LDC.
Louis Dreyfus Company

Financial Report and Audited Consolidated Financial Statements

2022

Contents

Unless otherwise indicated, "Louis Dreyfus Company", "LDC", "Group", "Louis Dreyfus Company Group" and related terms such as "our", "we", etc. used in this report refers to the Louis Dreyfus Company B.V. Group.

LDC at a Glance

As a leading global merchant and processor of agricultural goods, we rely on our expertise and global network to source, transform and transport approximately 80 million tons of products for customers and consumers around the world, every year.

Business Lines:

Coffee, Cotton, Grains & Oilseeds, Juice, Plant Proteins, Rice, Sugar

Assets:

- Farming
- Processing asset
- Logistic assets - storage
- Logistic asset - transport
- Under construction
- X Tolling agreement, off-take contract, minority stake, land lease, facility lease

Other:

- Office

Our Value Chain

We develop sustainable solutions to bring agricultural goods from where they are grown to where they are needed. This involves a complex chain in which our people and partners play a vital role, ensuring a smooth journey for our products and adding value along the way.

1. Originate & Produce

Sharing our expertise with farmers and producers throughout our global origination network.

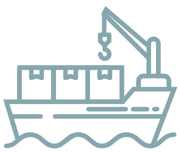
2. Process & Refine

Processing and refining the finest quality agricultural materials.

Approximately **17K** employees

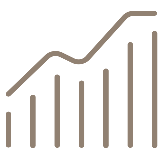
Operating across **6x** regions

Active in **100+** countries



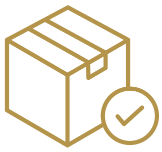
3. Store & Transport

Efficiently managing logistics across the value chain.



4. Research & Merchandize

Leveraging our market knowledge to ensure reliable and responsive supply.



5. Customize & Distribute

Tailoring and delivering products to a range of customers, from multinationals to local enterprises and final consumers.

Message From Our Chairperson

Reflecting on 2022, it is impossible to look back without noting the geopolitical tensions that had such far-reaching macro- and socioeconomic impacts on industries, countries and populations around the world. In food and agricultural production, the trade disruptions caused by these events created uncertainty for all stakeholders - from farmers to end consumers.

Amid these and additional challenges and disruptions due the ongoing pandemic and climate-related uncertainty in many geographies, agribusinesses like LDC diversified their supply chains and expanded into new markets, as they sought to keep food and feed chains moving, meet commitments to customers and maintain global access to essential products.

In order to shape a more sustainable food and agriculture system, able to sustain the world's growing population for the long-term, collaboration will be critical in the years ahead. Farmers, agribusinesses, governments, financial institutions, NGOs, food manufacturers and final consumers must work together to produce and consume responsibly - conserving native vegetation, biodiversity and soil health, reducing greenhouse gas emissions and ultimately safeguarding the natural resources we all depend on.

This shift will require innovation to develop new products, solutions and technologies with the potential to transform food and agricultural production, as well as regulations that incentivize both sustainable production and consumption.

From the millions of smallholder farmers who grow over a third of the world's food, to the world's billions of individual end consumers, it is crucial that policies, investments and developments seek to ensure fair outcomes for all supply chain stakeholders, in order to secure access to safe, healthy and affordable sustenance for all.

Despite new and unprecedented challenges arising from geopolitical and macroeconomic uncertainty in 2022, LDC worked alongside many stakeholders and organizations - including the *Louis Dreyfus Foundation* - to advance progress in this sense, continuing to invest in transformative innovations and technologies, accelerating efforts for supply chain decarbonization and engaging with thousands of farming communities worldwide to promote more sustainable agricultural practices.

I would like to take this opportunity to thank all our business counterparts around the world for their trust and partnership throughout 2022, and equally all our employees globally for their outstanding commitment to LDC's important mission and purpose.

In the extremely complex environment we face together, collaboration across value chains is more essential than ever to find shared solutions to common challenges and help provide sustenance for people worldwide.

Looking ahead, we therefore remain committed to playing our important part in creating a more sustainable and equitable food system, one that can withstand the challenges of our rapidly changing world, and we invite our fellow value chain stakeholders to join us in this goal, prioritizing collaboration, innovation and peace as the best avenues to address the increasingly urgent climate challenges facing our planet, build a more sustainable agriculture system and ensure global access to essential food and agricultural products.

Margarita Louis-Dreyfus
Chairperson

Message From Our CEO

After navigating unprecedented pandemic-related market impacts since 2020, our teams faced new and complex challenges as a result of geopolitical, macroeconomic and environmental uncertainty in 2022. As ever, our priority in this context remained the safety and wellbeing of our people and their families, while keeping essential supply chains moving safely, reliably and responsibly.

Since the start of the Russia-Ukraine crisis in February 2022, resulting supply chain disruptions, ensuing food and energy crises, and concerns over potential global recession, contributed to a volatile and complex market and operating environment for most of LDC's business lines, compounding the effects of accelerating climate challenges and continued Covid-related impacts.

In the face of strong headwinds, we were guided by LDC's mission to bring the right products to the right place, at the right time, remaining focused on keeping essential food, feed, fiber and ingredient supply chains moving.

Leveraging our global network, market insight and expert risk and compliance management, we continued to keep our people safe, meet commitments to customers worldwide and advance with our strategic growth plans, while securing strong financial and operating results this year again.

Changing for Growth, Growing for Change

Aiming to balance strength and leadership in our core business, with evolution for long-term relevance, we continued to reinforce core merchandizing capabilities at both origin and destination, expand downstream and diversify through value-added products and services, and embrace innovation and digitalization to prepare our business for the future.

In Asia, our Grains & Oilseeds Platform significantly expanded its origination network and capacity with the acquisition of a grains business in Australia, and we broke ground or advanced the construction of strategic facilities such as Fuling Food Industrial Park in Nansha and an additional oilseeds crushing plant in Zhangjiagang, both in China, as well as our joint venture instant coffee plant in Vietnam.

We also continued to develop and enhance our industrial asset network in the Americas, with storage and logistics expansion in Latin America, from juice to fertilizers and from coffee to cotton, and the inauguration of a new soy liquid lecithin plant at our existing facility in Claypool, Indiana, US, to support the growth of our ingredients business as part of LDC's new Food & Feed Solutions Platform established in January 2023.

In parallel, we continued to embrace innovative products, solutions and technologies with the potential to transform food and agricultural production, drive more efficient operations, support commercial decision-making and shape more transparent and sustainable value chains. Through our venture capital program and partnerships with innovation accelerators - such as *MassChallenge* in Switzerland and *The Liveability Challenge* in Singapore - we connected with and invested in more early-stage companies whose innovations and technologies could disrupt our industry and complement our business activities.

In the US, we opened a research and development facility as the foundation for our new Plant Proteins business, created to drive LDC's participation in the growing plant-based foods and beverage market through the development of high-quality protein formulations. Our well-established business lines also continued to diversify their portfolio and offer to address consumer trends, such as our new reduced-sugar, high-fiber orange juice and an expanded range of cooking oils.

Meanwhile, ongoing digitalization efforts across the Group continued to reinforce customer relationships and enhance commercial and operational decision-making, enhancing our service offering through shared data and insights, traceability, customization and more, and empowering our teams with real-time market, industrial and sustainability intelligence and analytics.

New Strides for Sustainable Development

Our sustainability journey, central to our business model and transformation roadmap, also accelerated in 2022 - most notably with our commitment to zero deforestation and conversion of native vegetation by 2025, including parameters that go beyond sectoral roadmaps, as well as important groundwork by our Carbon Solutions team to measure our greenhouse gas emissions, as a basis for subsequent target-setting and reporting.

Sustainability and decarbonization efforts also advanced in specific businesses and geographies – for example, with growing volumes of certified soy processed and shipped, several renewable power purchase agreements, and a successful biofuel trial on LDC's first carbon neutral juice shipment, among a range of innovative sustainability projects advanced by our Freight Platform.

At LDC, we also believe our work with farmers is key to promoting responsible practices and creating lasting positive change at the heart of agricultural chains. To help transform coffee grower communities, we launched a new, five-year sustainability strategy for coffee that aims to support the production of certified and verified coffee by thousands of farmers in our global network, while restoring soil health and mitigating climate change through coalition-led investments that support sustainable practices.

We also continued to collaborate on joint projects to engage, train and empower smallholder farming communities, many of these in collaboration with the *Louis Dreyfus Foundation*, supporting local communities connected with our operations and activities around the world – for example in India, with our new program to train cotton farmers on more sustainable practices.

Positive Group Outlook

All these and many other efforts and achievements have contributed to continued strong performance, with a positive outlook ahead, for the Group, and are reflected in multiple awards and recognitions received in 2022 by our teams, whom I take this opportunity to thank again for their exceptional commitment and resilience.

Their professionalism, dedication and solidarity enabled LDC to continue delivering for its suppliers, customers, partners and shareholders in a very complex, challenging and uncertain environment.

Our work does not stop here, as we step up activation of our strategic plans to maintain the positive momentum we have built, adapting to the fundamental shifts we see playing out: evolving consumption trends toward alternative proteins and healthier diet options, digitalization and disruptive innovation in agriculture and food production, and accelerating developments to address the increasingly urgent need for decarbonization and a more sustainable food system amid global climate and macroeconomic uncertainty.

Our success in these endeavors will depend significantly on the ability of our talented teams to develop, embrace new ideas and skill sets, and work with one mind as we transform together for tomorrow - in 2023 and beyond.

Michael Gelchie
Chief Executive Officer

Management Discussion & Analysis

Financial Highlights

For the year ended December 31, 2022

Net Sales:
US$59.9 billion
(US$49.6 billion for the year 2021)

Segment Operating Results[1]:
US$2,611 million
(US$1,834 million for the year 2021)

EBITDA[2]:
US$2,347 million
(US$1,623 million for the year 2021)

Return On Equity[3], Group Share:
18.7%
(14.3% for the year 2021)

Working Capital Usage:
US$7.3 billion
(US$8.7 billion as of December 31, 2021)

Total Assets:
US$21.6 billion
(US$23.6 billion as of December 31, 2021)

Adjusted Net Debt:
US$0.4 billion
(US$1.5 billion as of December 31, 2021)

[1] Gross margin plus share of profit (loss) in investments in associates and joint ventures
[2] Earnings Before Interests, Taxes and Depreciation & Amortization
[3] Beginning of period equity

Net Income, Group Share:
US$1,006 million
(US$697 million for the year 2021)

Income Before Tax:
US$1,226 million
(US$864 million for the year 2021)

Adjusted Leverage[4] Ratio:
0.2x
(0.9x as of December 31, 2021)

Adjusted Net Gearing[5]:
0.07
(0.27 as of December 31, 2021)

Volumes[6]:
down 1.3% year on year

Liquidity Coverage[7]:
3.7x current portion of debt
(2.2x as of December 31, 2021)

Capital Expenditure[8]:
US$549 million
(US$372 million for the year 2021)

[4] Adjusted net debt to EBITDA
[5] Adjusted net debt to total stockholders' equity and non-controlling interests
[6] Volumes shipped to destination
[7] Cash and cash equivalents, other current financial assets at fair value, readily marketable inventories (RMIs) and undrawn committed bank lines
[8] Purchase of fixed assets and additional investments, net of cash acquired

Message From Our CFO

In 2022, LDC leveraged its strengths and capabilities to successfully manage risks and secure profitable and resilient operations in an uncertain business environment marked by the Russia-Ukraine crisis, inflationary pressure and other challenges. Our strong operational performance combined with prudent capital deployment further strengthened our position for growth.

Both of our business segments contributed to LDC's improved financial performance in 2022, delivering Segment Operating Results (SOR) and EBITDA at US$2,611 million and US$2,347 million respectively. Value Chain SOR were driven by strong demand for Grains & Oilseeds products, higher processing margins, and Freight business expansion and innovation, while Merchandizing SOR was supported by our globally diversified Cotton origination capabilities and customer base expansion in Sugar and Rice.

2022 was an unusual year in many aspects, with the Russia-Ukraine crisis since late February 2022 fueling significant business disruptions that added to geographical imbalances and uncertainty on supply for some of the world's most consumed agri-commodities. Combined with weather events, persistent logistics challenges, Covid-19 resurgence and concerns over potential global recession, this contributed to greater volatility.

Our global presence at both origin and destination, the diversity of our business portfolio, our risk management capabilities and our edge in core merchandizing activities were key to overcome challenges posed by this environment and meet customer needs. Thanks to the expertise, commitment and customer focus of our teams, we expanded our commercial reach and helped ensure supply chain continuity for essential products.

Our strong operational performance, cautious cost management in an inflationary context and cost-efficient financing, drove an 18.7% return on equity for the year.

In 2022, we continued to invest in the improvement and maintenance of existing facilities, new product flows and expansion into new business areas. For example, we acquired *Emerald Grain* in Australia, began the construction of Fuling Food Industrial Park joint venture in China and opened an R&D center in the US dedicated to our new Plant Proteins business.

We also adjusted our Group's debt structure to reduce the subordination risk for bondholders. As a consequence, *S&P Global Ratings* announced on January 5, 2023 the rating upgrade of the bonds issued by LDC to BBB, now aligned with the Group's rating.

Our strong operational performance in 2022, combined with a prudent capital expenditure deployment contributed to significant deleveraging, with adjusted leverage ratio at 0.2x and adjusted net gearing down to 0.07 as of December 31, 2022. Our liquidity position as of December 31, 2022 remained stable compared to December 31, 2021 with US$10.9 billion available liquidity, resulting in a coverage of 3.7x the current portion of debt.

We also continued to drive sustainability-linked financing models across our value chains: the majority of new long-term financing agreements and all Revolving Credit Facilities renewed in 2022 include sustainability-linked mechanisms. Sustainable practices in our own operations and in the value chain have always been a focus for our businesses, and we are working to materialize effort and progress into actionable levers supporting our strategic ambitions, guided by our purpose to create fair and sustainable value.

At the end of 2022, LDC's group equity reached US$6.1 billion, the highest level in our history so far, thanks to a strong operating performance, driven by our teams' expertise and excellent delivery.

With our balance sheet and operational capabilities further strengthened, LDC is well positioned to address future challenges and deliver on its strategic ambitions.

Patrick Treuer
Chief Financial Officer

Foreword

The following discussion of the Group's operating results and financial position should be read in conjunction with the Group's consolidated financial statements as of, and for the years ended December 31, 2022 and December 31, 2021, prepared in accordance with International Financial Reporting Standards (IFRS).

The results presented include certain financial performance indicators, not defined by IFRS, that are used by LDC's management to assess the Group's financial performance. A definition based on the consolidated financial statements of each of these indicators can be found in the footnotes of the following discussion. The reconciliation of EBITDA and Adjusted Net Debt with the consolidated financial statements, as of and for the years ended December 31, 2022 and December 31, 2021, are provided as an appendix at the end of the following discussion.

The allocation of the Group's platforms (business lines) remained unchanged between its two segments. The Value Chain Segment includes the Grains & Oilseeds and Juice platforms, along with Carbon Solutions, Freight and Global Markets. The Merchandizing Segment comprises the Coffee, Cotton, Rice and Sugar platforms.

Over the year ended December 31, 2022, the Russia-Ukraine crisis further disrupted the balance of global agri-commodities trade, while uncertain crop size prospects, logistics challenges and continued concerns about the ongoing pandemic also contributed to fast-changing market trends, fueling market volatility.

Sugar and juice prices increased consistently throughout the year, while the prices of other products merchandized by the Group steadily increased over the first half of the year, followed by a sharp reduction close to the middle or end of the year. Demand for these products remained strong overall, as buyers worked to secure supply in a disrupted environment. In parallel, a volatile foreign exchange market was marked by US Dollar appreciation in the first half of 2022 against most of the main currencies in which the Group transacts, which then eased during the second half of the year.

Russia-Ukraine Crisis

Since late February 2022, the Russia-Ukraine crisis and resulting logistics challenges put pressure on wheat, corn and vegetable oil supplies, causing concern over potential global shortages and driving already high market volatility and prices.

In the year ended December 31, 2022, products originated by LDC from these two countries represented 2% of Group net sales in dollar terms, compared to less than 4% the year before.

Under its policy to insure assets against political and war risks whenever possible, the Group mitigates a large share of its exposure in Ukraine and Russia.

Ukraine

LDC runs origination operations in Ukraine, mainly for wheat, corn and barley, with over 300 Ukraine-based employees. LDC operates silos, railcars and a multi-commodity export terminal in Odessa port.

In anticipation of a potential conflict, the Group had defined contingency plans to support Ukraine-based employees and their relatives with transport to safe locations, and to secure the physical integrity of its assets in the country. As of the date of this report, there has been no reported LDC employee casualty. A few railcars localized in the conflict zone were fully depreciated and wheat inventories in a third-party silo were destroyed.

Operations in the country slowed significantly since the start of the crisis, with maritime exports at a standstill until August 2022 under martial law. Shipping routes have since reopened, allowing exports to resume, though still with limited cargo volumes. In this context, and whenever possible to do so safely and in compliance with all applicable laws, LDC also resorted to other export logistic channels (rail, trucks or barges) to meet commitments to business partners, at significantly higher cost and with lower volumes than via usual export routes. In the current circumstances, the ability to continue using these channels is unknown. In order to support its operations in the area, the Group incorporated a new legal entity in Romania. The extra cost of alternative export routes and means is considered in the valuation of LDC inventories in Ukraine as of December 31, 2022.

As the consequences of the ongoing crisis may limit the ability of some LDC stakeholders to meet their contractual commitments, the Group runs regular assessments of potential performance risks and considers these in the valuation of open contracts as of December 31, 2022.

In relation to its operations in Ukraine, as of December 31, 2022, the Group held total assets of US$125 million and liabilities for US$62 million.

Russia

LDC runs a grains origination business in Russia, with owned silos and a grain terminal in Azov. The Group is also engaged in a joint venture for the development and construction of a deep-sea terminal in the Taman peninsula. As of December 31, 2022, the Group recognized a US$156 million impairment related to this project. The Russia-Ukraine crisis adds uncertainty to the project timeline and financial projections, which are highly dependent on business conditions in the area.

The Group suspended its operations in Russia at the start of the crisis, taking the necessary time to assess and adapt to the situation. In a challenging, complex and rapidly-evolving environment, LDC later resumed its operations in the country to the extent possible, aiming to meet commitments to and demand from customers, while complying with all applicable sanctions, laws and regulations.

In Russia, total assets and liabilities amounted to US$74 million and US$36 million respectively, as of December 31, 2022.

In this global context, LDC focused on fulfilling its role as a leading global merchant and processor of agricultural goods, bridging supply and demand gaps across essential food and feed value chains, from farmers to end-consumers. The Group continued to take steps to ensure efficient and reliable operations, and minimize disruptions at our facilities and in our logistic chains, always with employee safety and well-being as a priority.

Uncertainty over potential global supply chain disruptions, a crisis involving two of the world's largest grains exporters, evolving international trade rules, container shortages and rising freight rates, all contributing to volatile agri-commodities markets, required thorough risk and compliance management to meet commitments to stakeholders, while protecting our teams and securing financial performance.

The Group maintained its reinforced risk management framework applied since the advent of Covid-19 in 2020, continuing to hold both regular and ad hoc meetings to examine and mitigate risks, and actively monitoring counterparty risks across all business lines in a high-price, high-volatility environment. The Group also reinforced its already strong compliance procedures to protect the Group's and its stakeholders' reputation and assets in a global trade environment marked by sanctions.

In 2022, the Group took significant and concrete steps to advance its commitment to shaping more sustainable value chains. We made a commitment to eliminate deforestation and conversion of native vegetation for agricultural purposes in our supply chains by the end of 2025. We set out a new global sustainability strategy to promote more sustainable coffee production through certification, verification, and training and support to coffee farming communities, facilitated by coalition-led investments as part of our Stronger Coffee Initiative . Our Carbon Solutions team worked on measuring the Group's greenhouse gas emissions in 2022, as a baseline year for emissions reductions by target year 2030.

In addition, we set new sustainability targets for the years leading up to 2030 in our latest Sustainability Report, underlining LDC's continual efforts to shape increasingly fair and sustainable food and agricultural value chains by creating a safe and inclusive workplace, driving supply chain traceability and transparency, reducing its environmental footprint, and engaging and supporting business partners to do the same - including the farmers whose activities and produce we all depend on.

Income Statement Analysis

As global trade challenges and disruptions of recent years persisted, compounded by the Russia-Ukraine crisis, LDC leveraged its expertise and experience, diversified business portfolio, and global presence and network, to keep essential supply chains moving safely, efficiently and reliably.

As a result, Segment Operating Results amounted to US$2,611 million for the year ended December 31, 2022, up 42.4% from US$1,834 million for the year ended December 31, 2021, and EBITDA reached US$2,347 million, up 44.6% compared to 2021.

Income Before Tax for the year ended December 31, 2022 reached US$1,226 million, up 41.9% year on year, while Net Income, Group Share landed at US$1,006 million, up 44.3% from US$697 million for the same period in 2021.

Net Sales

Net Sales amounted to US$59.9 billion for the year ended December 31, 2022, up 20.9% compared to 2021, mainly reflecting higher prices, while volumes shipped by the Group decreased 1.3% year on year.

- The Value Chain Segment's net sales rose 15.2% year on year, mainly owing to higher prices of products merchandized by Grains & Oilseeds. Volumes shipped by the Grains & Oilseeds Platform fell overall due to lower soy product deliveries, although volumes of grains shipped slightly increased. Volumes shipped by the Juice Platform grew year on year, and the Freight Platform grew its services to third parties in 2022.
- The Merchandizing Segment's net sales increased by 36.0% year on year, owing to higher prices across all product lines in this segment, and higher volumes shipped by Cotton, Sugar and Rice platforms. Volumes shipped by the Coffee Platform decreased from high levels in 2021.

Segment Operating Results

Segment Operating Results increased to US$2,611 million for the year ended December 31, 2022, up 42.4% from US$1,834 million over 2021. LDC leveraged its global footprint and market intelligence to capture profitable origination and sales opportunities, secure purchases and successfully manage risks to meet customer demand in an uncertain and complex global trade environment.

Value Chain Segment

Segment Operating Results amounted to US$1,817 million for the year ended December 31, 2022, up 52.6% compared to US$1,191 million over 2021.

The Grains & Oilseeds Platform further increased its operating results, after an already strong 2021. Navigating volatility remained complex across all products merchandized by the Platform, as the doubts cast by the Russia-Ukraine crisis amplified existing drivers of significant and rapid market price moves, such as uncertain crop size prospects and concerns over ongoing supply chain logistics challenges. Grain and vegetable oil prices rose rapidly in the first half of 2022, driven by concerns over global supply and demand imbalances for goods usually exported from the Black Sea region, and corn and soy supply shortages due to drought in Argentina and Brazil. Market volatility was further fueled by export duty increases (on soy meal and oil in Argentina, for example), export restrictions (particularly on palm oil in Indonesia and wheat in India) and concerns over the consequences of Covid-19 resurgence in China. Prices began to decrease in June 2022, on the back of global recession fears and ahead of the opening of a grain export corridor out of Ukraine. Although prices stabilized overall during the second half of the year, volatility remained high. Operations in EMEA were negatively impacted by limited and costly logistics in the Black Sea. Globally, demand for grains (particularly corn, wheat and sorghum) remained strong throughout the period as destination countries sought to secure supply. Ethanol prices were bolstered by the rally in crude oil prices, as global demand for biofuels continued to grow to support carbon emission reductions. Demand for vegetable oil remained resilient in a context of high prices overall. Despite increasing production costs due to inflation and high energy prices, processing activities contributed significantly to the Platform's performance and growth thanks to strong processing margins, particularly in the US, Canada, Brazil and China.

