LDC.
Louis Dreyfus Company

Interim Report

2021

Contents

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

Our Identity

As a leading global merchant and processor of agricultural goods, we rely on our expertise and global network to source products from where they are grown, and transport and transform them for customers and consumers around the world.

We have done so for over 170 years, helping to feed and clothe millions of people each year – safely, reliably and responsibly.

We believe that what nature has to offer is our privilege to use, and that we have a responsibility to use it with great respect, in fairness to all and toward a sustainable tomorrow.

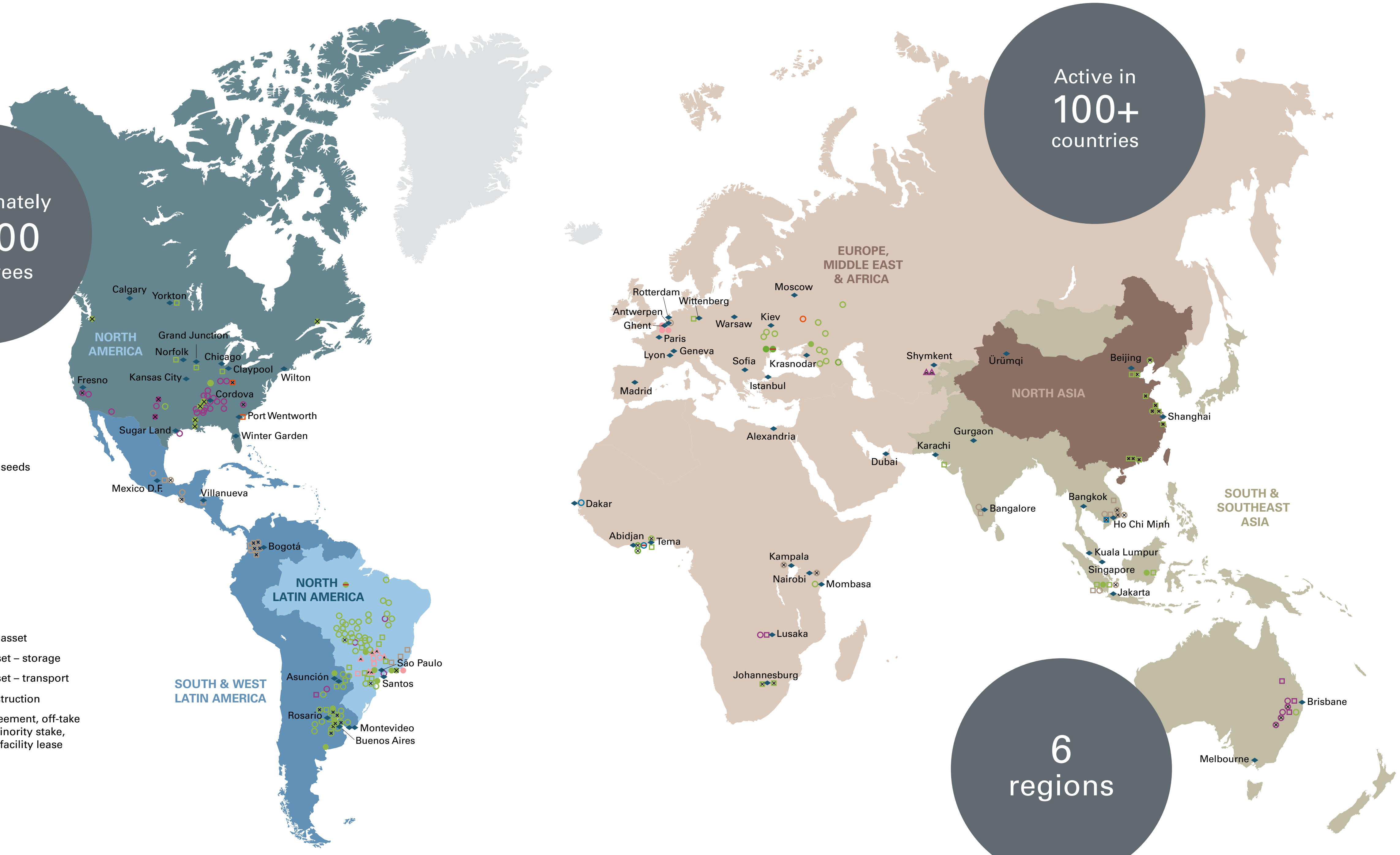
That is why we are guided by a clear mission, vision and purpose, and strong, shared values, in everything we undertake.

