		37,884,783	-	(1,000)	37,883,783
Total current liabilities		61,221,259	-	(6,017,477)	55,203,782
Total equity and liabilities		171,636,767	34,796,954	227,721	206,661,442

Group reconciliation of total comprehensive income for the year ended 31 December 2021

	Note	Local GAAP as at 31 December 2021	Restatements	Reclassifications and Remeasurements	IFRS as at 31 December 2021
		SRD	SRD	SRD	SRD
Sales		200,359,262	-	-	200,359,262
Cost of sales	3i	(91,010,983)	-	(25,041,618)	(116,052,601)
Gross profit		109,348,279	-	(25,041,618)	84,306,661
Personnel expense	3j	(38,570,376)	-	10,135,271	(28,435,105)
Distribution expense		(3,498,805)	-	-	(3,498,805)
Administrative expense	3k	(25,412,104)	-	8,276,832	(17,135,272)
Depreciation and amortization	3l	(3,685,834)	(4,712,066)	5,101,710	(3,296,190)
Total expenses from operations		(71,167,119)	(4,712,066)	23,513,813	(52,365,372)
Earnings from operations		38,181,160	(4,712,066)	(1,527,805)	31,941,289
Finance costs		(871,166)	-	-	(871,166)
Exchange rate (losses)/ gains		(2,154,981)	-	-	(2,154,981)
Net monetary (losses)/ gains	3m	-	38,264,428	-	38,264,428
Other non-operating income		383,253	-	-	383,253
Earnings before tax		35,538,266	33,552,362	(1,527,805)	67,562,823
Income tax		(16,031,492)	(9,557,766)	550,010	(25,039,248)
Net earnings		19,506,774	23,994,596	(977,795)	42,523,575

Group reconciliation of comprehensive income for the year ended 31 December 2021

	Local GAAP as at 31 December 2021	Restatements	Reclassifications and Remeasurements	IFRS as at 31 December 2021
Net earnings	19,506,774	23,994,596	(977,795)	42,523,575
Other comprehensive income:				
Actuarial (loss) / gain on defined benefit obligation	(4,137,679)	-	(2,909,122)	(7,046,801)
	(4,137,679)	-	(2,909,122)	(7,046,801)
Income tax on defined benefit obligation	1,868,852	-	1,047,284	2,916,136
Other comprehensive income net of taxes	(2,268,827)	-	(1,861,838)	(4,130,665)
Total comprehensive income	17,237,947	23,994,596	(2,839,633)	38,392,910

NOTES TO THE RECONCILIATION OF EQUITY AS AT 1 JANUARY 2021 AND 31 DECEMBER 2021 AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

The explanation and measurement of the applied IFRS standards is set out in reconciliation of equity as at 1 January 2021 and 31 December 2021 and total comprehensive income for the year ended 31 December 2021
The following is a breakdown of the restated figures

3a) Property, plant and equipment
Under IFRS, subsequent measurement of Property, Plant and Equipment assets can be at historical cost or revalued amount.
The Group has elected to measure all Property, Plant and Equipment at historical cost therefore all previous revaluations have been reversed resulting in a reduction of SRD 4,902,791 as at January 1, 2021.
Under local GAAP, the effect of hyperinflation was not considered. The effect of hyperinflation adjustments under IFRS resulted in a increase to property, plant and equipment of SRD 34,796,954 at 31 December 2021.

3b) Inventories
IFRS requires that the cost of inventories include all costs to bring the inventories to their present location and condition. Previously, inventories only comprised of the cost of direct materials. Cost of conversion and other overhead costs have been added to the cost of inventories resulting in an increase in the value of SRD 1,249,120 at 1 January 2021 and SRD 1,951,243 at 31 December 2021.

3c) Income tax
Income tax payable amounted SRD (3,795,603) at 1 January 2021 and SRD (6,016,477) at 31 December 2021 was adjusted for the impact of higher cost of sales for inventories (see 3a.) and other personnel costs adjustments related to employee benefit obligations. The net tax adjustment resulted in a tax receivable amounted to SRD 3,551,085 at 1 January 2021 and SRD 3,180,269 at 31 December 2021.

3d) Share capital and Share premium
The increase in the share capital of SRD 2,336,851 and share premium of SRD 2,371,335 is as a result of hyperinflation restatements. Under local GAAP, the effect of hyperinflation was not taken into account. At 31 December 2021 the result of the hyperinflation restatement is SRD 3,009,642 on share capital and SRD 2,943,136 on share premium.

3e) Revaluation Reserve
Other reserves represented revaluation surplus on property, plant and equipment from previous years. Since the Group did not elect to no longer apply the revaluation model to its property, plant and equipment assets, the amount of SRD 4,902,791 was reversed.

3f) Retained earnings and Other reserves
As of 1 January 2021 the retained earnings and other reserves decreased by SRD (16,969,528) as a result of hyperinflation restatements on Share capital and share premium SRD (4,708,186),
restatements on inventories SRD 799,437 and
restatements on Employee benefits SRD (12,385,058) and SRD (675,721) in the OCI.

As of 31 December 2021 the retained earnings and other reserves decreased by SRD 4,185,235 as a result of hyperinflation restatements on Share capital and share premium SRD (5,952,778),
restatements on PP&E SRD 25,238,988
restatements on inventories SRD 1,248,796
and restatements on Employee benefits SRD (13,812,212) and SRD (2,537,559) in the OCI.

3g) Deferred tax liability
Hyperinflation adjustments resulted in deferred tax restatements of SRD 9,557,766 as at 31 December 2021. Inventory adjustments resulted in deferred tax restatements of SRD 449,683 as at 1 January 2021 and SRD 702,447 as at 31 December 2021.

3h) Employee benefit obligation
Previously, the Group accounted for pension contributions as a defined contribution scheme. However, application of IFRS to the Pension Law recognizes a defined benefit scheme and results in the recognition of the pension liabilities and pension assets. Additionally, the Group has jubilee benefits for long-term service and should therefore recognize a provision for this obligation. Changes made totaling SRD 20,407,467 had to be added to the net employee benefit obligation at 1 January 2021 and SRD 25,546,517 as at 31 December 2021 for these IFRS adjustments.

3i) Cost of sales
Under local GAAP, costs directly attributable to revenue generating activities were categorized as administrative costs. These costs were reclassified as cost of sales under IAS 2. For the year 2021 the reclassification is SRD 25,041,618.

3j) Personnel expense
The reclassification of SRD 10,135,271 consists of a decrease of SRD 12,365,199 regarding personnel costs directly attributable to revenue generating activities. Under local GAAP these costs were categorized as personnel expenses. Under IAS 2 these costs are reclassified as cost of sales. SRD 1,718,063 regarding addition to the pension liability obligation under IAS 19. Under Local GAAP no pension obligation was formed. SRD 511,865 regarding addition to the jubilee obligation due to revised assumptions.