The Juice Platform also saw significantly improved Segment Operating Results year on year. In an inflationary context, the Platform managed to maintain flat unitary fixed costs thanks to volumes growth, allowing for improved processing margins. Expansion to US destinations drove growth in volumes sold, while revenue diversification toward a larger share of not-from-concentrate (NFC) juices, ingredients, apple juice and innovation, with the launch of a new reduced-sugar, higher-fiber product made from NFC orange juice, contributed to enhanced margins. The Platform achieved a historical production record for NFC volumes processed in 2022. In 2021, the Platform impaired the remainder of goodwill for US$13 million.

The Freight Platform's operating results reached a record high, owing to itinerary optimization in a context of high volatility in 2022. As global trends from 2021 prevailed, freight rates increased over the first half of 2022, with recovering demand from northern hemisphere economies and strong demand from China, combined with port congestions, tightening the overall freight market. The Platform grew its sales to third parties, now representing the larger share of Platform revenue. The Russia-Ukraine crisis added to the global freight imbalance, with vessels blocked in the Black Sea and dry bulk trade routes reshuffled, leading to greater ton-mile transportation demand. As concerns arose over potential global recession and China lockdowns, freight rates eased towards the end of the year. All vessel sizes contributed to the Platform's strong results, successfully navigating persistently high volatility and logistics bottlenecks thanks to its proprietary analytics and innovative operational model. Broadened use of our chartered fleet, enhanced cross-ocean strategic geopositioning, and further integration of decision-making tools for itinerary optimization and engine efficiency measurement in collaboration with shipowners, all contributed to the Platform's excellent results.

The Global Markets Platform once again provided strong support to the Group through efficient interest rate and foreign exchange risk management across all significant currencies in LDC's business, while keeping pace with the market's constant evolution and needs.

Our Carbon Solutions team worked on measuring the Group's greenhouse gas emissions in 2022, as the baseline year for emissions reductions by target year 2030. Ongoing decarbonization efforts and initiatives continued in 2022, through projects such as the signing of a long-term purchase agreement for renewable power in Argentina, and a successful regional emissions trading program pilot in Tianjin, China. The Platform's contribution to the Segment's improved results was limited, as voluntary credits markets were hit by a drop in prices and liquidity due to the Russia-Ukraine crisis and concerns over a potential global recession. In this changing, low-liquidity environment, the Platform worked to build a portfolio of high quality credits.

Merchandizing Segment

Segment Operating Results reached US$794 million for the year ended December 31, 2022, up 23.5% compared to US$643 million for 2021.

The Cotton Platform further grew its operating results year on year. Cotton prices increased in early 2022, reaching a 10-year high in early May on the back of strong demand and a tightening global balance sheet, coupled with global shipping congestion. Prices plummeted in the second half of the year, as managed money began to exit the cotton market and concerns over a potential global recession started to settle. Logistics bottlenecks in the US, both at ports and for inland freight, resulted in significant supply chain costs for the Platform, severely impacting results. Despite these unprecedented challenges, the Platform recorded positive earnings overall due to a successful hedging strategy and favorable merchandizing margins from origins outside the US.

The Coffee Platform's operating results for the year ended December 31, 2022 were supported by strong volumes and origination margins in Asia, while low farmer selling in Brazil weighed on the overall Platform's performance. Global market challenges prevalent in 2021 started to fade toward the end of 2022. Concerns over coffee supply due to limited crop post frost in Brazil eased as rains stabilized production forecasts. Demand slowed in an inflationary and uncertain context for end consumers. The Platform intensified its suppliers base through supplier partnerships, while developing its marketing reach. The five-year Coffee Sustainability Strategy launched in 2022 clarifies LDC's role in the pathway to a more sustainable coffee value chain.

The Sugar Platform delivered higher results year on year, with strong demand throughout 2022 as consumption growth combined with stocks built up by countries looking to minimize future supply risks. Crop size in India grew 10% year on year while exports doubled, compensating for deteriorated cane yields in Brazil due to dry weather and shifting origination opportunities. Efficient risk management and logistics, and established geographic diversification allowed for profitable growth in volumes originated and monetization of arbitrage opportunities. An enhanced customer-centric approach supported higher sales and customer base expansion in Africa for white sugar. Ethanol and energy activities did not perform as well as in 2021, but the successful launch of our power business in Brazil delivered good results. The Platform's financial performance was also supported by improved processing margins in North America, as sugar prices increased throughout the year ended December 31, 2022 on global supply shortage expectations.

The Rice Platform grew its operating results year on year in a challenging business environment. In particular, the hedging strategy initiated in 2021 on freight costs allowed the Platform to secure competitive pricing, while preserving margins in a year marked by volatile freight prices. The Platform expanded its geographical footprint with a new customer base in the Middle East, driving record-high volumes shipped in 2022.

Net Finance Costs

Net Finance[9] Costs amounted to US$(288) million for the year ended December 31, 2022, compared to US$(230) million in 2021. Interest expenses increased by US$(54) million year on year on the back of a higher London Inter-bank Offered Rate (LIBOR), from 0.10% on average for the LIBOR 1M over 2021, to 1.92% on average over 2022 (i.e. a 182bps increase). The increase in interest expenses was curbed in 2022, thanks to cost-efficient long-term debt raised prior to 2022. Interest income decreased by US$30 million, following the full repayment, in September 2021, of the US$1,051 million loan to *Louis Dreyfus Company Netherlands Holding B.V.* (LDCNH).

Other Gains and Losses

Considering the conclusion of proceedings in the arbitration issued by the *International Chamber of Commerce* in London and re-assessing the economics of its Taman project as of December 31, 2022, the Group recognized a US$156 million impairment. The Russia-Ukraine crisis drove a higher discount rate for investments in the region and added uncertainties on project timing and returns.

Income Before Tax

Income before tax increased 41.9% year on year to US$1,226 million for the year ended December 31, 2022, compared to US$864 million for 2021.

Taxes

Taxes amounted to US$(219) million for the year ended December 31, 2022, resulting in a 17.9% effective tax rate, compared to 19.3% for 2021. The reduction in effective tax rate year on year was due to the change in geographical mix and the negative impact in 2021 from the increase in Argentine corporate income tax rate.

Net Income, Group Share

Net income, Group Share, settled at US$1,006 million for the year ended December 31, 2022, up 44.3% from US$697 million for 2021. Return on equity rose from 14.3% for the twelve-month period ended December 31, 2021 to 18.7% for the twelve-month period ended December 31, 2022.

[9] interest income, Interest expense and Other financial income and expense.

Balance Sheet Analysis

Non-Current Assets

As of December 31, 2022, non-current assets amounted to US$4,804 million, down from US$4,879 million as of December 31, 2021:

- Fixed assets landed at US$3,963 million, compared to US$3,989 million as of December 31, 2021.
- Investments in associates and joint ventures increased from US$227 million as of December 31, 2021, to US$230 million as of December 31, 2022. The US$3 million increase is mainly attributable to additional capital injections in *Terminal Exportador de Santos S.A.* and *Covantis S.A.,* and LDC's share in the entities' net income for the year.
- Non-current financial assets decreased from US$299 million as of December 31, 2021, to US$164 million as of December 31, 2022, as a consequence of the impairment of the loan to our partner in the Taman project.
- Deferred income tax assets landed at US$163 million as of December 31, 2022, up from US$129 million as of December 31, 2021.
- Other non-current assets amounted to US$284 million as of December 31, 2022, up from US$235 million as of December 31, 2021.

Capital Expenditure and Divestment

Maintaining its highly selective investment policy, LDC invested US$549 million during the year ended December 31, 2022, supporting its strategic ambitions while securing solid cash flows and remaining prudent in its capital deployment, as a volatile and uncertain market environment persisted. With the majority of capital expenditure remaining discretionary as per the Group's investment policy, LDC is well-positioned to adapt to and capture emerging opportunities as they arise.

The Group invested in planned and custom maintenance, and enhancements to ensure the continued operational performance and safety of its existing assets. LDC also moved forward with strategic long-term projects for the expansion of its processing capacity and diversification downstream through research and development. Systems developments and improvements remained a significant investment area for the Group, particularly the roll-out of its global back-office enterprise resource planning (ERP) system, and the deployment of an upgraded version of its existing front-office system, common to Grains & Oilseeds, Sugar and Rice. Systems harmonization and enhancement is part of the Group's digitalization efforts, aiming to generate efficiency and support cost-effective business management in an increasingly complex environment.

Value Chain Segment

The Segment invested US$473 million over the year ended December 31, 2022, mostly to expand grains and oilseeds processing capacity and support developments downstream.

The Grains & Oilseeds Platform acquired *Emerald Grain Pty. Ltd.* (Emerald Grain), a leading grain handling business in Australia, with a network of seven grain storage and receival facilities with combined storage capacity of approximately one million metric tons, as well as marketing offices and a grain export terminal at the Port of Melbourne. In China, the Platform invested in the construction of a soybean processing facility as part of Fuling Food Industrial Park at the Port of Nansha, Guangzhou, in collaboration with Chinese partners *DONLINK Group* and *HAID Group*. In Brazil, the Platform made a seventh planned capital injection into our *Terminal Exportador de Santos S.A.* joint venture. The Platform also continued to invest in the expansion of its facilities in Claypool, Indiana, US, including a new lecithin unit inaugurated in early August 2022.

The Juice Platform invested to enhance its operational performance and optimize production costs through higher not-from-concentrate juice storage capacity and citrus grove replanting. Investments also focused on industrial asset maintenance and continuous improvements, largely in Brazil, as well as operational safety enhancements.

Merchandizing Segment

Over the year ended December 31, 2022, platforms in the Segment invested US$76 million in industrial asset maintenance, expansion of US cotton warehousing and Brazilian coffee milling assets, and the construction of a freeze-dried instant coffee plant in Vietnam, as part of a joint venture with *Instanta Sp. z o.o.,* to address growing instant coffee demand.

Working Capital

Working capital usage (WCU) decreased to US$7.3 billion as of December 31, 2022 from US$8.7 billion as of December 31, 2021. While Value Chain Segment platforms increased their working capital needs as of December 31, 2022 compared to December 31, 2021, the decrease in Merchandizing Segment working capital needs set the trend at Group level:

- The Grains & Oilseeds Platform drove the trend through a significant increase in inventories following the expansion of its activities in Australia through the acquisition of Emerald Grain and strong farmer selling at the end of 2022, while Juice Platform WCU remained stable year on year.
- Merchandizing Segment working capital needs decreased compared to 2021 year-end levels. Inventories held by the Cotton Platform reduced as a consequence of low crop sizes, particularly in the US, as well as lower prices. The reduction in coffee inventories was driven by lower prices and volumes in hand.

Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories (RMIs), which are readily convertible into cash due to widely available markets and international pricing mechanisms. LDC considers that trading inventories with a liquidity horizon of less than three months qualify as RMIs if they can be sold without discount. As of December 31, 2022, RMIs represented 96.1% of the Group's trading inventories, compared to 94.2% as of December 31, 2021.

Financing

LDC's funding model is designed to support its long-term strategy. To preserve a balanced capital structure and match financial resources with funding requirements, the Group's key guidelines are that long-term debt is primarily dedicated to support long-term investments, while short-term debt is used to support ongoing business in financing its main working capital needs.

LDC's operations to originate, store, transform and distribute agricultural commodities throughout the world require sizeable amounts of capital, and its funding model is flexible enough to allow the Group to adapt funding to volatile market conditions. To guarantee continued access to capital, LDC implemented a funding strategy based on the following pillars:

- Diversified sources of funds: 35.3% of long-term financing came from debt capital markets as of December 31, 2022;
- Stable debt maturity profile: average maturity of non-current portion of long-term financing was 4.0 years as of December 31, 2022;
- Sizeable proportion of committed facilities: 45.0% of total Group facilities were committed, of which US$4.0 billion with maturities beyond one year remained undrawn as of December 31, 2022;
- Sustainability-linked facilities: US$4.2 billion facilities embedding pricing mechanisms based on reductions in environmental key performance indicators; and
- the Group's public investment grade rating (BBB/A2 with a stable outlook) by *S&P Global Ratings*.

Early in January 2023, *S&P Global Ratings* raised *Louis Dreyfus Company B.V.*'s long-term senior bonds rating to "BBB" (up from "BBB-"), following recent changes to the Group's debt structure. The Group transferred its US$955 million Farm Credit System loan to a new financing vehicle (fully indirectly owned by *Louis Dreyfus Company B.V.*, the holding company, and assimilated to *Louis Dreyfus Company B.V.*) and its JPY64.9 billion Samurai loan to *Louis Dreyfus Company B.V.*, both initially held in operating subsidiaries. As of December 31, 2022, the holding perimeter regrouped the majority of the Group's long-term financing on top of the existing short-term commercial paper program, improving bondholders' subordination risk profile.

Debt and Leverage

As of December 31, 2022, long-term debt[10] stood at US$4.8 billion, stable compared to December 31, 2021. The €400 million 5-year bond repayment in February 2022 was offset by various long-term financing raised during the year.

Short-term debt[11] decreased from US$4.0 billion on December 31, 2021 to US$2.0 billion as of December 31, 2022, following the combined effect of decreased working capital usage and operational cash flow generation throughout the year. Cash and cash equivalents stood at US$1.2 billion as of December 31, 2022, compared to US$0.7 billion at the end of 2021.

In line with common practice in the agribusiness sector, short-term debt should be netted against RMIs, as those inventories can be considered as quasi-cash due to their highly liquid nature. Adjusted net debt reached US$0.4 billion as of December 31, 2022, with an adjusted leverage ratio of 0.2x, compared to the 0.9x mark as of December 31, 2021. Adjusted net gearing stood at 0.07 as of December 31, 2022, compared to 0.27 as of December 31, 2021.

Liquidity

The Group prudently manages financial risks, ensuring sustained access to liquidity. As of December 31, 2022, the Group had US$4.2 billion of undrawn committed bank lines, of which US$4.0 billion with maturities beyond one year. Available liquidity, which comprises current financial assets, RMIs and undrawn committed bank lines, remained very strong throughout the period and stood at US$10.9 billion as of December 31, 2022, enabling the Group to cover 3.7x the current portion of its debt at this date.

Financing Arrangements

Revolving Credit Facilities (RCFs)

The Group has six syndicated RCFs in three of its regional hubs (Singapore, Switzerland and US), as well as a bilateral one with the *European Bank for Reconstruction and Development*, for a total amount of US$3.9 billion as of December 31, 2022. The Group mitigates the risk of refinancing by maintaining geographical diversification and staggered maturity dates. To that end, each of its three regional hubs usually refinances one of its RCFs each year, one year ahead of maturity when market conditions are deemed favorable.

In May 2022, *Louis Dreyfus Company LLC* refinanced and increased its US$750 million RCF into a three-year US$800 million RCF, maturing in May 2025.

In August 2022, *Louis Dreyfus Company Asia Pte. Ltd.* refinanced its US$269 million RCF one year ahead of its maturity, into a three-year US$700 million facility maturing in August 2025.

In December 2022, *Louis Dreyfus Company Suisse S.A.* refinanced and increased its US$348 million RCF into a three-year US$455 million facility maturing in December 2025.

Consequently, as of December 31, 2022, out of US$3.9 billion of committed RCFs, US$3.8 billion were maturing above one year.

All the Group's RCFs are guaranteed by *Louis Dreyfus Company B.V.*, and all syndicated RCFs included a sustainability-linked pricing mechanism as of December 31, 2022.

Long Term Financing

In May 2022, *Louis Dreyfus Company Funding SSEA Pte. Ltd.*, a financing entity of the Group (indirectly owned by *Louis Dreyfus Company B.V.*), co-borrower with *Louis Dreyfus Company B.V.*, closed a US$100 million term loan facility with *Asian Development Bank* maturing in May 2025.

In June 2022, the Group transferred its JPY64.9 billion Samurai loan from *Louis Dreyfus Company Suisse S.A.* to *Louis Dreyfus Company B.V.*

In July 2022, *Louis Dreyfus Company Sucos S.A.*, a Juice subsidiary of the Group, closed a US$40 million term-loan facility with *Proparco*. The loan is amortizing and matures in July 2032. A significant share of the funds will be allocated to Juice business capital expenditure needs for climate change impact mitigation and sustainable development projects, integrating social KPIs to support the Group's supplier certification in line with the *Sustainable Agriculture Initiative* Platform's Farm Sustainability Assessment (SAI/FSA) metrics. The loan is guaranteed by *Louis Dreyfus Company B.V.*

[10] Current and non-current portion of the long-term debt.
[11] Short-term debt plus financial advances from related parties, net of repurchase agreements and securities short positions.

Balance Sheet Analysis Continued

In September 2022, *Louis Dreyfus Company B.V.* raised a JPY10.0 billion private placement maturing in September 2027 with a Japanese investor, including a sustainability-linked pricing mechanism against the same environmental KPIs as the Group's RCFs, targeting reductions in CO_2 emissions, electricity and energy consumption, water usage and solid waste sent to landfill.

In September 2022, *Louis Dreyfus Company B.V.* raised an EUR80 million bilateral term loan with an international bank, maturing in September 2027.

In September 2022, *Louis Dreyfus Company Finance B.V.*, a financing entity of the Group, raised a US$275 million A/B loan with the *International Finance Corporation* and a syndicate of international banks (of which US$50 million to be drawn in 2023). The A and B loans are amortizing and mature respectively in 2029 and 2027. The proceeds of this facility will be dedicated to finance soy and corn purchases from farms in Brazil that can demonstrate zero deforestation and conversion of native vegetation. The facility is guaranteed by *Louis Dreyfus Company B.V.*

In December 2022, the Group closed the change in borrower of the US$955 million Farm Credit System loan from *Louis Dreyfus Company LLC* to *Louis Dreyfus Company NA Finance One LLC*, a financing vehicle of the Group (indirectly owned by *Louis Dreyfus Company B.V.*). This facility remains guaranteed by *Louis Dreyfus Company B.V.*

EU Commercial Paper Program

Louis Dreyfus Company B.V.'s rated EU Commercial Paper Program allows the Group to benefit from diversified access to short-term financing, with an outstanding amount of US$521 million as of December 31, 2022 (versus US$397 million as of December 31, 2021) and a 2022 average of US$729 million across maturities ranging up to 12 months.

Equity

Equity attributable to owners of the company increased from US$5,383 million as of December 31, 2021 to US$6,096 million as of December 31, 2022, with total equity of US$6,139 million at the same date.

The US$713 million increase in equity attributable to owners of the company over the year ended December 31, 2022, mainly resulted from the US$1,006 million of net income, Group Share for the period, net of the payment of a US$348 million dividend.

Risk

Identifying and quantifying risks is central to LDC's business model, and the Group has long been committed to developing appropriate organizational structures to mitigate and manage these risks.

As usual, the Group closely monitored its daily value-at-risk (VaR) and kept it significantly below 1% of its equity, with an average VaR usage of 0.39% during the year ended December 31, 2022, compared to 0.42% for the year ended December 31, 2021. VaR is only one of the risk metrics within LDC's wider risk management system.

Subsequent Events

No material subsequent event occurred as of the date of this report.

Reconciliation of Non-GAAP Indicators

Reconciliation With the Consolidated Financial Statements

Unless otherwise stated in the 'Notes' column of the following tables, all figures can be found either in the 'Consolidated Income Statement', the 'Consolidated Balance Sheet' or the 'Consolidated Statement of Cash Flows'.

EBITDA (year ended December 31)

In millions of US$	Note	2022	2021
Income before tax		**1,226**	**864**
(-) Interest income		(29)	(59)
(-) Interest expense		306	252
(-) Other financial income and expense		11	37
(+) Other (financial income related to commercial transactions)	2.3	31	(6)
(-) Depreciation and amortization		660	536
(-) Gain (loss) on sale of consolidated companies	2.4	9	—
(-) Gain (loss) on sale of investments in associates and joint ventures	2.4	—	(1)
(-) Gain (loss) on sale of fixed assets	2.4	(23)	—
(-) Other gains and losses		156	—
= EBITDA		**2,347**	**1,623**

Adjusted Net Debt (as of)

In millions of US$	Note	December 31, 2022	December 31, 2021
(+) Long-term debt		4,107	4,036
(+) Current portion of long-term debt		716	766
(+) Short-term debt		2,145	3,922
(+) Financial advances from related parties		77	209
(-) Repurchase agreements	5.3	(234)	(167)
(-) Securities short positions	5.3	(7)	—
(-) Financial advances to related parties		(4)	(5)
(-) Other financial assets at fair value through P&L		(356)	(301)
(+) Marketable securities held for trading	5.5	297	215
(+) Reverse repurchase agreements	5.5	40	—
(-) Cash and cash equivalents		(1,184)	(696)
= Net debt		**5,597**	**7,979**
(-) RMIs	4.5	(5,175)	(6,514)
= Adjusted Net Debt		**422**	**1,465**

Consolidated Financial Statements

Independent Auditor’s Report

To the Managing Directors of *Louis Dreyfus Company B.V.*

Opinion

We have audited the accompanying consolidated financial statements of *Louis Dreyfus Company B.V.* and its subsidiaries (the “Group”), which comprise the consolidated balance sheet as of December 31, 2022, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including the significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2022, and of its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s 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 other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Applicable Law

This report is governed by, and construed in accordance with, French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Paris-La Défense, France, March 21, 2023

Deloitte & Associés
François BUZY

Consolidated Income Statement

Year ended December 31

(in millions of US$)	Notes	2022	2021
Net sales	2.2	59,931	49,569
Cost of sales		(57,334)	(47,734)
Gross margin		**2,597**	**1,835**
Commercial and administrative expenses		(947)	(742)
Interest income	2.3	29	59
Interest expense	2.3	(306)	(252)
Other financial income and expense	2.3	(11)	(37)
Share of profit (loss) in investments in associates and joint ventures	3.3	14	(1)
Gain (loss) on investments and sale of fixed assets	2.4	6	2
Other gains and losses	5.4	(156)	—
Income before tax		**1,226**	**864**
Income taxes	2.5	(219)	(167)
Net income		**1,007**	**697**
Attributable to:			
Owners of the company		**1,006**	**697**
Non-controlling interests		1	—

Consolidated Statement of Comprehensive Income

Year ended December 31

(in millions of US$)	**2022**	2021
Net income	**1,007**	**697**
Items reclassified from equity to net income during the year		
Cash flow and net investment hedges - change in fair value, gross	5	33
Related tax impact	3	(10)
Exchange differences recycled upon sale/liquidation of investments	6	—
Investments in associates and joint ventures - share of other comprehensive income	(1)	1
Total	**13**	**24**
Items that may be reclassified subsequently from equity to net income		
Cash flow and net investment hedges - change in fair value, gross	115	(20)
Related tax impact	(30)	11
Exchange differences arising on translation of foreign operations	(60)	(12)
Investments in associates and joint ventures - share of other comprehensive income	(2)	(2)
Total	**23**	**(23)**
Items that will not be reclassified subsequently from equity to net income		
Pensions, gross	18	24
Related tax impact	(3)	(6)
Total	**15**	**18**
Changes in other comprehensive income (OCI)	**51**	**19**
Total comprehensive income	**1,058**	**716**
Attributable to:		
Owners of the company	**1,061**	**715**
Non-controlling interests	(3)	1