At a Glance

Approximately
17,000
employees

Active in
100+
countries

6
regions



Our Platforms

- Coffee
- Cotton
- Freight
- Global Markets
- Grains & Oilseeds
- Juice
- Rice
- Sugar

Map Key

Platforms
- Grains & Oilseeds
- Rice
- Coffee
- Cotton
- Sugar
- Juice

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

Other
- Office

LDC in the Value Chain

We develop sustainable solutions to bring agricultural goods from where they are grown to our customers' doorstep. This involves a complex supply chain in which our people and partners play a vital role, ensuring a smooth journey for our products.

1

Originate & Produce

Sharing our expertise with farmers and producers worldwide, be it through partnerships or our origination network.

2

Process & Refine

Processing and refining the finest quality raw materials.

3

Store & Transport

Efficiently managing movements across the value chain.

4

Research & Merchandize

Relying on our market knowledge to ensure responsive supply across platforms and regions.

5

Customize & Distribute

Supplying products to a range of customers, from multinationals to local customers and consumers.

Management Discussion & Analysis

Financial Highlights

Period from January 1, 2021 to June 30, 2021

Net Sales:

up 46.9%

US$24.0 billion

(US$16.3 billion over the same period in 2020)

Segment Operating Results[1]:

up 10.0%

US$879 million

(US$799 million over the same period in 2020)

EBITDA[2]:

up 22.7%

US$778 million

(US$634 million over the same period in 2020)

Income Before Tax:

up 38.9%

US$425 million

(US$306 million over the same period in 2020)

1 Gross margin plus share of profit (loss) in investments in associates and joint ventures.
2 Earnings Before Interests, Taxes and Depreciation & Amortization.

Net Income, Group Share:

up 166.7%

US$336 million

(US$126 million over the same period in 2020)

Return On Equity[3], Group Share:

13.2%

(8.0% for the year 2020)

Adjusted Leverage[4] Ratio:

1.8x

(1.8x as of December 31, 2020)

Liquidity[5] Coverage:

1.8x current portion of debt

(1.8x as of December 31, 2020)

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

Volumes[6]:

up 4.2% year on year

Last twelve months EBITDA:

US$1,468 million

as of June 30, 2021

(US$1,047 million as of June 30, 2020)

Total Assets:

US$23.6 billion

(US$23.3 billion as of December 31, 2020)

Adjusted Net Debt:

US$2.7 billion

(US$2.4 billion as of December 31, 2020)

Working Capital Usage:

US$8.2 billion

(US$7.7 billion as of December 31, 2020)

Adjusted Net Gearing[7]:

0.53

(0.48 as of December 31, 2020)

Capital Expenditure[8]:

US$161 million

(US$119 million over the same period in 2020)

Management Discussion & Analysis

Period from January 1, 2021 to June 30, 2021

170 years of experience and agility to adapt to changing circumstances, are undeniable assets to navigate uncertain times and a rapidly shifting landscape.

Thanks to this experience and the commitment of our people, in the first half of 2021, LDC continued to work with business partners and stakeholders to address challenges posed by today's complex and changing environment, keeping key supply chains moving safely and efficiently from farmers to end consumers.

The first semester of 2021 was in continuity with trends observed in late 2020. Volatility and prices remained overall high for the main agri-commodities commercialized by the Group, as crop size uncertainty and the evolving pandemic fueled concerns over potential supply chain disruptions around the world, driving up freight rates and container shortages.

In this volatile context, LDC's market understanding and insights, thorough risk management and successful hedging strategies secured improved performance in the first half of 2021. Strong demand for the main products in our portfolio, including demand recovery for cotton and bioenergy products, supported a 4.2% increase in volumes shipped compared to the same period last year. Segment Operating Results rose to US$879 million, income before tax to US$425 million, and net income was up 166.7% year on year at US$336 million, bringing return on equity to 13.2% over the last twelve months.

These solid results were supported by continued prudence in risk and liquidity management, maintaining ample liquidity above US$11 billion and covering 1.8 times short-term debt as of June 30, 2021.