NOTES TO THE RECONCILIATION OF EQUITY AS AT 1 JANUARY 2021 AND 31 DECEMBER 2021 AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

3k) Administrative expenses
The reclassification of SRD 8,276,832 is due to overhead costs directly related to the production such as direct labor costs, utilities and maintenance reclassified as cost of sales under IAS 2.

3l) Depreciation and amortization
SRD 4,712,066 is restated due to the application of IAS 29 on property, plant and equipment.
SRD 5,101,710 is the reclassification due to overhead costs directly related to the production such as direct labor costs, utilities and maintenance reclassified as cost of sales under IAS 2.

3m) Net monetary (losses)/ gains
Under local GAAP, the effect of hyperinflation was not considered. The effect of hyperinflation adjustments under IFRS resulted in a net monetary gain of SRD 38,264,428 at 31 December 2021.

4. Significant Accounting policies

4a) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

4b) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the free market exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange differences are recognized in the consolidated statement of income and shown as a separate expense line.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration.
If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The exchange rate for the USD and the Euro at 31 December are:

in SRD	31 December 2022	31 December 2021
USD	32.00	21.65
EURO	34.13	24.53

4c) Hyperinflationary functional currency (IAS 29)

Due to the rapid devaluation of the Surinamese dollars, Suriname is considered hyperinflationary and as a result, the application of IAS 29 was adopted. The financial statements of 2021 have been restated for the change in the general purchasing power retrospectively since January 1, 2021. The financial statements are based on a historical cost approach. Hyperinflationary accounting leads to the recognition of gains or losses due to net monetary item exposures, which resulted in a restatement on non-monetary items and equity components.
Suriname has been identified as a hyperinflationary economy based on the three year cumulative inflation rates of 169.2 % and 299.4 %, measured at year end 2021 and 2022 respectively. Other hyperinflationary characteristics of the economic environment were identified, such as (i) the general population regards monetary amounts in terms of a relatively stable foreign currency as prices are often quoted in stable foreign currency, (ii) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power.

The restatements were calculated using the conversion factors derived from the Consumer Price Index (CPI), published by the General Bureau of Statistics of the Republic of Suriname. The CPIs for the eight years ended December 31, 2022 are as follows:

	2022	2021	2020	2019	2018	2017	2016	2015
CPI	572.5	370.4	230.5	143.4	137.6	130.5	119.4	177.8

In instances where CPI information was not available, the Group restated non-monetary items using the current USD exchange rate versus the historic USD exchange rate as conversion factor to reflect the changes in general purchasing power.

Restatement of the consolidated statement of income was not performed because transactions included in the afore-mentioned statement already sufficiently reflect changes to the general price index.

4d) Property, Plant and Equipment (PP&E)
All property, plant and equipment are initially recorded at cost. All other property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to write off the costs of individual assets to their residual values over their estimated useful lives as follows:

• Buildings	10 - 40 years
• Land improvements	5 - 10 years
• Machinery and equipment	5 - 10 years
• Other assets	3 - 5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of income when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

When a major repair is performed, its cost is derecognized in the carrying amount of the PP&E and the replacement asset is recognized as a separate asset, if the recognition criteria are satisfied. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of income within 'other non-operating income'.
Investments in progress are carried at cost on the basis of expenditure at reporting date. Investments in progress are not depreciated. Upon completion, the total costs are transferred to the relevant PP&E.

4e) Intangible Assets
Intangible assets with finite useful lives are carried at cost less accumulated amortization. Amortization is recognized on straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income under amortization. The current estimated useful life is 3 years.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.
Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income.

4f) Impairment of non-financial assets
Further disclosures relating to impairment of non-financial assets are also provided in the following notes:
- Property and equipment and Right of use assets (Note 6)
- Intangible assets (Note 6)

The policy of the Group is to assess, at each reporting date, whether there is an indication that an asset may be impaired.
If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4g) Subsidiary
A subsidiary is the entity over which the Company has control, defined as the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are recognized in the Parent Company according to the equity method.

4h) Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.
Financial instruments carried on the consolidated statement of financial position include long-term investments, trade and other receivables, cash and cash equivalents, trade and other payables and long and short-term borrowings.

Financial assets
The Group classifies its financial instruments in the following measurement categories:
- Those to be measured at fair value (through statement of income)
- Those to be measured at amortized cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement
Debt instruments
Debt instruments are measured at amortized cost. Amortized cost represents the net present value (NPV) of the consideration receivable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables

For trade receivables the Group applies a simplified approach in calculating Expected Credit Losses (ECLs).
Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities
Financial liabilities Classification
The Group classifies its financial liabilities in the following measurement categories:

- Those to be measured at fair value
- Those to be measured at amortized cost (subsequent measurement only)

This classification of financial liabilities comprises the following captions:

- trade and other payables
- long and short-term borrowings

Trade payables are measured at fair value whilst long- and short-term borrowings are measured at amortized costs.

4i) Inventories
Inventories are stated at the lower of weighted average cost. Costs comprise direct materials and all costs incurred to bring inventories to their present location and condition net of discounts, rebates or bonuses. Finished products and work in progress are valued based on the raw and packaging materials used, direct labor and other overhead costs.

4j) Trade and other receivables
Trade and other receivables are measured at original invoice value less any expected credit loss. Trade receivables do not carry interest.

4k) Cash and cash equivalents
Cash and cash equivalents comprise of cash at banks and cash on hand. Cash and cash equivalents are measured at costs, based on the relevant exchange rates at the reporting date. Cash and cash equivalents is at free disposal of the Group. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

4l) Share capital
Ordinary shares are classified as equity.

4m) Share premium
Share premium relates to the difference between nominal value and the price of the shares issued.

4n) Provisions
Provisions are recognized for actual (legal or constructive) obligations, existing at reporting date and arising from past events, for which It is probable that an outflow of economic benefits will be required to settle the obligation.

4o) Income tax
Current tax
Taxes on income are accrued in the same period as the revenues and expenses to which they relate. Current tax receivables or payables for the current and prior periods are measured at the amount expected to be recovered from the Tax Authorities.
The tax rates and the tax laws used are those that are enacted or substantively enacted at reporting date.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the carrying amounts of assets and liabilities for commercial purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a busi ness combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

4p) Employee benefits

Post-employment benefits Pensions

The Group participates in two pension plans. Some employees participate in Stichting VSH Pensioenfonds, a separate legal entity while others participate in a pension insurance policy maintained and administered by Assuria Levensverzekering N.V.