Consolidated Balance Sheet

As of December 31

(in millions of US$)	Notes	2022	2021
Non-current assets			
Intangible assets	3.1	268	290
Property, plant and equipment	3.2	3,695	3,699
Investments in associates and joint ventures	3.3	230	227
Non-current financial assets	5.4	164	299
Deferred income tax assets	2.5	163	129
Other non-current assets	3.4	284	235
Total non-current assets		**4,804**	**4,879**
Current assets			
Inventories	3.7	6,066	7,563
Biological assets	3.8	65	58
Trade and other receivables	3.9	6,426	5,794
Derivative assets	4.8	1,619	2,443
Margin deposits	4	1,007	1,524
Current tax assets		68	47
Financial advances to related parties	7.3	4	5
Other financial assets at fair value through profit and loss	5.5	356	301
Cash and cash equivalents	5.6	1,184	696
Total current assets		**16,795**	**18,431**
Assets classified as held for sale	1.5	14	316
Total assets		**21,613**	**23,626**

Consolidated Balance Sheet Continued

As of December 31

(in millions of US$)	Notes	2022	2021
Equity			
Issued capital and share premium		1,587	1,587
Retained earnings		4,641	3,940
Other reserves		(132)	(144)
Equity attributable to owners of the company		***6,096***	***5,383***
Equity attributable to non-controlling interests		*43*	*44*
Total stockholders' equity and non-controlling interests	5.1	**6,139**	**5,427**
Non-current liabilities			
Long-term debt	5.2	4,107	4,036
Retirement benefit obligations	6.1	68	87
Provisions	3.6	77	74
Deferred income tax liabilities	2.5	155	151
Other non-current liabilities	3.5	111	136
Total non-current liabilities		**4,518**	**4,484**
Current liabilities			
Short-term debt	5.3	2,145	3,922
Current portion of long-term debt	5.2	716	766
Financial advances from related parties	7.3	77	209
Trade and other payables	3.10	6,381	5,965
Derivative liabilities	4.8	1,450	2,640
Provisions	3.6	43	27
Current tax liabilities		144	99
Total current liabilities		**10,956**	**13,628**
Liabilities associated with assets classified as held for sale	1.5	—	87
Total liabilities		**15,474**	**18,199**
Total equity and liabilities		**21,613**	**23,626**

Consolidated Statement of Cash Flows

Year ended December 31

(in millions of US$)	Notes	2022	2021
Net income		1,007	697
Adjustments for items not affecting cash			
Depreciation and amortization		660	536
Biological assets' change in fair value	3.8	1	(8)
Income taxes	2.5	219	167
Net finance costs		297	250
Other provisions, net		161	52
Share of (profit) loss in investments in associates and joint ventures, net of dividends	3.3	(14)	9
(Gain) loss on investments and sale of fixed assets	2.4	(6)	(2)
Net expense arising from share-based payments	6.2	—	9
		2,325	**1,710**
Changes in operating assets and liabilities			
Inventories and biological assets		1,429	(1,489)
Derivatives		(295)	(52)
Margin deposits net of margin deposit liabilities		530	472
Trade and other receivables		(715)	(1,645)
Trade and other payables		463	1,338
Interests paid		(426)	(312)
Interests received		40	120
Income tax received (paid)		(212)	(66)
Net cash from (used in) operating activities		**3,139**	**76**
Investing activities			
Purchase of fixed assets		(427)	(339)
Additional investments, net of cash acquired		(122)	(33)
Change in short-term securities		56	(5)
Proceeds from sale of fixed assets		80	12
Proceeds from sale of investments, net		278	36
Change in loans and advances made		(9)	6
Net cash from (used in) investing activities		**(144)**	**(323)**
Financing activities			
Net proceeds from (repayment of) short-term debt and related parties loans and advances	5.3	(1,971)	(909)
Proceeds from long-term financing	5.2	731	1,215
Repayment of long-term financing	5.2	(605)	(362)
Repayment of lease liabilities	7.1	(252)	(145)
Transactions with non-controlling interests	3.5	(33)	—
Dividends paid to equity owners of the company	5.1	(348)	(191)
Increase in capital financed by non-controlling interests		—	30
Net cash from (used in) financing activities		**(2,478)**	**(362)**
Exchange difference on cash		(29)	7
Net increase (decrease) in cash and cash equivalents		**488**	**(602)**
Cash and cash equivalents, at beginning of the year	5.6	696	1,296
Change in cash and cash equivalents reclassified to held for sale assets	1.5	—	2
Cash and cash equivalents, at year-end	5.6	**1,184**	**696**

Consolidated Statement of Changes in Equity

Year ended December 31

(in millions of US$)	**Notes**	Issued capital and share premium	Retained earnings	Other reserves	**Equity attributable to owners of the company**	Equity attributable to non-controlling interests	**Total equity**
Balance as of December 31, 2020		**1,587**	**3,409**	**(138)**	**4,858**	**12**	**4,870**
Net income			697		**697**	—	**697**
Other comprehensive income, net of tax				18	**18**	1	**19**
Total comprehensive income	5.1		**697**	**18**	**715**	**1**	**716**
Dividends	5.1		(191)		**(191)**	—	**(191)**
Deferred compensation plan, net of tax	5.1		24	(24)	**—**		**—**
Change in the list of consolidated companies			—	—	**—**	31	**31**
Others			1	—	**1**	—	**1**
Balance as of December 31, 2021		**1,587**	**3,940**	**(144)**	**5,383**	**44**	**5,427**
Net income			1,006		**1,006**	1	**1,007**
Other comprehensive income, net of tax				55	**55**	(4)	**51**
Total comprehensive income	5.1		**1,006**	**55**	**1,061**	**(3)**	**1,058**
Dividends	5.1		(348)		**(348)**	—	**(348)**
Change in the list of consolidated companies			44	(44)	**—**	2	**2**
Others			(1)	1	**—**	—	**—**
Balance as of December 31, 2022		**1,587**	**4,641**	**(132)**	**6,096**	**43**	**6,139**

Notes to the Consolidated Financial Statements

Louis Dreyfus Company B.V. ("LDC" or the "company") is a privately owned company incorporated in the Netherlands on December 28, 2004, registered at the *Chamber of Commerce* under registration number 24371219. The address of its registered office is Westblaak 92, 3012 KM Rotterdam, Netherlands. LDC is an indirect subsidiary of *Louis Dreyfus Holding B.V.* (LDH), a privately owned Dutch company controlled by the family foundation established by Robert Louis-Dreyfus.

As of December 31, 2011, LDC was a direct subsidiary of *Louis Dreyfus Company Holdings B.V.* (LDCH), a company incorporated in the Netherlands. Effective December 4, 2012, LDCH contributed all its shares and voting rights in LDC to the newly formed intermediate holding company *Louis Dreyfus Company Netherlands Holding B.V.* (LDCNH). On September 10, 2021, the sale of an indirect 45% equity stake in LDC to Abu Dhabi-based ADQ, one of the region's largest holding companies, was completed and triggered a legal reorganization. As of this date, LDC became a direct subsidiary of LDCH, which in turn is held by *Louis Dreyfus Company International Holding B.V.*, the new holding company indirectly owned at 45% by *Abu Dhabi Developmental Holding Company* and at 55% by LDH.

LDC and its subsidiaries (the "Group") is a global merchant and processor of agricultural goods, operating a significant network of assets around the world. The Group's activities span the entire value chain from farm to fork, across a broad range of business lines (platforms). Since its inception in 1851, the Group's portfolio has grown and as of December 31, 2022, included Grains & Oilseeds, Coffee, Cotton, Juice, Rice, Sugar, Freight, Global Markets and Carbon Solutions.

In 2017, LDC completed the issuance of two unrated senior bonds: one in February for €400 million (5-year, 4% coupon) which was reimbursed in February 2022 and one in June for US$300 million (6-year, 5.25% coupon). In November 2020, LDC completed the issuance of a rated senior bond for €600 million (5-year, 2.375% coupon) completed in February 2021 by an additional €50 million through a reverse inquiry. In April 2021, LDC completed the issuance of a rated senior bond for €500 million (7-year, 1.625% coupon). These bonds are listed on the *Luxembourg Stock Exchange* (refer to Note 5.2).

1. Accounting Policies and Consolidation Scope

1.1 Accounting Policies

The consolidated financial statements of LDC are prepared in US Dollars, which is the functional currency of the main subsidiaries of the Group.

The consolidated financial statements of LDC as of and for the year ended December 31, 2022, (the "Financial Statements") were approved by the Board of Directors of LDC on March 21, 2023.

The Financial Statements were prepared in accordance with *International Financial Reporting Standards* (IFRS) adopted by the European Union as of December 31, 2022 and IFRS as issued by the *International Accounting Standards Board* (IASB). The Group has not adopted IAS 33 "Earnings per Share" since this standard is not mandatory for companies whose ordinary shares are not publicly traded.

Accounting policies used to prepare these Financial Statements are the same as those used to prepare the consolidated financial statements as of and for the year ended December 31, 2021, except for the adoption of new amendments, standards and interpretations as of January 1, 2022, as detailed below.

New and Amended Accounting Standards and Interpretations Effective in 2022

The following amendments applied starting from 2022 have had no effect on the balance sheet or performance of the Group:

- Annual improvements to IFRSs 2018-2020, including:
  - Amendments to IFRS 9 "Financial Instruments"
  - Amendments to IFRS 16 "Leases"
  - Amendments to IAS 41 "Agriculture".
- Narrow-scope amendments to IFRS 3, IAS 16 and IAS 37.

The Group did not adopt any standard, interpretation or amendment that was issued but is not yet effective.

New and Amended Accounting Standards and Interpretations Approved by the European Union Effective in Future Periods

- IFRS 17 "Insurance Contracts" and related amendments.
- Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies".
- Amendments to IAS 8 "Definition of Accounting Estimates".
- Amendment to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction".
- Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative information".

The amendments above will come into effect as of January 1, 2023 and are not expected to have any impact on the Group's financial statements.

Accounting Standards and Interpretations Issued by the IASB but not yet Approved by the European Union

The following standards and interpretations issued by the IASB are not yet approved by the European Union. Their potential impact is currently under review by the Group.

- Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The amendments will come into effect as of January 1, 2023 with early application permitted.
- Amendments to IFRS 16 "Leases: Lease liability in a Sale and Leaseback". The amendments will come into effect as of January 1, 2024 with early application permitted.

1.2 Basis of Consolidation and Use of Estimates

Basis of Consolidation

In accordance with IFRS 10 "Consolidated Financial Statements", the Financial Statements include the financial statements of all entities that the Group controls directly or indirectly, regardless of the level of the Group's equity interest in the entity. An entity is controlled when the Group has power over the entity, exposure or rights to variable returns from its involvement with the entity, and the ability to affect those returns through its power over the entity. In determining whether control exists, potential voting rights must be taken into account if those rights are substantive - in other words they can be exercised on a timely basis when decisions about the relevant activities of the entity are to be taken. Commitments given by the Group to purchase non-controlling interests in Group-controlled companies are included in liabilities. Entities consolidated by the Group are referred to as "subsidiaries".

In accordance with IFRS 11 "Joint Arrangements", the Group classifies its joint arrangements (i.e. arrangements in which the Group exercises joint control with one or more other parties) either as a joint operation or a joint venture. The Group exercises joint control over a joint arrangement when decisions relating to the relevant activities of the arrangement require the unanimous consent of the Group and the other parties with whom control is shared. The Group exercises significant influence over an entity (referred to as "associates") when it has the power to participate in the financial and operating policy decisions of that entity but does not have the power to exercise control or joint control over those policies.

In accordance with IAS 28 "Investments in Associates and Joint Ventures", the equity method is used to account for joint ventures and associates. In the case of a joint operation, the Group recognizes the assets and liabilities of the operation in proportion to its rights and obligations relating to those assets and liabilities.

All consolidated subsidiaries and companies carried at equity prepared their accounts as of December 31, 2022 in accordance with the accounting policies and methods applied by the Group.

Intercompany transactions and balances are eliminated in consolidation.

A change in the ownership interest in a subsidiary, without loss of control, is accounted for as an equity transaction. In the event that the Group loses control over a subsidiary, the Group:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any benefit or deficit in the income statement; and
- Reclassifies components previously recognized in other comprehensive income to the income statement or retained earnings, as appropriate.

Use of Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Group engages in price risk management activities, principally for trading purposes. Activities for trading purposes are accounted for using the mark-to-market method. In the absence of quoted prices, market prices used to value these transactions reflect management's best estimate considering various factors including the closing exchange and over-the-counter quotations, parity differentials, time value and price volatility underlying the commitments. Values reflect the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date under current market conditions.

Goodwill is tested annually for impairment in accordance with the valuation methodology described below. The recoverable amounts of cash-generating units have been determined based on value in use calculations, which require the use of estimates.

Cash-generating units are defined at the lowest level of independent cash flows generated by the corresponding assets measured. Applying this methodology, the Group identified nine main independent cash-generating units corresponding to its commodity platforms. The value in use calculations are based on pre-tax cash flow projections set on business plans prepared by the management and approved by the Board of Directors, covering a five-year period and potentially an extrapolation of the cash flows beyond the five-year plan to cover a full life cycle, and a terminal value using a perpetual growth rate. The recoverable amount is the sum of the discounted cash flows and the discounted terminal residual value. The discount rate used is based on the weighted average cost of capital of the Group before tax.

Biological assets (except bearer plants) are carried at fair value, estimated using discounted expected future cash flows, less costs to sell. This calculation includes estimates of productivity, quality, market price, labor costs, and changes in interest rates. Market prices are derived from prices available on quoted active markets for products related to the biological assets valued. Biological assets are grouped by location to better integrate significant attributes like maturity, quality, labor cost need and yield, in the determination of their fair value. Comparisons are made on an ongoing basis to adjust estimates from past harvests and changes in market prices. Projections are made in US Dollars with a finite projection period, based on the remaining useful life of each group of biological assets identified.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies.

The Group uses estimates to determine the fair value of certain items such as non-current financial assets at fair value through profit and loss.

Foreign Currencies

Financial statements of foreign operations are translated from the functional currency into US Dollars using exchange rates in effect at period end for assets and liabilities, and average exchange rates during the period for income, expenses and cash flows. However, for certain material transactions, a specific exchange rate is used when considered relevant. Related translation adjustments are reported as a separate component of equity. A proportionate share of translation adjustments relating to a foreign investment is recognized through the consolidated income statement when this investment is fully or partially sold.

When the functional currency of an entity is not the local currency, its local financial statements are first converted using historical exchange rates for non-monetary items such as non-trading inventories, properties and depreciation, and related translation adjustments are included in the current year's operations.

Exchange differences arising on monetary items that form an integral part of the net investment in foreign subsidiaries are recognized in other comprehensive income, under "Exchange differences arising on translation of foreign operations", for their net-of-tax amount.

Exchange differences on monetary items such as receivables and payables denominated in a foreign currency are recorded in the income for the year.

On a regular basis, the Group reviews the functional currencies used in measuring foreign operations to assess the impact of recent evolutions of its activities and the environment in which it operates.

Consolidated Financial Statements

Income and expenses are analyzed by function in the consolidated income statement. Cost of sales includes depreciation and employment costs relating to processing plants and warehouses. It also includes net unrealized gain or loss on open purchase contracts and inventories of the commodity and freight trading activities, as well as the change in fair value of biological assets. Commercial and administrative expenses include the cost of commercial and administrative employees and depreciation of office buildings and equipment.

Assets and liabilities are presented separately between current and non-current. For each asset and liability, this classification is based on the expected recoverability or settlement date, respectively before or after 12 months from the balance sheet date.
Cash flows from operating activities are reported using the indirect method: net income is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

1.3 Russia-Ukraine Crisis

The consequences of the Russia-Ukraine crisis for the Group are described in the Management Discussion & Analysis of this report. As mentioned, the Group is closely monitoring the complex evolving situation with a focus on people safety and business continuity while operating in compliance with international sanctions, laws and regulations.

As of December 31, 2022, the Financial Statements were prepared considering the ability of LDC's subsidiaries in Ukraine and Russia to continue as a going concern. Management considers that control over current and non-current assets located in Ukraine and in Russia is maintained with the exception of a limited number of railcars, which were impaired for their net book value. All property, plant and equipment held in Ukraine are in condition to run and Management has no intention to stop the business in the foreseeable future. Additionally, subsidiaries in Ukraine can access financing to meet their short-term financial obligations and, in Russia, the Group is fully financing the activities on its own. In both countries, the cash balances are not restricted.

In the year ended December 31, 2022, products originated by LDC's subsidiaries from these two countries represented 2% of Group net sales, compared to less than 4% the year before.

As of December 31, 2022, in relation to its operations in Ukraine, the Group held total assets of US$125 million and total liabilities of US$62 million, including US$(59) million impairment and provisions. Estimates and assumptions made by Management take into account the consequences of the crisis, notably logistics constraints and costs, and performance risks.

Trading inventories in Ukraine are valued in accordance with the accounting policies described in Note 3.7. The liquidity of inventories located in Ukraine has been assumed beyond three months.

In Russia, total assets and liabilities amounted to US$74 million and US$36 million respectively, as of December 31, 2022.

The impact of the crisis on the Taman project is described in Note 5.4. The Group may be impacted by future developments in the conflict and associated geo-political uncertainties.

1.4 Change in the List of Consolidated Companies

On November 27, 2022, the Group completed the sale of *Imperial Sugar Company* business to *U.S. Sugar,* one of the largest fully integrated sugarcane producers and refiners in the US. The selling price of this transaction, still subject to price adjustment, amounted to US$287 million. As of December 31, 2021, the business' assets and liabilities were classified as held for sale (refer to Note 1.5). The loss derived from the sale amounted to US$(47) million, of which US$(32) million and US$(11) million were impaired respectively in 2020 and 2021 in accordance with IFRS 5.

On October 31, 2022, the Group acquired 100% of *Emerald Grain Pty. Ltd.* (Emerald Grain) from *Longriver Farms Pty. Ltd.* for a purchase price of AUD159 million (US$102 million equivalent) subject to certain adjustments on completion date. Emerald Grain is a leading grain handling business in Australia, with an integrated grain storage system across seven upcountry storage and handling facilities in the states of Victoria and New South Wales, and an export terminal at the Port of Melbourne. In accordance with IFRS 3 (revised), the Group recognized a US$9 million goodwill. The preliminary purchase price allocation is as follows:

(in millions of US$)	Book value at date of acquisition under local GAAP	Fair value under IFRS
Property, plant and equipment	62	67
Deferred income tax assets	—	5
Non-Current Assets	**62**	**72**
Current Assets	**127**	**127**
Total Assets	**189**	**199**
Long-term debt	17	17
Deferred income tax liabilities	6	—
Other non-current liabilities	1	1
Non-Current Liabilities	**24**	**18**
Current Liabilities	**88**	**88**
Total Liabilities	**112**	**106**
Net Equity	**77**	**93**
Consideration transferred		102
Goodwill		**9**

On April 8, 2021, the Group completed its capital injection into a newly created entity *Guangzhou Fuling Food Technology Co., Ltd.,* for a total consideration of US$20 million representing 51% of shares. This entity will build and operate a food industrial park in the port of Nansha, Guangzhou, China. The governance rules established for *Guangzhou Fuling Food Technology Co. Ltd.* allow the Group to control, within the meaning of IFRS 10, the entity which is thus fully consolidated. Its equity is split between 51% attributable to owners of the company and 49% to non-controlling interests.

On June 11, 2021, the Group finalized the sale of *LDC (Shaanxi) Juices Co. Ltd.* to *Xi'an Chunguo Beverage Co.*, a private company based in Xi'an, Shaanxi, China. The selling price of this transaction amounted to CNY21 million (US$3 million equivalent). The transaction did not generate any material gain or loss on sale in 2021.

No other significant change in the list of consolidated companies occurred during the years ended December 31, 2022 and December 31, 2021.

1.5 Assets Classified as Held for Sale and Liabilities Associated With Held for Sale Assets and Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

A non-current asset or disposal group that is to be abandoned is not reclassified as held for sale because its carrying amount will be recovered principally through continuing use.

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met, or it has been abandoned and such a component represents a separate major line of business. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as "Net income – discontinued operations" in the consolidated income statement for all periods presented. Net cash flows attributable to the operating, investing and financing activities of discontinued operations are also presented separately from other flows in the consolidated statement of cash flows.

During 2020, the Group entered into an exclusivity agreement to negotiate the sale of *Imperial Sugar Company* business ("the Imperial transaction"), including notably its sugarcane refinery in Port Wentworth, Georgia, US. As per IFRS 5 rules, the disposal group of assets was measured at the lower of its carrying amount and its fair value less costs to sell, which resulted in an initial US$32 million impairment. The residual net book value has been classified as held for sale. In 2021, an additional US$11 million impairment was recognized. The transaction closed on November 27, 2022 (refer to Note 1.4).

As of December 31, 2022, the investment in joint venture *Epko Oil Seed Crushing Pty. Ltd.* (sunflower seed and maize germ crushing plant in South Africa) has been classified as held for sale (50% ownership).

Assets classified as held for sale are summarized as follows:

(in millions of US$)	**2022**	2021
Imperial	—	308
Epko	7	—
Others	7	8
Total assets classified as held for sale	**14**	**316**

The condensed assets and liabilities with third parties of Imperial transaction net assets as of December 31, 2021 were as follows:

(in millions of US$)	2021
Property, plant and equipment	148
Other non-current assets	9
Non-current assets	**157**
Inventories	102
Other current assets	49
Current assets	**151**
Total assets classified as held for sale	**308**
Retirement benefit obligations	(24)
Other non-current liabilities	(2)
Non-current liabilities	**(26)**
Other current liabilities	(61)
Current liabilities	**(61)**
Total liabilities associated with held for sale assets	**(87)**

During the year ended December 31, 2021, the change in cash and cash equivalents held for sale is as follows:

	2021	
(in millions of US$)	Imperial	**Total**
Cash and cash equivalents held for sale, at beginning of the year	**2**	**2**
Change in cash and cash equivalents held for sale	(2)	**(2)**
Cash and cash equivalents held for sale, at year-end	**—**	**—**

There was no cash sold as part of Imperial transaction sale.

Notes Continued

2. Segment Information and Income Statement

2.1 Segment Information

The Group operates its global business under two segments: Value Chain and Merchandizing.

Each reportable segment is responsible for the farming, origination, processing, refining, storage, transport and distribution of its products (where applicable).

The Value Chain Segment includes the Grains & Oilseeds and Juice platforms, along with Freight, Global Markets and Carbon Solutions, the latter three of which are key facilitators of all Group businesses. The Merchandizing Segment comprises the Coffee, Cotton, Rice and Sugar platforms.

The Group assesses the financial performance of its segments with reference to Segment Operating Results, which correspond to net sales, less cost of sales (gross margin in the consolidated income statement) plus share of profit (loss) in investments in associates and joint ventures.

Inter-segment transactions, where applicable, are not material and generally performed at arm's length.