While this prudence has prevailed since the start of the pandemic, LDC nevertheless continued to invest to advance its growth plans and ambitions. Investments were geared toward maintaining our existing asset network and pursuing ongoing expansion projects, for instance the development of North Corridor export routes in Brazil, but also toward new strategic initiatives in the field of food innovation, such as our joint project to build a food industry park in China and additional investments through our corporate venture capital program, LDC Innovations, which yielded US$10 million fair-value profits in this reporting period.

In June 2021, we reported significant progress on our sustainability efforts in 2020, despite the challenges posed by the ongoing pandemic. We exceeded our environmental and safety targets, made positive strides for shipping emissions reductions, supply chain traceability and product certification, formed partnerships to accelerate change toward more sustainable practices in our industry, and continued to support vulnerable smallholder farming communities worldwide. This work has continued into the first six months of 2021 and is progressing well.

At the same time as we reported achievements, we set new sustainability targets for the coming years across several areas: targets to shape an increasingly inclusive environment across the company, targets to tackle social and environmental challenges in specific business lines, and targets to measure scope 3 emissions and accelerate decarbonization across the Group, which will be led by our newly formed Carbon Solutions Platform in consultation with external climate experts. Having already fulfilled our goal to link 100% of our Revolving Credit Facilities to our performance on environmental key performance indicators, our work to set new science-based targets to reduce these is progressing, as a logical next step as part of our commitment to contribute to the global drive toward a net zero economy.

The completion of the strategic partnership agreement with ADQ in September 2021, followed by the early and full repayment of the US$1,051 million loan granted to *Louis Dreyfus Company Netherlands Holding B.V.*, has further reinforced the company's financial position to pursue and deliver our ambitions growth plans, and to meet the evolving needs of customers and consumers globally.

We continue to operate in a difficult and uncertain environment, and I want to thank our people everywhere for the commitment, flexibility and resilience they show each day, rising to challenges and opportunities alike. Their energy drives forward the implementation of our strategy and ensures our ongoing support to our stakeholders around the world, to whom we are very grateful for their continued partnership in our mission to bring the right products to the right place, at the right time – safely, reliably and responsibly.

Michael Gelchie
Group CEO

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 six-month period ended June 30, 2021, and the year ended December 31, 2020, 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 reconciliations of EBITDA and Adjusted Net Debt with the interim consolidated financial statements, as of and for the six-month periods ended June 30, 2021 and June 30, 2020, and the consolidated financial statements as of and for the year ended December 31, 2020, 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 Grains & Oilseeds and Juice along with Freight and Global Markets, both of which are key facilitators of all Group business lines. The Merchandizing Segment comprises Coffee, Cotton, Rice and Sugar.

The six-month period ended June 30, 2021 saw the continuity of market trends that prevailed at the end of 2020. Volatility remained high, with continuing upward trends on prices for all the main products merchandized by the Group, fueled by uncertain crop size prospects due to weather conditions, logistics challenges and concerns arising from the ongoing pandemic at different stages in different areas of the globe. Demand remained resilient overall for the main products commercialized by the Group, with a strong recovery in cotton and bioenergy, while increasing freight rates weighed on demand for rice products.

The foreign exchange market was marked by the slight appreciation of some origination country currencies against the US dollar during the semester, particularly the Brazilian Real, Russian Ruble and Ukrainian Hryvnia, while the Argentine Peso continued to depreciate.

In this context, LDC focused on fulfilling its role as a leading global merchant and processor of agricultural goods, bridging supply and demand gaps across food and feed value chains, from farmers to end-consumers. No business disruption attributable to the pandemic occurred in 2021, as the Group continued to take steps to ensure efficient and reliable operations for all participants and stakeholders, while protecting our employees.

Uncertainty over potential global supply chain disruptions, with a global container shortage and rising freight rates, as well as strong volatility in agri-commodities markets, required thorough risk management to meet commitments to LDC stakeholders while securing stable financial performance.

The Group kept the same reinforced risk management framework applied in 2020, with regular and ad hoc meetings to examine and mitigate risks. The Group also actively monitored counterparty risks, particularly those involving businesses disrupted by the pandemic.

In the first half of 2021, as part of our latest Sustainability Report, the Group set new sustainability targets in the lead-up to 2030. These include continued efforts toward increasingly sustainable business practices, as well as a commitment to measure scope 3 emissions as a basis to set science-based reduction targets starting in 2022.

