NV Consolidated Industries Corporation

ANNUAL REPORT 2023

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What makes Supro Extreme special?

Supro Extreme, the brand that offers the best solutions for your industrial cleaning needs. Specially formulated for jobs that require immediate and the best results, Supro Extreme will be considered your Employee of the Year.

SUPRO Extreme Car shampoo has been specially developed for quick and safe removal of stubborn dirt from vehicles without affecting the car paint. Our product dries quickly and is streak free. SUPRO Extreme Car shampoo… For a dazzling shine!

A powerful multi - purpose Industrial Cleaner and Degreaser formulated for cleaning and degreasing stains, oils, greases and other tough soils from surfaces.

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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. The year 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 56 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.

The Supervisory Board

Above, from left to right

- **01. Stephen Smit** *Chairman*
- **02. Malini Ramsundersingh** *Vice Chairman*
- **03. Patrick Healy** *Board Member*

Below, from left to right

- **04. Oliver Smith** *Board Member*
- **05. Elton Woei-A-Tjoen** *Board Member*
- **06. Demian Jong-A-Lock** *Board Member*

CIC Shareholders

VSH United	Assuria Beleggings-maatschappij N.V.	Assuria Medische Verzekering N.V.	Assuria Levensverzekering N.V.	Other
63.36%	14.85%	2.73%	1.91%	17.15%

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	Croeselaan 18, 3521CB	Utrecht - Netherlands

Auditors

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

Management team

From left to right
Maikel Macintosh
Deputy Managing Director – Operations
Kathleen Healy
Managing Director
Ratna Basant
Sales Manager Local

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

The Company

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 the 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 Values

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.

Production
6,014 MT

Employees
114

International distribution partners
14

Market leader
in Suriname and solid market positions in the Caribbean.

Corporate Responsibility

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

Injury

With eight reports of personal injuries in the workplace in 2023, we reviewed all incidents in detail to identify patterns or common causes and implement additional safety measures to prevent similar incidents in the future. Research has indicated that the primary source of the incidents reported is the lack of focus on safety during the daily work practices. Therefore, our focus will be on increasing the level of awareness sessions and preventive measures. Our goal is to create a safe work environment for all employees, and we will continue to prioritize safety in all aspects of our operations, striving for zero personal injuries in our workplace.

Water

We harvested less rainwater due to a dryer year in 2023. This resulted in an increased consumption of 34% in potable water compared to 2022. The target set for 2023 was <1000 liters/MT while our usage was 1,187 liters/MT.

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.

Contribution

SRD 507K was contributed to VSH Community Fund and other donations were made as well.

Electricity

In 2023, we achieved 257Kva/MT; the goal was set at 240 Kva/MT.

Fossil fuel

We realized 101 liters/MT, an approximate 10% increase from the previous year.

Empowering Sustainability: Our Path to a Better Future

We are committed to the United Nations Sustainable Development Goals (SDGs) and strive to make a positive impact on our environment, society, and economy. Our sustainable strategic plan for 2024-2030 focuses on improving safety at work, promoting health and well-being, and reducing our impact on the environment.

CIC gives back - SU AID 2023

As we grow our Business, our Commitment is:

SUSTAINABLE DEVELOPMENT GOALS

Health & Safety	Well Being	Safe Products	Greenhouse Gases	Resources	Waste
1. Create leadership skills to prevent major and fatal incidents in the workplace.	1. Contribute to the VSH Community Fund of 1.5% of net company turnover.	1. 100% use of natural or degradable surface-active ingredients in our products.	1. CO2-emissions of $\leq$ 860 tCO_2/Mwh, despite significantly higher volumes.	1. Achieve a SWM water consumption $\leq$ 1000 liter/MT production and a fuel consumption $\leq$ 80 liter/MT soap powder production.	1. Reduce production waste to landfill by 50%.
2. Optimize production processes to eliminate workrelated absenteeism.	2. Optimize sustainable employability to attain Employee Net Promoter score of $\geq$ 25%.	2. 100% replacement of environmentally harmful raw materials with less harmful alternatives.	2. We will help plant 1000 mangrove trees to protect our coast.	2. 25% reduction in raw materials losses compared to 2022.	2. Optimize production processes to reduce rework and wastewater generation by 25%.
3. Promote a healthy lifestyle to reduce long-term absenteeism (>5 days) due to chronic diseases by 50%.					

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2030:
Creating a better company, for a better world!

We understand the importance of integrating sustainability into our operations and are committed to continuously improving our practices to support achieving these global goals. Together, we can make a meaningful difference in creating a more sustainable world for generations to come.

QMS
Quality Management System

CIC has been ISO9001 certified since 2006. This certification demonstrates our commitment to providing high-quality services to our customers and continuously improving our processes to meet their needs. It also helps us to identify areas for improvement and make data-driven decisions to enhance our overall performance.

By following the ISO9001 Standards, we can effectively manage risks, streamline our operations, and increase customer satisfaction. Our team is dedicated to upholding these standards and ensuring that our quality management system remains robust and effective.

We are proud that in July 2023, we successfully passed the external audit certification and are therefore in compliance with the ISO9001:2015 Standard and will continue to uphold the highest quality standard in all aspects of the business.

Our Quality Policy

Our policy is to satisfy our customers by providing 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 consumers and market demands are central, and every employee is involved.

The main results for 2023 were:

	Target 2023	2023	2022
Re-Work Plastic	<0.18%	0.21%	0.32%
Re-Work Liquid	<5 KG	7 KG	11 KG
Rework Powder	<6 KG	9.4 KG	7.5 KG

EMS
Environmental Management System

CIC has been 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 July 2023, we successfully passed the external audit and are therefore in compliance with the ISO14001:2015 Standard.

The main results for 2023 were:

	Target 2023	2023	2022
Energy Consumption per MT	<240 Kva	257 Kva	258 Kva
Fuel Consumption per MT	<85 liters	101 liters	91 liters
Water Consumption per MT	<1000 liters	1,187 liters	887 liters

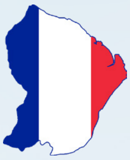

Antigua


Barbados


Belize


Curaçao


Dominica


French Guiana

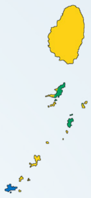

Grenada


Guyana


Jamaica


Netherlands


St. Lucia


St. Vincent

Where we do business


Trinidad & Tobago


Suriname

OZON LAUNDRY DETERGENT POWDER

Is a high foaming detergent. Because it contains enzymes, it provides more cleaning powder per wash load and tackles all stains vigorously. Ozon laundry detergent powder will leave your laundry smelling fresh for days and is suitable for all types of clothing.
It can be used at various temperatures for both hand washing and your washing machine.

Available sizes
200gr, 400gr, 900gr, 1750gr, 3500gr and 5000gr.

Tropical Bush

TROPICAL BUSH INSECT REPELLENT

Is highly concentrated and especially effective against mosquitos.
This repellent protects up to 8 hours against different types of stinging insects.

Available sizes are 100 ml spray, 100 ml lotion and 100 ml kids friendly spray.

Report of the Supervisory Board

To the Shareholders

We hereby present our report on the activities of the Supervisory Board in 2023.

The Supervisory Board performed its duties in accordance with Suriname law, the Company’s bylaws and the Corporate Governance Code. We advised Management on relevant issues and monitored management’s performance in relation to set goals. Management regularly informed us verbally and in writing, on material aspects of the business, major events, competitor activities, investments and transactions. We were kept informed of results, 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 19 October 2023, Management presented the financial and operational plan for 2024 and the Board approved capital expenditures for 2024. These included the investments needed for the launch of Personal Care products.

Corporate Governance

In the meeting of the Supervisory Board held on 18 April 2023, the internal audit plan for 2023 was presented by the Internal Audit Department and approved by the Supervisory Board.

On 18 January 2024, the results of the internal audits 2023 were presented to the Supervisory Board, as well as the internal audit plan for 2024.

In the Annual Meeting of Shareholders held on 9 June 2023, Mr. A. Nai Chung Tong decided to step down as a member of the Supervisory Board. We thank Mr. Nai Chung Tong for his support during his nine-year board member tenure. To fill this vacancy, the Supervisory Board advised the Shareholders to elect Mr. D. Jong-A-Lock as a member of the Supervisory Board on 9 June 2023.
The Shareholders approved this recommendation.