In 2018, it became mandatory that all new employees join Stichting VSH Pensioenfonds. Employees who join Assuria contribute 6% of their base salary and the balance of the total pension premium is contributed by the Group. The plan maintained by Assuria has the following maximum base salary per year:

- Personnel SRD 78,000

Management and employees who join the Stichting VSH Pensioenfonds contribute 6% while the Group contributes 14% of the base salary to the foundation. The plan maintained by the foundation has the following maximum base salary per year:

- Personnel SRD 214,500
- Staff SRD 446,875
- Management SRD 715,000

The Group operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund, covered in the Stichting VSH Pensioenfonds (VSH Pension Plan). The Group also provides certain additional post employment healthcare benefits to employees of CIC. These benefits are insured through Assuria. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'personnel expenses' in the consolidated statement of comprehensive income (by function):

- Service costs comprising current service costs and past-service costs
- Net interest expense or income

The VSH Pension Plan also includes provisions for widows and orphans, which is based on an actuarial calculation.
The Group's contribution is recorded under personnel expenses in the statement of income.

Short term employee benefits paid annual leave
Paid annual leave per employee is re-calculated per balance sheet date and the liability is reserved. This transaction is recognized in the consolidated statement of income.

Profit-sharing and bonus payments
Within the Group an executive performance pay system is applicable for the managing director, which is split in three areas:

- a year-end bonus, recognized upon payment at the end of the year
- a short-term bonus, recognized as a provision in the consolidated statement of income within the year the performance targets are met. The actual payment is made after the financial statements are approved by the Annual General Meeting of Shareholders.
- a long-term bonus, recognized as a provision in the consolidated statement of income after the financial statements are approved by the Annual General Meeting of Shareholders.

Other long-term benefits
Jubilee
Employees are awarded a jubilee payment for employment service exceeding twelve and a half years up to a maximum of forty service years. This is measured at the present value of the liability and is determined by internal calculations using clear demographic and financial assumptions.
With the recognition of the jubilee obligation the Group partly adopted IAS 19 'Employee Benefits' as of 1 January 2022. The jubilee obligation is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as a finance cost. The Group applied a prospective approach for the recognition of the jubilee obligation.

Other post-employment obligation
For some employees, the Group has an obligation to pay medical insurance as a post-employment benefit to pensioners.
A liability based on actuarial calculations has been recognized for this long-term employee benefit obligation.

4q) Borrowings
Bank loans and overdrafts are initially recognized at fair value. Borrowings are subsequently carried at amortized cost using the effective interest method.

4r) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4s) Leases
The Group leases computers and motor vehicles. Lease contracts are typically made for fixed periods of 3 - 4 years. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.
Leases are recognized as a right-of-use (ROU) asset and a corresponding liability at the lease commencement date.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external sources that reflect the terms of the lease and the type of asset leased.

The ROU asset is measured at cost comprising of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.
The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.
The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

ROU assets are included in the heading Property, plant and equipment, and the lease liability is shown separately under Non-current and Current liabilities.

Short-term leases and leases of low value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets (less than USD 5,000) and short-term leases (shorter than twelve months). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4t) Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently stated at amortized cost.

4u) Sales

Sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of sales taxes, customer discounts and other sales related discounts. The sale of products is recognized in the statement of income when performance obligations are satisfied.

4v) Cost of Sales

Cost of sales comprises the cost of raw- and packaging material, direct labour, other indirect- and overhead costs and write-down of inventories.

4w) Finance Costs

Finance costs comprises of borrowing costs, interest of the right-of-use asset, bank interest paid, bank interest received and bank charges and are recognized in the statement of income when incurred.

4x) Other non-operating income

Other non-operating income comprises of gain/loss on disposal of PP&E and proceeds from promotional activities and other miscellaneous income.

4y) Earnings per share

Earnings per share are calculated by dividing the net earnings by the weighted average number of ordinary shares outstanding during the year.

5. Financial Risk Management

In the normal course of business, the Group is exposed to market risks, liquidity risks and credit risks.

The Supervisory Board oversees the management of these risks and is supported by an Audit and Risk Committee. The Supervisory Board advises on the risk management and the appropriate risk governance of the Group. An enterprise risk management charter has been established and the Group has a risk management system in place.
The Board of Directors has the overall responsibility for the establishment and the oversight of the Group enterprise risk management framework and reviews and agrees policies for managing each of these risks.
This note describes the Group objectives, policies and processes for managing these risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these (consolidated) financial statements.

Market risk
Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following types of risks:

- foreign exchange risk,
- inflation risk,
- interest rate risk and
- commodity availability and price risks.

Financial instruments affected by market risk include borrowings and debt.

The Group measures and controls market risks primarily through the use of risk sensitivity analysis. This method of stress testing provides an indication of the potential size of losses that could arise in extreme conditions. Increases in market risk may also be associated with high inflation and the loss of purchasing power of the local market due to the macroeconomic situation in Suriname. Expected rise of inflation is generally managed through conversion to the more stable currency such as the USD and the EURO. Furthermore, the Group is continuously looking for opportunities in other (foreign) markets.
All market risk limits are reviewed periodically. The goal is to identify potential high risk areas and take proper actions before they occur.

Foreign exchange risk
Foreign exchange risk is the risk that a Group's financial performance and exposure (of assets, liabilities, revenues and expenditures) will be affected by fluctuations in foreign exchange rates .
Changes in exchange rates can lead to losses in the value of financial instruments and also to disadvantageous changes in future income and expense streams from planned transactions.
The Group is exposed to the foreign exchange risk through the purchase of commodities and capital investments and even more with the rapidly devaluating Suriname dollar (SRD), as also a significant part of the revenue income is received in SRD's.

In managing foreign exchange risk, the Group aims to ensure the availability of foreign currencies and to reduce the impact of short-term fluctuations on earnings. The Group manages this risk by maintaining foreign currency accounts and monitoring net foreign currency exposure. Given the challenging situations in terms of the foreign exchange rate developments, which showed an upward trend in the year 2022, this had a significant impact on earnings of the Group.

Net foreign currency exposure

	2022	2021
Foreign Currency Assets		
Trade Receivables	**24,186,237**	24,247,349
Cash	**(12,577,672)**	9,597,919
Foreign Currency Liabilities		
Trade Payables	**(53,003,396)**	(16,409,639)
Debt	**(6,487,594)**	(2,720,586)
Related Party	**-**	-
Net	**(47,882,425)**	**14,715,043**

Inflation risk
Increases in market risk may also be associated with high inflation. Expected rise of inflation is generally managed through conversion to the more stable currency such as the USD and the EURO. It has been determined that Suriname has a hyperinflation economy. With the positive net monetary and non-monetary positions, hyperinflation has a significant negative impact on the Group.