Income Statement Analysis

In a global trade environment that remained uncertain, LDC leveraged its expertise and experience, diversified business portfolio, global presence and network to keep supply chains flowing efficiently, reliably and profitably.

Segment Operating Results amounted to US$879 million for the six-month period ended June 30, 2021, up 10.0% from US$799 million for the six-month period ended June 30, 2020, and EBITDA reached US$778 million, up 22.7% compared to the same period in 2020.

Income before tax for the six-month period ended June 30, 2021 reached US$425 million, up 38.9% compared to the same period in 2020. Net income, Group Share landed at US$336 million, up 166.7% from US$126 million for the same period in 2020.

Net Sales

Net sales amounted to US$24.0 billion for the six-month period ended June 30, 2021, up 46.9% compared to the same period in 2020, supported mainly by higher prices and, to a lesser extent, higher volumes shipped by the Group, which were up 4.2% compared to the same period in 2020.

- The Value Chain Segment's net sales rose 55.2% year on year, mainly owing to higher prices of products merchandized by the Grains & Oilseeds Platform, which also shipped higher volumes of goods in the first six months of 2021, compared to the same period in 2020.
- The Merchandizing Segment's net sales increased by 28.6% year on year, supported by higher prices across most products and the continued trend of higher volumes shipped by the Coffee Platform. The Cotton Platform's shipped volumes recovered from a low point in the six-month period ended June 30, 2020 and grew compared to the same period in 2019. Volumes shipped by the Sugar Platform remained stable, while Rice Platform volumes decreased in a context of container shortages and relatively high freight rates that weighed on demand.

Segment Operating Results

Segment Operating Results increased to US$879 million for the six-month period ended June 30, 2021, up from US$799 million for the first half of 2020. LDC leveraged its global footprint and market intelligence to capture profitable origination and sales opportunities and secure purchases, while successfully managing risks and meeting customer demand in a context of global export and import uncertainty induced by Covid-19.

Value Chain Segment

Segment Operating Results amounted to US$525 million for the six-month period ended June 30, 2021, compared to US$492 million over the same period in 2020.

The Grains & Oilseeds Platform continued to reinforce its already very strong financial performance as volatility remained significant, driven by uncertain crop size prospects, particularly in South and North America, and concerns over potential supply chain logistics challenges due to port congestion. Demand for soy and grain imports from China continued to grow during the six-month period ended June 30, 2021. Exports from the US remained strong during the semester, offering profitable origination opportunities combined with smaller than expected corn and soybean crops in the country. In Brazil, rains during the harvest period and local inflation impacted logistic costs, weighing on origination margins. The rise in volumes combined with global supply uncertainties allowed the Platform to generate strong margins through logistic assets in North America, including in Port Allen, Louisiana, US, where we were able to operate our assets without constraints. Crushing activities contributed to the Platform's performance thanks to strong margins globally, particularly in the US, Canada and China, amplified by record-high volumes processed in the latter. Concerns over crop sizes and potential supply shortages allowed for strong processing margins. Ethanol prices were bolstered by the rally in oil prices and small corn crops, as demand grew to support carbon emissions reductions. As of June 30, 2021, the Platform recorded a US$64 million negative mark-to-market impact resulting from the custom hedging strategy through board crush. This temporary impact will progressively turn into positive crush margins when volumes are effectively processed at our facilities in the second half of 2021 and in 2022.

The Juice Platform's performance was affected by the US$13 million impairment of the remainder of goodwill as of June 30, 2021. Restated for this impact, the Platform's operating results slightly improved year on year, thanks to a better balance of sales volumes toward higher margin not-from-concentrate juice. Nevertheless, adverse weather conditions in Brazil with drought followed by frost weighed on yields at both citrus farms and processing plants. In addition, processing and packaging costs were impacted by higher prices of steel, steam and power. The Platform is working on initiatives to drive further financial performance improvements through operational excellence. We also continue to work to contain the effects of low yields on environmental KPIs, particularly on energy and water consumption.

Freight Platform performance was once again strong over the six-month period ended June 30, 2021 across all vessel sizes. Freight rates increased significantly in the first half of 2021, as recovering demand from northern hemisphere economies and strong demand from China combined with Covid-related logistic constraints and record port congestions, tightening the overall freight market. The Platform's very good performance was particularly driven by Panamax and Supramax sizes on the back of anticipated strong grains flows from South America, to meet China's needs. Volatility remained high on these segments, particularly over the second quarter of the year. The Capesize segment also delivered a strong performance thanks to strong iron ore, coal and steel demand from China, despite rising Covid cases in Brazil and inclement weather in Australia.