Audit and Risk Committee

In the meeting of the Supervisory Board held on 13 June 2023, the members P. Healy (chair), E. Woei-A-Tjoen and D. Jong-A-Lock were appointed to 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.
During the year under review, the ARC held three meetings. The ARC focused its attention on the management letter results and actions, annual- and half-year reports, Enterprise Risk Management and reports presented by the Internal Audit Department.

In a meeting held on 3 April 2024, the Audit and Risk Committee and the external auditor discussed the annual figures for 2023 with management. These discussions were productive and led to the finalization of the Annual Report 2023.

Share Issuance 2023

In the Annual General Meeting of Shareholders held on 9 June 2023, the Managing Director presented the share issuance project to finance phases two and three of the long-term strategic plan 2022 – 2027. The goal of this share issuance was to raise SRD 80 million, of which SRD 60 million would be allocated to expansion into the Personal Care segment, and SRD 20 million would be allocated to replacement investments in current operations. The share issuance took place from 19 June to 4 September 2023 and as of 31 December 2023, SRD 79,847,825 was raised.

Supervisory Board changes and appointments

Under article 13 of the bylaws all Supervisory Board members retire in the Annual Meeting of Shareholders.

The composition of the Supervisory Board as of 9 June 2023 is as follows:
Mr. S. Smit – Chair of the Supervisory Board
Mrs. M.A. Ramsundersingh – Vice-chair of the Supervisory Board
Mr. O. Smith – member
Mr. P. Healy – member
Mr. E. Woei-A-Tjoen – member
Mr. D. Jong-A-Lock – member

Being eligible, the members Mrs. M.A. Ramsundersingh, Mr. O. Smith, Mr. P. Healy, Mr. E. Woei-A-Tjoen and Mr. D. Jong-A-Lock offer themselves for re-election in the Annual General Meeting of Shareholders to be held on 17 April 2024.
Having reached the retirement age for supervisory board members, as stipulated in Article 12 section 1 of the by-laws, Mr. S. Smit will not offer himself for re-election. Mr. S. Smit has been a board member since June 1994 and during his tenure, he took these responsibilities with dedication, grace and seriousness. We thank Mr. Smit for his unwavering contribution to the company.

To fill the vacancy the Supervisory Board recommends that Mr. Mario Merhai be elected as a member of the Supervisory Board on 17 April 2024.

Management Changes and Appointments

On 01 January 2023 Mr. Maikel Macintosh, Operations Manager, was promoted Deputy Managing Director – Operations. Mr. Dewanand Ramlal, who had accepted a new part-time position as Technical Advisor as of 1 January 2022, has reached retirement age as of November 2023.

Performance of the Supervisory Board

On 14 December 2023, the performance of the Supervisory Board was evaluated through a selfassessment 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 export growth, monitoring diversification project, strategic discussion on outlook and challenges, and filling in key positions/succession planning.

Management Performance and Executive Performance Pay

Management remuneration was evaluated, and adjustments were approved in the Board meeting held in November 2023.
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. Based on this, the short-term target was achieved and a short-term bonus, amounting to SRD 1,161,628, will be awarded to the Managing Director after approval of the financial statements by the Shareholders.
On 14 December 2023, the 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 export growth, monitoring diversification project, discussion on outlook and challenges, and filling in key positions/succession planning.

Remuneration of the Supervisory Board

The Annual General Meeting of Shareholders held on 9 June 2023 approved an annual remuneration for the Supervisory Board of SRD 348,000.
In the meeting of the Supervisory Board held on 15 February 2024, the Management recommended increasing the remuneration of the Supervisory Board to SRD 440,000 per year, effective 1 May 2024.
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

Financial Statements and division of earnings

In compliance with the requirements of article 36 of the bylaws, Management presented the financial statements 2023 to the Supervisory Board on 3 April 2024.

These financial statements can be found on pages 24 to 58 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 60 to 63.
The consolidated net earnings in 2023 amount to SRD 1,572,001 (Restated 2022: SRD 33,552,264). We recommend that the Shareholders approve the accounts as presented.
Considering the investment phase relating to the company’s long-term growth plan and as presented in the share issuance prospects, management has advised not to pay dividend in 2023. The Supervisory Board endorses the recommendation of Management.
If approved, the total net earnings amounting to SRD 1,572,001 will be added to retained earnings.

Appreciation

The Supervisory Board is appreciative of all the efforts made by the CIC team toward achieving the Company’s goals.

Paramaribo, 3 April 2024

The Supervisory Board,

Stephen Smit, Chairman

Malini Ramsundersingh, Vice Chairman

Oliver Smith

Patrick Healy

Elton Woei-A-Tjoen

Demian Jong-A-Lock

Financial Highlights

	2023	2022	2021	2020
SRD ‘000				
Sales	360,737	262,293	200,359	126,004
Net earning	1,572	33,552	42,524	5,935
Return on sales	0.4%	12.8%	21.2%	4.7%
Return on assets	0.4%	9.9%	20.6%	6.6%
Return on equity	0.7%	23.0%	72.0%	24.0%
Shareholders’ equity	224,926	146,158	59,049	24,664
Liabilities	201,624	192,481	147,597	64,751
Total equity and liabilities	426,636	338,659	206,661	88,431
Per share of nominal SRD 0.10				
Earnings per share	0.25	6.71	8.50	1.19
Cash dividend	0.00	0.10	0.90	0.50
Share price	49.50	17.00	14.25	13.00
Intrinsic value	30.01	29.22	11.80	4.93
USD exchange rate per end of year	37.50	32.00	21.65	17.50

Sales
360,737

Net earning
1,572

Earnings per share
0.25

Managing Director’s Report

The Business Environment

The global and regional economies seemed to be at a crossroads in 2023. Tourism-oriented economies have recovered more rapidly than expected from the sharp pandemic-induced contraction of 2020. Commodity prices have subsided; however, they remain above pre-pandemic levels, with persistent negative effects on regional households spending habits. After the economic recovery of 2021 and 2022, forecasters expected a global economic slowdown in 2023; however, this was driven mainly by an expected slowdown in advanced economies. These advanced economies remained the key drivers of demand for Caribbean tourism and the prices of everyday household items.

In Suriname, the economy seemed to settle in 2023, allowing for better focus on growing the business organically. The U.S. dollar exchange rate settled at SRD 37.50 at the end of the year 2023. Even though there was some economic stability in the second half of the year, pressure on disposable income remained. By December 2023, the 12-month inflation was 32.6% (2022: 54.6%)[1].

In 2023, the operational focus was increasing efficiency and preparing for the launch of personal care.

Production

We produced 6,014 MT, which is 5% less than the previous year (2022: 6,347 MT). The overall drop was mainly driven by lower sales of powder detergents in one key export market. Subsequently, we incurred a decrease in of 7% in powder production productivity for the year. During slower periods of powder production, we utilized the time for necessary annual maintenance and transferred manpower to the liquid department to help offset the production costs.

Production volumes in the liquids department increased by 10%. With the investment of the new filling line, which was commissioned in 2022, and an increased demand for mainly disinfectants, a 4% productivity increase was realized. Preparations continued in 2023, in line with our long-term automation plan, with the main focus being to readying ourselves for the personal care launch in 2024 and expanding our processes to accommodate further growth of our current portfolio.

The plastic production volumes increased by 6%, while simultaneously increasing our productivity by 3%. The increase in PET production mainly drove this growth.

With the implementation of an adjusted strategy for powder detergents and the expansion of our liquid’s portfolio in 2024, we are confident that we will enhance our market presence and drive growth in key segments.

[1]Source: General Bureau of Statistics

Sales and Marketing

We reported a strong performance in both our local and export revenues for the year, resulting in a 39% growth compared to the previous year. This growth was mostly driven by disinfectant cleaners and hand dish washing liquids.
The commercial team successfully designed and implemented the Ozon 6in1 Testimonials campaign, which resulted in significant growth in the local market. Export growth was mainly driven by expansion to big retailers in various countries.