Segment information on the income statement and capital expenditure for the years ended December 31, 2022 and December 31, 2021 is as follows:

	2022		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Net sales	**41,573**	**18,358**	**59,931**
Depreciation included in gross margin	(544)	(36)	**(580)**
Share of profit (loss) in investments in associates and joint ventures	12	2	**14**
Segment operating results	**1,817**	**794**	**2,611**
Commercial and administrative expenses			**(947)**
Net finance costs			**(288)**
Others			**(150)**
Income taxes			**(219)**
Non-controlling interests			**(1)**
Net income attributable to owners of the company			**1,006**
Capital expenditure	**473**	**76**	**549**

	2021		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Net sales	**36,073**	**13,496**	**49,569**
Depreciation included in gross margin	(381)	(74)	**(455)**
Share of profit (loss) in investments in associates and joint ventures	(1)	—	**(1)**
Segment operating results	**1,191**	**643**	**1,834**
Commercial and administrative expenses			**(742)**
Net finance costs			**(230)**
Others			**2**
Income taxes			**(167)**
Net income attributable to owners of the company			**697**
Capital expenditure	**310**	**62**	**372**

Capital expenditure corresponds to the sum of the "Purchase of fixed assets" and "Additional investments, net of cash acquired" lines of the consolidated statement of cash flows.

Balance sheet segment information as of December 31, 2022 and December 31, 2021 is as follows:

	2022		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Fixed assets (intangible assets and property, plant and equipment)	3,592	371	**3,963**
Investments in associates and joint ventures	196	34	**230**
Inventories	3,453	2,613	**6,066**
Biological assets	65	—	**65**
Trade and other receivables	4,106	2,320	**6,426**
Derivative assets	972	647	**1,619**
Margin deposits	777	230	**1,007**
Marketable securities held for trading	297	—	**297**
Reverse repurchase agreement loan	40	—	**40**
Assets classified as held for sale	8	6	**14**
Segment assets	**13,506**	**6,221**	**19,727**
Trade and other payables	(4,439)	(1,590)	**(6,029)**
Derivative liabilities	(1,110)	(340)	**(1,450)**
Repurchase agreements	(234)	—	**(234)**
Securities short positions	(7)	—	**(7)**
Segment liabilities	**(5,790)**	**(1,930)**	**(7,720)**
Other assets			**1,886**
Other liabilities			**(7,754)**
Total net assets	**7,716**	**4,291**	**6,139**

	2021		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Fixed assets (intangible assets and property, plant and equipment)	3,660	329	**3,989**
Investments in associates and joint ventures	189	38	**227**
Inventories	3,089	4,474	**7,563**
Biological assets	58	—	**58**
Trade and other receivables	3,893	1,901	**5,794**
Derivative assets	1,394	1,049	**2,443**
Margin deposits	909	615	**1,524**
Marketable securities held for trading	215	—	**215**
Assets classified as held for sale	—	316	**316**
Segment assets	**13,407**	**8,722**	**22,129**
Trade and other payables	(4,232)	(1,548)	**(5,780)**
Derivative liabilities	(1,597)	(1,043)	**(2,640)**
Repurchase agreements	(167)	—	**(167)**
Liabilities associated with assets classified as held for sale	—	(87)	**(87)**
Segment liabilities	**(5,996)**	**(2,678)**	**(8,674)**
Other assets			**1,497**
Other liabilities			**(9,525)**
Total net assets	**7,411**	**6,044**	**5,427**

Marketable securities held for trading and reverse repurchase agreement loan are included in the line "Other financial assets at fair value through profit and loss" of the consolidated balance sheet (refer to Note 5.5). Repurchase agreements and securities short positions are included in the line "Short-term debt" (refer to Note 5.3).

As of December 31, 2022, US$352 million of trade and other payables were not segmented (US$185 million as of December 31, 2021).

Notes Continued

Net sales by geographical area, based on the country of incorporation of the counterparty, were broken down as follows for the years ended December 31, 2022 and December 31, 2021:

(in millions of US$)	**2022**	2021
North Asia	12,928	10,809
South & Southeast Asia	14,294	11,445
North Latin America	2,034	1,645
South & West Latin America	4,417	3,379
North America	9,074	7,314
Europe, Middle East & Africa	17,184	14,977
Of which Europe & Black Sea	*10,658*	*8,854*
Of which Middle East & Africa	*6,526*	*6,123*
Net sales	**59,931**	**49,569**

Net sales to the Netherlands are not material.

The Group's fixed assets were located in the following geographic regions as of December 31, 2022 and December 31, 2021:

(in millions of US$)	**2022**	2021
North Asia	237	225
South & Southeast Asia	442	281
North Latin America	1,160	1,173
South & West Latin America	604	601
North America	986	1,018
Europe, Middle East & Africa	534	691
Fixed assets	**3,963**	**3,989**

Fixed assets in the Netherlands are not material.

2.2 Net Sales

Revenue is derived principally from the sale of commodities and consumable products, and commodity-related services such as freight, storage and other services rendered. Revenue is recognized when the performance obligations have been satisfied, which is once the control of goods and/or services has been transferred from the Group to the buyer.

Revenue related to the sale of commodities is recognized when the product is delivered to the destination specified by the customer, which is typically, depending on the incoterm, the vessel on which it is shipped, the destination port or identified premises and the buyer has gained control, being the ability to direct the use of and obtain substantially all of the remaining benefits from the assets.

Revenue is measured based on consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties.

In certain cases, the commodity sales price is determined on a provisional basis at the date of the sale, generally corresponding to the date of the bill of lading, as the final selling price is subject to movements in market prices up to the date of final pricing. Revenue on provisional sales price is recognized based on the estimated fair value of the total consideration receivable (by reference to forward market prices). The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognized as an adjustment to revenue.

"Net sales" include also the mark-to-market on physical forward sales contracts that do not meet the own use exemption.

When the Group enters into logistic arrangements with a third party in order to meet its logistic needs, the related sales and purchases are both presented in "Cost of sales". Similarly, arrangements with other trading companies, most commonly known in the commodity market as "paper transactions", are presented in "Cost of sales". When the Group agrees to offset a purchase and a sale contracts with a counterparty before delivery, also known as "wash out", the transactions are presented in "Cost of sales".

Revenue derived from time charters freight contracts is recognized over time as the barge or ocean-going vessel moves towards its destination. Storage and other commodity-related services are recognized over time as the service is rendered.

If the Group acts in the capacity as an agent rather than as the principal in a transaction, the margin only is recognized within "Net sales".

Net sales for the years ended December 31, 2022 and December 31, 2021 consist of the following:

	2022			2021		
(in millions of US$)	Value Chain	Merchandizing	**Total**	Value Chain	Merchandizing	**Total**
Sale of commodities and consumable products	39,647	18,218	**57,865**	34,349	13,415	**47,764**
Freight, storage and other services	1,664	123	**1,787**	1,522	75	**1,597**
Others	262	17	**279**	202	6	**208**
	41,573	**18,358**	**59,931**	**36,073**	**13,496**	**49,569**

2.3 Net Finance Costs

Net finance costs for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Interest income	29	59
Interest expense	(306)	(252)
Other financial income and expense	(11)	(37)
Net finance costs on leases	*(26)*	*(16)*
Foreign exchange	*195*	*146*
Net gain (loss) on derivatives	*(211)*	*(161)*
Other (mainly related to commercial transactions)	*31*	*(6)*
	(288)	**(230)**

Net finance costs on leases include interest expense on leases for US$(24) million and foreign exchange on leases mainly related to lease contracts denominated in Brazilian Real for US$(2) million for the year ended December 31, 2022 (respectively US$(19) million and US$3 million for the year ended December 31, 2021).

The "Foreign exchange" and "Net gain (loss) on derivatives" lines need to be read jointly. For the years ended December 31, 2022, and December 31, 2021, foreign exchange is mainly attributable to Euro and Japanese Yen depreciation, impacting Euro-denominated bonds and Japanese Yen-denominated debt. These impacts are offset in the "Net gain (loss) on derivatives" line due to the forex hedges and cross-currency swaps in place (refer to Note 4.8).

2.4 Gain (Loss) on Investments and Sale of Fixed Assets

Gain (loss) on investments and sale of fixed assets for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Gain (loss) on sale of consolidated companies	(9)	—
Gain (loss) on sale of investments in associates and joint ventures	—	1
Gain (loss) on other financial assets at fair value through profit and loss	(8)	1
Gain (loss) on sale of fixed assets	23	—
	6	**2**

Gain (Loss) on Sale of Consolidated Companies

In 2022, the Group recognized a US$(4) million loss related to the completion of the sale of *Imperial Sugar Company* business (refer to Note 1.4).

Gain (Loss) on Other Financial Assets at Fair Value Through Profit and Loss

In 2022, the Group recognized a US$(1) million fair value loss on the investments held by *Louis Dreyfus Company Ventures B.V.*. The remaining losses were mainly recognized on listed investments due to decrease in share price.
In 2021, the Group recognized a US$8 million fair value gain on the investments held by *Louis Dreyfus Company Ventures B.V.* partially offset by losses in other investments.

Gain (Loss) on Sale of Fixed Assets

In 2022, the Group sold its ethanol plant in Norfolk, Nebraska, US and certain related assets and liabilities for US$73 million, which led to a US$22 million gain on sale (refer to Note 3.2).

2.5 Income Taxes

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end applied to the expected current year taxable income, and any adjustment to income taxes payable in respect of previous years.
Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset the amounts and when the entity intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Generally, the entity will have a legally enforceable right to offset the amounts when they relate to income taxes levied by the same taxation authority which permits the entity to make or receive a single net payment.

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable income using the most recent established tax rates or substantively enacted income tax rates which are expected to be effective at the time of the reversal of the underlying temporary difference.
The Group recognizes future tax benefits to the extent that the realization of such benefits is probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date.
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities.

Income taxes are recognized as an expense or income in the consolidated income statement, except when they relate to items that are recognized outside the consolidated income statement (whether in other comprehensive income or directly in equity) or when they arise from the initial accounting for a business combination.

The global tax exposure of the Group is subject to complexity and uncertainty which may lead to uncertain tax treatments and the corresponding recognition and measurement of current and deferred taxes. The judgements and estimates made to separately recognize and measure the effect of each uncertain tax treatment are re-assessed whenever circumstances change or when there is new information that affects those judgements. Global tax exposure is determined taking into account the uncertainty that the tax authority may not accept the Group's proposed treatment of tax positions.

Income taxes in the consolidated income statement for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Current year income taxes	(283)	(150)
Adjustments with respect to prior year income taxes	6	(7)
Current income taxes	**(277)**	**(157)**
Current year deferred income taxes	47	28
Change in valuation allowance for deferred tax assets	18	(4)
Adjustments with respect to prior year deferred income taxes	(7)	(13)
Change in tax rate	—	(21)
Deferred income taxes	**58**	**(10)**
Income taxes	**(219)**	**(167)**

The reported tax expense differs from the computed theoretical income tax provision using the Netherlands' income tax rate of 25.8% for the year ended December 31, 2022 and of 25% for the year ended December 31, 2021 (increase in the Netherlands corporate income tax rate starting January 1, 2022) for the following reasons:

(in millions of US$)	**2022**	2021
Theoretical income tax	**(316)**	**(216)**
Differences in income tax rates	104	85
Effect of change in tax rate	—	(21)
Difference between local currency and functional currency	14	34
Change in valuation allowance for deferred tax assets	18	(4)
Permanent differences on share of profit (loss) in investments in associates and joint ventures	6	4
Adjustments on prior years and tax reserves	(23)	(20)
Other permanent differences	(22)	(29)
Income taxes	**(219)**	**(167)**

Notes Continued

The differences in income tax rates relate to subsidiaries taxed at different rates than the Netherlands' rate.

In 2021, the effect of change in tax rate mainly relates to the increase in corporate tax rate in Argentina from 30% to 35%, enacted on June 16, 2021 and applicable starting January 1, 2021.

The difference between local currency and functional currency impact is booked in non-US entities whose functional currency is the US Dollar while being taxed based on their local respective currencies. In 2022 and 2021, such impact mainly regarded Group entities in Argentina. As of December 31, 2022, this line includes US$1 million which relate to revaluation in respect of movements in currency values of deferred tax assets and liabilities, excluding non-monetary balance sheet items (US$(1) million as of December 31, 2021).

In 2022, the change in valuation allowance for deferred tax assets is mostly attributable to reversal of valuation allowance in Switzerland. In 2021, the change in valuation allowance was mostly attributable to valuation allowances on carry forward losses in Brazil and Colombia partially offset by a reversal of valuation allowance in Switzerland.

Consolidated deferred income tax assets (liabilities) as of December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Deferred income tax assets	163	129
Deferred income tax liabilities	(155)	(151)
Deferred tax net	**8**	**(22)**

Changes in net deferred income tax assets (liabilities) for the years ended December 31, 2022 and December 31, 2021 are as follows:

	2022					
(in millions of US$)	**Opening balance**	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Other	**Closing balance**
Net tax benefits from carry forward losses	**191**	(56)	—	—	(2)	**133**
Tax benefits from carry forward losses	***276***	*(86)*	—	*(2)*	*(2)*	***186***
Valuation allowance on carry forward losses	***(85)***	*30*	—	*2*	—	***(53)***
Unrealized exchange gains and losses	**141**	(49)	—	—	—	**92**
Non-monetary balance sheet items - difference between tax and functional currencies	**(251)**	74	—	—	—	**(177)**
Fixed assets (other temporary differences)	**(171)**	30	—	—	—	**(141)**
Other temporary differences	**71**	72	(30)	—	(2)	**111**
Valuation allowance for other deferred tax assets	**(3)**	(7)	—	—	—	**(10)**
Deferred tax net	**(22)**	**64**	**(30)**	**—**	**(4)**	**8**

(in millions of US$)	2021 **Opening balance**	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	**Closing balance**
Net tax benefits from carry forward losses	**238**	(45)	—	(2)	**191**
Tax benefits from carry forward losses	***339***	*(59)*	—	*(4)*	***276***
Valuation allowance on carry forward losses	***(101)***	*14*	—	*2*	***(85)***
Unrealized exchange gains and losses	**142**	(1)	—	—	**141**
Non-monetary balance sheet items - difference between tax and functional currencies	**(263)**	12	—	—	**(251)**
Fixed assets (other temporary differences)	**(194)**	22	—	1	**(171)**
Other temporary differences	**93**	(18)	(5)	1	**71**
Valuation allowance for other deferred tax assets	**(2)**	(1)	—	—	**(3)**
Deferred tax net	**14**	**(31)**	**(5)**	**—**	**(22)**

Recognized and unrecognized tax benefits from carry forward losses for the years ended December 31, 2022 and December 31, 2021 expire as follows:

	2022			**2021**		
(in millions of US$)	Recognized	Unrecognized	**Total**	Recognized	Unrecognized	**Total**
Losses expiring in less than 1 year	—	1	**1**	1	3	**4**
Losses expiring in 2-3 years	11	4	**15**	29	5	**34**
Losses expiring in 4-5 years	44	1	**45**	27	13	**40**
Losses expiring in more than 5 years	27	3	**30**	67	25	**92**
Losses which do not expire	51	44	**95**	67	39	**106**
Tax benefits from carry forward losses	**133**	**53**	**186**	**191**	**85**	**276**

Notes Continued

3. Operating Balance Sheet Items

3.1 Intangible Assets

Goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

For transactions concluded prior to December 31, 2009, goodwill was determined as the excess of cost of acquisition over the fair value of net assets acquired at date of purchase. When the Group acquired an additional interest in a company already controlled, the excess cost of acquisition over the historical value of net assets acquired was also recorded as goodwill.

For transactions concluded since January 1, 2010, goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, measured at fair value at acquisition date, and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. For each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets.

When the difference between the cost of acquisition and the fair value of net assets acquired is negative it is immediately recognized through the consolidated income statement.

The fair values of assets and liabilities and the resulting goodwill are finalized within 12 months of the acquisition.

Goodwill is not amortized. Goodwill is tested for impairment, when circumstances indicate that the carrying value may be impaired, and at the minimum, annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized.

At the time of impairment testing a cash-generating unit to which goodwill has been allocated, there may be an indication of an impairment of an asset within the unit containing the goodwill. In such circumstances, the entity tests such asset individually for impairment first, and recognizes any impairment loss for that asset before testing for impairment of the cash-generating unit containing the goodwill. Impairment of such goodwill is included in the “Cost of sales” line of the consolidated income statement.

Goodwill relating to the acquisition of shares in an equity investment is presented in the “Investments in associates and joint ventures” line of the consolidated balance sheet.

Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Other intangible assets of the Group mainly include trademarks and customer relationships, licenses and internally generated software.

The useful life of acquired trademarks is assessed to be qualified as finite or indefinite. Trademarks with an indefinite useful life are not amortized but reviewed for impairment annually by comparing their recoverable amount with their carrying amount. The recoverable amount is determined using the royalty relief method.
Intangible assets with finite life are amortized over periods ranging from one to ten years.

Amortization and impairment are recorded in the consolidated income statement according to the nature of assets:

- “Cost of sales” line for industrial assets linked to production and farming;
- “Commercial and administrative expenses” line for assets linked to commercial and trading and to general and/or administrative activities.

As of December 31, 2022 and December 31, 2021, intangible assets consist of the following:

(in millions of US$)	2022 Gross value	2022 Accumulated amortization/ impairment	2022 Net value	2021 Gross value	2021 Accumulated amortization/ impairment	2021 Net value
Goodwill	69	(36)	**33**	60	(33)	**27**
Trademarks and customer relationships	24	(16)	**8**	64	(24)	**40**
Other intangible assets	651	(424)	**227**	603	(380)	**223**
	744	**(476)**	**268**	**727**	**(437)**	**290**

As of December 31, 2022, the Group tested the value of goodwill allocated to its cash-generating units as described in Note 1.2, using a perpetual growth rate of 2% and an annual discount rate (weighted average cost of capital of the Group before tax) of 9.0%. A 1% increase in the discount rate and a 0.5% decrease in the perpetual growth rate would not, jointly, cause the recoverable amount of the cash-generating units to fall below their carrying value.

Changes in the net value of intangible assets for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	2022 Goodwill	2022 Trademarks and customer relationships	2022 Other intangible assets	2022 Total	2021 Total
Balance as of January 1	**27**	**40**	**223**	**290**	**309**
Acquisitions and additions	—	—	61	**61**	59
Acquisitions through business combinations	9	—	—	**9**	—
Amortization	—	(1)	(57)	**(58)**	(58)
Impairment losses	(3)	(31)	—	**(34)**	(13)
Foreign currency translation adjustment	—	—	(5)	**(5)**	(6)
Other reclassifications	—	—	5	**5**	(1)
Closing balance	**33**	**8**	**227**	**268**	**290**

Acquisitions and Additions

During the years ended December 31, 2022 and December 31, 2021, acquisitions and additions mainly consisted of the ongoing upgrade of the Group's existing main front office system, alongside capital expenditure related to the new global back-office enterprise resource planning (ERP) system.

Acquisitions through business combinations

As of December 31, 2022, the Group acquired Emerald Grain in Australia, generating a US$9 million goodwill (refer to Note 1.4).

Impairment Losses

During the year ended December 31, 2022, the Group decided to no longer use certain trademarks and consequently took a US$31 million impairment representing the full write off of these assets.

As of December 31, 2021, Juice Platform goodwill was fully impaired for US$13 million.

Foreign Currency Translation Adjustment

During the years ended December 31, 2022 and December 31, 2021, the foreign currency translation adjustment is mainly related to the depreciation of the Euro against the US Dollar.

Notes Continued

3.2 Property, Plant and Equipment

Property, Plant and Equipment (Except Bearer Plants)

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, incurred during the construction period, are capitalized as part of the cost of that asset. When relevant, property, plant and equipment costs include initial estimate of decommissioning and site restoration costs.
Tangible assets under construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recorded through the consolidated income statement during the financial period in which they are incurred.

Depreciation and Impairment

Depreciation of property, plant and equipment (except bearer plants) is calculated based on the carrying amount, net of residual value, principally using the straight-line method over the estimated useful lives of the assets. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Tangible assets under construction are not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Buildings: 15 to 40 years;
- Machinery and equipment: 5 to 25 years;
- Other tangible assets: 1 to 20 years.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset shall be reduced to its recoverable amount. Such reduction is an impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Depreciation and impairment are recorded in the consolidated income statement according to the nature of assets:

- "Cost of sales" line for industrial assets linked to production and farming;
- "Commercial and administrative expenses" line for assets linked to commercial and trading, and to general and/or administrative activities.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the consolidated income statement under the specific line "Gain (loss) on investments and sale of fixed assets".

Bearer Plants

Orange trees are bearer plants recorded at cost less accumulated depreciation and accumulated impairment losses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a bearer plant, incurred during the immature period, are capitalized as part of the cost of that asset.

The depreciation of bearer plants is based on the unit of production method over the estimated useful lives of the assets, since the management considers this is the method that best reflects the expected pattern of consumption of the future economic benefits embodied in the bearer plant. Orange groves are considered immature during the first three years. The useful life of mature orange trees is around 17 years.

As of December 31, 2022 and December 31, 2021, property, plant and equipment consist of the following:

		2022			2021		
(in millions of US$)	**Notes**	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Owned assets		5,802	(2,666)	**3,136**	5,609	(2,509)	**3,100**
Right-of-use assets	7.1	1,053	(494)	**559**	876	(277)	**599**
		6,855	**(3,160)**	**3,695**	**6,485**	**(2,786)**	**3,699**

The following tables provide information on owned assets only.

As of December 31, 2022 and December 31, 2021, consolidated owned assets consist of the following:

	2022			2021		
(in millions of US$)	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Land	212	(19)	**193**	201	(1)	**200**
Buildings	2,111	(883)	**1,228**	2,062	(818)	**1,244**
Machinery and equipment	2,736	(1,495)	**1,241**	2,698	(1,439)	**1,259**
Bearer plants	213	(98)	**115**	212	(90)	**122**
Other tangible assets	219	(171)	**48**	212	(161)	**51**
Tangible assets under construction	311	—	**311**	224	—	**224**
	5,802	**(2,666)**	**3,136**	**5,609**	**(2,509)**	**3,100**

Changes in net value of property, plant and equipment for the years ended December 31, 2022 and December 31, 2021 are as follows:

	2022							2021
(in millions of US$)	Land	Buildings	Machinery and equipment	Bearer plants	Other tangible assets	Tangible assets under construction	**Total**	**Total**
Balance as of January 1	**200**	**1,244**	**1,259**	**122**	**51**	**224**	**3,100**	**3,139**
Additions	5	11	13	12	6	305	**352**	243
Disposals	(2)	(7)	(36)	—	(1)	(1)	**(47)**	(8)
Acquisitions through business combinations	4	22	23	—	—	2	**51**	3
Depreciation	—	(82)	(130)	(20)	(17)	—	**(249)**	(236)
Impairment losses	(18)	(10)	(17)	(1)	(1)	—	**(47)**	(38)
Reversals of impairment losses	—	—	—	—	—	—	**—**	1
Foreign currency translation adjustment	—	(5)	(9)	—	—	(2)	**(16)**	(9)
Reclassification from (to) held for sale assets	(1)	—	—	—	—	—	**(1)**	—
Other reclassifications	5	55	138	2	10	(217)	**(7)**	5
Closing balance	**193**	**1,228**	**1,241**	**115**	**48**	**311**	**3,136**	**3,100**

Additions

During the year ended December 31, 2022, the Group completed the investment in its soy lecithin plant in Claypool, Indiana, US, inaugurated in August 2022. The Group continued to invest in its coffee mill in Varginha, Minas Gerais, Brazil and in its canola processing plant in Yorkton, Saskatchewan, Canada. Investments were also performed for the construction of a soybean processing facility as part of the Fuling Food Industrial Park in the Port of Nansha, Guangzhou, China, and in a joint operation freeze-dried instant coffee plant in Vietnam. Globally, the Group continued to improve its existing assets, such as its Juice farms and processing plants in Brazil, its Cotton warehouses and, its Grains and Oilseeds hub in General Lagos, Argentina.