Interest rate risks
Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term-term debt obligations with fixed interest rates that are subject to changes due to hyperinflation.
The Group continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects. The Group manages these risks as follows:

1. Fixed Interest Rates
2. Borrowing in SRD (note 14)
3. Options for refinancing

The Group's exposure to interest rate risk is minimal.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may vary the amount of dividends paid to Shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

in SRD	2022	2021	1 Jan 2021
Long-term borrowings	24,649,504	26,840,411	-
Short-term borrowings	32,866,816	16,163,810	5,730,182
Total Borrowings (see note 14)	**57,516,320**	**43,004,221**	**5,730,182**
Less: Cash and cash equivalents	(5,781,043)	(21,256,672)	(3,191,353)
Net Debt	**51,735,277**	**21,747,549**	**2,538,829**
Total Equity	105,028,482	59,064,808	23,178,956
Total Capital	**156,763,759**	**80,812,357**	**25,717,785**
Gearing ratio	33%	27%	10%

6. Property, plant and equipment and intangible assets

in SRD	Property	Machinery and Equipment	Furniture and Fixtures	Right of Use: Motor Vehicles	Investments in progress	Total	Software*
Cost							
As at 1 January 2021	14,707,390	30,980,396	5,580,411	2,883,192	1,625,739	55,777,128	163,125
Restatements	28,277,060	27,041,213	3,014,491	2,254,081	-	60,586,845	-
Additions	-	235,192	251,198	815,542	26,837,307	28,139,239	-
Transfers	-	516,420	798,585	-	(1,315,005)	-	-
Disposals	-	-	-	(368,406)	-	(368,406)	-
As at 31 December 2021	**42,984,450**	**58,773,221**	**9,644,685**	**5,584,409**	**27,148,041**	**144,134,806**	**163,125**
Additions	-	-	-	1,099,360	23,660,830	24,760,190	-
Restatements	24,317,828	25,505,467	4,065,812	2,767,895	-	56,657,002	-
Transfers	33,595,921	8,155,006	5,854,325	-	(47,605,252)	-	8,481
Disposals	-	-	-	-	-	-	-
Corrections	-	-	-	-	(172,330)	(172,330)	-
As at 31 December 2022	**100,898,199**	**92,433,694**	**19,564,822**	**9,451,664**	**3,031,289**	**225,379,668**	**171,606**
Accumulated depreciation /amortization							
As at 1 January 2021	(5,893,777)	(18,459,118)	(5,348,912)	(1,631,715)	-	(31,333,522)	(163,125)
Restatements	(9,510,748)	(13,655,665)	(1,368,184)	(1,255,294)	-	(25,789,891)	-
Depreciation /amortization charge	(492,613)	(2,137,728)	(458,753)	(596,740)	-	(3,685,834)	-
Written back on disposals	-	-	-	283,886	-	283,886	-
As at 31 December 2021	**(15,897,138)**	**(34,252,511)**	**(7,175,849)**	**(3,199,863)**	**-**	**(60,525,361)**	**(163,125)**
Restatements	(9,703,355)	(17,107,123)	(2,065,729)	(2,287,710)	-	(31,163,917)	-
Depreciation /amortization charge	(864,022)	(2,289,725)	(900,909)	(639,190)	-	(4,693,846)	(8,481)
Corrections	-	-	-	-	-	-	-
As at 31 December 2022	**(26,464,515)**	**(53,649,359)**	**(10,142,487)**	**(6,126,763)**	**-**	**(96,383,124)**	**(171,606)**
As at 31 December 2022	**74,433,684**	**38,784,335**	**9,422,335**	**3,324,901**	**3,031,289**	**128,996,544**	**-**
As at 31 December 2021	**27,087,312**	**24,520,710**	**2,468,836**	**2,384,546**	**27,148,041**	**83,609,445**	**-**
As at 1 January 2021	**8,813,613**	**12,521,278**	**231,499**	**1,251,477**	**1,625,739**	**24,443,606**	**-**

** Software is classified as intangible assets.*

The PP&E assets are insured against fire up to USD 13,450,304 (SRD 430,409,728).

The increase of Property from 31 December 2021 to 31 December 2022 is caused by the commissioning of CIC Business, which account for SRD 18,049,401 of that increase.
The borrowing costs directly attributable to the construction of the new building, CIC Business, at the property held by CARIFRICO N.V are included in this asset. The addition to property of SRD 23,660,830 consists of SRD 2,790,790 interest costs with a borrowing rate of 10%.

7. Long-term investments
Long-term investments comprise of 25% share in N.V. Chemco. This asset is valued at cost of SRD 83.

8. Inventories
At 31 December 2022 inventories are insured against fire up to USD 2,762,755 (SRD 88,408,160).

in SRD	2022	2021	1 Jan 2021
Raw materials and packaging	**75,118,353**	51,734,725	26,596,057
Finished goods	**12,244,408**	8,999,039	6,341,105
Imported goods	**1,540,178**	1,045,229	938,106
Supplies and spare parts	**8,263,658**	5,812,977	3,778,003
Goods in transit	**33,431,179**	10,315,114	8,111,443
Write-down of inventory	**(1,583,333)**	(1,583,333)	(168,164)
Total inventories	**129,014,443**	**76,323,751**	**45,596,550**

9. Trade and other receivables

in SRD	2022	2021	1 Jan 2021
Trade receivables	**30,805,644**	21,681,406	11,697,254
Less: estimated credit losses	**(14,696)**	(23,620)	(23,620)
Net trade receivables	**30,790,948**	21,657,786	11,673,634
Receivables regarding personnel	**13,474**	10,089	30,966
Prepayments and deposits	**1,040,162**	248,480	506,695
Import duties to be settled	**664,730**	101,711	396,688
Other receivables	**571,196**	273,156	40,234
Total trade and other receivables	**33,080,510**	**22,291,222**	**12,648,217**

Trade receivables are non-interest bearing

10. Income tax and deferred tax liabilities

Income tax

Income tax is calculated at the applicable rate (36%) over the earnings before tax over the financial year, taking into account the differences between valuation for commercial and for taxation purposes.

In October 2020, the tax authorities commenced a tax audit of the Group. The scope of the tax audit includes income tax for the years 2018 and 2019 and payroll tax for the years 2015 until 2019. At reporting date, this tax audit is still in progress.

Income tax expense

in SRD	2022	2021
Current income tax charge	3,238,043	9,369,447
Current tax recognized in the OCI	8,482,799	(2,916,136)
Total Current tax	11,720,842	6,453,311
Deferred tax:		
Relating to origination and reversal of temporary differences	6,575,720	15,669,801
Income tax expense reported in the consolidated statement of comprehensive income	**18,296,562**	**22,123,112**

The income tax (receivable)/payable is specified as follows:

in SRD	2022	2021	1 Jan 2021
Balance at 1 January	(3,180,269)	(3,551,085)	795,761
Paid during the year	(8,733,074)	(6,082,495)	(837,261)
Due for the year	11,720,843	6,453,311	3,509,585
Balance at 31 December	**(192,500)**	**(3,180,269)**	**(3,551,085)**
Consists of:			
Income tax receivable	(636,765)		
Income tax payable	444,265		

For tax purposes the filed income tax returns for the years 2020 and 2021 do not need to be adjusted. Because of the introduction of IFRS in the year 2022, this is the year in which prior year adjustments are included in the tax return.