In the six-month period ended June 30, 2021, the Global Markets Platform provided profitable support to the Group through foreign exchange risk management across all significant currencies in LDC's business, particularly South American and Asian ones. The Platform also profitably helped to manage interest rate risk, especially in EMEA and South & West Latin America.

Merchandizing Segment

Segment Operating Results reached US$354 million for the six-month period ended June 30, 2021, compared to US$307 million for the same period in 2020.

Recovering from an unfavorable market environment in the six-month period ended June 30, 2020, the Cotton Platform significantly improved operating results in the six-month period ended June 30, 2021, surpassing performance over the comparable period in 2019. Demand from major importing countries increased, catching up after a first half of 2020 marked by textile plant shutdowns. This solid performance was achieved thanks to strong origination margins across the globe, particularly from India and the US, combined with a successful hedging strategy. Consistent with the first semester of 2020, our US warehousing business delivered strong margins during the six-month period ended June 30, 2021, benefitting from large volume of inventories.

The Coffee Platform achieved a solid financial performance over the six-month period ended June 30, 2021, capturing continuing sales growth opportunities thanks to LDC's favorable market positioning and customer-centric approach, which includes working on developing common and sustainable solutions with customers. Origination margins remained high in all the main markets where the Group sources coffee, with a large contribution from Brazil despite slow farmer selling. Supply chain challenges in container freight and uncertain crop sizes, particularly for Brazilian Arabica due to a combination of crop cycle and unfavorable weather conditions, fueled market volatility over the semester, offering arbitrage opportunities. The Platform's financial performance was enhanced thanks to reduced unit costs in all assets.

The Sugar Platform delivered good operating results in the six-month period ended June 30, 2021, strongly supported by the ethanol business, in which profitable arbitrage opportunities due to volatility were enhanced by shifting global demand expectations for this product. The Platform's active hedging strategy over the period delivered satisfying results on sugar sales in a fast-moving market structure marked by uncertain crop sizes in Brazil, while India grew export volumes.

Over the six-month period ended June 30, 2021, the Rice Platform delivered satisfying operating results, starting the year with high sales volumes and very strong margins in a volatile price environment, consistent with the second half of 2020. Demand reduced sharply in late February, as freight rates started to rise on the back of container shortages and pandemic-related logistic constraints at origin. Despite these impacts, the Platform sustained sales at destination thanks to its risk management and logistic capabilities.

Net Finance Costs

Net finance costs[9] amounted to US$(117) million for the six-month period ended June 30, 2021, a 4.5% increase from US$(112) million for the same period in 2020, mostly due to a foreign exchange impact on lease liabilities denominated in Brazilian Reals, from a US$11 million impact for the six-month period ended June 30, 2020 to a US$(1) million impact over the same period in 2021, largely compensated by a decrease in interest expenses. In a context of high prices, resulting in additional average debt needs to finance the business, net interest expenses decreased US$20 million year on year thanks to reduced cost of funds, despite a higher share of long-term debt in the financing structure. This was achieved through cost-efficient long-term debt raised in the second half of 2020 and in 2021, mainly on the back of our inaugural public rating by *S&P Global Ratings*, and thanks to a lower average London Inter-bank Offered Rate (LIBOR) compared to the same period in 2020.

Gain (Loss) on Investments and Sale of Fixed Assets

As of June 30, 2021, the Group recognized a US$10 million fair value profit related to investments under our corporate venture capital program. As a reminder, in the six-month period ended June 30, 2020, the US$(79) million loss derived mainly from the Group's investment in *Luckin Coffee*.

Income Before Tax

For the six-month period ended June 30, 2021, income before tax increased 38.9% year on year to US$425 million, compared to US$306 million for the same period in 2020.

Taxes

Taxes amounted to US$(89) million for the six-month period ended June 30, 2021, resulting in a 20.9% effective tax rate. The US$90 million decrease in taxes versus the same period in 2020 was driven by a US$22 million positive functional currency impact for the six-month period ended June 30, 2021, compared to a US$(83) million negative functional currency impact for the same period in 2020, mainly attributable to the depreciation of the Brazilian Real. The adverse impact of the change in Argentine corporate income tax rate was offset by a more favorable geographical mix.