Notes Continued

During the year ended December 31, 2021, the Group continued to invest in its lecithin plant and its packaging line for canola oil in Claypool, Indiana, US, and in its wider transshipment hub construction project in Brazil. The Group invested in the reengineering of its corn milling plant in Rio Verde, Goiás State, Brazil to enhance its production efficiency and flexibility, and in a new specialty oils production line in Tianjin, China. Additionally, the Group entered into a joint operation with *Instanta Sp. z o.o.* through a 49% stake in *ILD Coffee Holdings Pte. Ltd.*, an entity incorporated in Singapore which owns 100% of *ILD Coffee Vietnam Co. Ltd.*, an entity incorporated in Vietnam. The joint operation will construct and operate a soluble coffee plant. The Group continued to invest in planned and custom maintenance and enhancements to ensure the continued operational performance and safety of its existing assets globally, across all businesses.

Disposals

During the year ended December 31, 2022, the Group sold its ethanol plant in Norfolk, Nebraska, US, with a net book value of US$43 million (refer to Note 2.4).

Acquisitions through business combinations

During the year ended December 31, 2022, the Group acquired a port facility in Melbourne, and various storage facilities in Coolamon, The Rock, Elmore, Ardlethan and Nullawil, Australia, through the acquisition of Emerald Grain (refer to Note 1.4).

Foreign Currency Translation Adjustment

During the year ended December 31, 2022, the foreign currency translation adjustment is mainly related to the depreciation of the Chinese Yuan and the Euro against the US Dollar.

During the year ended December 31, 2021, the foreign currency translation adjustment is mainly related to the depreciation of the Euro against the US Dollar.

3.3 Investments in Associates and Joint Ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Joint ventures are a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The carrying amount of the investment is adjusted to recognize:

- Changes in the Group's share of net assets of the associate or joint venture since the acquisition date; and
- Impairment losses in the value of the investments, if any.

Any goodwill arising from purchases of interests in associates or joint ventures is included in their carrying amount.

Changes in investments in associates and joint ventures for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	2022	2021
Balance as of January 1	**227**	**216**
Acquisitions and additional investments	8	13
Reclassification to held for sale assets	(7)	—
Share of profit (loss)	15	5
Impairment	(8)	(6)
Dividends	—	(8)
Change in other reserves	(2)	(1)
Reclassification	(3)	8
Closing balance	**230**	**227**
Of which:		
Investments in associates	*19*	*16*
Investments in joint ventures	*211*	*211*

Acquisitions and Additional Investments

In 2022, the Group made a US$6 million capital injection in the joint venture *TES - Terminal Exportador de Santos S.A.* (concession in Santos port terminal in Brazil), in which a US$9 million capital injection was also made in 2021. Additionally, the Group performed an investment of US$2 million in *Covantis S.A.*, in which an investment of US$3 million was also made in 2021.
In 2021, the Group also made a US$1 million capital injection in the joint venture *Tianjin Rongchuan Feed Co., Ltd.* (aquatic feed facilities).

Reclassification to Held for Sale Assets

In 2022, the Group classified as held for sale its investment in joint venture *Epko Oil Seed Crushing Pty. Ltd.* (sunflower seed and maize germ crushing plant) (refer to Note 1.5).

Impairment

In 2022, US$(7) million impairment was booked on *Cisagri Holland Cooperatief U.A.* joint venture in the line "Other gains and losses" of the consolidated income statement as part of the impairment recognized on Taman project as described in Note 5.4.
In 2021, impairments related to South African joint ventures.

Dividends

In 2021, the Group received US$8 million as dividends from *Calyx Agro Ltd.*

Notes Continued

Investments in associates and joint ventures are detailed as follows:

			2022		2021	
Investment	**Country**	**Activity**	**Ownership**	**Net value**	Ownership	Net value
All Asian Countertrade Inc.	Philippines	Sugar merchandizing	19%	8	19%	8
Covantis S.A.	Switzerland	Digitizing international trade technology	14%	7	17%	6
Total main associates				***15***		***14***
Amaggi Louis Dreyfus Zen-Noh Grãos S.A.	Brazil	Grain and soy storage and processing	33%	29	33%	23
Amaggi Louis Dreyfus Zen-Noh Terminais Portuários S.A.	Brazil	Logistic facilities	33%	18	33%	16
Calyx Agro Ltd.	Cayman Islands	Land fund	29%	3	29%	3
Cisagri Holland Cooperatief U.A.[1]	Netherlands	Logistic facilities	10%	9	10%	16
Complejo Agro Industrial Angostura S.A.	Paraguay	Soy crushing plant and facilities	33%	40	33%	40
Epko Oil Seed Crushing Pty. Ltd.	South Africa	Sunflower seed and maize germ crushing plant	50%	—	50%	7
LDC - GB Terminais Portuários e Participações Ltda.	Brazil	Logistic facilities	50%	3	50%	3
Namoi Cotton Alliance	Australia	Cotton packing and marketing	49%	15	49%	16
Orient Rice Co. Ltd.	Vietnam	Rice procurement and processing	33%	5	33%	5
TEG - Terminal Exportador Do Guarujá Ltda.	Brazil	Logistic facilities	40%	28	40%	27
TES - Terminal Exportador De Santos S.A.[2]	Brazil	Logistic facilities	60%	49	60%	41
Tianjin Rongchuan Feed Co. Ltd.	China	Aquatic feed facilities	30%	9	30%	10
Total main joint ventures				***208***		***207***
Total main associates and joint ventures				***223***		***221***
Other associates				4		2
Other joint ventures				3		4
				230		**227**

1. As of December 31, 2022, the Group's percentage of ownership is 10% and is entitled to an additional 15% pursuant to the court ruling as described in Note 5.4. As of December 31, 2021, the Group's percentage of control in Cisagri Holland Cooperatief U.A. ("Cisagri") was 25% and the percentage of ownership was 10%.
2. The governance rules of *TES - Terminal Exportador De Santos S.A.* meet the definition of a joint control; this investment therefore qualifies as a joint venture.

Investments in associates and joint ventures included a goodwill of US$1 million as of December 31, 2021.

Share of profit (loss) in investments in associates and joint ventures for the years ended December 31, 2022 and December 31, 2021 is as follows:

Income statement (in millions of US$)	**2022**	2021
Main associates and joint ventures	9	8
Others	5	(9)
Share of profit (loss) in investments in associates and joint ventures	**14**	**(1)**

In 2021, others mainly relate to losses incurred in South African associates and joint ventures.

A summary of the aggregated financial information of the companies listed above is as follows as of and for the years ended December 31, 2022 and December 31, 2021:

	2022				
Balance sheet (in millions of US$)	**Main associates**	Logistic facilities	Others	**Main joint ventures**	**Total main associates and joint ventures**
Non-current assets	45	478	276	754	**799**
Current assets	180	94	611	705	**885**
Total assets	**225**	**572**	**887**	**1,459**	**1,684**
Non-current liabilities	—	271	58	329	**329**
Current liabilities	134	53	538	591	**725**
Total liabilities	**134**	**324**	**596**	**920**	**1,054**
Net equity	**91**	**248**	**291**	**539**	**630**
Equity - owners of the company share	**15**	**107**	**101**	**208**	**223**

	2021				
Balance sheet (in millions of US$)	**Main associates**	Logistic facilities	Others	**Main joint ventures**	**Total main associates and joint ventures**
Non-current assets	36	607	292	899	**935**
Current assets	172	92	310	402	**574**
Total assets	**208**	**699**	**602**	**1,301**	**1,509**
Non-current liabilities	—	284	57	341	**341**
Current liabilities	132	59	252	311	**443**
Total liabilities	**132**	**343**	**309**	**652**	**784**
Net equity	**76**	**356**	**293**	**649**	**725**
Equity - owners of the company share	**14**	**103**	**104**	**207**	**221**

	2022				
Income statement (in millions of US$)	**Main associates**	Logistic facilities	Others	**Main joint ventures**	**Total main associates and joint ventures**
Revenue	287	108	2,107	2,215	**2,502**
Net income	(2)	8	18	26	**24**
Share of profit (loss) in investments in associates and joint ventures	**—**	**4**	**5**	**9**	**9**

	2021				
Income statement (in millions of US$)	**Main associates**	Logistic facilities	Others	**Main joint ventures**	**Total main associates and joint ventures**
Revenue	210	85	1,507	1,592	**1,802**
Net income	(4)	12	16	28	**24**
Share of profit (loss) in investments in associates and joint ventures	**(1)**	**5**	**4**	**9**	**8**

3.4 Other Non-Current Assets

As of December 31, 2022 and December 31, 2021, other non-current assets consist of the following:

(in millions of US$)	2022	2021
Tax credits	247	207
Long-term advances to suppliers	33	24
Others	4	4
	284	**235**

Tax credits mainly include income tax and VAT credits in Brazil. The increase in 2022 is mostly attributable to new tax credits and to the appreciation of the Brazilian Real.

3.5 Other Non-Current Liabilities

As of December 31, 2022 and December 31, 2021, other non-current liabilities consist of the following:

(in millions of US$)	2022	2021
Debts associated to business combinations and put options	—	62
Others	6	8
Non-current financial liabilities	**6**	**70**
Staff and tax payables	102	64
Others	3	2
Non-current non-financial liabilities	**105**	**66**
Other non-current liabilities	**111**	**136**

As of December 31, 2022, debts associated to business combinations and put options are nil following the payment of US$33 million during the year (presented on the line "Transactions with non-controlling interests" in the cash flow statement) and the reclassification of the remaining part to current financial liabilities.

As of December 31, 2021, the table does not include the US$1 million staff and tax payables that were part of the Imperial transaction (Sugar business), as they were reclassified to held for sale liabilities (refer to Note 1.5).

3.6 Provisions

Provisions are recognized when:

- The Group has a present obligation (legal or constructive) as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- A reliable estimate can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As of December 31, 2022 and December 31, 2021, provisions consist of the following:

(in millions of US$)	2022	2021
Current provisions	43	27
Non-current provisions	77	74
	120	**101**

Changes in provisions for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)			**2022**			2021
Provisions for:	Tax risks	Social risks	Litigation	Other	**Total**	**Total**
Balance as of January 1	**12**	**13**	**21**	**55**	**101**	**78**
Allowance	6	4	28	11	**49**	42
Reversal of used portion	(2)	(2)	(6)	(12)	**(22)**	(10)
Reversal of unused portion	—	(3)	(2)	—	**(5)**	(12)
Others	(1)	—	5	(7)	**(3)**	3
Closing balance	**15**	**12**	**46**	**47**	**120**	**101**

Tax and social provisions consist of various claims and lawsuits against the Group, primarily related to employment terminations, labor accidents and allegations of non-compliance with tax regulations mainly linked to VAT. These claims are subject to court decisions or tax interpretations within multiple jurisdictions and timing and amounts are uncertain. However the recognized provision reflects Management's best estimate of the most likely outcome. Regarding certain legal claims in Brazil, the Group was required to establish escrow deposits which, as of December 31, 2022, amounted to US$41 million (US$32 million as of December 31, 2021) and are disclosed under the line "Deposits and Others" within non-current financial assets (refer to Note 5.4).

Provisions for litigation include contractual obligation for trade disputes with customers, suppliers and other counterparties.

As of December 31, 2022, other provisions include a US$30 million provision for decommissioning leased land (US$29 million as of December 31, 2021) and US$5 million for onerous contracts (US$15 million as of December 31, 2021).

As of December 31, 2021, the table does not include provision for onerous contracts that were part of the Imperial transaction (Sugar business) amounting to US$27 million as they were reclassified to held for sale liabilities (refer to Note 1.5).

3.7 Inventories

Trading Inventories

Trading inventories are valued at fair value less costs to sell. The "mark-to-market" valuation policy, which is accepted as a commodity industry practice, presents a fair reflection of the Group's trading activities. Changes in fair value are recognized in the consolidated income statement in "Cost of sales".

Other Inventories

Other inventories are valued at the lower of cost or net realizable value, especially for certain entities or businesses for which the trading model is not applicable. Cost of goods sold are presented in the line "Cost of sales" of the consolidated income statement.

As of December 31, 2022 and December 31, 2021, inventories consist of the following:

(in millions of US$)	**2022**	2021
Trading inventories	5,384	6,919
Finished goods	476	431
Raw materials	222	219
Inventories (gross value)	**6,082**	**7,569**
Depreciation of non-trading inventories	(16)	(6)
Inventories (net value)	**6,066**	**7,563**

The table does not include the raw materials and finished goods that were part of the Imperial transaction (Sugar business) amounting to US$102 million as of December 31, 2021, as they were reclassified to held for sale assets (refer to Note 1.5).

Notes Continued

3.8 Biological Assets

Bearer plants are accounted for as property, plant and equipment, while the produce growing on the bearer plant is a biological asset. Biological assets are carried at fair value less estimated costs to sell, based on discounted expected future cash flows from these assets. Changes in fair value are recognized in the consolidated income statement in "Cost of sales".

The Group owns biological assets located in Brazil consisting of oranges growing until point of harvest. As of December 31, 2022, the Group owns 39 mature orange groves (38 as of December 31, 2021), which generally sustain around 17 years of orange production.

Changes in biological assets for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Balance as of January 1	**58**	**43**
Acquisitions and capitalized expenditure	72	54
Decrease due to harvest	(64)	(47)
Change in fair value	(1)	8
Closing balance	**65**	**58**

The valuation model used to determine the carrying value of biological assets was developed by an external valuation firm and is classified as Level 3 in the fair value hierarchy defined in Note 4.9.

Expected future cash flows are determined based on the expected volume yields in the number of boxes and the price for an orange box is derived from available market prices. This price is net of picking, handling and freight costs, among others, considered based on internal assumptions, to determine the net value less cost to sell. This amount is subsequently discounted to present value. The following assumptions have a significant impact on the valuation of the Group's biological assets:

	2022	2021
Number of trees (in thousands)	11,663	12,271
Expected yields (in number of boxes)	23,772	22,666
Price of a box of oranges (in US$)	7.11	5.95
Discount rate	7.04%	6.03%

Changes in assumptions would increase (decrease) the estimated fair value of the biological assets if:

- Expected yields in number of boxes were higher (lower);
- Estimated price of a box of oranges were higher (lower);
- Estimated costs for harvesting and transportation were lower (higher);
- The discount rate were lower (higher).

3.9 Trade and Other Receivables

"Trade receivables" are initially recognized at the transaction amount (unless a significant finance component is included) of the consideration receivable and carried at amortized cost, less provision for impairment. The Group applies IFRS 9's simplified approach to measure expected credit losses on trade receivables. This method allows the Group to recognize lifetime expected credit losses on receivables without the need to identify significant increases in credit risk. Expected credit losses are estimated by reference to past default experience and a credit rating, adjusted as appropriate for current and forecasted future economic conditions.

As of December 31, 2022 and December 31, 2021, trade and other receivables consist of the following:

	2022			2021		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Trade receivables	3,807	(282)	**3,525**	2,841	(241)	**2,600**
Accrued receivables	1,521	—	**1,521**	1,668	—	**1,668**
Prepayments	303	(1)	**302**	614	(3)	**611**
Other receivables	67	(3)	**64**	70	(4)	**66**
Financial assets at amortized cost	**5,698**	**(286)**	**5,412**	**5,193**	**(248)**	**4,945**
Advances to suppliers	225	(12)	**213**	255	(13)	**242**
Staff and tax receivables	712	(20)	**692**	521	(23)	**498**
Prepaid expenses	86	—	**86**	109	—	**109**
Others	23	—	**23**	—	—	**—**
Non-financial assets	**1,046**	**(32)**	**1,014**	**885**	**(36)**	**849**
Trade and other receivables	**6,744**	**(318)**	**6,426**	**6,078**	**(284)**	**5,794**

The table does not include trade and other receivables amounting to US$45 million and the US$4 million prepaid expenses that were part of the Imperial transaction (Sugar business), as they were reclassified to held for sale assets as of December 31, 2021 (refer to Note 1.5).

Notes Continued

Changes in the provision on trade and other receivables are as follows:

(in millions of US$)	**2022**	2021
Balance as of January 1	**(284)**	**(235)**
Increase in provision	(89)	(96)
Receivables written off as uncollectable	14	23
Unused amount reversed	37	30
Change in the list of consolidated companies	1	—
Reclassification from provision on derivative assets	—	(6)
Other reclassifications	2	—
Foreign currency translation adjustment	1	—
Closing balance	**(318)**	**(284)**

Increase in Provision

During the year ended December 31, 2022, the increase in provision mainly corresponded to default risk on various customers for US$78 million (US$78 million as of December 31, 2021) for their estimated non-recoverable portions, provisions on advances to suppliers for US$2 million (US$6 million as of December 31, 2021) and to provisions on VAT for US$6 million (US$7 million as of December 31, 2021).

Receivables Written Off as Uncollectable

During the year ended December 31, 2022, the amount of receivables written off corresponded to provisions for trade receivables for US$11 million (US$23 million as of December 31, 2021) and to provisions on other receivables for US$3 million.

Unused Amount Reversed

The unused amount of provisions recovered during the year ended December 31, 2022 mainly consisted of provisions on trade receivables for US$24 million and to provisions on VAT for US$8 million (respectively US$27 million and US$2 million during the year ended December 31, 2021).

Reclassification from Provision on Derivative Assets

As of December 31, 2021, the US$6 million reclassification is related to contracts on cotton that were washed out during the year and invoiced to customers. The corresponding provisions were maintained, as the risk of default remains.

The following table details the counterparty exposure broken down by past due date of receivables as of December 31, 2022 and December 31, 2021:

	2022			2021		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Not due	4,504	(25)	**4,479**	4,667	(21)	**4,646**
Due since < 3 months	1,131	(25)	**1,106**	778	(10)	**768**
Due since 3-6 months	88	(25)	**63**	63	(11)	**52**
Due since 6 months-1 year	94	(25)	**69**	128	(80)	**48**
Due since > 1 year	310	(220)	**90**	195	(163)	**32**
Closing balance	**6,127**	**(320)**	**5,807**	**5,831**	**(285)**	**5,546**
Including:						
Trade receivables	*3,807*	*(282)*	***3,525***	*2,841*	*(241)*	***2,600***
Prepayments	*303*	*(1)*	***302***	*614*	*(3)*	***611***
Advances to suppliers	*225*	*(12)*	***213***	*255*	*(13)*	***242***
Staff and tax receivables	*712*	*(20)*	***692***	*521*	*(23)*	***498***
Other receivables	*67*	*(3)*	***64***	*70*	*(4)*	***66***
Margin deposits	*1,007*	*—*	***1,007***	*1,524*	*—*	***1,524***
Financial advances to related parties	*6*	*(2)*	***4***	*6*	*(1)*	***5***

3.10 Trade and Other Payables

As of December 31, 2022 and December 31, 2021, trade and other payables consist of the following:

(in millions of US$)	2022	2021
Trade payables	2,710	2,347
Accrued payables	2,465	2,558
Prepayments received	319	430
Margin deposits	67	44
Payables on purchase of fixed assets and investments	10	13
Other payables	116	60
Financial liabilities at amortized cost	**5,687**	**5,452**
Advances received	37	54
Staff and tax payables	594	397
Deferred income	22	62
Others	41	—
Non-financial liabilities	**694**	**513**
Trade and other payables	**6,381**	**5,965**

The table does not include trade and other financial payables amounting to US$31 million and staff and tax payables amounting to US$2 million that were part of the Imperial transaction (Sugar business), as they were reclassified to held for sale liabilities as of December 31, 2021 (refer to Note 1.5).

4. Financial Instruments and Risk Management

Financial instruments are subject to various risks, including market value fluctuations, foreign currency, counterparty credit and liquidity risks. In addition to managing market and foreign currency risk, the Group implemented a robust monitoring of counterparty credit and ensured the availability of sufficient cash in order to reduce its liquidity risk. At each financial period end, the Group has a policy of accruing its receivables and unrealized gains with counterparties deemed at risk.

4.1 Market Risk

Market risk is the risk that the fair value or future cash flows of assets and liabilities held by the Group including financial instruments, physical commodities, industrial and biological assets will fluctuate due to changes in market variables such as spot and forward commodity prices, price spreads, volatility and foreign exchange rates.

The Group classifies exposures to market risk into either trading or non-trading activities. The Group manages market risk for trading activities by diversifying exposures, controlling position natures, sizes and maturities, performing stress testing, and monitoring risk limits under the supervision of the Market Risk function and the Macro Committee. Limits are established for the level of acceptable risk at corporate level and allocated at platform and profit center levels. Compliance with the limits is reported daily to the management. Limits and their allocations are approved by the Board of Directors and reported to the Audit Committee at least on a quarterly basis.

Limits are based on a daily measure of market risk exposure referred to as value at risk (VaR). The VaR that the Group measures is a model-based estimate grounded upon various assumptions such as the log-normality of price returns, and on conventions such as the use of exponentially weighted historical data in order to put more emphasis on the latest market information.

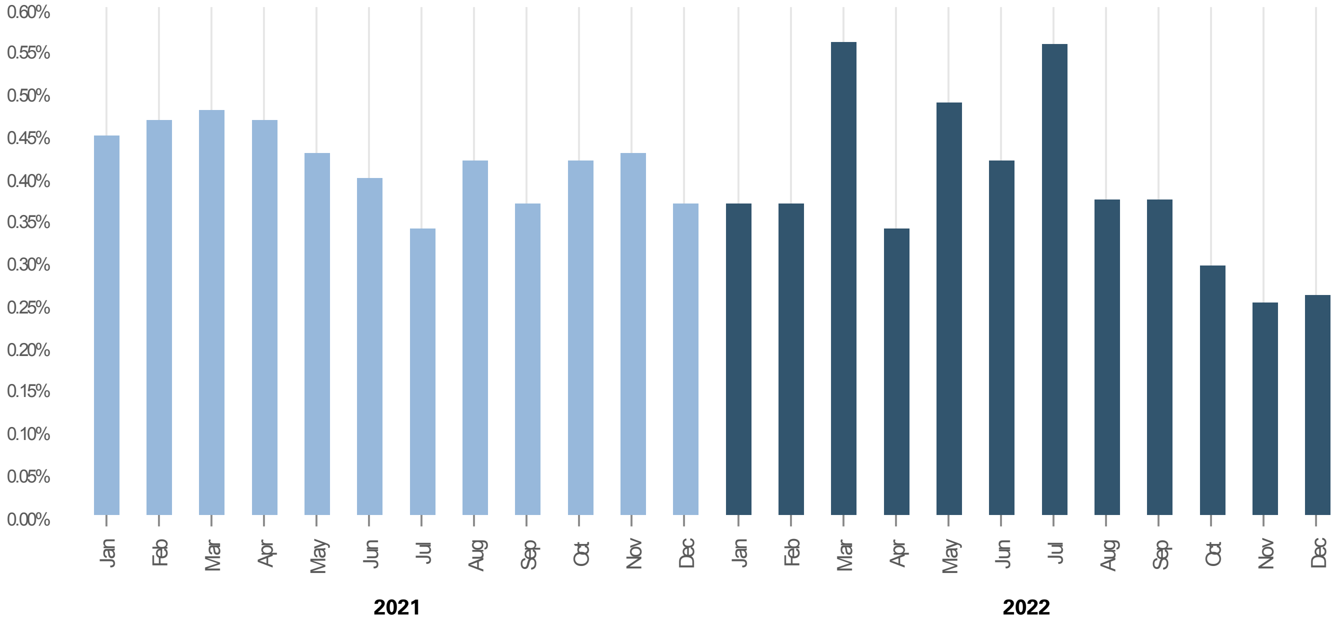
The VaR computed therefore represents an estimate, expressed at a statistical confidence level of 95%, of the potential loss that is not expected to be exceeded should the current market risk position remain unchanged for one day. The use of a 95% confidence level means that, within a one-day horizon, losses exceeding the VaR figure are not expected to occur statistically more than once every 20 trading days.