Deferred tax liabilities

Deferred tax liabilities relate to tax liabilities arising from the differences between valuation for commercial and for taxation purposes. All Deferred tax charges are accounted for through the consolidated statement of income.
In the following movement of the deferred tax liabilities the effect of such differences in valuation principles is presented.

in SRD	2022	2021	1 Jan 2021
Balance at 1 January	21,059,894	5,390,093	2,585,162
Restatement on PP&E previous years	5,762,128	9,557,766	-
Restatement on PP&E	1,745,879	-	-
Restatement on inventories	4,829,841	6,112,035	2,804,931
Correction previous year	(126,500)	-	-
Balance at 31 December	**33,271,242**	**21,059,894**	**5,390,093**

11. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and cash on hand.
The cash and cash equivalents are interest bearing and are at free disposal of the Group.

in SRD	2022	2021	1 Jan 2021
Denominated in SRD	**2,011,217**	657,376	2,244,417
Denominated in USD	**3,138,525**	20,282,692	884,754
Denominated in EURO	**631,301**	316,604	62,182
Total cash and cash equivalents	**5,781,043**	**21,256,672**	**3,191,353**

12. Share capital and Share premium

On 31 December 2022 the issued share capital comprised of 5,002,200 shares (2021: 5,002,200 shares) with a par value of SRD 0.10 each. All issued shares are fully paid up. At 31 December 2022, registered shareholders equate to 96.23% of the total outstanding shares.

The Share premium relates to the difference between the nominal value and the price of the shares issued in 1998 and in 2016 minus the amount paid up in 2013 by disbursement of SRD 0.09 nominal per share (conversion of SRG to SRD shares).

13. Employee benefit obligation

The amounts recognized in the consolidated statement of financial position were determined as follows:

in SRD	2022	2021	1 Jan 2021
Jubilee obligation	**6,977,821**	5,453,507	-
Post-employment medical obligation	**12,709,282**	12,439,991	6,959,009
Pension obligation	**7,055,889**	25,034,652	20,407,467
Total employee benefit obligation	**26,742,992**	**42,928,150**	**27,366,476**

Jubilee obligation

In accordance with the collective labor agreement the Group has an obligation for jubilee payments. As per 31 December 2021 this liability, based on internal calculations, is recognized as a long-term obligation.

A sensitivity analysis has been carried out to assess the DBO's sensitivity to the discount rate.

	31-12-2022	31-12-2021
Salary increase based on inflation	**24.73% annually**	19.99% annually

	31-12-2022	31-12-2021	1-1-2021
Discount rate	**26.83%**	27.83%	28.83%

Movement in the jubilee obligation:

in SRD	2022	2021	1 Jan 2021
Balance at 1 January	**5,783,726**	**3,449,261**	**-**
Addition	**668,866**	1,819,724	-
Interest	**1,609,611**	749,524	-
Paid during the year	**(437,512)**	(234,782)	-
Total	**7,624,691**	**5,783,727**	**-**
Short-term portion	**(646,870)**	(330,220)	-
Balance at 31 December	**6,977,821**	**5,453,507**	**-**

Post-employment medical obligation
For some employees, the Group has an obligation to pay medical insurance as a post-employment benefit to pensioners. A liability based on actuarial calculations has been recognized for this long-term employee benefit obligation.

A sensitivity analysis has been carried out to assess the DBO's sensitivity to the discount rate

Assumptions

Principal financial assumptions (annually):

	31-12-2022	31-12-2021
Return on investments	27.83%*)	21.73%*)
Inflation	24.73%**)	19.99%**)
Annual average medical cost per pensioner	SRD 14,972	SRD 13,125

Mortality assumptions
The mortality rates used are calculated by the "Kring van Actuarissen in Suriname" and are based on experience data from the entire Surinamese population regarding the years from 2010 to 2013.

Mortality rates used in valuation as at:

	31-12-2021	31-12-2019
Males		
Future lifetime from age 60 (aged 60 at accounting date)	18.15	18.15
Females		
Future lifetime from age 60 (aged 60 at accounting date)	21.40	21.40

Demographic assumptions
The assumptions listed below have been applied in this valuation report as at 31-12-2022. Unless mentioned otherwise, these assumptions were applied identically in the valuation as at 31-12-2021.
Disability rates:
Annual disability rates are assumed at 0%.
Turnover rates (prior to retirement date): Termination prior to retirement date is assumed to occur with annual rates of 6.81%. Was 5.49% in the 2021 valuation. The 2022 turnover rates are based on withdrawals from the Employer over the 2018-2022 period.
Marital rates and age difference: Marital rates for active male participants are set at 80%. For pensioners the actual marital status as at the valuation date is used. Age difference between spouses is assumed at: 5 years.
Currency:
All amounts calculated are nominated in Suriname dollars, SRD.
Calculation of ages and terms: Ages and terms are nominated in years and months. Parts of a month of 15 days or more have been rounded to one full month whereas parts of a month of less than 15 days are not taken into account.

Movement in the post-employment medical obligation

in SRD	2022	2021	1 Jan 2021
DBO primo	**12,439,991**	**6,959,009**	**5,978,958**
Interest Cost	2,601,095	913,622	837,054
Current Service Cost	1,157,875	429,683	600,000
Transfer Cost in / (out)	-	-	-
Contributions paid	(943,245)	(866,278)	(457,003)
Actuarial (gain)/loss on obligation due to experience	(2,789,054)	(220,873)	-
Actuarial (gain)/loss on obligation due to experience regarding cost increases	1,620,879	5,348,464	-
Actuarial (gain)/loss on obligation due to change in financial assumptions	(132,557)	(508,451)	-
Actuarial (gain)/loss on obligation due to change in financial assumptions	(1,245,702)	384,815	
DBO ultimo	**12,709,282**	**12,439,991**	**6,959,009**
Fair Value of plan assets primo	-	-	-
Expected return on plan assets			
Contributions			
Benefits paid	(943,245)	(866,278)	(457,003)
Actuarial gain/(loss) on plan assets due to experience	943,245	866,278	457,003
Fair Value of plan assets ultimo	-	-	-

Post-employment Pension obligation
The Group participates in two pension plans. Some employees participate in Stichting VSH Pensioenfonds, a separate legal entity while others participate in a pension insurance policy maintained and administered by Assuria Levensverzekering N.V.
A liability based on actuarial calculations has been recognized for this post-employment pension obligation

A sensitivity analysis has been carried out to assess the DBO's sensitivity to the discount rate, the salary/benefit inflation rate, and future improved mortality rates.