Net Income, Group Share

Net income, Group Share, settled at US$336 million for the six-month period ended June 30, 2021, up 166.7% from US$126 million for the same period in 2020.

9 Interest income, Interest expense and Other financial income and expense.

Balance Sheet Analysis

Non-Current Assets

As of June 30, 2021, non-current assets amounted to US$5,017 million, up from US$4,985 million as of December 31, 2020:

- Fixed assets landed at US$3,781 million, compared to US$3,777 million as of December 31, 2020. The increase in right of use, driven by new long-term time charter contracts, was partially offset by a US$13 million impairment on the remaining goodwill of the Juice Platform.
- Investments in associates and joint ventures increased from US$216 million as of December 31, 2020 to US$229 million as of June 30, 2020. The US$13 million increase is mainly attributable to additional capital injections in *Terminal Exportador de Santos S.A.* (TES) in Brazil and *Covantis S.A.* in the six-month period ended June 30, 2021.
- Non-current financial assets increased from US$554 million as of December 31, 2020 to US$567 million as of June 30, 2021. This US$13 million increase is mainly attributable to the higher value of investments made under the Group's corporate venture capital program.
- Deferred income tax assets fell to US$154 million as of June 30, 2021, from US$184 million as of December 31, 2020.
- Other non-current assets amounted to US$286 million as of June 30, 2021, up from US$254 million on December 31, 2020.

Capital Expenditure and Divestments

Maintaining its highly selective investment policy, LDC invested US$161 million during the six-month period ended June 30, 2021, supporting its strategic ambitions while securing solid cash flows and remaining prudent in its capital deployment, as a volatile environment and Covid-related uncertainty persisted. With the majority of capital expenditure remaining discretionary as per the Group's investment policy, LDC is in a sound position to adapt to and capture emerging opportunities as they arise.

Through its corporate venture capital program, LDC Innovations, the Group participated in a second funding round of *Motif FoodWorks*, doubling the size of its investment in this company, and strengthened its existing participation in *VisVires New Protein* and *8F Asset Management* funds.

The Group continued to invest 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 logistics network, as well as with IT systems and process improvements, particularly the roll-out of its new 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.

Value Chain Segment

The Segment invested US$143 million over the six-month period ended June 30, 2021, mostly to expand grains and oilseeds processing capacity.

The Grains & Oilseeds Platform invested to secure land for the construction of a food industrial park in the Port of Nansha, Guangzhou, in collaboration with Chinese partners. In Brazil, the Group continued to invest in its waterway fleet as part of the North Corridor project and made a sixth planned capital injection into our TES joint venture, which operates a solid bulk port terminal at the port of Santos until 2041, with the option to extend operations for up to 25 additional years. In addition, the Group launched an investment program for its Kowalski plant in Rio Verde, Goiás State, Brazil, to improve processing efficiency and flexibility and increase storage and packaging capacity. The Platform also invested in the expansion of its plant in Claypool, Indiana, US, adding a new lecithin line and enhancing canola distribution capacity.

Juice Platform investments focused on industrial asset maintenance and tree-planting, largely in Brazil, as well as on continuous operational safety enhancement.

Merchandizing Segment

Over the six-month period ended June 30, 2021, platforms in the Segment invested US$18 million in industrial asset maintenance, mainly for its Imperial Sugar business in the US, as well as in expansion of rice and coffee warehousing assets in Côte d'Ivoire and Brazil respectively.

Working Capital Usage

Working Capital Usage (WCU) increased to US$8.2 billion as of June 30, 2021 from US$7.7 billion as of December 31, 2020. Only the Value Chain Segment contributed to the increase on the back of custom seasonality and higher prices at the end of June 2021 compared to December 2020, partially offset by a decrease in Merchandizing Segment working capital needs.

- All Value Chain Segment platforms except Juice contributed to higher WCU. Increased prices between December 31, 2020 and June 30, 2021, particularly for soy products and corn, drove higher inventories value. Higher sales, expansion of crushing capacity in China and seasonality also contributed to higher volumes held and higher trade receivables as of June 30, 2021. The Juice Platform reduced inventories due to custom inter-crop seasonality.
- Merchandizing Segment working capital needs decreased compared to 2020 year-end levels, with the Cotton Platform setting the trend, partially offset by the increased needs of the Sugar and Coffee platforms, while the Rice Platform's needs remained stable. Cotton WCU decreased thanks to continuous recovery in sales over the six-month period ended June 30, 2021, resulting in lower volumes held at the end of the period. Increased WCU in Sugar was driven by higher inventory volumes at origin, combined with higher prices. The Coffee Platform's increased WCU was driven by higher prices, offsetting reduced inventory volumes.