The VaR may be under- or over-estimated due to the assumptions placed on risk factors, and historical correlations and volatility in market prices, and the probability of large market moves may be underestimated per the normal distribution and due also to significant market, weather, geopolitical or other events.

Notes Continued

The monthly average of value at risk (VaR) as a percentage of Group equity corresponds to the average over a month of the VaR computed daily as a percentage of Group equity at the beginning of each quarter. It consists of the following:

Average VaR as a Percentage of Group Equity



During the years ended December 31, 2022 and December 31, 2021, the monthly average Group VaR for trading activities was less than 1% of Group equity. Annual average VaR for the Group reached 0.39% in 2022, compared to 0.42% in 2021. The decrease is mainly attributable to the growth in Group equity.

VaR is only one of the risk metrics within a wider risk management system applied within the Group.

4.2 Foreign Currency Risk

The Group operates on a global scale and is exposed to changes in foreign currency exchange for its monetary assets and liabilities arising from transactions in a currency different from the functional currency of each entity. Such transactions include capital expenditure, purchases linked to industrial operations, administrative expenditure and other operating payables or receivables in local currency, among others. The Group is also party to some financing arrangements in foreign currencies different from the functional currency of the borrowing entity.

The Group manages its exposure to foreign currency transactions by setting natural hedge structures and by entering into foreign exchange derivative contracts to hedge its exposure back to each entity's own functional currency (refer to Note 4.8).

As of December 31, 2022 and December 31, 2021, the net exposure to foreign currency transactions before hedge for current monetary items (excluding the current portion of long-term debt) represents (4)% and (13)% of net equity position respectively, and is denominated in the following currencies:

(in millions of US$)	**2022**	2021
Brazilian Real	(31)	(274)
Euro	144	217
Indian Rupee	(172)	(295)
US Dollar	169	99
Argentine Peso	(332)	(292)
Other currencies	(26)	(136)
Net exposure	**(248)**	**(681)**

The Group is also exposed to currency translation risk from its investments in foreign operations, particularly in China, European countries and Australia due to Emerald Grain acquisition (refer to Note 1.4).

4.3 Counterparty Risk

The Group trades diversified commodities and commodity-related products. Accordingly, a substantial portion of the Group's trade receivables is toward other commodity trading companies. Margin deposits generally consist of deposits with commodity exchanges and brokers which hold such deposits in a custodial capacity. The Group's counterparty risk exposure from derivative financial instruments is limited to the current fair value of contracts with a positive fair value.

Performance risk on an open contract measures the risk of non-performance by the counterparty and is composed of:

- The mark-to-market exposure to date (if any) reflecting the cost to the Group if the contract is not fulfilled and has to be replaced in the open market under prevailing market conditions; and
- The potential future mark-to-market exposure reflecting the fact that the market price can move from the day of exposure calculation to the delivery date/payment date versus the current market price.

The Group has implemented risk management procedures to monitor its exposures and to minimize counterparty risk. These procedures include initial credit and limit approvals, margin requirements, master netting arrangements, letters of credit and other guarantees.

4.4 Political and Country Risk

In its cross-border operations, the Group is exposed to country risk associated with a country's overall political, economic, financial, regulatory and commercial situations. The Group does not seek to retain country risk and it is the trade finance, insurance and credit risk departments' duty to seek solutions to mitigate political and country risk by transferring or covering them with major financial institutions or insurance companies.

4.5 Liquidity Risk

Liquidity risk arises in the general funding of the Group's commodity trading activities and in the management of positions. It includes both the risk of being unable to fund the Group's portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Management of the liquidity profile is designed to ensure that the Group has access to the funds necessary to cover maturing liabilities. Sources of funds include interest-bearing and non-interest-bearing deposits, bank notes, trading account liabilities, repurchase agreements, long-term debt and borrowing arrangements.

The Group holds operating assets that are expected to generate cash inflows that will be available to meet cash outflows arising from operating liabilities. In the trading business, settling commodity contracts and liquidating trading inventories by exchanging the commodity for cash before the contractual maturity term is usual practice. Consequently, liquidity risk is measured by allocating liabilities to the earliest estimated period on which the counterparty can require repayment, and assets to the earliest estimated period on which the Group can realize in cash these assets without any significant discount from market value. This measurement takes into consideration the market depth and price sensitivity to significant transaction volumes. The inclusion of information on non-financial items is necessary to understand the Group's liquidity risk management, as liquidity is managed on a net asset and liability basis.

The table below summarizes the liquidity profile of the Group's operating assets and liabilities carrying amounts as of December 31, 2022 and December 31, 2021:

	2022				2021			
(in millions of US$)	Under 3 months	3 to 6 months	Over 6 months	**Total**	Under 3 months	3 to 6 months	Over 6 months	**Total**
Trading inventories	5,175	209	—	**5,384**	6,514	404	1	**6,919**
Derivative assets	1,360	65	194	**1,619**	1,901	166	376	**2,443**
Trade and other receivables	5,724	557	145	**6,426**	5,207	430	157	**5,794**
Derivative liabilities	(1,111)	(39)	(300)	**(1,450)**	(2,324)	(147)	(169)	**(2,640)**
Trade and other payables	(5,591)	(645)	(145)	**(6,381)**	(5,394)	(469)	(102)	**(5,965)**
Total assets net of liabilities	**5,557**	**147**	**(106)**	**5,598**	**5,904**	**384**	**263**	**6,551**

Notes Continued

The schedule below analyzes the Group's financial interests (excluding those related to lease liabilities under IFRS 16) that will be settled on future periods based on short-term debt (excluding repurchase agreements and bank overdrafts) and long-term financing as of December 31, 2022 and December 31, 2021. Such interests are grouped by maturity based on the contractual maturity date of the interests.

(in millions of US$)	**2022**	2021
Maturity < 1 year	183	172
Maturity 1-2 years	153	108
Maturity 2-3 years	143	88
Maturity 3-4 years	89	73
Maturity 4-5 years	64	37
Maturity > 5 years[1]	60	59
Interests future cash outflows related to short-term debt and long-term financing existing at closing date	**692**	**537**

1. Includes future interests on the €500 million, 7-year, rated senior bond issued in 2021, as well as future interests on financial debts contracted in Brazil in 2018 and in 2022 and respectively maturing up to 2035 and 2032, as well as a debt contracted in the US in 2019 and maturing up to 2028.

4.6 Interest Rate Risk

The Group is exposed to fluctuation in interest rates on its long term financing and short term debt. Interest rate risk arising from floating rate on long-term financing is mainly managed using interest rate swaps with the same critical terms as the underlying interest rate exposures. Short-term debt, primarily based on London Interbank Offered Rate (LIBOR) rates, is predominantly used to finance working capital needs. Consequently, prevailing market interest rates are continuously factored into transactional pricing and terms.

Based on the level of financial debt exposed to floating interest rate at the end of the period, an increase/decrease of 50 basis points interest rates, all other variables held constant, would decrease/increase the Group's interest expense as of December 31, 2022 by US$16 million (US$23 million as of December 31, 2021).

4.7 Categories of Financial Assets and Liabilities

Classification and measurement of financial assets depend on the business model and the instruments' contractual cash flow characteristics. Upon initial recognition, financial assets are carried at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The main financial assets of the Group (excluding derivatives) are presented within the following consolidated balance sheet lines:

- Non-current financial assets
- Trade and other receivables
- Other financial assets at fair value through profit and loss
- Cash and cash equivalents

Financial liabilities are measured at amortized cost or fair value through profit and loss. The main financial liabilities of the Group (excluding derivatives) comprise long-term debt, short-term debt, financial advances from related parties and trade payables. All these financial liabilities are recorded at amortized cost using the effective interest method.

Financial assets and liabilities are recorded in the consolidated balance sheet as current if they mature within one year following the closing date of the financial statements and non-current if they mature after one year, apart from derivatives held for trading, which are all classified as current.

Derivatives are measured at fair value through profit and loss, except for those considered as hedging instruments in a cash flow hedge relationship, in which case the change in fair value is recognized in OCI.

Margin deposits consist of cash with brokers and exchanges to meet initial and variation margins requirements in respect of futures positions on commodities exchanges.

As of December 31, 2022, the different categories of financial assets and liabilities are as follows:

(in millions of US$)	Notes	Assets at fair value through profit and loss	Derivatives at fair value through OCI - cash flow hedges	Assets at amortized cost	Total
Non-current financial assets	5.4	89	—	75	**164**
Total non-current financial assets		**89**	**—**	**75**	**164**
Financial advances to related parties	7.3	—	—	4	**4**
Trade and other receivables	3.9	—	—	5,412	**5,412**
Derivative assets	4.8	1,543	76	—	**1,619**
Margin deposits		—	—	1,007	**1,007**
Other financial assets at fair value through profit and loss	5.5	356	—	—	**356**
Cash and cash equivalents	5.6	500	—	684	**1,184**
Total current financial assets		**2,399**	**76**	**7,107**	**9,582**
Total financial assets		**2,488**	**76**	**7,182**	**9,746**

(in millions of US$)	Notes	Liabilities at fair value through profit and loss	Derivatives at fair value through OCI - cash flow hedges	Liabilities at amortized cost	Total
Long-term debt	5.2	—	—	4,107	**4,107**
Other non-current financial liabilities	3.5	—	—	6	**6**
Total non-current financial liabilities		**—**	**—**	**4,113**	**4,113**
Short-term debt	5.3	—	—	2,145	**2,145**
Current portion of long-term debt	5.2	—	—	716	**716**
Financial advances from related parties	7.3	—	—	77	**77**
Trade and other payables (excluding margin deposit liabilities)	3.10	—	—	5,620	**5,620**
Margin deposit liabilities	3.10	—	—	67	**67**
Derivative liabilities	4.8	1,206	244	—	**1,450**
Total current financial liabilities		**1,206**	**244**	**8,625**	**10,075**
Total financial liabilities		**1,206**	**244**	**12,738**	**14,188**

Notes Continued

As of December 31, 2021, the different categories of financial assets and liabilities were as follows:

(in millions of US$)	Notes	Assets at fair value through profit and loss	Derivatives at fair value through OCI - cash flow hedges	Assets at amortized cost	Total
Non-current financial assets	5.4	224	—	75	**299**
Total non-current financial assets		**224**	**—**	**75**	**299**
Financial advances to related parties	7.3	—	—	5	**5**
Trade and other receivables	3.9	—	—	4,945	**4,945**
Derivative assets	4.8	2,426	17	—	**2,443**
Margin deposits		—	—	1,524	**1,524**
Other financial assets at fair value through profit and loss	5.5	301	—	—	**301**
Cash and cash equivalents	5.6	211	—	485	**696**
Total current financial assets		**2,938**	**17**	**6,959**	**9,914**
Total financial assets		**3,162**	**17**	**7,034**	**10,213**

(in millions of US$)	Notes	Liabilities at fair value through profit and loss	Derivatives at fair value through OCI - cash flow hedges	Liabilities at amortized cost	Total
Long-term debt	5.2	—	—	4,036	**4,036**
Other non-current financial liabilities	3.5	—	—	70	**70**
Total non-current financial liabilities		**—**	**—**	**4,106**	**4,106**
Short-term debt	5.3	—	—	3,922	**3,922**
Current portion of long-term debt	5.2	—	—	766	**766**
Financial advances from related parties	7.3	—	—	209	**209**
Trade and other payables (excluding margin deposit liabilities)	3.10	—	—	5,408	**5,408**
Margin deposit liabilities	3.10	—	—	44	**44**
Derivative liabilities	4.8	2,480	160	—	**2,640**
Total current financial liabilities		**2,480**	**160**	**10,349**	**12,989**
Total financial liabilities		**2,480**	**160**	**14,455**	**17,095**

4.8 Classification of Derivative Financial Instruments

Derivatives

The Group uses futures and option contracts mostly to hedge trading inventories and open commitments in commodities and securities. Futures and option contracts are recognized at fair value, and the resulting unrealized gains and losses are recognized within the gross margin. Undelivered commodities purchase and sale commitments and swap/supply arrangements are recognized at fair value, and the resulting unrealized gain or loss is recognized within the gross margin. Foreign exchange hedge contracts are recognized at fair value, and the resulting unrealized gains and losses are recognized in the consolidated income statement in "Other financial income and expense" line for the foreign exchange exposure on funding and in "Cost of sales" line, for the foreign exchange gains and losses related to working capital.

Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk, price risk component and interest rate risk. These hedging instruments are classified either as fair value hedges, cash flow hedges, or net investments hedges in foreign operations.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge requirements:

- The hedging relationship must only concern eligible hedging instruments and hedged items;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedging relationship must meet hedge effectiveness requirements, particularly in respect of a hedging ratio.

The hedging relationship ends when it ceases to satisfy the above criteria. This includes situations in which the hedging instrument expires or is sold, terminated or exercised, or when the risk management objectives initially documented are no longer met. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The ineffective portion of a hedge, if any, is recognized in the consolidated income statement.

Only derivatives external to the Group, and internal derivatives that are matched with similar transactions external to the Group, qualify for hedge accounting.

Fair Value Hedges

Hedging instruments are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. The change in fair value of the hedging instrument is recognized in the line of the consolidated income statement that is impacted by the underlying hedged item. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated income statement.

Cash Flow Hedges

Hedging instruments are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognized firm commitment. The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves, while any ineffective portion is recognized immediately in the consolidated income statement. When hedged cash flows materialize, the amounts previously recognized in equity are either recycled to the consolidated income statement in the same way as for the hedged item, or treated as an adjustment to the value of the asset acquired.

Net Investment Hedges

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves while any ineffective portion is recognized immediately in the consolidated income statement. The amounts previously recognized in equity are transferred to the consolidated income statement when the Group ceases to exercise control over the investment in foreign operations (either through a sale or a liquidation).

Notes Continued

As of December 31, 2022 and December 31, 2021, derivative financial instruments are as follows:

	2022		2021	
(in millions of US$)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	1,239	758	1,810	1,425
Forward foreign exchange contracts	206	254	296	318
Futures	132	180	278	731
Options	53	12	66	6
Swaps	—	2	—	—
Provision on derivative assets	(87)	—	(24)	—
Derivatives at fair value through profit and loss	**1,543**	**1,206**	**2,426**	**2,480**
Forward foreign exchange contracts	23	9	9	25
Swaps	53	235	8	135
Derivatives at fair value through OCI - cash flow hedges	**76**	**244**	**17**	**160**
Total derivatives	**1,619**	**1,450**	**2,443**	**2,640**

In the normal course of operations, the Group enters into various derivative financial instruments involving future settlement. These transactions include futures, forward purchase and sale agreements, and option contracts that are executed either on regulated exchanges or in the over-the-counter (OTC) market.

Futures contracts are exchange-traded contractual commitments either to receive or deliver a standard amount or value of a commodity or financial instrument at a specified future date and price. Futures exchanges typically require the parties to provide as security "initial margins" and additional cash deposits for "variation margins", based upon market value fluctuations. OTC contracts, which may or may not require the payment of initial margins or variation margins, involve parties who have agreed to either exchange cash payments or deliver/receive the underlying commodity or financial instrument. Option contracts are contractual agreements that give the purchaser the right, but not the obligation, to purchase or sell a financial instrument or commodity at a predetermined price.

As of December 31, 2022, the Group recognized a provision on derivative assets of US$87 million on performance risk to offset unrealized gains on forward agreements identified as being at risk, including forward purchase agreements with some Ukrainian farmers in the context of the Russia-Ukraine crisis (refer to Note 1.3). As of December 31, 2021, this provision was US$24 million.

Derivatives at Fair Value Through Other Comprehensive Income (OCI) - Cash Flow Hedges

Forward foreign exchange contracts mainly relate to the hedge of foreign currency risk of future capital expenditure, production costs and commercial and administrative expenses in Brazilian Reais, and to a lesser extent in Euros and Swiss Francs. The contracts also relate to the hedge of foreign currency risk of a long-term financing line (principal and interests) in Brazilian Reais.
As of December 31, 2022, contracts in Brazilian Reais represent a total US$542 million nominal value and are effective until 2035, with an average fixed exchange rate of 5.55 Brazilian Reais to the US Dollar (a total US$433 million nominal value effective until 2035, with an average fixed exchange rate of 5.67, as of December 31, 2021).

The Group entered into interest-rate swap contracts in North America to hedge against LIBOR or Secured Overnight Financing Rate (SOFR) fluctuations on the floating rate exposure of its debt. As of December 31, 2022, these operations represent a total US$950 million nominal value effective until 2026, with an average three-month LIBOR rate fixed at 1.84% or SOFR rate fixed at 0.76% per year (a total US$1,200 million nominal value effective until 2026, with an average three-month LIBOR rate fixed at 1.58% per year, as of December 31, 2021).

The Group entered into cross-currency swap contracts in order to hedge the currency and interest exposure of the following main long-term financing agreements:

- Japanese Yen-denominated debt: as of December 31, 2022, these operations represent a total US$587 million nominal value effective until 2026, with an average Tokyo Overnight Average (TONA) rate fixed at 2.11% per year (a total US$905 million nominal value effective until 2026, with an average JPY LIBOR rate fixed at 2.53% per year, as of December 31, 2021).
- Japanese Yen-denominated private placements: as of December 31, 2022, these operations represent a total US$160 million nominal value effective until 2027.
- Chinese Yuan-denominated internal financing: as of December 31, 2022, these operations represent a total US$153 million nominal value effective until 2028.
- A €650 million rated senior bond issued in November 2020 and February 2021, and a €500 million rated senior bond issued in April 2021, effective respectively until 2025 and 2028.

The hedge on exposure linked to future interest payments on these long-term financing agreements is booked at fair value through OCI. The hedge on exposure related to the principal and accrued interests is booked in profit and loss impacting "Other financial income and expense" and "Interest expenses" lines of the consolidated income statement (refer to Note 2.3).

For hedging relationships directly affected by the IBOR reform:

- when applicable, changes in the loan (hedged item) were followed by similar changes in the swap (hedging instrument), ensuring the economic relationship of the hedge;
- when not yet applicable, LDC still applies the temporary exception in IFRS 9 assuming that the interest rate benchmark on which the hedged risk is based is not altered as a result of the reform.

Notes Continued

4.9 Fair Value Hierarchy

The Group uses the following hierarchy to determine and disclose the fair value of assets and liabilities broken down by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: techniques that use inputs that have a significant effect on the recorded fair value that are based on observable, either directly or indirectly, market data; and
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2022 and December 31, 2021, the following table shows an analysis of financial assets and liabilities recorded at fair value by level of the fair value hierarchy:

	2022				2021			
(in millions of US$)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Trading inventories	3	5,269	112	**5,384**	—	6,826	93	**6,919**
Derivative assets	152	1,443	24	**1,619**	316	2,110	17	**2,443**
Forward purchase and sale agreements	—	1,215	24	***1,239***	—	*1,793*	*17*	***1,810***
Forward foreign exchange contracts	—	229	—	***229***	—	*305*	—	***305***
Futures	123	9	—	***132***	*257*	*21*	—	***278***
Options	29	24	—	***53***	*59*	*7*	—	***66***
Swaps	—	53	—	***53***	—	*8*	—	***8***
Provision on derivative assets	—	(87)	—	***(87)***	—	*(24)*	—	***(24)***
Other financial assets at fair value through profit and loss (current and non-current)	323	44	78	**445**	237	60	228	**525**
Cash equivalents	—	500	—	**500**	—	211	—	**211**
Total assets	**478**	**7,256**	**214**	**7,948**	**553**	**9,207**	**338**	**10,098**
Derivative liabilities	181	1,262	7	**1,450**	731	1,898	11	**2,640**
Forward purchase and sale agreements	—	751	7	***758***	—	*1,414*	*11*	***1,425***
Forward foreign exchange contracts	—	263	—	***263***	*1*	*342*	—	***343***
Futures	180	—	—	***180***	*729*	*2*	—	***731***
Options	1	11	—	***12***	*1*	*5*	—	***6***
Swaps	—	237	—	***237***	—	*135*	—	***135***
Total liabilities	**181**	**1,262**	**7**	**1,450**	**731**	**1,898**	**11**	**2,640**

Trading inventories are valued at fair value based on observable prices (if and when available) such as commodity futures exchange quotations, broker or dealer quotations, or market transactions in either listed or OTC markets, and adjusted for differences in local markets and quality, since the exchange quoted price represents contracts with standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. When a substantial portion of observable inputs is used to estimate the fair value of the trading inventory, it is classified as Level 2. When unobservable inputs have a significant impact on the measurement of fair value, the trading inventory is classified as Level 3.

Fair value for the forward purchase and sale agreements is estimated based on exchange-quoted price adjusted for differences in local markets. These differences are generally determined using inputs from broker or dealer quotations or market transactions in either listed or OTC markets. When observable inputs are available for the full term of the contract, it is classified as Level 2. When unobservable inputs have a significant impact on the measurement of the fair value, the contract is classified as Level 3.

Other financial assets at fair value through profit and loss mainly include investments in equity instruments and bonds classified as Level 1 if they are listed, Level 2 if they are valued in the OTC market or adjusted based on observable market data and Level 3 if other valuation technique is used. They also include loans to commercial partners that do not meet Solely Payments of Principal and Interest (SPPI) requirements, classified as Level 3.

There was no transfer between levels during the year ended December 31, 2022.

4.10 Offsetting of Financial Assets and Liabilities

The Group enters into derivative transactions under *International Swaps and Derivatives Association* (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, such as when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

ISDA agreements do not meet the criteria for offsetting in the consolidated balance sheet; the Group does not have any currently legally enforceable right to offset recognized amounts, considering the right to offset is enforceable only on the occurrence of future events such as a default on bank loans or other credit events.

The following table sets out the carrying amounts of recognized financial instruments that are subject to the above agreements as of December 31, 2022:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets	312	(174)	**138**	72	1,409	**1,619**	197	**1,816**
Derivative liabilities	(188)	281	**93**	24	1,333	**1,450**	(468)	**982**
Margin deposit assets				1,007		**1,007**	(719)	**288**
Margin deposit liabilities				67		**67**	(54)	**13**
	500	**(455)**	**45**	**988**	**76**	**1,109**	**—**	**1,109**

As of December 31, 2021, the offsetting of financial assets and liabilities was as follows:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets	140	(42)	**98**	40	2,305	**2,443**	582	**3,025**
Derivative liabilities	(434)	934	**500**	17	2,123	**2,640**	(762)	**1,878**
Margin deposit assets				1,524		**1,524**	(1,388)	**136**
Margin deposit liabilities				44		**44**	(44)	**—**
	574	**(976)**	**(402)**	**1,503**	**182**	**1,283**	**—**	**1,283**

Notes Continued

5. Equity and Financing

5.1 Equity

(in millions of US$)	**2022**	2021
Issued capital	1	1
Share premium	1,586	1,586
Retained earnings	4,641	3,940
Other reserves	(132)	(144)
Equity attributable to owners of the company	**6,096**	**5,383**
Non-controlling interests	43	44
Total stockholders' equity and non-controlling interests	**6,139**	**5,427**

Stockholders' equity and non-controlling interests disclosed in the Financial Statements correspond to the equity used by Management when assessing performance.