Assumptions
This valuation was done to calculate the pension liability as at 31-12-2022. The liabilities were estimated actuarially using the projected unit credit cost method. The principal assumptions used in the previous and the current valuation are:

Principal financial assumptions (annually):

	31-12-2022	31-12-2021
Return on investments	**27.83%*)**	21.73%*)
Inflation	**24.73%**)**	19.99%**)

Salary increases:

merit	Age dependent, moving between 1.2 at age 18 and 3.3 before retirement based on current pensionable salary structure.	Age dependent, moving between 1.2 at age 18 and 3.3 before retirement based on current pensionable salary structure.
inflation	24.73% annually	19.99% annually

Mortality assumptions
The mortality rates used are calculated by the "Kring van Actuarissen in Suriname" and are based on experience data from the entire Surinamese population regarding the years from 2010 to 2013.

Mortality rates used in valuation as at:

	31-12-2021	31-12-2019
Males		
Future lifetime from age 60 (aged 60 at accounting date)	**18.15**	18.15
Females		
Future lifetime from age 60 (aged 60 at accounting date)	**21.40**	21.40

Future improvement of mortality rates has been taken into account by means of a markup of 4% on the net DBO.

Demographic assumptions
The assumptions listed below have been applied in this valuation report as at 31-12-2022. Unless mentioned otherwise, these assumptions were applied identically in the valuation as at 31-12-2021.
Disability rates:
Annual disability rates are assumed to be nil.
Turnover rates (prior to retirement date):
Termination prior to retirement date is assumed to occur with annual rates of 6.81%. Was 5.49% in the 2021 valuation.
The 2022 turnover rates are based on withdrawals from the Employer over the 2018-2022 period.
Marital rates and age difference:
• The defined benefit obligation (DBO) was calculated taking into account the actual marital status of the participants as at valuation date.
• Age difference between spouses: 5 years
Currency:
All amounts calculated are nominated in Surinamese dollars, SRD.
Calculation of ages and terms:
Ages and terms are nominated in years and months. Parts of a month of 15 days or more have been rounded to one full month whereas parts of a month of less than 15 days are not taken into account.

The fair value of plan assets was determined using the projected unit cost method. The major classes of the plan assets comprise of investments in quoted active markets, cash and cash equivalents and unquoted investments.

*) *In the absence of both a deep market in corporate bonds and long-term government bonds, the discount rate used in this valuation is derived from the 20-year US High Quality Corporate Bond rate and is assumed at 27.83% after corrections for both US and Suriname inflation rates. This approach is taken because there are no government bonds and no long-term SRD corporate bonds available in Suriname.*
**) *Salary and benefit increases due to inflation are assumed at 24.73% annually in future years. The assumed inflation rate is derived from the average price inflation (CPI index) as measured by the General Bureau for Statics in Suriname in the past 10 years.*

Movement in the post-employment pension obligation

in SRD	2022	2021	1 Jan 2021
Balance at 1 January	**39,241,442**	**31,745,382**	**23,660,430**
Interest Cost	**8,527,108**	5,546,522	3,545,079
Current Service Cost	**2,732,971**	2,360,021	1,562,149
Transfer Cost in / (out)	**(1,289,182)**	-	-
Actuarial (gain)/loss on obligation due to experience	**(11,271,510)**	(3,878,166)	(1,428,820)
Actuarial (gain)/loss on obligation due to experience regarding salary adjustments	**86,655**	3,847,533	2,554,007
Actuarial (gain)/loss on obligation due to change in demographic assumptions	**(3,170,932)**	-	-
Actuarial (gain)/loss on obligation due to change in financial assumptions	**(5,949,381)**	(379,850)	1,852,537
Balance at 31 December	**28,907,171**	**39,241,442**	**31,745,382**
Fair Value of plan assets primo	**14,206,790**	11,337,915	6,128,550
Expected return on plan assets	**3,463,994**	2,318,986	1,083,371
Contributions	**3,468,769**	3,869,494	2,204,084
Actuarial gain/(loss) on plan assets due to experience	**711,729**	(3,319,605)	1,921,910
Fair Value of plan assets ultimo	**21,851,282**	**14,206,790**	**11,337,915**
Actuarial gain/(loss) for year - obligation	**20,305,168**	410,483	(2,977,724)
Actuarial gain/(loss) for year - plan assets	**711,729**	(3,319,605)	1,921,910
Subtotal	**21,016,897**	**(2,909,122)**	**(1,055,814)**
Consolidated Financial position			
DBO ultimo	**28,907,171**	39,241,442	31,745,382
Fair value of plan assets ultimo	**(21,851,282)**	(14,206,790)	(11,337,915)
Liability/(Asset) recognized in Consolidated Financial position	**7,055,889**	**25,034,652**	**20,407,467**

14. Borrowings

Borrowings consist of a long-term loan for investments in buildings and machinery and short-term loans which comprise of two secured bank overdraft facilities denominated in SRD and USD. The movement in borrowings is as follows:
Secured loans are supported by a mortgage on land and buildings at Saramaccadoorsteek no.10; pledge of securities; fiduciary assignment of inventories and a fiduciary assignment of machinery and equipment. Certain borrowings were secured by a pledge from VSH United. Interest rate on borrowings range between 7.25% and 11% (2021: 7.25% and 11%).

in SRD	2022	2021	1 Jan 2021
Balance at 1 January	**43,004,221**	5,730,182	7,172,293
Movements:			
Effect of foreign exchange movements	**5,447,009**	1,859,724	3,782,694
Loans and Overdrafts	**9,215,645**	36,623,580	5,730,182
Loan installments	**(2,016,890)**	(1,857,856)	(11,566,923)
Interest	**1,866,335**	648,591	611,936
Total borrowings at 31 December	**57,516,320**	**43,004,221**	**5,730,182**
Short-term borrowings	**32,866,816**	16,163,810	5,730,182
Long-term borrowings	**24,649,504**	26,840,411	-

15. Lease liabilities

in SRD	2022	2021	1 Jan 2021
Balance at 1 January	**2,720,586**	2,958,072	1,651,833
Movements:			
Revaluation loss	**898,376**	498,919	1,854,025
Proceed	**1,099,357**	574,351	989,424
Installments	**(1,665,946)**	(1,612,387)	(1,797,800)
Interest	**235,221**	222,576	260,590
Other	**-**	79,055	-
Total at 31 December	**3,287,594**	**2,720,586**	**2,958,072**
Short-term portion (< 12 months)	**1,385,120**	1,156,189	1,230,983
Between one and five years	**1,902,474**	1,564,397	1,727,089

Low value lease assets comprise of computers which was SRD 425,503 (2021: SRD 337,307) and included in Office expense (see Note 19).