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 June 30, 2021, RMIs represented 86.8% of the Group's inventories, corresponding to 95.4% of trading inventories, compared to respectively 86.0% and 95.4% as of December 31, 2020. The reduction in Juice inventories resulted in a higher share of trading inventories as of June 30, 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 deliver agricultural commodities throughout the world require sizeable amounts of capital.

LDC's funding model is flexible enough to allow the Group to adapt its 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: 50.9% of long-term financing came from debt capital markets as of June 30, 2021;
- Increasing debt maturity profile: average maturity of non-current portion of long-term financing was 4.9 years as of June 30, 2021, up from 4.1 years as of December 31, 2020;
- Sizeable number of committed facilities: 49.3% of total Group facilities were committed, of which US$2.4 billion with maturities beyond one year remained undrawn, as of June 30, 2021;
- US$3.7 billion facilities embedding sustainability-linked pricing mechanisms based on the reduction of its environmental key performance indicators: CO_2 emissions (kgCO_2/MT), electricity & energy consumption (kWh/MT), water usage (m^3/MT) and solid waste sent to landfills (kg/MT); and
- Public investment grade rating (BBB- with a positive outlook) by *S&P Global Ratings*.

Debt and Leverage

As of June 30, 2021, long-term debt[10] stood at US$4.5 billion, up from US$3.9 billion as of December 31, 2020, and included US$0.3 billion of lease liabilities at both closing dates. This increase is notably related to the €500 million 7-year bond issued in April 2021.

The issuance of two Eurobonds in November 2020 and April 2021 reflects the Group's purpose to maintain ample access to liquidity in challenging market conditions. As a result, the Group landed with significant long-term debt versus non-current assets as of June 30, 2021.

Short-term debt[11] decreased from US$5.9 billion on December 31, 2020 to US$5.7 billion as of June 30, 2021. Cash and cash equivalents stood at US$1.4 billion as of June 30, 2021 compared to US$1.3 billion at the end of 2020, in line with the Group's strategy to facilitate rapid deployment of working capital when inventory carry opportunities arise.

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$2.7 billion as of June 30, 2021, with an adjusted leverage ratio of 1.8x, comparable to the level as of December 31, 2020. Adjusted net gearing was at 0.53 as of June 30, 2021, compared to 0.48 as of December 31, 2020.

Liquidity

The Group prudently manages financial risks, ensuring sustained access to liquidity. As of June 30, 2021, the Group had US$3.6 billion of undrawn committed bank lines, of which US$2.4 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$11.4 billion as of June 30, 2021, enabling the Group to cover 1.8x its June-end short-term debt.

In response to potential changes in working capital needs induced by Covid-19, the Group maintained its prudent approach to preserving available committed liquidity. Accordingly, the Group kept its six regional committed RCFs fully undrawn since early April 2020 and financed its activity through outstanding term loans, uncommitted bank lines and commercial paper. In addition, LDC kept a cash buffer throughout 2021.

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.

Balance Sheet Analysis

Financing Arrangements

Long-Term Financing

In February 2021, the Group raised an additional €50 million on the back of a reverse inquiry following its existing €600 million 2.375% bond, issued in November 2020 and due in November 2025.

In April 2021, *Louis Dreyfus Company B.V.* issued a €500 million rated senior unsecured bond with a seven-year tenor and a coupon of 1.625%. The offer met with strong demand from more than 190 investors placing orders totaling over €1.5 billion. The bond is listed on the *Luxembourg Stock Exchange* regulated market.

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$3.6 billion as of June 30, 2021. The Group mitigates the risk of refinancing by maintaining both 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.

LDC's diversified funding approach proved resilient in the context of Covid-19 challenges. The Group benefited from its flexible funding setup, pending more stable conditions to refinance its US$600 million RCF in the US, maturing in 2021.