Capital

When managing capital, the Group's objectives are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimize the structure of capital in order to reduce its cost. In 2022, the Group's overall strategy remains unchanged from 2021.

As of December 31, 2022 and December 31, 2021, the capital of LDC is composed of 100,000,000 shares with a €0.01 nominal value each, that are issued and fully paid.

During the year ended December 31, 2022, LDC distributed US$348 million as dividends to LDCH, corresponding to a dividend payment of US$3.48 per share.

During the year ended December 31, 2021, LDC distributed US$191 million as dividends to LDCNH, corresponding to a dividend payment of US$1.91 per share.

Other Reserves

As of December 31, 2022 and December 31, 2021, Other reserves relate to Other Comprehensive Income (OCI) since during 2021, the deferred compensation reserves were reclassified to retained earnings following the termination of the equity participation plan in the context of the transaction with ADQ (refer to Note 6.2).

OCI is composed of cash flow and net investment hedges, pensions reserves and foreign currency translation adjustment as described below.

Cash flow and net investment hedges reserves correspond to the effective portion of the gain or loss on the hedging instrument as described in Note 4.8.

Pensions reserves correspond to the re-measurement gains and losses arising from defined benefit pension plans in accordance with IAS 19 Employee Benefits as described in Note 6.1.

Foreign currency translation adjustment are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from the US Dollar.

Changes in OCI for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	Cash flow and net investment hedges	Pensions reserves	Foreign currency translation adjustment	**Total**
Balance as of January 1, 2022 - owners of the company share	**(57)**	**32**	**(119)**	**(144)**
of which:				
Pre-tax	(77)	42	(124)	**(159)**
Tax	20	(10)	—	**10**
Non-controlling share	—	—	(5)	**(5)**
Current year gains (losses)	86	15	(59)	**42**
Reclassification to profit and loss	8	—	5	**13**
Change in the list of consolidated companies	—	(44)	—	**(44)**
Others	1	—	—	**1**
OCI for the year - owners of the company share	**95**	**(29)**	**(54)**	**12**
of which:				
Pre-tax	122	(38)	(58)	**26**
Tax	(27)	9	—	**(18)**
Non-controlling share	—	—	(4)	**(4)**
Balance as of December 31, 2022 - owners of the company share	**38**	**3**	**(173)**	**(132)**
of which:				
Pre-tax	45	4	(182)	**(133)**
Tax	(7)	(1)	—	**(8)**
Non-controlling share	—	—	(9)	**(9)**

(in millions of US$)	Cash flow and net investment hedges	Pensions reserves	Foreign currency translation adjustment	**Total**
Balance as of January 1, 2021 - owners of the company share	**(71)**	**14**	**(105)**	**(162)**
of which:				
Pre-tax	(89)	18	(111)	**(182)**
Tax	18	(4)	—	**14**
Non-controlling share	—	—	(6)	**(6)**
Current year gains (losses)	(10)	18	(14)	**(6)**
Reclassification to profit and loss	24	—	—	**24**
OCI for the year - owners of the company share	**14**	**18**	**(14)**	**18**
of which:				
Pre-tax	12	24	(13)	**23**
Tax	2	(6)	—	**(4)**
Non-controlling share	—	—	1	**1**
Balance as of December 31, 2021 - owners of the company share	**(57)**	**32**	**(119)**	**(144)**
of which:				
Pre-tax	(77)	42	(124)	**(159)**
Tax	20	(10)	—	**10**
Non-controlling share	—	—	(5)	**(5)**

5.2 Long-Term Debt

As of December 31, 2022 and December 31, 2021, long-term debt consists of the following:

(in millions of US$)	Notes	2022	2021
Non-current portion of long-term financing		3,789	3,701
Non-current portion of lease liabilities	7.1	318	335
Non-current portion of long-term debt		**4,107**	**4,036**
Current portion of long-term financing		526	573
Current portion of lease liabilities	7.1	190	193
Current portion of long-term debt		**716**	**766**
Total long-term debt		**4,823**	**4,802**

The tables below only refer to long-term financing.

Long-term financing as of December 31, 2022 and December 31, 2021 is analyzed as follows:

	2022				2021			
(in millions of US$)	**Debt capital markets**	**Revolving credit facilities**	**Term loans from banks**	**Total**	Debt capital markets	Revolving credit facilities	Term loans from banks	**Total**
US Dollar	1,522	(12)	2,305	**3,815**	1,597	4	1,999	**3,600**
Euro	—	—	315	**315**	453	—	220	**673**
Australian Dollar	—	—	132	**132**	—	—	—	—
Chinese Yuan	—	—	38	**38**	—	—	—	—
Other currencies	—	15	—	**15**	—	—	1	**1**
Total long-term financing	**1,522**	**3**	**2,790**	**4,315**	**2,050**	**4**	**2,220**	**4,274**

Certain portions of this financing, aggregating US$121 million as of December 31, 2022 and US$76 million as of December 31, 2021, are secured by mortgages on assets.

Certain senior debt and bank loans contain covenants that require maintenance of levels of working capital, net worth, debt to equity ratios, dividend restrictions and limit of indebtedness. As of December 31, 2022, the Group complied with all the covenants included in its loan agreements with banks.

The following is a comparative summary of outstanding long-term financing after hedge, current and non-current portions:

(in millions of US$)	Nature of the rate after hedge	Interest rate after hedge	**2022** Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	**Total**
USD RegS bond 23	Fixed rate	5.25%	300	—	—	—	**300**
Eurobond 25	Fixed rate	3.56%	—	692	—	—	**692**
Eurobond 28	Fixed rate	3.29%	—	—	—	530	**530**
Other LT financing	Fixed rate	0.11% ~ 6.25%	—	713	785	145	**1,643**
Other LT financing	Floating rate	Rate over LIBOR	76	226	5	14	**321**
Other LT financing	Floating rate	Rate over SOFR	—	127	118	63	**308**
Other LT financing	Floating rate	Rate over EURIBOR	—	48	245	—	**293**
Other LT financing	Floating rate	Rate over TJLP	3	7	7	26	**43**
Other LT financing	Floating rate	Other variable rates	147	1	4	33	**185**
Total long-term financing			**526**	**1,814**	**1,164**	**811**	**4,315**

(in millions of US$)	Nature of the rate after hedge	Interest rate after hedge	2021 Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	**Total**
Eurobond 22	Fixed rate	4.00%	453	—	—	—	**453**
USD RegS bond 23	Fixed rate	5.25%	—	300	—	—	**300**
Eurobond 25	Fixed rate	3.56%	—	—	734	—	**734**
Eurobond 28	Fixed rate	3.29%	—	—	—	563	**563**
Other LT financing	Fixed rate	-3.64% ~ 6.25%	1	490	651	349	**1,491**
Other LT financing	Floating rate	Rate over LIBOR	115	295	61	1	**472**
Other LT financing	Floating rate	Rate over EURIBOR	—	—	221	—	**221**
Other LT financing	Floating rate	Rate over TJLP	4	6	6	24	**40**
Total long-term financing			**573**	**1,091**	**1,673**	**937**	**4,274**

The unrated senior bond issued in 2017 for €400 million (5-year, 4% coupon) was reimbursed in February 2022.

As of December 31, 2022, the main difference between the fair value of long-term financing and its historical value amounts to US$(107) million and relates to the listed senior bonds for which fair value is US$1,415 million compared to US$1,522 million net book value.

Changes in long-term financing for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Balance as of January 1	**4,274**	**3,601**
Proceeds from long-term financing	731	1,215
Repayment of long-term financing	(605)	(362)
Foreign exchange	(149)	(196)
Change in the list of consolidated companies	48	—
Others	16	16
Closing balance	**4,315**	**4,274**

Change in the list of consolidated companies

In 2022, US$48 million long-term financing (current portion) was incorporated in the Group following the acquisition of Emerald Grain (refer to note 1.4).

Notes Continued

5.3 Short-Term Debt

The Group finances most of its short-term requirements through bank loans, acceptances and commercial paper. The underlying agreements require certain companies to maintain minimum levels of net worth and to meet various liquidity tests.

As of December 31, 2022 and December 31, 2021, short-term debt consists of the following:

	2022					
(in millions of US$)	Bank loans	Commercial paper	Bank overdrafts	Repurchase agreements	Securities short positions	**Total**
US Dollar	1,038	212	115	32	7	**1,404**
Euro	5	309	31	—	—	**345**
Argentine Peso	—	—	—	202	—	**202**
Indonesian Rupiah	91	—	—	—	—	**91**
South African Rand	—	—	47	—	—	**47**
Australian Dollar	20	—	—	—	—	**20**
Pakistani rupee	—	—	19	—	—	**19**
Other currencies	8	—	9	—	—	**17**
Total short-term debt	**1,162**	**521**	**221**	**234**	**7**	**2,145**

	2021				
(in millions of US$)	Bank loans	Commercial paper	Bank overdrafts	Repurchase agreements	**Total**
US Dollar	2,839	317	165	—	**3,321**
Argentine Peso	—	—	—	167	**167**
Indonesian Rupiah	116	—	19	—	**135**
Euro	—	80	33	—	**113**
Chinese Yuan	81	—	—	—	**81**
Pakistani rupee	—	—	35	—	**35**
Australian Dollar	22	—	—	—	**22**
South African Rand	—	—	8	—	**8**
Other currencies	16	—	24	—	**40**
Total short-term debt	**3,074**	**397**	**284**	**167**	**3,922**

The Group enters into repurchase agreements, which are arrangements involving the sale of securities at a specified price with an irrevocable commitment to repurchase the same or similar securities at a fixed price on a specified future date or with an open maturity.

Certain portions of this financing, aggregating US$39 million as of December 31, 2022, are secured by mortgages on assets.

As of December 31, 2022 and December 31, 2021, there is no significant difference between the historical value and fair value of short-term debt.

Changes in short-term debt for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Balance as of January 1	**3,922**	**5,765**
Net proceeds from (repayment of) short-term debt	(1,753)	(1,844)
Foreign exchange	(12)	1
Change in the list of consolidated companies	(12)	—
Closing balance	**2,145**	**3,922**

Net Proceeds From (Repayment of) Short-Term Debt

This line included changes in repurchase agreements and securities short positions (US$74 million in 2022 and US$162 million in 2021), which are reported as changes in derivatives in the consolidated statement of cash flows. This line excluded changes in related parties' advances (US$(144) million in 2022 and US$1,097 million in 2021) which are reported as "Net proceeds from (repayments of) short-term debt and related parties' loans and advances" in the consolidated statement of cash flows. In 2021, the US$1,097 million changes in related parties' advances are linked to a large extent to the full repayment of the US$1,051 million loan to LDCNH following the closing of the transaction with ADQ.

5.4 Non-Current Financial Assets

Non-current financial assets mainly include:

- Non-current financial assets measured at amortized cost using the effective interest method such as long-term loans and deposits which meet SPPI (Solely Payments of Principal and Interests) test requirements under IFRS 9; and
- Investments in equity instruments not held for trading purposes that the Group intends to keep during more than 12 months after the closing date of the period and loans to commercial partners that do not meet the SPPI test requirements. Those investments and loans are measured at fair value through profit and loss. The Group did not elect for the irrevocable option to measure any investment in equity instruments at fair value through OCI with no recycling through the consolidated income statement.

As of December 31, 2022 and December 31, 2021, non-current financial assets consist of the following:

(in millions of US$)	**2022**	2021
Non-current financial assets at amortized cost	75	75
Deposits and others	*75*	*75*
Non-current financial assets at fair value through profit and loss	89	224
Non-current financial assets	**164**	**299**

In 2012, LDC entered into a joint venture agreement for the development and construction of a deep-sea terminal for agricultural commodities in the Taman peninsula in southern Russia (the "Project"). As of December 31, 2021, the non-current financial assets at fair value through profit and loss included loans granted to the joint venture partner *Infragos Consortium B.V.,* whose rights and obligations had been transferred to *Infracis Group Limited* ("IGL") (the "Loan").

As of December 31, 2021, the book value of the Loan amounted to US$149 million, and the Group accounted for 10% of the shares of the Dutch joint venture vehicle (*Cisagri Holland Cooperatief U.A.*) under "Investments in associates and joint ventures" using the equity method for an amount of US$16 million (refer to Note 3.3).

The Project is significantly delayed, mainly because land re-zoning approval had not been obtained. The approval was obtained on August 1, 2022.

LDC and IGL had brought claims against each other in arbitration proceedings with the *International Chamber of Commerce* in London. On September 16, 2022, LDC received the conclusions of the arbitration proceedings. The court dismissed all damages claims between the parties and ruled that the Loan should be converted into additional 15% membership interest of *Cisagri Holland Cooperatief U.A.*, as contemplated by the joint venture agreements. Consequently, as of December 31, 2022, LDC owns a 10% share in the Dutch joint venture vehicle plus its entitlement to an additional 15% pursuant to the court ruling.

The Russia-Ukraine crisis has brought significant uncertainties on the Project's economics and the discount rate has been significantly increased in light of current business environment. An impairment test of the project was run based on financial projections over the lifetime of the terminal, considering current market conditions. Material assumptions include construction costs and timing, elevation fees, elevated volume, inflation, foreign exchange and discount rate. As a consequence, a US$156 million impairment was recognized in the line "Other gains and losses" of the consolidated income statement for the year ended December 31, 2022. The share in the joint venture as of such date, booked under "Investments in associates and joint ventures", amounted to US$9 million (refer to Note 3.3).

5.5 Other Financial Assets at Fair Value Through Profit and Loss

Other financial assets at fair value through profit and loss include short-term securities with an initial maturity greater than three months and bonds relating to the financial trading activity as well as other financial assets designated upon recognition at fair value through profit and loss. It also includes investments in non-consolidated equity instruments on which the Group does not exercise significant influence, joint control or control.

As of December 31, 2022 and December 31, 2021, other financial assets at fair value through profit and loss consist of the following:

(in millions of US$)	**2022**	2021
Marketable securities held for trading	297	215
Short-term securities	—	57
Reverse repurchase agreement loan	40	—
Investments in equity instruments	19	29
	356	**301**

As of December 31, 2021, short-term securities included US$1 million of securities or cash deposits pledged as collaterals.

Marketable securities held for trading are mainly related to Repurchase Agreements reported within "Short-term debt" (refer to Note 5.3).

5.6 Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less at the time of the acquisition. Treasury bills, money market funds, commercial paper, bank certificates of deposit and marketable securities having insignificant risk of change in value qualify under this definition. Short-term securities classified as "Cash equivalents" are recorded at fair value through profit and loss with changes in fair value recognized in the "Interest income" line of the consolidated income statement. Changes in bank overdrafts that form part of the financing activities are presented as an increase (decrease) in short-term debt in the consolidated statement of cash flows.

As of December 31, 2022 and December 31, 2021, cash and cash equivalents are as follows:

(in millions of US$)	**2022**	2021
Cash equivalents	500	211
Cash	684	485
	1,184	**696**

Cash equivalents include US$16 million of securities or cash deposits pledged as collaterals as of December 31, 2022 (US$19 million as of December 31, 2021).

As of December 31, 2022 and December 31, 2021, there is no material difference between the historical value and fair value of cash and cash equivalents.

6. Employees

6.1 Employee Benefits

Short-Term Employee Benefits

Short-term employee benefits include wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses and are expected to be fully settled within 12 months after the end of the reporting period. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized in the income statement as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Pensions and Post-Retirement Benefits

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions which include total social contributions incurred by the Group in order to secure for its employees the entitlement to defined contribution pension schemes. It covers contributions made compulsory by law as well as those resulting from supplementary collectively agreed, contractual and voluntary schemes.

Defined benefit plans consist of either funded or unfunded plans. Obligations under these plans are generally determined by independent actuaries using the projected unit credit method.

The Group measures and recognizes post-employment benefits in accordance with IAS 19:

- Contributions to defined contribution plans are recognized as an expense;
- Defined benefit plans are measured using actuarial valuations.

The Group uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or company-wide collective agreements effective within each entity.

Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover and macroeconomic assumptions specific to countries in which the Group operates (such as inflation rate and discount rate).

Actuarial gains and losses relating to defined benefit plans (pensions and other post-employment benefits), arising from the effects of changes in actuarial assumptions and experience adjustments, are recognized net of deferred taxes in other comprehensive income.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of each plan.

If the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Overfunded plans are recognized as assets only if they represent future economic benefits that will be available to the Group through future refunds from the plan or reductions in future contributions to the plan.

Other Long-Term Benefits

The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. They include mainly bonuses that are not expected to be settled wholly before 12 months after the end of the reporting period. They are recognized in the income statement as part of the "Commercial and administrative expenses". The corresponding debt is included within the lines "Other non-current liabilities" and "Trade and other payables" of the consolidated balance sheet, respectively for its non-current and current parts.

Notes Continued

Short-Term Employee Benefits

In 2022, personnel expenses reached US$948 million (US$858 million in 2021).

Defined Benefit Plans

The Group maintains pension plans in various countries as prescribed by local laws and customs. The obligations of the Group to pay benefits upon retirement are provided for on an estimated annual basis. The estimates reflect assumptions as to future salary increases, employee turnover and mortality rates. The most significant retirement plans that require funding are in the United States of America (US).

As of December 31, 2022 and December 31, 2021, retirement benefit obligations are as follows:

	2022			2021		
(in millions of US$)	US	Other	**Total**	US	Other	**Total**
Long-term pension benefit	35	12	**47**	36	22	**58**
Post-retirement benefit	13	8	**21**	18	11	**29**
Retirement benefit obligations	**48**	**20**	**68**	**54**	**33**	**87**
Net plan asset[1]	**—**	**(1)**	**(1)**	**—**	**(2)**	**(2)**

1. Reported in "Trade and other receivables".

As of December 31, 2021, this table does not include the US$19 million long-term pension benefit and the US$5 million other long-term employee benefits that were part of the Imperial transaction (Sugar business), as they were reclassified to held for sale liabilities (refer to Note 1.5).

US

The Group has various defined benefit pension plans in the US covering substantially all employees, which provide benefits based on years of service and compensation during defined years of employment. The funding policy is to contribute amounts sufficient to meet the minimum funding requirements. The Group also has unfunded post-retirement plans in the US that cover substantially all salaried employees. These plans provide medical, dental and life insurance benefits.

Certain current and former employees of *Imperial Sugar Company* (ISC) were covered by retirement plans. Retirement benefits are primarily a function of years of service and the employee's compensation for a defined period of employment. In 2003, ISC froze the benefits under the salaried pension plan resulting in reductions in future pension obligations. ISC funds pension costs at an actuarially determined amount based on normal cost and the amortization of prior service costs, gains and losses over the remaining service periods. Additionally, ISC previously provided a supplemental non-qualified, unfunded pension plan for certain management members as well as a non-qualified retirement plan for former non-employee directors, which provided benefits based upon years of service as a director and the retainer in effect at the date of a director's retirement. Certain of ISC's employees who met the applicable eligibility requirements were covered by benefit plans that provide post-retirement healthcare and life insurance benefits to employees. On November 27, 2022, these plans were transferred to *U.S. Sugar* as part of the Imperial transaction, except the ones that provide post-retirement healthcare and life insurance benefits to former employees of ISC which keep being recognized as retirement benefit obligations in the consolidated balance sheet.

As of December 31, 2022 and December 31, 2021, pension and post-retirement benefits liabilities recognized in the consolidated balance sheet are as follows:

	2022		2021	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	110	13	377	18
Fair value of plan assets	(75)	—	(322)	—
Liability before reclassification to held for sale liabilities	**35**	**13**	**55**	**18**
Reclassification to held for sale liabilities	—	—	(19)	—
Liability in the balance sheet	**35**	**13**	**36**	**18**

Changes in the pension and post-retirement liabilities before reclassification to held for sale liabilities are as follows:

	2022		2021	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance as of January 1	**55**	**18**	**86**	**19**
Change in the list of consolidated companies	(10)	—	—	—
Net expense	3	—	3	—
Settlement	2	—	—	—
Remeasurements	(6)	(2)	(25)	—
Contributions	(9)	(3)	(9)	(1)
Closing balance	**35**	**13**	**55**	**18**

Changes in the present value of the obligation in respect of pension and post-retirement benefits and before reclassification to held for sale liabilities are as follows:

	2022		2021	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance as of January 1	**377**	**18**	**401**	**19**
Change in the list of consolidated companies	(169)	—	—	—
Interest cost	9	—	9	—
Remeasurements	(74)	(2)	(13)	—
Contributions	(19)	(3)	(20)	(1)
Settlement	2	—	—	—
Annuity purchase	(16)	—	—	—
Closing balance	**110**	**13**	**377**	**18**

Changes in fair value of the plan assets before reclassification to held for sale liabilities are as follows:

(in millions of US$)	**2022**	2021
Balance as of January 1	**(322)**	**(315)**
Change in the list of consolidated companies	159	—
Interest income	(8)	(7)
Administrative expenses	2	1
Return on plan assets excluding interest income	68	(12)
Employer contributions	(9)	(9)
Benefit payments	19	20
Annuity purchase	16	—
Closing balance	**(75)**	**(322)**

The amounts recognized in the consolidated income statement are as follows:

	2022	2021
(in millions of US$)	Pension benefit	Pension benefit
Administrative expenses	2	1
Net interest expense	1	2
Settlement	2	—
Total net expenses	**5**	**3**

Notes Continued

Changes in other comprehensive income are as follows:

(in millions of US$)	**2022** Pension benefit	**2022** Post-retirement benefit	2021 Pension benefit	2021 Post-retirement benefit
Balance as of January 1	**54**	**3**	**29**	**3**
Change in the list of consolidated companies	(57)	—	—	—
Return on plan assets excluding interest income	(68)	—	12	—
Effect of change in financial assumptions	74	2	14	(1)
Other actuarial assumptions	—	—	(1)	1
Closing balance	**3**	**5**	**54**	**3**

The plan assets are detailed as follows:

(in millions of US$)	**2022**	2021
Large US Equity	(21)	(73)
Small/Mid US Equity	(2)	(6)
International Equity	(8)	(16)
Bond	(44)	(227)
Total plan assets	**(75)**	**(322)**

The discount rate is 4.99% as of December 31, 2022 (2.62% as of December 31, 2021).

Other

Other long-term pension benefit plans are mainly in the United Kingdom and Switzerland. Pension benefits liabilities recognized in the consolidated balance sheet are as follows as of December 31, 2022 and December 31, 2021:

(in millions of US$)	**2022** United Kingdom	**2022** Switzerland	2021 United Kingdom	2021 Switzerland
Present value of obligations	72	57	92	63
Fair value of plan assets	(65)	(59)	(81)	(57)
Asset ceiling	—	2	—	—
Liability in the balance sheet	**7**	**—**	**11**	**6**

6.2 Share-Based Payment

Share plans and stock-option plans are measured at fair value, corresponding to the value of the benefit granted to the employee on the grant date. The transactions are recognized in the line "Commercial and administrative expenses" in the consolidated income statement on a graduated basis over the vesting period, with a corresponding increase in other reserves in equity when the plan is deemed an equity plan.