We delivered on our goal to further improve our profit margins which realized an overall growth of 49% compared to the previous year, demonstrating our focus on cost management and effective pricing strategies.
Although various actions were taken, we could not achieve a volume growth, resulting in a 6% decrease compared to the previous year. This drop was mainly in the soap powder category in the local and one specific export market.

To offset the decline in volumes, we have strategically expanded our SUPRO Extreme brand to now include SUPRO Extreme Car Shampoo. This expansion is aimed at driving growth in the B2B segment both in the local as well as regional markets, aligning with our long-term business goals. Further expansion and updates of our current portfolio will continue to be our strategy moving forward to guarantee our planned growth both locally and regionally.

With great pride we announce that our bottle sales grew in revenue with 22% and in gross margin with 24%. This was achieved mainly by growth in sales of PET bottles.

Looking ahead, we are optimistic about the commercial prospects in 2024.
We plan to continue our focus on expanding our customer base, launching innovative products/services, and investing in marketing and sales initiatives to drive further growth and profitability.

In pursuit of creating additional revenue streams and reducing reliance on one segment, we initiated our diversification strategy 2022 – 2027 in 2021.

Through collaborative efforts between the supervisory board and our management team and following extensive market research, CIC is set to unveil a new product portfolio in the personal care segment in the fourth quarter of 2024.

> “This expansion is aimed at driving growth in the B2B segment both in the local as well as regional markets, aligning with our long-term business goals.”

People, Health and Safety

We are proud to be a diverse company with 114 full-time employees operating from two different locations, spanning different generations, a variety of ethnicities and personal stories.

Headcount 2023 vs 2022 114 vs 120	**Number of promotions** 8	**Types of employee anniversary** 12.5 years 30 years
Number of employees celebrating an anniversary 15	**Number of pensioners** 8	**Number of employees participating in training & development programs** 90
Turnover 2023 vs 2022 10 vs 8	**Absenteeism 2023 vs 2022** 4.9% vs 3.9%	**% of cumulative salary adjustments** 50.48%

Company culture should save the day

At CIC, our most valuable asset is our employees, and we aim to attract, coach, and retain top talent from a broad range of backgrounds. Our focus remains on establishing an engaging workplace with fulfilling roles and a supportive culture that empowers all individuals to excel. Listening to our employees is a priority, as evidenced by our bi-annual employee net promoter survey (eNPS), which assesses employee engagement and loyalty towards CIC. With an eNPS score of 17, the results suggested that CIC employees are content with their jobs and CIC as an employer.
The results also showed our employees’ four most experienced feelings: motivated, peaceful, happy and understood.

Inclusion extends to every Employee

To further our commitment to our employees, CIC participated in a Gender-Based Violence Program for the Caribbean. This program was designed to promote safe and respectful workplaces throughout the region. By actively engaging with this initiative, we are committed to creating a work environment that is free from gender-based violence and discrimination.
Through our involvement in the program, we aim to foster a culture of respect, equality, and inclusivity within our organization and contribute to building a safer and more supportive workplace for all.

Age Distribution	Gender Distribution	Women in Leadership Roles
Current Generation Z (ages <22) – 0% Millennials (ages 23-38) – 33% Generation X (ages 39-54) – 44% Boomers (ages 55>) – 23%	Current Female 26% Male 74%	42%

Putting the 'well' in employee wellbeing

There is no doubt that worldwide uncertainty will continue to drive employee emotion.
This means supporting team members in a tailored way – so everyone can feel empowered to bring their best self to work.
In recognition of Mental Health Awareness Month 2023, CIC implemented various i nitiatives to support the mental well-being of our employees. Throughout the month of May 2023, we organized several activities and programs focused on promoting mental health awareness, resilience, and self-care. The aim was to provide resources, tools, and support to help our employees prioritize their mental health and well-being above all.

To promote healthy eating habits and support a nutritious diet, we launched the 'Moestuin Project.' This initiative involved growing various vegetables made available to our staff at cost-effective prices. By offering access to fresh, locally sourced produce, we aim to empower our employees to make healthier dietary choices and prioritize their overall well-being.
The 'Moestuin Project' not only encouraged a healthy lifestyle but also fostered a sense of community and sustainability within our organization.

At CIC, we prioritize safety in all aspects of our team. To enhance our safety measures and promote a culture of vigilance, in 2023, we introduced a safety inspection contest among our production personnel. This initiative encourages employees to actively participate in identifying and addressing potential safety hazards in the workplace. The increase in incidents is a trend that we cannot ignore, and we acknowledge the urgency of the situation. In the coming year, our main priority will be to address this issue head-on and implement aggressive measures to reduce the number of incidents, focusing on further enhancing safety measures, implementing comprehensive training programs and continuous promotion of prevention.
Additionally, we will continue to closely monitor and analyze injury trends to identify areas for improvement. Our commitment to creating a safe and healthy work environment remains unwavering as we strive to protect and support our most valuable asset—our employees.

The number of incidents reported in 2023 was 47 vs 34 in 2022

Types of Incidents	2023	2022
Incidents with personal injury	8	2
Traffic incidents	21	13
Environmental pollution	3	1
Workplace pollution	7	6
Other incidents (e.g. robbery, near misses)	8	12

The field of Human Resources continues to evolve in response to changing trends and challenges. As we look ahead to the coming year, our Human Resource Department remains committed to staying ahead of the curve and adapting to meet the needs of our employees and the business. By prioritizing diversity, equity, and inclusion, and promoting employee wellbeing, we are confident that we can continue to drive success and growth for our organization.

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.
In managing the Company, 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 ISO14001:2015 were audited in July 2023 and were found to be sufficient. No significant shortcomings were reported and only recommendations for further improvements were made.

Enterprise Risk Assessments have become a higher priority in recent years. The Company has implemented a methodology that looks at risk management strategically from the perspective of the entire organization. This strategy 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 uncertain financial times and we are committed to identify and mitigating enterprise risks in the future.

Investments

The capital investments mainly included replacement of machines.

Total capital investments 2023

SRD 19.3 million
(2022: SRD 23.7 million).

Sales

Sales increased compared to the previous year by SRD 98 million, while the cost of sales increased by SRD 52 million.This increased gross profits by SRD 47 million.

Gross Profit Increase

SRD 47 million

	2023	2022
Sales	360,737,043	262,292,935
Cost of Sales	(217,895,292)	(166,183,226)
Gross Profits	142,841,751	96,109,709

Operational expenses

Operational expenses increased by SRD 29 million to SRD 100 million.

Significant impactors leading to these increases were:

- Increases in administrative expenses of SRD 15 million which were mainly due to increased maintenance costs
- Increases in depreciation and amortization expenses by SRD 6 million, which were a result of the implementation of the hyperinflation standard

Net earnings

Earnings from operations amounted to SRD 43 million compared to SRD 25 million in 2022 impacted mainly by improved gross profit.

Net earnings before tax amounted to SRD 25 million compared to SRD 43 million last year.

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 not to pay a cash dividend for the year 2023.
If approved, the net earnings amounting to SRD 1,572,001 will be added to retained earnings.
Shareholders’ equity before appropriation of earnings will increase by 54% to SRD 224,925,616 (Restated 2022: SRD 146,158,068).

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 fully compliant with IFRS as of 2022. CIC has implemented the first time adoption of IFRS on 1 January 2022, and we are proud to report that we are well on our way to be fully compliant with the Act on annual reporting.

Outlook 2024

The economies in which we operate have shown some stability in the first quarter of 2024 and we remain optimistic that this trend will continue for the remainder of the year.

We started the year with some setbacks, specifically lower than forecasted sales due to a variety of reasons.
Our focus remains on achieving our forecasted budget and our goal of launching products in the personal care segment by the end of the year. We continue to utilize our resilience and adaptability and will invest in our greatest asset: our team.

Appreciation

Thank you to our shareholders, staff and partners for their continued support. Your belief in what we do and what we want to achieve is of the utmost importance.

Paramaribo, 3 April 2024

Kathleen Healy,
Managing Director

WHAT MAKES SUN SPECIAL

Sun offers simplicity in cleaning at a great price. With its ideal product line, Sun provides you with all the essential cleaning products you need to keep your home and laundry clean and fresh. The products are specially designed to fulfill all your cleaning needs, while offering the best quality at the best price.