16. Trade and other payables

in SRD	2022	2021	1 Jan 2021
Trade payables	**60,767,621**	29,598,950	18,536,797
Employee benefits	**5,249,278**	3,150,222	2,661,245
Dividend payable	**444,574**	600,331	1,670,819
Taxes payable	**2,267,566**	1,576,706	1,001,257
Other payables	**2,489,454**	2,957,574	936,997
Total trade and other payables	**71,218,493**	**37,883,783**	**24,807,115**

Terms and conditions:
• Trade payables are non-interest bearing
• Other payables are non-interest bearing
• For terms and conditions with related parties, see Note 25

17. Sales and cost of sales

in SRD	2022	2021
Sales production	257,988,066	196,976,293
Sales merchandise	4,304,869	3,382,969
Total Sales	**262,292,935**	**200,359,262**
Cost of sales production	169,874,767	109,978,997
Cost of sales merchandise	1,656,142	1,718,883
Write-down of inventory	(5,347,683)	4,354,721
Total cost of sales	**166,183,226**	**116,052,601**
Total Gross Profits	**96,109,709**	**84,306,661**

There were no contract assets or contract liabilities at the end of the reporting periods.

18. Personnel expense

in SRD	2022	2021
Salaries and wages	12,419,002	7,843,729
Post-employment benefits	10,265,873	6,930,862
Bonuses	6,037,737	3,980,264
Jubilee obligation	2,278,477	6,018,509
Medical	2,183,312	2,162,030
Vacation and holiday expenses	2,011,546	1,165,750
Training	212,726	436,668
Contribution to pension plan	188,214	(1,880,093)
Other personnel expenses	4,127,790	1,777,386
Total personnel costs	**39,724,676**	**28,435,105**

19. Administrative expense

in SRD	2022	2021
Manufacturing	1,508,712	1,739,098
Maintenance	4,979,589	2,443,291
Office	4,660,970	3,311,958
Marketing	3,717,697	3,988,918
Overseas Travel Expenses	1,005,509	405,312
Consultancy and Advisory fees	959,683	1,144,413
Accountancy fees	868,227	727,626
Gifts and donations	541,044	622,579
Other administrative expenses	2,183,461	2,752,078
Total administrative expenses	**20,424,893**	**17,135,272**

20. Finance cost

in SRD	2022	2021
Interest expense on borrowings measured at amortized cost	1,906,653	648,591
Interest expense on lease liability	235,222	222,575
Total finance costs	**2,141,875**	**871,166**

21. Exchange rate losses/ (gains)

in SRD	2022	2021
Revaluation cash and cash equivalents	**721,108**	(294,207)
Revaluation of borrowings	**5,447,009**	1,859,724
Revaluation of leases	**898,376**	498,919
Revaluation of receivables and payables	**2,789,281**	90,545
Exchange rate losses/ (gains)	**9,855,775**	**2,154,981**

22. Other non-operating income

in SRD	2022	2021
Other non-operating income	**128,661**	383,253

23. Dividend declared and proposed

The Group recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Group. This is included in the trade and other receivables amount (see note 9). As stated in the bylaws of VSH United a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

The following dividends were declared and paid by the Group:

in SRD	2022	2021
Final dividend previous year SRD 0,15 per share	**750,330**	1,500,660
Interim dividend SRD 0,10 per share		
(2021: SRD 0,75 per share)	**500,220**	3,751,650
Dividend declared	**1,250,550**	**5,252,310**

The proposed dividend 2021 was adopted by the Annual General Meeting of Shareholders of 8 March 2022. Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognized as a liability as at 31 December.

24. Earnings per share

All shares of the Group are ordinary shares with a par value of SRD 0.10. The calculation of earnings per share at 31 December 2022 was based on the net earnings of SRD 29,044,311 (2021: SRD 42,523,575) and a weighted average number of ordinary shares outstanding during the year ended at 31 December 2022 of 5,002,200 (2021: 5,002,200).

in SRD	2022	2021
Numbers of shares	**5,002,200**	5,002,200
Earnings per share	**5.81**	**8.50**

25. Related party disclosure

Supervisory Board
The remuneration of the Supervisory Board is approved by the Annual General Meeting of Shareholders.
In 2022 the total remuneration amounted to SRD 257,450 (2021: SRD 151,402).

Management
The remuneration of key management personnel of the Company is determined by the Supervisory Board. The remuneration consists of a fixed monthly salary and a bonus. The bonus of the Managing Director is based on the Executive Perfomance Scheme and is measured against a yearly minimum target of 20% of return on capital employed (short-term) and a three-year (2019-2021) target of 80% for growth in earnings before tax (long-term). Based on the 2022 return on capital employed of 21.39%, a short-term bonus will be paid.

Key management compensation

in SRD	2022	2021
Remuneration and annual incentive compensation	2,800,054	1,892,395
Employers share pension plan	100,100	36,400

Ownership of shares
Details of shareholdings by members of the Supervisory Board and key management personnel are disclosed below.

Shareholder	Number of shares held
Supervisory Board	120
Management	30

Related party transactions
The Company is a 60.63% subsidiary of VSH United. The Chief Executive Officer and the Chief Legal Officer of VSH United are members of the Supervisory Board of the Company.

The related party transactions are executed on an arm's length basis. Outstanding balances are not secured, do not carry interest and are settled with cash and cash equivalents.

The yearly IT related services and salary administration services invoiced by VSH United amounts to SRD 2,574,728 (2021: SRD 1,807,088).

Contribution
The Company contributes on a final monthly basis 1.5% of the earnings before tax to the VSH Community Fund.
In 2022 the total contribution to the VSH Community Fund amounted to SRD 379,575 (2021: SRD 580,434).

	Sales to Related Parties	Purchases from Related Parties	Balance owed to Related Parties	Balance due from Related Parties
Entities				
Subsidiaries:				
VSH Trading	-	3,707,255	1,108,533	4,986
VSH Shipping	-	574,079	10,048	-
VSH FOODS	96,681	5,570	-	12,465
VSH Holding	216,027	3,538,878	1,925,352	3,272
VSH Holding loan	-	3,200,000	3,200,000	-
VSH Transport	8,668	-	-	-
VSH Logistics	761	2,084,522	211,796	-
VSH Labour Services	-	17,198	-	-
VSH Real Estate	44,550	-	-	6,011
Other:				
VSH Community Fund	46,307	379,575	214,334	989
VSH Pension Fund	-	1,819,292	150,411	-

26. Subsequent events

Value added tax (VAT)
On August 30, 2022, the Surinamese parliament passed legislation to remove the turnover tax and introduce a new VAT system by the Value Added Tax Act 2022 with effect from 1 January 2023.

Share issue
In the board meeting on May 25, 2023, the Supervisory Board approved the issuance of additional shares to finance diversification plans of the Company.

Borrowings
In the first half year of 2023 the overdraft facility of USD 500,000 was increased by USD 500,000 to finance working capital requirements on an ongoing basis during the year.