In December 2006, the terms of a stock-based compensation arrangement referred to as the Equity Participation Plan (EPP), which was sponsored by LDCH, became operational and the arrangement was fully implemented in December 2007 with the issuance of the first shares relating to the awards. The EPP provided for the grant of securities and options to purchase securities in LDCH (collectively "Awards") to certain employees of the Group. EPP awards granted to employees of the Group generally vested on a graduated basis over a four-year period. Additional awards were granted to employees during each first semester, with the corresponding securities and options to purchase securities to be issued during the second semester of the same calendar year.

The Group accounted for the EPP as an equity-settled plan: the fair value of awards granted, determined at attribution date, was recorded in the consolidated income statement ratably over the vesting period of the awards. The value of the awards granted was not revalued in subsequent periods.

The Group and LDCH entered into reimbursement agreements under which certain subsidiaries of the Group reimbursed LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group was liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements were recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements gave rise to a reclassification from equity to liabilities up to the amount of stock compensation already recorded. Any excess of the amounts due under the reimbursement agreements over the attribution value of the awards was recorded as an additional debit to retained earnings. Certain reimbursement agreements provided for a payment anticipating the accounting vesting schedule and gave rise to a prepaid asset.

In the context of the transaction with ADQ, the EPP was terminated in September 2021. Consequently, the liability relating to reimbursement agreements (which amounted to US$91 million as of December 31, 2020) was fully reimbursed to LDCH.

In 2021, awards forfeited by employees represented US$1 million. During the 2021 transfer window period, LDCH purchased shares from employees corresponding to US$32 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to US$113 million at plan termination. EPP awards fully vested represented US$63 million and were paid to the employees; while the US$50 million unvested awards will be paid according to initial vesting dates until 2024.

Until the termination date, compensation costs recognized in commercial and administrative expenses are of US$9 million in 2021.

In 2021, a new deferred bonus program was implemented to replace the EPP. The program is a cash-based compensation arrangement which is accounted according to IAS 19 (refer to Note 6.1).

6.3 Number of Employees

The average number of employees for the years ended December 31, 2022 and December 31, 2021 is as follows:

	2022	2021
Managers and traders	1,739	1,654
Supervisors	1,551	1,428
Employees	4,365	4,139
Workers	7,278	7,189
Seasonal workers	2,734	2,654
	17,667	**17,064**

Notes Continued

7. Leases and Other Information

7.1 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. The contract is a lease if it conveys the right to control the use of an identified asset for a period of time (lease term) in exchange for consideration, meaning the right to obtain substantially all economic benefits and the right to direct the use of such asset over the lease period.

The lease term is defined as the non-cancellable period for which a lessee has the right to use an underlying asset. The term shall include both option to extend the lease or option to terminate the lease if the lessee is reasonably certain to exercise those options, considering business continuity among others. When determining the lease term, Management reviewed existing renewal and termination options taking into account economic factors.

Lessor

The Group acts as a sub-lessor only in short-term leases of vessels, which are classified as operating leases. The corresponding lease payments received are recognized as income in "Gross margin" over the lease term.

Lessee

As a lessee, the Group is mainly involved in leases of lands, warehouses, production lines, harvesting machinery, tractors, railcars, office spaces, vessels and cars.

At commencement date, the Group recognizes a right-of-use asset and a lease liability. In the consolidated balance sheet, the Group presents right-of-use assets in "Property, plant and equipment" and lease liabilities in "Long-term debt" for the non-current part and "Current portion of long-term debt" for the current one.

The **right-of-use asset** is initially measured at cost, which corresponds to the initial amount of the lease liability adjusted for (i) any lease payment made at or before commencement date, (ii) any initial direct costs incurred by the lessee, (iii) an estimate of any obligatory costs to be incurred in dismantling and/or restoring the underlying asset or its site as per the contractual terms of the lease and (iv) less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those used for the underlying asset (i.e. property, plant and equipment). In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability. The depreciation cost is recognized either through the "Cost of sales" or the "Commercial and administrative expenses" lines of the consolidated income statement, depending on the nature of the lease.

The **lease liability** is initially measured at the present value of future lease payments at the commencement date, discounted using the implicit interest rate in the lease or the lessee's incremental borrowing rate (when the previous one is not easily determined). Generally, the Group uses its incremental borrowing rate as the discount rate. By simplification, the incremental borrowing rate is calculated for each monetary zone using the risk-free rate applicable in the zone, plus the Group's risk premium for the local currency.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments depending on an index or rate;
- Residual value guarantees;
- Exercise price of a purchase option and penalties due to early termination option (if expected to be exercised).

The lease liability is subsequently measured at amortized cost using the effective interest method. Its carrying amount is increased to reflect interest on the liability, reduced to reflect lease payments and remeasured to reflect reassessment or lease modification. The "Interest expense on leases" is recognized through the "Other financial income and expense" line of the consolidated income statement. The lease payments are reported in the line "Repayment of lease liabilities" of the consolidated statement of cash flows.

Some contracts contain both lease and non-lease components. The Group elects not to separate non-lease components from lease components except for vessel chartering contracts, for which the running costs are excluded from the lease in order to determine a bareboat equivalent lease component.

Low value assets and short-term leases

The Group does not recognize right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases of individually low-value assets. The lease payments associated with these leases are recorded as an expense on a straight-line basis over the lease term through the "Cost of sales" or the "Commercial and administrative expenses" lines of the consolidated income statement depending on the nature of the lease.

Right-of-use assets are included within property, plant and equipment. Changes in the net value of right-of-use assets for the years ended December 31, 2022 and December 31, 2021 are as follows:

	2022						2021
(in millions of US$)	Land	Buildings and offices	Machinery and equipment	Vessels	Other tangible assets	**Total**	Total
Balance as of January 1	**116**	**125**	**78**	**278**	**2**	**599**	**329**
New leases and additions	4	37	52	192	1	**286**	425
Early terminations, disposals and decreases	—	(2)	(3)	(66)	—	**(71)**	(1)
Acquisitions through business combinations	18	—	—	—	—	**18**	—
Depreciation	(10)	(28)	(31)	(188)	(1)	**(258)**	(152)
Impairment	—	—	—	(6)	—	**(6)**	—
Foreign currency translation adjustment	(4)	(2)	(3)	—	—	**(9)**	(2)
Closing balance	**124**	**130**	**93**	**210**	**2**	**559**	**599**

New Leases and Additions

In 2022, new leases and additions include US$26 million right-of-use of railroad cars, US$10 million right-of-use of juice extractors and US$192 right-of-use of vessels including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.
In 2021, new leases and additions include US$32 million right-of-use of land fully prepaid in Nansha, Guangzhou, China, US$3 million right-of-use of land fully prepaid in new joint operation in Vietnam (refer to Note 3.2), and US$343 million right-of-use of vessels including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.

Early Terminations, Disposals and Decreases

In 2022, early terminations, disposals and decreases of vessels are mainly related to the remeasurement of contracts resulting from a change in index.

Acquisitions through business combinations

In 2022, the Group acquired US$18 million right-of-use related to port area in Melbourne, Australia, through the acquisition of Emerald Grain (refer to note 1.4).

Lease liabilities are included within long-term debt and current portion of long-term debt.

Changes in lease liabilities for the years ended December 31, 2022 and December 31, 2021 are as follows:

	2022			2021		
(in millions of US$)	Non-current portion	Current portion	**Total**	Non-current portion	Current portion	**Total**
Balance as of January 1	**335**	**193**	**528**	**219**	**68**	**287**
New leases and additions	129	157	**286**	165	225	**390**
Payments	—	(252)	**(252)**	(1)	(144)	**(145)**
Early terminations, disposals and decreases	(27)	(44)	**(71)**	(1)	—	**(1)**
Acquisitions through business combinations	17	1	**18**	—	—	**—**
Reclassification	(132)	132	**—**	(44)	44	**—**
Foreign exchange	—	2	**2**	(3)	—	**(3)**
Foreign currency translation adjustment	(4)	1	**(3)**	—	—	**—**
Closing balance	**318**	**190**	**508**	**335**	**193**	**528**

As of December 31, 2022 and December 31, 2021, the maturity of non-current lease liabilities were as follows:

(in millions of US$)	**2022**	2021
Maturity 1-2 years	104	121
Maturity 2-3 years	59	63
Maturity 3-4 years	36	37
Maturity 4-5 years	24	21
Maturity > 5 years	95	93
Non-current portion of lease liabilities	**318**	**335**

The amounts recognized in the consolidated income statement for the years ended December 31, 2022 and December 31, 2021 are as follows:

(in millions of US$)	**2022**	2021
Variable lease expenses	(9)	(11)
Short-term lease expenses	(794)	(776)
Low-value asset lease expenses	—	—
Income from sub-leasing	324	340

The short-term lease expenses and income from sub-leasing are mainly related to freight activity.

For the year ended December 31, 2022, the total cash outflow for leases amounts to US$(1,055) million (US$(932) million as of December 31, 2021).

The Group is committed to lease an oilseeds crushing plant in Zhangjiagang, China, for 10 years with an estimated annual consideration of CNY58 million which is expected to start in 2023.

7.2 Commitments and Contingencies

Commitments

Commodity contracts presented in commitments are purchase or sale contracts entered into and which continue to be held for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements (including amount and timing of payments). Purchase contractual agreements are contracts to purchase goods or services, including sugar, orange boxes and fuel. Sale contractual agreements are contracts to sell goods, including sugar, hulls and glycerin, frozen concentrate or not-from-concentrate juice, juice by-products and apple juice.

Advance market commitments comprise bid and performance bonds in a tender. A bid bond ensures that on acceptance of a bid by the customer, the contractor will proceed with the contract and will replace the bid bond with a performance bond. A performance bond is issued to one party of a contract as a guarantee against the failure of the other party to meet obligations specified in the contract.

A letter of credit is a commitment issued by a bank on behalf of the Group to guarantee a payment that must be made to a third party as the result of an import/export transaction.

Capex commitment is the amount the Group has committed to spend on fixed assets in the future.

Guarantees and collaterals received aim at insuring advances to suppliers and trade receivables of the Group.

As of December 31, 2022 and December 31, 2021, the Group has commitments to purchase or sell non-trading commodities that consist of the following:

(in millions of US$)	Quantities' unit	2022 Quantities	2022 Estimated amount	2022 Maturity	2021 Quantities	2021 Estimated amount
Commitments to purchase						
Raw sugar	Ktons	—	**—**	—	43	35
Orange boxes[1]	Million boxes	40	**198**	2029	54	259
Fuel	MMBtus[2]	1	**5**	2024	7	27
Glycerin	Ktons	—	**—**	—	2	4
			203			**325**
Commitments to sell						
Refined sugar	Ktons	—	**—**	—	265	254
Hulls and glycerin	Ktons	54	**52**	2023	51	58
Frozen concentrate orange juice	Ktons	108	**227**	2025	160	298
Not-from-concentrate citrus juice	Ktons	357	**150**	2024	419	213
Juice by-products	Ktons	19	**32**	2025	21	65
Apple juice	Ktons	20	**35**	2024	24	29
Other	Ktons	—	**—**	—	10	4
		558	**496**		**950**	**921**

1. Of which US$133 million may fall in the following year.
2. Million British thermal units.

Notes Continued

The Group is no longer committed to purchase raw sugar and sell refined sugar following the closing of Imperial transaction (Sugar business) (refer to Note 1.5). Additionally, the decrease in commitments to purchase fuel is due to the sale of the ethanol plant in Norfolk, Nebraska, US (refer to Note 3.2).

In addition, the Group has the following commitments:

(in millions of US$)	**2022** **Estimated amount**	2021 Estimated amount
Commitments given		
Letters of credit	78	98
Bid and performance bonds	160	139
Capex commitments	147	82
Guarantees given	265	182
Other commitments	31	46
	681	**547**
Commitments received		
Guarantees and collaterals received	395	385
	395	**385**

Capex commitments are mainly related to investments in export terminals, the soybean processing facility in the Port of Nansha, Guangzhou, China, and the joint operation freeze-dried instant coffee plant in Vietnam which are under construction.

Contingencies

Audits from local tax authorities are carried out regularly and may dispute positions taken by the Group, in particular those regarding the allocation of income among various tax jurisdictions, value added taxes or export taxes. In accordance with its accounting policies, the Group may decide to record provisions when tax-related risks are considered probable to generate a payment to tax authorities.

During past years, *LDC Argentina S.A.* received several tax assessments challenging transfer prices used to price exports for different years between 2005 and 2012. As of December 31, 2022, these tax assessments amounted to US$26 million, compared to US$39 million as of December 31, 2021. *LDC Argentina S.A.* could receive additional tax notifications for subsequent years.

In addition, *LDC Argentina S.A.* has received several tax assessments challenging certain custom duties related to Paraguayan soybean imports totaling US$81 million for the years from 2007 to 2009. Other large exporters and processors of cereal grains and other agricultural commodities have received similar tax assessments in this country.

As of December 31, 2022, *LDC Argentina S.A.* has reviewed the evaluation of all its tax positions. Based on Argentine tax law as well as advice from its legal counsel, *LDC Argentina S.A.* still considers that its tax positions are suitable but cannot predict the ultimate outcome of these ongoing or future examinations.

Louis Dreyfus Company LLC (LDC LLC) and certain of its affiliates (including LDC) were named as defendants in a consolidated action in US federal court in New York, alleging manipulation and artificial inflation of the ICE Cotton No. 2 futures contracts for May 2011 and July 2011 in violation of the US Commodity Exchange Act and antitrust laws. The defendants have filed an answer denying the claims in the action. The court denied defendants' motions for summary judgment on the claims in the class action, as well as the major part of defendants' motions to exclude the testimony of certain of the plaintiffs' experts. The court has granted the plaintiffs' motion for class certification. No trial date has been scheduled in the case. This matter is in pre-trial proceedings and the company cannot predict its ultimate outcome.

LDC LLC and one of its subsidiaries were named as defendants in lawsuits pending in various US state and federal courts arising out of *Syngenta A.G.* and its affiliates' (Syngenta) marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the US. The LDC companies and other grain companies were named as defendants in numerous individual and purported class action suits filed by farmers and other parties in several US state and federal courts beginning in the fourth quarter of 2015, alleging that the LDC companies and other grain companies were negligent in failing, among other things, to screen for genetically modified corn. Those actions (other than the action filed in federal and state courts in Illinois) were consolidated for pre-trial proceedings in a multidistrict litigation (MDL) proceeding in federal court. In 2016 and 2017, the MDL court and the federal and state courts in Illinois granted motions to dismiss the claims against the LDC companies and the other grain companies in all cases where LDC companies were named as defendants. Although named as a defendant in the above-described cases, LDC was only required to respond to the complaint in one of the cases and was dismissed on the same grounds as LDC LLC.

In December 2018, approximately 170 new cases were filed in Illinois state court by farmers and other parties naming LDC LLC, one of its subsidiaries and LDC, as defendants and making similar allegations as in the cases described above. In January 2020, these cases against the LDC defendants were dismissed. Plaintiffs in the Illinois state court cases have appealed the dismissal of those cases to the Illinois appellate court which has heard oral argument of the appeal, and that appeal is pending decision by the court.

There are various claims and ongoing regulatory investigations asserted against and by the Group that, in the opinion of counsel, based on a review of the present stages of such claims in the aggregate, should not have a material effect on the Group's financial position or future operating results.

7.3 Related Parties Transactions

Transactions with related parties for the years ended December 31, 2022 and December 31, 2021 are reflected as follows:

Income statement (in millions of US$)	**2022**	2021
Sales[1]	117	137
Cost of goods sold[1]	(918)	(634)
Finance costs, net[1]	(4)	40

As of December 31, 2022 and December 31, 2021, outstanding balances with related parties are as follows:

Balance sheet (in millions of US$)	**2022**	2021
Financial advances to related parties	4	5
Trade and other receivables[1]	13	13
Derivatives[1]	14	23
Total assets	**31**	**41**
Financial advances from related parties	77	209
Trade and other payables[1]	33	32
Derivatives[1]	3	3
Total liabilities	**113**	**244**

1. Mainly correspond to transactions with associates and joint ventures. In 2021, income statement amounts also included transactions with *Biosev S.A.* (a Brazilian company, indirect subsidiary of LDCH until August 10, 2021).

As of December 31, 2022, "Financial advances from related parties" comprises shareholder loans for US$71 million (US$206 million as of December 31, 2021).

Key management personnel compensation during the years ended December 31, 2022 and December 31, 2021 was as follows:

(in millions of US$)	**2022**	2021
Short-term benefits	44	27
Post-employment benefits	1	1
Share-based payments - amount of vested shares	—	3
Other long-term benefits	38	17
	83	**48**

7.4 Subsequent Events

There is no subsequent event that could affect 2022 consolidated financial statements.

7.5 List of Main Subsidiaries

As of December 31, 2022 and December 31, 2021, the main consolidated subsidiaries of LDC are the following:

		2022		2021	
Company	Country	% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A.	Argentina	100.00	100.00	100.00	100.00
Emerald Grain Australia Pty Ltd[1]	Australia	100.00	100.00	—	—
Emerald Grain Pty Ltd[1]	Australia	100.00	100.00	—	—
LDC Enterprises Australia Pty. Ltd.	Australia	100.00	100.00	100.00	100.00
Namoi Cotton Marketing Alliance	Australia	85.00	85.00	85.00	85.00
Ilomar Holding N.V.	Belgium	100.00	100.00	100.00	100.00
Louis Dreyfus Company Brasil S.A.	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sucos S.A.	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Canada ULC	Canada	100.00	100.00	100.00	100.00
Dongguan LDC Feed Protein Company Ltd.	China	100.00	100.00	100.00	100.00
LDC (China) Trading Company Ltd.	China	100.00	100.00	100.00	100.00
LDC (Tianjin) Food Technology Limited Liability Company	China	100.00	100.00	100.00	100.00
LDC (Tianjin) International Business Company Ltd.	China	100.00	100.00	100.00	100.00
Louis Dreyfus (Shanghai) Co. Ltd.	China	100.00	100.00	100.00	100.00
Louis Dreyfus (Zhangjiagang) Feed Protein Company Ltd.	China	100.00	100.00	100.00	100.00
Louis Dreyfus Company Distribution France S.A.S.	France	100.00	100.00	100.00	100.00
Louis Dreyfus Company Wittenberg GmbH	Germany	100.00	100.00	100.00	100.00
Louis Dreyfus Company India Pvt. Ltd.	India	100.00	100.00	100.00	100.00
PT LDC East Indonesia	Indonesia	100.00	100.00	100.00	100.00
PT LDC Indonesia	Indonesia	100.00	100.00	100.00	100.00
Louis Dreyfus Company Mexico S.A. de C.V.	Mexico	100.00	100.00	100.00	100.00
Louis Dreyfus Company Finance B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Juices B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Logistics Holland B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sugar B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ventures B.V.[2]	Netherlands	100.00	100.00	100.00	100.00
LDC Paraguay S.A.	Paraguay	100.00	100.00	100.00	100.00
Louis Dreyfus Company Polska SP. z.o.o.	Poland	100.00	100.00	100.00	100.00
Louis Dreyfus Company Senegal	Senegal	100.00	100.00	100.00	100.00
Louis Dreyfus Company Asia Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00
Louis Dreyfus Company Freight Asia Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00
Louis Dreyfus Company Funding SSEA Pte. Ltd.	Singapore	100.00	100.00	100.00	100.00
Louis Dreyfus Company Africa Pty. Ltd.	South Africa	100.00	100.00	100.00	100.00
Louis Dreyfus Company España S.A.	Spain	100.00	100.00	100.00	100.00
Louis Dreyfus Company Juices Suisse S.A.[3]	Switzerland	—	—	100.00	100.00
Louis Dreyfus Company Suisse S.A.	Switzerland	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ukraine Ltd.	Ukraine	100.00	100.00	100.00	100.00
LDC Trading & Service Co. S.A.	Uruguay	100.00	100.00	100.00	100.00
LDC Uruguay S.A.	Uruguay	100.00	100.00	100.00	100.00
Louis Dreyfus Company Agricultural Industries LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Claypool Holdings LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Cotton LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ethanol Merchandising LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Grains Merchandising LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Grand Junction LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company NA Finance One LLC	US	100.00	100.00	—	—
Louis Dreyfus Company Port Allen Elevator LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company River Elevators LLC	US	100.00	100.00	100.00	100.00
Louis Dreyfus Company Trading LP	US	100.00	100.00	100.00	100.00
Term Commodities Inc.	US	100.00	100.00	100.00	100.00

1. *Emerald Grain Australia Pty Ltd* and *Emerald Grain Pty Ltd* were acquired in October 2022 (refer to Note 1.4).
2. *LDC Food Innovation B.V.* was renamed *Louis Dreyfus Company Ventures B.V.* in 2022.
3. *Louis Dreyfus Company Juices Suisse S.A.* was merged into *Louis Dreyfus Company Suisse S.A.* in 2022.


LDC

Corporate Governance

Supervisory Board

Louis Dreyfus Company International Holding B.V.

Margarita Louis-Dreyfus Non-Executive Chairperson
Gil Adotevi
Mohamed Hassan Alsuwaidi
Victor Balli
Michel Demaré
Mehdi El Glaoui
Andreas Jacobs
Marcos de Quadros
Kaj-Erik Relander

Supervisory Board Committees

Audit Committee

Victor Balli Chairperson
Michel Demaré
Marcos de Quadros

Strategy Committee

Michel Demaré Chairperson
Gil Adotevi
Andreas Jacobs
Margarita Louis-Dreyfus
Kaj-Erik Relander

Compensation, Nomination and Governance Committee

Mehdi El Glaoui Chairperson
Gil Adotevi
Margarita Louis-Dreyfus

Managing Board

Louis Dreyfus Company International Holding B.V.

Hamad Al Shehhi
Maurice Kreft
Johannes Schol

Louis Dreyfus Company B.V.

Michael Gelchie
Johannes Schol

Executive Group

Michael Gelchie
Chief Executive Officer

Guy-Laurent Arpino
Chief Information Officer

Enrico Biancheri
Head, Sugar Platform

Juan José Blanchard
Chief Operating Officer
Head, Juice Platform
Head, Latin America
Chairman of the Board, Calyx Agro Ltd.

Tim Bourgois
Global Trading Manager, Cotton Platform

Miguel Catella
Head, Global Markets

Ben Clarkson
Head, Coffee Platform

Thomas Couteaudier
Chief Strategy Officer

Nyame de Groot
Head, Carbon Solutions Platform

Tim Harry
Global Head, Business Development

Sébastien Landerretche
Head, Freight Platform

Guy de Montulé
Head, Rice Platform

Joe Nicosia
Trading Operations Officer
Head, Cotton Platform

Murilo Parada
Chief Sustainability Officer
Head, North Latin America Region

André Roth
Head, Grains & Oilseeds Platform
Chairman, North Latin America Region

Jessica Teo
Chief Human Resources Officer

Patrick Treuer
Chief Financial Officer

James Zhou
Chief Commercial Officer
Head, Food & Feed Solutions Platform
Head, Asia Region


LDC
General Lagos

Louis Dreyfus Company B.V.
Westblaak 92
3012 KM Rotterdam
The Netherlands

www.ldc.com