KLINOL

Searching for a cleaning product that can do it all?

Experience Klinol, our oldest brand that's highly demanded locally because of its multi-purpose use.

You can use Klinol in and around your house for various purposes:
Doing the dishes, Cleaning your bathroom, Washing your car, Cleaning your floors and many more cleaning purposes!

Consolidated Statement of Financial Position

At 31 December 2023 before Appropriation of net earnings

	Note	At 31 December 2023 SRD	At 31 December 2022* SRD
ASSETS			
Non-current assets			
Property, plant and equipment	6	169,999,132	170,146,428
Long-term investment	7	83	83
Total non-current assets		**169,999,215**	**170,146,511**
Current assets			
Inventories	8	152,557,466	129,014,443
Trade and other receivables	9	65,118,936	33,080,510
Income tax receivable	10	701,090	636,765
Deffered tax asset		16,238	-
Cash and cash equivalents	11	38,243,290	5,781,043
Total current assets		**256,637,020**	**168,512,761**
Total assets		**426,636,235**	**338,659,272**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	76,284,943	75,868,155
Share premium	12	142,012,249	61,060,888
Retained earnings		(147,091)	(33,747,560)
Net earnings		1,505,993	33,533,150
Accumulated other comprehensive income		5,269,522	9,443,435
Equity attributable to equity holders of the parent company		**224,925,616**	**146,158,068**
Non-controlling interest		86,310	20,298
Total equity		**225,011,926**	**146,178,366**
Liabilities			
Non-current liabilities			
Deferred tax liability	10	44,159,902	33,271,242
Employee benefit obligation	13	20,748,747	20,149,546
Long-term borrowings	14	30,213,513	24,649,504
Lease liabilities	15	906,390	1,902,474
Total non-current liabilities		**96,028,552**	**79,972,766**
Current liabilities			
Short-term employee benefit obligation	13	8,548,482	7,240,316
Short-term borrowings	14	29,684,252	32,866,816
Short-term lease liabilities	15	1,341,300	1,385,120
Income tax payables	10	7,332,224	444,265
Trade and other payables	16	58,689,499	70,571,623
Total current liabilities		**105,595,757**	**112,508,140**
Total equity and liabilities		**426,636,235**	**338,659,272**

**Restated in accordance with IAS 29 Hyperinflation*

The accompanying notes on pages 29 - 58 are an integral part of these financial statements.

Paramaribo, 3 April 2024

The Supervisory Board,

Stephen Smit, Chairman
Malini Ramsundersingh, Vice Chairman
Oliver Smith
Patrick Healy
Elton Woei-A-Tjoen
Demian Jong-A-Lock

Managing Director,

Kathleen Healy

Consolidated Statement of Income
For the year ended 31 December 2023

	Note	2023 SRD	2022* SRD
Sales	**17**	360,737,043	262,292,935
Cost of sales		(217,895,292)	(166,183,226)
Gross profit		**142,841,751**	**96,109,709**
Personnel expense	**18**	(44,557,822)	(39,724,676)
Distribution expense		(7,451,705)	(4,866,993)
Administrative expense	**19**	(35,777,138)	(20,424,893)
Depreciation and amortization		(12,346,607)	(5,971,043)
Total expenses from operations		**(100,133,272)**	**(70,987,605)**
Earnings from operations		**42,708,479**	**25,122,104**
Finance costs	**20**	(5,824,443)	(2,141,875)
Exchange rate (losses) / gains	**21**	(15,124,728)	(9,855,775)
Net monetary (losses) / gains		2,627,688	30,112,912
Other non-operating income	**22**	327,910	128,661
Earnings before tax		**24,714,906**	**43,366,027**
Income tax	**10**	(23,142,905)	(9,813,763)
Net earnings		**1,572,001**	**33,552,264**

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2023

	Note	2023 SRD	2022* SRD
Net earnings		**1,572,001**	**33,552,264**
Other comprehensive income: Actuarial (loss) / gain on defined benefit obligation		(6,521,739)	23,563,331
		(6,521,739)	**23,563,331**
Income tax on defined benefit obligation	**10**	2,347,826	(8,482,799)
Other comprehensive income net of taxes		(4,173,913)	15,080,532
Total comprehensive income		**(2,601,912)**	**48,632,796**

**Restated in accordance with IAS 29 Hyperinflation*

The accompanying notes on pages 29 - 58 are an integral part of these financial statements.

Paramaribo, 3 April 2024

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Demian Jong-A-Lock

Managing Director,

Kathleen Healy

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

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 2022	**3,509,862**	**2,983,010**	**57,442,917**	**(5,637,097)**	**58,298,692**	**15,786**	**58,314,478**
Net earnings	-	-	33,533,150	-	33,533,150	19,115	33,552,265
Other comprehensive income	-	-	-	15,080,532	15,080,532	-	15,080,532
Interim dividend	-	-	(500,220)	-	(500,220)	-	(500,220)
Hyperinflation current measurement	20,219,648	16,438,208	-	-	36,657,856	(14,603)	36,643,253
Hyperinflation correction 2022	52,138,645	41,639,670	(90,690,257)	-	3,088,058	-	3,088,058
Equity at 31 December 2022 before appropriation of net earnings	**75,868,155**	**61,060,888**	**(214,410)**	**9,443,435**	**146,158,068**	**20,298**	**146,178,366**
Final dividend	-	-	-	-	-	-	-
Equity at 31 December 2022 after appropriation of net earnings	**75,868,155**	**61,060,888**	**(214,410)**	**9,443,435**	**146,158,068**	**20,298**	**146,178,366**
Equity at 1 January 2023	**75,868,155**	**61,060,888**	**(214,410)**	**9,443,435**	**146,158,068**	**20,298**	**146,178,366**
Net earnings	-	-	1,505,993	-	1,505,993	66,012	1,572,005
Share emission	249,372	79,598,453	-	-	79,847,825	-	79,847,825
Other comprehensive income	-	-	-	(4,173,913)	(4,173,913)	-	(4,173,913)
Unclaimed dividend	-	-	67,319	-	67,319	-	67,319
Hyperinflation adjustments closing balance 2023	167,416	1,352,908	-	-	1,520,324	-	1,520,324
Equity at 31 December 2023 before appropriation of net earnings	**76,284,943**	**142,012,249**	**1,358,902**	**5,269,522**	**224,925,616**	**86,310**	**225,011,926**
Final dividend	-	-	-	-	-	-	-
Equity at 31 December 2023 after appropriation of net earnings	**76,284,943**	**142,012,249**	**1,358,902**	**5,269,522**	**224,925,616**	**86,310**	**225,011,926**

Further disclosure regarding adjustments 2022 are provided in note 3.

The accompanying notes on pages 29 - 58 are an integral part of these financial statements.

Paramaribo, 3 April 2024

The Supervisory Board,

Stephen Smit, Chairman
Malini Ramsundersingh, Vice Chairman
Oliver Smith
Patrick Healy
Elton Woei-A-Tjoen
Demian Jong-A-Lock

Managing Director,

Kathleen Healy

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

	2023 SRD	2022* SRD
Cash flows from operating activities		
Earnings before tax	24,714,906	43,366,027
Adjusted for:		
Depreciation included in operational expenses	12,346,607	5,971,043
Depreciation included in cost of sales	10,995,950	7,534,618
Net monetary gains	(2,627,688)	(30,112,912)
(Gain) / Loss on disposal of property, plant and equipment	-	172,330
Write-down of inventories	(775,000)	-
Bad debts expense	-	8,924
Maintenance on lease	624,527	556,171
Finance costs	5,824,443	2,141,875
Revaluation (gain) / loss on borrowings	3,151,944	5,447,009
Revaluation (gain) / loss on lease liabilities	368,711	898,376
Personnel costs related to defined benefit obligation	2,646,208	12,544,350
Changes in working capital:		
Change in inventories	(23,543,023)	(52,690,692)
Change in trade and other receivables	(32,038,426)	(10,789,288)
Change in trade and other payables	(11,882,124)	33,334,710
Adjustment due to inventory	281,948	-
Adjustments due to write-down of inventory	775,000	-
Adjustments regarding payables	70,272	(170,090)
Other:		
Payment related to defined benefit obligation	(7,260,579)	(5,034,319)
Cash generated from operations	**(16,326,324)**	**13,178,132**
Paid income tax	(3,099,023)	(8,733,074)
Net cash generated from operating activities	**(19,425,347)**	**4,445,058**
Cash flows from investing activities		
Purchase of property, plant & equipment	(19,329,358)	(23,660,830)
Net cash from investing activities	**(19,329,358)**	**(23,660,830)**
Cash flows from financing activities		
Proceeds from loans and overdrafts	9,721,250	9,215,645
Repayments of loans	(10,491,749)	(150,555)
Lease payments	(2,267,298)	(2,222,119)
Paid interest	(5,590,288)	(1,906,653)
Share emission	79,847,825	-
Dividend paid	(2,788)	(1,196,175)
Net cash from financing activities	**71,216,952**	**3,740,143**
Net increase / (decrease) in cash for the year	32,462,247	(15,475,629)
Cash and cash equivalents at 1 January	5,781,043	21,256,672
Cash and cash equivalents at 31 December	**38,243,290**	**5,781,043**