RELIANT CORPORATE FINANCE & ACCOUNTANCY

INDEPENDENT AUDITOR'S REPORT

To: The shareholders and supervisory board of N.V. Consolidated Industries Corporation

Report on the audit of the consolidated financial statements 2022 as presented on page 16 up to and including page 47 included in this annual report

Our opinion

We have audited the consolidated financial statements 2022 which are part of the financial statements of N.V. Consolidated Industries Corporation (hereafter 'the Group') based in Paramaribo, Suriname.
In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and in accordance with the (revised) Act on Annual Reporting (Wet op de Jaarrekening) as issued by the Government of Suriname.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as of 31 December 2022;
2. the following statements for 2022:
   the consolidated income statement, the consolidated statements of comprehensive income, consolidated changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole based on 5% of earnings before tax. We have also taken

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into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.

We note that misstatements in excess of the above-mentioned materiality for the consolidated financial statements as a whole, which are identified during the audit, would be reported to you, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements. The key audit matters are not a comprehensive reflection of all matters discussed.

Key audit matter 1

The matter	How our audit addressed the key audit matter
First time adoption of International Financial Reporting Standards (IFRSs) Effective January 1, 2021, the Group adopted IFRSs and converted from GAAP. This involved a detailed IFRS conversion exercise to identify all significant differences between the accounting policies previously applied under GAAP to that required by IFRSs ('gap analysis'). These differences are disclosed in Paragraph 3 of the consolidated financial statements. Until and inclusive of the date of this report, we were unable to obtain a final GAAP to IFRS gap analysis and IFRS compliance checklist. Management indicated that their conversion process constituted of three (3) steps, overseen by its ultimate parent entity N.V. Verenigde Surinaamse Holdingmij. /United Suriname Holding Company (VSH United): 1. Identify the applicable IFRSs. 2. Prepare a memorandum per IFRS which explains the gap analysis and management judgment and recommends adjusting journal entries (where necessary). 3. Finalize the memorandum per IFRS (see 'key audit matter 2 below').	Our procedures focused on assessing the completeness and robustness of the conversion exercise. The following procedures were followed: • Thoroughly elaborating the IFRS project implementation status overview with the in-house IFRS expert to assess whether all differences were properly identified and complete. • Providing feedback on how to interpret the IFRSs. • The most relevant technical memorandums have been reviewed and our professional interpretation differences with management are included in Key Audit Matter 2 below. • Auditing the GAAP to IFRS adjustments to determine if these are reasonable and appropriate. • Evaluating whether IFRS 1 first time adoption exemptions are appropriately applied. • Agreeing all adjustments back to the related journal entries and relevant working papers as well as to the related disclosures in the consolidated financial statements.

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Key audit matter 2

The matter	How our audit addressed the key audit matter
IFRS accounting treatment adopted IAS 1 'Presentation of financial statements' provides relevant guidance as to how financial statements should present fairly the financial information of an entity and the requirements in accordance with the Conceptual Framework for Financial Reporting (Conceptual Framework). IAS 1.17 states that compliance with applicable IFRSs is required to achieve fair presentation. This requires an entity to select and apply accounting policies. In addition, IAS 1.20 states that the entity shall disclose the treatment adopted relating to the applicable IFRS accounting policies. We refer to Paragraph 3 of the consolidated financial statements for a summary of the treatment adopted. We draw attention to the following two (2) IFRS accounting policies and the treatment adopted by management: 1. IAS 2 Inventories The fundamental principle of IAS 2 is that inventories are required to be stated at the lower of cost and net realizable value (NRV). Management's judgment is that NRV (in their view NRV is the selling price) will always be higher than cost of current stock. This approach has been hypothetically explained to us, but not mathematically supported for the years ending December 31, 2022, and 2021 and as per January 1, 2021. 2. IAS 29 Financial Reporting in Hyperinflationary Economies The basic principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. Comparative figures for prior period(s) should be restated into the same current measuring unit. Management has not restated the	We acknowledge that management has adopted IFRS to the best of their abilities, we stress that further implementation of certain requirements needs attention from the management of the Group. Our procedures focused on assessing management's current understanding of the treatment of IFRS accounting policies and procedures and how these are adopted to reduce audit risk to an acceptable lower level. The following procedures were followed: • Thoroughly elaborating the IFRS technical memorandums with the in-house IFRS expert to assess whether the appropriate accounting treatment and relevant requirements of the standards are properly understood and followed. • Providing feedback on how to interpret the IFRS accounting policies. • Obtaining management's agreement that the matter of judgment can be substantiated in the upcoming period.

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The matter	How our audit addressed the key audit matter
statement of profit and loss and other comprehensive income. The treatment adopted by management is that transactions included in the above-mentioned statement already sufficiently reflect changes to the general price index. This approach has been hypothetically explained to us, but not mathematically supported for the years ending 2022 and 2021. In addition, management has not restated Inventories. The treatment adopted is that there are no long-term inventory contracts and the weighted average cost method has been used in determining the Inventory value. Furthermore, management is of the opinion that raw materials represent the majority of the stock value and these were acquired in the last quarter of 2022 and therefore changes to the general price index are already sufficiently reflected in the value of inventories at year-end.	

Emphasis of a matter: 'Other'

The consolidated financial statements of the Group for the year ended 31 December 2020 and 2021 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) and were audited by another auditor who expressed an unmodified opinion on those statements on respectively March 9, 2021, and March 8, 2022. As part of our audit of these consolidated financial statements, we also reviewed the adjustments as described in Paragraph 3 that were applied to amend the 2020 and 2021 consolidated financial statements. In our opinion, these adjustments are appropriate and have been fairly applied. We were not engaged to audit, review or apply any procedures to the 2020 and 2021 consolidated financial statements other than with respect to the above-mentioned adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2020 and 2021 consolidated financial statements, as prepared under GAAP. Our current opinion is not modified in respect of this matter.

Report on the other information included in the annual report

The annual report contains other information, in addition to the consolidated financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the consolidated financial statements and does not contain material misstatements.

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We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of International Standard on Auditing 720 'The Auditor's responsibilities relating to other information'. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the consolidated financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with the Act on Annual Reporting in Suriname (Wet op de Jaarrekening).

Description of responsibilities regarding the consolidated financial statements

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. As part of the preparation of the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the consolidated financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the consolidated financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the consolidated financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with the International Standards on Auditing (ISAs), ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure, and content of the consolidated financial statements, including the disclosures; and
- evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the consolidated financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Paramaribo, June 2, 2023

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Reliant Corporate Finance & Accountancy
Ref: N. Gangaram-Panday CA CPA, Partner

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CIC
De inrichting van deze
ruimte is gedoneerd
aan COVAB
i.v.m. het 55-jarig
bestaan van N.V. CIC.


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