**Restated in accordance with IAS 29 Hyperinflation*

The accompanying notes on pages 29 - 58 are an integral part of these financial statements.

Paramaribo, 3 April 2024

The Supervisory Board,

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Elton Woei-A-Tjoen
Demian Jong-A-Lock

Managing Director,

Kathleen Healy

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Notes to the Consolidated Financial Statements

01
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 2023 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 63.36% 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 3 April 2024 and will be submitted for approval at the Annual General Meeting of Shareholders on 17 April 2024.

02
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).

2b. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for:

- 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.

03
Restatement in accordance with IAS29 hyperinflation

In 2023, the Group implemented a more effective application of the hyperinflation standard, resulting in several corrections. These are represented as hyperinflation corrections in the consolidated statement of Equity. Additionally, the Group restated the reported figures for 2022 in accordance with the standard. These are presented as hyperinflation current measurement. The following is a breakdown of the corrections and restatements.

3a. Restatement closing balance 2022

	At 31 December 2022 SRD	Hyperinflation Correction 2022 SRD	Hyperinflation Current Measurement SRD	Restated at 31 December 2022 SRD
ASSETS				
Non-current assets				
Property, plant and equipment	128,996,544	3,088,058	38,061,826	170,146,428
Long-term investment	83	-	-	83
Total non-current assets	**128,996,627**	**3,088,058**	**38,061,826**	**170,146,511**
Current assets				
Inventories	129,014,443	-	-	129,014,443
Trade and other receivables	33,080,510	-	-	33,080,510
Income tax receivable	636,765	-	-	636,765
Cash and cash equivalents	5,781,043	-	-	5,781,043
Total current assets	**168,512,761**	**-**	**-**	**168,512,761**
Total assets	**297,509,388**	**3,088,058**	**38,061,826**	**338,659,272**
EQUITY AND LIABILITIES				
Equity				
Share capital	5,187,787	52,138,645	18,541,723	75,868,155
Share premium	4,409,068	41,639,670	15,012,150	61,060,888
Retained earnings	56,942,697	(90,690,257)	-	(33,747,560)
Net earnings	29,025,197	-	4,507,953	33,533,150
Accumulated other comprehensive income	9,443,435	-	-	9,443,435
Equity attributable to equity holders of the parent company	**105,008,184**	**3,088,058**	**38,061,826**	**146,158,068**
Non-controlling interest	20,298	-	-	20,298
Total equity	**105,028,482**	**3,088,058**	**38,061,826**	**146,178,366**
Liabilities				
Non-current liabilities				
Deferred tax liabilities	33,271,242	-	-	33,271,242
Employee benefit obligation	20,149,546	-	-	20,149,546
Long-term borrowings	24,649,504	-	-	24,649,504
Lease liabilities	1,902,474	-	-	1,902,474
Total non-current liabilities	**79,972,766**	**-**	**-**	**79,972,766**
Current liabilities				
Short-term Employee benefit obligation	7,240,316	-	-	7,240,316
Short-term borrowings	32,866,816	-	-	32,866,816
Short-term Lease liabilities	1,385,120	-	-	1,385,120
Income tax payables	444,265	-	-	444,265
Trade and other payables	70,571,623	-	-	70,571,623
Total current liabilities	**112,508,140**	**-**	**-**	**112,508,140**
Total equity and liabilities	**297,509,388**	**3,088,058**	**38,061,826**	**338,659,272**

Property, plant and equipment
The correction of SRD 3,088,058 pertains the restatement of land based on the USD exchange rate of the period where Consumer Price index (CPI) data was unavailable followed by restatement based on the CPI of the transaction date.

The increase on PP&E of SRD 38,061,826 is a result of applying the hyperinflation standard which requires that comparative figures for prior periods be restated into the same measuring unit at reporting date.

Share capital
The correction of SRD 52,138,645 pertains the restatement based on the USD exchange rate of the period where Consumer Price index (CPI) data was unavailable followed by restatement based on the CPI of the transaction date.
The increase on Share capital of SRD 18,541,723 is a result of applying the hyperinflation standard which requires that comparative figures for prior periods be restated into the same measuring unit at reporting date.

Share premium
The correction of SRD 41,639,670 pertains the restatement based on the USD exchange rate of the period where Consumer Price index (CPI) data was unavailable followed by restatement based on the CPI of the transaction date.

The increase on Share premium of SRD 15,012,150 is a result of applying the hyperinflation standard which requires that comparative figures for prior periods be restated into the same measuring unit at reporting date.

Retained earnings
The retained earnings decreased by SRD 90,690,257 as a result of the hyperinflation corrections on land, share capital and share premium.

Net earnings
The net earnings of 2022 increased by SRD 4,507,953 as a result of the hyperinflation restatement for comparison at reporting date on land, share capital and share premium.

3b. Restatement statement of income 2022

	At 31 December 2022 SRD	Hyperinflation Current Measurement SRD	Restated At 31 December 2022 SRD
Sales	262,292,935	-	262,292,935
Cost of sales	(166,183,226)	-	(166,183,226)
Gross profit	**96,109,709**	**-**	**96,109,709**
Personnel expense	(39,724,676)	-	(39,724,676)
Distribution expense	(4,866,993)	-	(4,866,993)
Administrative expense	(20,424,893)	-	(20,424,893)
Depreciation and amortization	(5,971,043)	-	(5,971,043)
Total expenses from operations	**(70,987,605)**	**-**	**(70,987,605)**
Earnings from operations	**25,122,104**	**-**	**25,122,104**
Finance costs	(2,141,875)	-	(2,141,875)
Exchange rate (losses) / gains	(9,855,775)	-	(9,855,775)
Net monetary (losses) / gains	25,604,959	4,507,953	30,112,912
Other non-operating income	128,661	-	128,661
Earnings before tax	**38,858,074**	**4,507,953**	**43,366,027**
Income tax	(9,813,763)	-	(9,813,763)
Net earnings	**29,044,311**	**4,507,953**	**33,552,264**

Consolidated-Statement of Comprehensive Income			
Net earnings	29,044,311	4,507,953	33,552,264
Other comprehensive income:			
Actuarial (loss) / gain on defined benefit obligation	23,563,331	-	23,563,331
	23,563,331	-	23,563,331
Income tax on defined benefit obligation	(8,482,799)	-	(8,482,799)
Other comprehensive income net of taxes	15,080,532	-	15,080,532
Total comprehensive income	**44,124,843**	**4,507,953**	**48,632,796**

Net monetary (losses)/gains
The net monetary (losses)/gains of 2022 increased by SRD 4,507,953 as a result of the hyperinflation restatement for comparison on land, share capital and share premium at reporting date.

04
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 2023	31 December 2022
USD	37.50	32.00
EURO	41.52	34.13

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 2023 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 299.4% and 229.5%, measured at year end 2022 and 2023 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.

	2023	2022	2021	2020	2019	2018	2017	2016
CPI	759.3	572.5	370.4	230.5	143.4	137.6	130.5	119.4

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 improvement	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

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.
Therecoverable 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 or net realizable value. 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 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.

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 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.

05
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 2023, this had a significant impact on earnings of the Group.

Net foreign currency exposure

	2023	2022
Foreign Currency Assets		
- Trade Receivables	44,811,248	24,186,237
- Cash	32,158,651	3,172,142
Foreign Currency Liabilities		
- Trade Payables	(35,332,110)	(53,003,396)
- Debt	(17,973,821)	(22,237,408)
- Related Party	-	-
Net	**23,663,968**	**(47,882,425)**

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.

	2023	2022
Long-term borrowings	30,213,513	24,649,504
Short-term borrowings	29,684,252	32,866,816
Total Borrowings (see note 14)	**59,897,765**	**57,516,320**
Less: Cash and cash equivalents	(38,243,290)	(5,781,043)
Net Debt	**21,654,475**	**51,735,277**
Total Equity	225,011,926	105,028,482
Total Capital	**246,666,401**	**156,763,759**
Gearing ratio	9%	33%

06
Property, plant and equipment and intangible assets

in SRD	Property	Machinery and Equipment	Furniture and Fixtures	Motor Vehicles	Right of use: Motor Vehicles	Investments in progress	Total	Software*
Cost								
As at 1 January 2022	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	-
Transfers	33,595,921	8,155,006	5,854,325	-	-	(47,605,252)	-	8,481
Restatements 2022	24,317,828	25,505,467	4,065,812	-	2,767,895	-	56,657,002	-
Corrections previous years	3,088,058	-	-	-	-	(172,330)	2,915,728	-
Restatements current measurment	29,506,503	25,732,910	4,980,741	-	2,756,554	-	62,976,708	-
As at 1 January 2023	**133,492,760**	**118,166,604**	**24,545,563**	**-**	**12,208,218**	**3,031,289**	**291,444,434**	**171,606**
Additions	-	-	-	-	-	19,329,358	19,329,358	-
Transfers	5,542,050	3,372,987	813,359	9,721,250	-	(19,449,646)	-	-
Restatements closing balance 2023	10,837,227	75,082,798	31,619,437	309,114	4,542,359	-	122,390,935	-
As at 31 December 2023	**149,872,037**	**196,622,389**	**56,978,359**	**10,030,364**	**16,750,577**	**2,911,001**	**433,164,727**	**171,606**
Accumulated depreciation / amortization								
As at 1 January 2022	(15,897,138)	(34,252,511)	(7,175,849)	-	(3,199,863)	-	(60,526,361)	(163,125)
Depreciation / amortization charge	(864,022)	(2,289,725)	(900,909)	-	(639,190)	-	(4,693,846)	(8,481)
Restatements 2022	(9,703,355)	(17,107,123)	(2,065,729)	-	(2,287,710)	-	(31,163,917)	-
Restatements current measurment	(8,237,686)	(13,376,850)	(1,629,509)	-	(1,670,837)	-	(24,914,882)	-
As at 1 January 2023	**(34,702,201)**	**(67,026,209)**	**(11,771,996)**	**-**	**(7,797,600)**	**-**	**(121,298,006)**	**(171,606)**
Depreciation / amortization charge	(3,543,356)	(3,221,834)	(1,877,661)	(675,087)	(619,030)	-	(9,936,968)	-
Restatements closing balance 2023	(10,611,392)	(82,231,243)	(33,371,607)	(21,466)	(5,694,913)	-	(131,930,621)	-
As at 31 December 2023	**(48,856,949)**	**(152,479,286)**	**(47,021,264)**	**(696,553)**	**(14,111,543)**	**-**	**(263,165,595)**	**(171,606)**
As at 31 December 2023	**101,015,088**	**44,143,103**	**9,957,095**	**9,333,811**	**2,639,034**	**2,911,001**	**169,999,132**	**-**
As at 1 January 2023	**98,790,559**	**51,140,395**	**12,773,567**	**-**	**4,410,618**	**3,031,289**	**170,146,428**	**-**
As at 1 January 2022	**27,087,312**	**24,520,710**	**2,468,836**	**-**	**2,384,546**	**27,148,041**	**83,609,445**	**-**

**Software is classified as intangible assets.*

The PP&E assets are insured against fire up to USD 13,585,304 (SRD 509,448,900).

07
Long-term investments

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

08
Inventories

At 31 December 2023 inventories are insured against fire up to USD 2,762,755 (SRD 103,603,313).

in SRD	2023	2022
Raw materials and packaging	87,081,485	75,118,353
Finished goods	14,585,121	12,244,408
Imported goods	3,852,596	1,540,178
Supplies and spare parts	12,968,908	8,263,658
Goods in transit	34,877,687	33,431,179
Write-down of inventory	(808,331)	(1,583,333)
Total inventories	**152,557,466**	**129,014,443**

09
Trade and other receivables

in SRD	2023	2022
Trade receivables	54,093,626	30,805,644
Less: estimated credit losses	(14,696)	(14,696)
Net trade receivables	**54,078,930**	**30,790,948**
Receivables regarding personnel	44,541	13,474
Prepayments and deposits	8,983,044	1,040,162
Import duties to be settled	1,327,583	664,730
Other receivables	684,838	571,196
Total trade and other receivables	**65,118,936**	**33,080,510**

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	2023	2022
Current income tax charge	12,895,150	3,238,043
Deferred tax: Relating to origination and reversal of temporary differences	10,247,755	6,575,720
Current tax recognized in the consolidated statement of income	**23,142,905**	**9,813,763**
Current tax recognized in the other comprehensive income	(2,347,826)	8,482,799
Total current tax recognized in the consolidated statement of comprehensive income	**20,795,079**	**18,296,562**

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

in SRD	2023	2022
Balance at 1 January	(192,500)	(3,180,269)
Paid during the year	(3,099,023)	(8,733,074)
Due for the year	9,922,657	11,720,843
Balance at 31 December	**6,631,134**	**(192,500)**
consists of:		
Income tax receivable	701,090	636,765
Income tax payable	7,332,224	444,265

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	2023	2022
Balance at 1 January	33,271,242	21,059,894
Restatement on PP&E	10,189,779	1,745,879
Restatement on inventories	698,881	4,829,841
Restatement on PP&E previous years	-	5,762,128
Correction previous year	-	(126,500)
Balance at 31 December	**44,159,902**	**33,271,242**

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	2023	2022
Denominated in SRD	5,278,566	2,011,217
Denominated in USD	32,041,740	3,138,525
Denominated in EURO	922,984	631,301
Total cash and cash equivalents	**38,243,290**	**5,781,043**

12
Share capital and Share premium

On 31 December 2023 the issued share capital comprised of 7,495,925 shares (2022: 5,002,200 shares) with a par value of SRD 0.10 each. All issued shares are fully paid up. At 31 December 2023, registered shareholders equate to 99.9% 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, 2016 and in 2023 minus the amount paid up in 2013 by disbursement of SRD 0.09 nominal per share (conversion of SRG to SRD shares).

In 2023 the Group conducted a share issuance which raised SRD 79.8 million.

As at 31 December 2022 the Group restated non-monetary items using the current USD exchange rate versus the historic USD exchange rate as conversion factor for all transactions up until 2006 to reflect the changes in general purchasing power. At reporting date, the same method has been employed but only up until 2006. Starting from the year 2006, when the Consumer Price Index (CPI) data became accessible, all transactions have been restated based on the CPI.
The monetary results of all preceding years have been reflected in the retained earnings.

13
Employee Benefit Obligations

Assumptions

This valuation was done to calculate the pension liability and the post-employment medical liability as at 31-12-2023.
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):

in SRD	31 December 2023	31 December 2022
Discount rate SRD	33.16%	27.83%*)
Inflation SRD	30.00%	24.73%**)
Salary increases:	Age dependent, moving between 1.2 at age 18 and 3.3 before retirement based on current pensionable salary structure. 30.00% annually	Age dependent, moving between 1.2 at age 18 and 3.3 before retirement based on current pensionable salary structure. 24.73% 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

in SRD	31 December 2023	31 December 2022
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

Other (demographic) assumptions

The assumptions listed below have been applied in this valuation report as at 31 December 2023. Unless mentioned otherwise, these assumptions were applied identically in the valuation as at 31 December 2022.

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%.

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 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.

Derivation discount rate: December 2023	
• US HQM 14 yr Corp Bond rate	5,23%
• Inflation USA 10 year average	2,73%
• US HQM 14 Corp Bond rate adjusted for US inflation (10yr average)	2,43%
• SRD inflation (10 year average)	30,00%
• Discount rate used in IAS 19 valuation	**33,16%**

Total employee benefit obligation

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

in SRD	2023	2022
Jubilee obligation	6,559,853	6,977,820
Post-employment medical obligation	13,519,712	11,503,405
Pension obligation	669,182	1,668,320
Total employee benefit obligation	**20,748,747**	**20,149,546**

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.

in SRD	31 December 2023	31 December 2022
Salary increase based on inflation	30.00%	24.73%
Discount rate	33.16%	26.83%

Movement in the jubilee obligation

in SRD	2023	2022
Balance at 1 January	**7,624,690**	**5,783,726**
Addition	(1,058,569)	668,866
Interest	2,528,347	1,609,611
Paid during the year	(667,133)	(437,513)
Total	**8,427,335**	**7,624,690**
Short-term portion	(1,867,482)	(646,870)
Balance at 31 December	**6,559,853**	**6,977,820**

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.

Sensitivity DBO as at 31-12-2023 due to changes in the discount rate			
Change in discount rate	-1%	0%	1%
Change in DBO	1,116,292	-	(988,023)

Movement in the post-employment medical obligation

in SRD	2023	2022
DBO primo	**12,709,282**	**12,439,991**
Interest on scheme liabilities	3,369,674	2,601,095
Current Service Cost	888,502	1,157,875
Benefit paid	(1,205,877)	(943,245)
Actuarial (gain) / loss on obligation due to experience	(3,132,702)	(2,789,054)
Actuarial (gain) / loss on obligation due to experience regarding cost increase	2,021,036	1,620,879
Actuarial (gain) / loss on obligation due to change in financial assumptions	-	(132,557)
Actuarial (gain) / loss on obligation due to change in financial assumptions	609,797	(1,245,702)
DBO ultimo	**15,259,712**	**12,709,282**
Fair Value of plan assets primo		
Expected return on plan assets	-	-
Contributions	1,205,877	943,245
Benefits paid	(1,205,877)	(943,245)
Actuarial gain / (loss) on plan assets due to experience	-	-
Fair Value of plan assets ultimo	**-**	**-**
Unrecognized net cumulative actuarial gains / (losses) primo		
Actuarial (gain) / loss for year - obligation	(501,869)	(2,546,434)
Actuarial (gain) / loss for year - plan assets	-	-
Subtotal	**(501,869)**	**(2,546,434)**
Actuarial gain / (loss) recognized in year	501,869	2,546,434
Unrecognized actuarial gain / (loss) ultimo	**-**	**-**
Statement of Financial position		
DBO ultimo	15,259,712	12,709,282
Fair value of plan assets ultimo	-	-
Subtotal	**15,259,712**	**12,709,282**
Unrecognized actuarial gains / (losses)	-	-
Unrecognized past service cost	-	-
Liability / (Asset) recognized in the statement of financial position	**15,259,712**	**12,709,282**
Short term portion	(1,740,000)	(1,205,877)
Balance at 31 December	**13,519,712**	**11,503,405**

Statement of income:

in SRD	2023	2022
Current service cost	888,502	1,157,875
Interest cost	3,369,674	2,601,095
Net actuarial (gain)/loss recognized in year	-	-
Total Pension expense/(profit) in P&L	**4,258,176**	**3,758,970**
Less employee contributions	-	-
Pension expense/(profit) recognized in the P&L	**4,258,176**	**3,758,970**
The amounts recognized in the other comprehensive income were as follows:		
Net actuarial (gain)/loss	(501,869)	(2,546,434)
Expense recognized in OCI	**(501,869)**	**(2,546,434)**
Numbers per membership category		
Active employees	46	53
Current pensioners	43	41
Total	**89**	**94**

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.

Change in DBO per 31 December 2023	
Discount rate (+1.0% movement)	(4,296,652)
Discount rate (-1.0% movement)	5,215,756
Discount rate (+1.0% movement)	5,310,734
Inflation rate (-1.0% movement)	(4,422,177)
Future mortality (-5 years age correction)	3,843,732
Future mortality (-7 years age correction)	5,330,095

Effective duration Pension plan	
Effective duration	13.99

Movement in the post-employment pension obligation

in SRD	2023	2022
DBO primo	**28,907,171**	**39,241,442**
Interest cost	8,046,536	8,527,108
Current Service Cost	2,203,092	2,732,971
Transfer cost in / (out)	(6,499,064)	(1,289,182)
Actuarial (gain) / loss on obligation due to experience	(3,689,091)	(11,271,510)
Actuarial (gain) / loss on obligation due to experience regarding salary adjustments	4,656,106	86,655
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	365,387	(5,949,381)
DBO ultimo	**33,990,137**	**28,907,171**
Fair Value of plan assets primo	**21,851,282**	**14,206,790**
Expected return on plan assets	6,832,310	3,463,994
Contributions	5,387,569	3,468,769
Benefits paid	-	-
Net transfer in / (out) (including divestitures)	-	-
Actuarial gain / (loss) on plan assets due to experience	(5,691,206)	711,729
Fair Value of plan assets ultimo	**28,379,955**	**21,851,282**
Actuarial gain / (loss) for year - obligation	(1,332,402)	20,305,168
Actuarial gain / (loss) for year - plan assets	(5,691,206)	711,729
Actuarial gain / (loss) for year - asset ceiling	-	-
Subtotal	**(7,023,608)**	**21,016,897**
Actuarial (gain) / loss recognized in year	7,023,608	(21,016,897)
Unrecognized actuarial gain / (loss) ultimo	**-**	**-**
Statement of Financial position		
DBO ultimo	33,990,137	28,907,171
Fair value of plan assets ultimo	(28,379,955)	(21,851,282)
Subtotal	**5,610,182**	**7,055,889**
Unrecognized actuarial gains / (losses)	-	-
Unrecognized past service cost	-	-
Liability / (Asset) recognized in Consolidated Financial position	**5,610,182**	**7,055,889**
Short-term portion	(4,941,000)	(5,387,569)
Balance at 31 December	**669,182**	**1,668,320**
Statement of income:		
Current service cost	2,203,092	2,732,971
Net interest on defined benefit liability / (asset)	1,214,226	5,063,114
Transfer Cost in / (out)	(6,499,064)	(1,289,182)
Total Pension expense / (profit) in the Statement of Income	**(3,081,746)**	**6,506,903**
Less employee contribution	(1,616,271)	(1,040,630)
Pension expense / (profit) recognized in the Statement of Income	**(4,698,017)**	**5,466,273**
The amount recognized in the other comprehensive income were as follows:		
Net actuarial (gain) / loss	7,023,608	(21,016,987)
Expense recognize in OCI	**7,023,608**	**(21,016,987)**
Active employees	**113**	**122**

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 and distribution trucks.
The mortgage on land and buildings is at Saramaccadoorsteek no.10; pledge of securities; fiduciary assignment of inventories and a fiduciary assignment of machinery and equipment.
The pledge from VSH United for certain borrowings was ended in 2023.
Interest rate on borrowings range between 7.25% and 11% (2022: 7.25% and 11%).

in SRD	**2023**	**2022**
Balance at 1 January	57,516,320	43,004,221
Movements:		
Effect of foreign exchange movements	3,151,944	5,447,009
Loans and Overdrafts	9,721,250	9,215,645
Loan installments	(16,410,009)	(2,016,890)
Interest	5,918,260	1,866,335
Total borrowings	**59,897,765**	**57,516,320**
Short-term borrowings	29,684,252	32,866,816
Long-term borrowings	30,213,513	24,649,504

15 Lease liabilities

in SRD	**2023**	**2022**
Balance at 1 January	3,287,594	2,720,586
Movements:		
Revaluation loss	368,711	898,376
Proceed	-	1,099,357
Installments	(1,642,770)	(1,665,946)
Interest	234,155	235,221
Other	-	-
Total	**2,247,690**	**3,287,594**
Short-term portion (< 12 months)	1,341,300	1,385,120
Between one and five years	906,390	1,902,474

Low value lease assets comprise of computers which was SRD 798,525 (2022: SRD 425,503) and included in Office expense (see Note 19).

16
Trade and other payables

in SRD	2023	2022
Trade payables	43,813,005	60,767,621
Employee benefits	8,184,896	4,602,408
Other taxes payable	4,145,465	2,267,566
Dividend payable	374,302	444,574
Other payables	2,171,831	2,489,454
Total trade and other payables	**58,689,499**	**70,571,623**

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	2023	2022
Sales production	355,355,170	257,988,066
Sales merchandise	5,381,873	4,304,869
Total Sales	**360,737,043**	**262,292,935**
Cost of sales production	217,919,950	169,874,767
Cost of sales merchandise	2,792,904	1,656,142
Write-down of inventory	(2,817,562)	(5,347,683)
Total cost of sales	217,895,292	166,183,226
Total Gross Profits	**142,841,751**	**96,109,709**

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

18
Personnel expense

in SRD	2023	2022
Salaries and wages	20,134,307	12,419,002
Bonuses	8,886,726	6,037,737
Vacation and holiday expenses	5,479,343	2,011,546
Medical	3,494,918	2,183,312
Jubilee obligation	1,469,778	2,278,477
Post-employment benefits	1,176,430	10,265,873
Training	830,212	212,726
Other personnel expenses	3,086,108	4,316,003
Total personnel costs	**44,557,822**	**39,724,676**

19
Administrative expense

in SRD	2023	2022
Manufacturing	2,678,820	1,508,712
Maintenance	8,682,966	4,979,589
Office	7,733,591	4,660,970
Marketing	4,883,039	3,717,697
Overseas Travel Expenses	2,993,372	1,005,509
Consultancy and Advisory fees	1,987,783	959,683
Accountancy fees	1,827,588	868,227
Research and development	1,435,308	411,246
Gifts and donations	506,583	541,044
Other administrative expenses	3,048,088	1,772,216
Total administrative expenses	**35,777,138**	**20,424,893**

20
Finance costs

in SRD	2023	2022
Interest expense on borrowings measured at amortized cost	5,590,288	1,906,654
Interest expense on lease liability	234,155	235,221
Total finance costs	**5,824,443**	**2,141,875**

21
Exchange rate losses / (gains)

in SRD	2023	2022
Revaluation of receivables and payables	9,521,975	2,789,281
Revaluation of borrowings	140,878	5,447,009
Revaluation of leases	368,711	898,377
Revaluation cash and cash equivalents	5,093,164	721,108
Exchange rate losses/ (gains)	**15,124,728**	**9,855,775**

22
Other non-operating income

in SRD	2023	2022
Other non-operating income	327,910	128,661

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 payables amount.
As stated in the bylaws of the Group 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	2023	2022
Final dividend previous year SRD 0 per share (2021: SRD 0.15 per share)	-	750,330
Interim dividend SRD 0 per share (2022: SRD 0.10 per share)	-	500,220
Dividend paid in 2023	**-**	**1,250,550**

The proposed dividend 2022 was adopted by the Annual General Meeting of Shareholders of 9 June 2023.
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 2023 was based on the net earnings attributable to Shareholders of the Company and a weighted average number of ordinary shares outstanding during the year ended at 31 December 2023.

in SRD	2023	2022
Earnings attributable to Shareholders of the Company	1,505,993	33,533,150
Weighted average number of shares	6,039,886	5,002,200
Earnings per share in SRD	0.25	6.71

25
Related party disclosure

Supervisory Board
The remuneration of the Supervisory Board is approved by the Annual General Meeting of Shareholders.
In 2023 the total remuneration amounted to SRD 351,600 (2022: SRD 257,450).

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	2023	2022
Remuneration and annual incentive compensation	5,097,786	2,800,054
Employers share pension plan	108,044	100,100

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	879
Management	4,065

Related party transactions
The Company is a 63.36% 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 5,214,470 (2022: SRD 2,574,728).

Contribution
The Company contributes on a final monthly basis 1.5% of the earnings before tax to the VSH Community Fund. In 2023 the total contribution to the VSH Community Fund amounted to SRD 374,397 (2022: SRD 379,575).

	Sales to Related Parties	Purchases from Related Parties	Balance Due to Related Parties	Balance due from Related Parties
Entities				
Subsidiaries:				
VSH Trading	1,350	6,109,852	407,826	-
VSH Shipping	-	330,956	26,281	-
VSH FOODS	254,117	2,018	-	14,707
VSH Holding	428,130	7,245,163	1,348,269	54,042
VSH Transport	26,036	2,594	-	-
VSH Logistics	-	2,058,486	41,427	-
VSH Labour Services	-	-	-	-
VSH Real Estate	127,512	-	-	37,381
Best Maritime Services	-	104,706	-	-
Other:				
VSH Community Fund	11,951	374,397	477,093	5,889
VSH Pension Fund	-	2,419,073	187,576	-

26
Subsequent events

Pension plan maintained by Stichting VSH Pensioenfonds
As per 1 january 2024 the Stichting VSH Pensioenfonds increased the maximum based salaries per year to:

Personnel	SRD	321,750
Staff	SRD	670,300
Management	SRD	1,072,500

Income Tax audit for the year 2018
The income tax audit, which was commenced in October 2020 was completed in March 2024.

Jubilee Obligation
As at 21 January 2024, the jubilee years have been adjusted.

27
Standards issued but not yet effective

New and amended standards and interpretations
Below is a summary of the new and revised IFRS standards effective for the reporting period ending December 31, 2023, and evaluated by Management with an assessment of the impact on the Company.
Several amendments and interpretations apply for the first time in 2023 but do not impact the Company's financial statements. These are also described in more detail below.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.
Earlier application is permitted and that fact must be disclosed.
The amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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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 2023 as presented on page 24 up to and including page 58 included in this annual report

Our opinion

We have audited the consolidated financial statements 2023 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 2023 and of its result and its cash flows for 2023 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 2023;
2. the following statements for 2023:
   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 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

The matter	How our audit addressed the key audit matter
Share capital and share premium – adjustment of prior year misstatement We draw attention to Paragraph 3a 'Restatement in accordance with IAS 29 hyperinflation' on page 31 through 32 of the Consolidated Financial Statements of the Group, where a hyperinflation correction in Property, plant and equipment (amounting to SRD 3,088,058), Share capital (amounting to SRD 52,138,645) and share premium (amounting to SRD 41,639,670) as per December 31, 2022, is presented. This is the result of applying our recommendations made in our previous year management letter and further improvements made in the current period by the Group regarding the implementation of IAS 29 Financial Reporting in Hyperinflationary Economies. In the previous year, the Group restated property, plant and equipment, share capital and share premium by using a conversion factor instead of a thorough and detailed calculation of the exchange rate movement analysis. In the current period the Group used a proper calculation method and applied it retrospectively. As a result, the Retained earnings show a negative balance of SRD -33,747,560 as per December 31, 2022. Overall, the Group has a positive net equity position of SRD 146,178,366 as per December 31, 2022. The previous year's consolidated financial statements have not been amended and an auditor's report has not been reissued. Our current auditor's report is not modified in respect of this matter.	We acknowledge that management of the Group has further improved the implementation of IFRSs during the current year audit. Our procedures focused on assessing management's current assessment/judgment of the treatment of IAS 29 Financial Reporting in Hyperinflationary Economies. The following procedures were followed: • Thoroughly reviewing the IAS 29 Financial Reporting in Hyperinflationary Economies working papers and the calculation method used by the Group with respect to the adjustment of a prior year misstatement in the property, plant and equipment, share capital and share premium accounts as per December 31, 2022. • In addition, we performed audit procedures regarding the proper calculation method of the movement analysis between the functional and foreign currencies from the historic values of the share capital and share premium reserve and using the result of the movement analysis as the estimated CPI in the conversion factor calculation. • Fulfilling our auditor's responsibilities relating to comparative information in an audit of financial statements as required by ISA 710 Comparative Information—Corresponding Figures and Comparative Financial Statements.

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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.

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.

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We have exercised professional judgement and have maintained professional skepticism 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 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, 11 April 2024

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

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