In May 2021, *Louis Dreyfus Company LLC* refinanced and increased its US$600 million RCF into a 3-year US$650 million RCF maturing in May 2024. The loan includes a sustainability-linked pricing mechanism, similar to those already in place in the Group's other RCFs. The loan is guaranteed by *Louis Dreyfus Company B.V.*

Consequently, as of June 30, 2021, out of US$3.6 billion of committed RCFs, US$2.4 billion were maturing above one year.

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 the outstanding amount of US$1,378 million as of June 30, 2021 (versus US$536 million as of December 31, 2020) across maturities ranging up to 12 months.

Equity

Equity attributable to owners of the company increased from US$4,858 million as of December 31, 2020 to US$5,018 million as of June 30, 2021, with total equity of US$5,049 million at the same date.

The US$160 million increase in equity attributable to owners of the company over the six-month period ended June 30, 2021, mainly resulted from the US$336 million of net income, Group share for the period, as well as the payment of a US$191 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 0.45% during the six-month period ended June 30, 2021, compared to 0.26% over the year ended December 31, 2020. The increase in this ratio is consequent to higher prices and more volatile markets across our product lines.

VaR is only one of the risk metrics within LDC's wider risk management system.

Subsequent Events

In July 2021, *Louis Dreyfus Company Suisse S.A.* refinanced and increased, one year ahead of maturity, its JPY34.3 billion Samurai three-year loan with Japanese investors into a new JPY64.9 billion facility. The new loan is composed of a JPY54.9 billion Samurai three-year term tranche and a JPY10.0 billion five-year tranche. This term loan helps build long-term relationships with new partners, diversifying sources of funding and increasing the level of committed facilities. This term loan is guaranteed by *Louis Dreyfus Company B.V.*

In September 2021, *Louis Dreyfus Company Asia Pte. Ltd.* refinanced its US$671 million RCF into a three-year US$550 million facility maturing in September 2024. The loan includes a sustainability-linked pricing mechanism, similar to those already in place for the Group's other RCFs. *Louis Dreyfus Company Asia Pte. Ltd.* may request one or more of the existing or new lenders to increase the total commitments under the facility by up to US$200 million, pursuant to an accordion option. The loan is guaranteed by *Louis Dreyfus Company B.V.*

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. As agreed between the parties, part of the proceeds were used by LDCNH to fully repay to LDC the US$1,051 million loan originally maturing in 2023.

Reconciliation With the Interim 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 (for the six-month periods ended June 30)

In US$m	Notes	2021	2020
Income before tax - continuing operations		**425**	**306**
(-) Interest income		(38)	(43)
(-) Interest expense		139	164
(-) Other financial income and expense		16	(9)
(+) Other (financial income related to commercial transactions)	2.3	4	11
(-) Depreciation and amortization		233	203
(-) Gain (loss) on sale of investments in associates and joint ventures	2.4	(1)	–
(-) Gain (loss) on sale of fixed assets	2.4	–	2
= EBITDA		**778**	**634**

Adjusted Net Debt (as of)

In US$m	Notes	June 30, 2021	December 31, 2020
(+) Long-term debt		3,748	3,690
(+) Current portion of long-term debt		773	198
(+) Short-term debt		5,528	5,765
(-) Repurchase agreements	5.3	–	(6)
(+) Financial advances from related parties		142	154
(-) Financial advances to related parties - current portion		(832)	(804)
(-) Other financial assets at fair value through P&L		(365)	(223)
(+) Marketable securities held for trading	5.5	259	122
(-) Cash and cash equivalents		(1,354)	(1,296)
= Net debt		**7,899**	**7,600**
(-) RMIs	4.5	(5,238)	(5,246)
= Adjusted Net Debt		**2,661**	**2,354**

Interim Condensed Consolidated Financial Statements

Auditor's Report on Review of Interim Financial Information

Period from January 1, 2021 to June 30, 2021

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

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of *Louis Dreyfus Company B.V.* and subsidiaries as of June 30, 2021 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the six-month period then ended, and the related condensed notes thereto (the "Interim Financial Information"). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting" – standard of International Financial Reporting Standards ("IFRS") as adopted by the European Union applicable to interim financial reporting.

Due to the global crisis related to the Covid-19 pandemic, the Interim Financial Information has been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

This Interim Financial Information was prepared under the responsibility of the Board of Directors. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" – standard of IFRS as adopted by the European Union applicable to interim financial reporting.

Paris-La Défense, France, September 17, 2021
Deloitte & Associés

François BUZY

Interim Consolidated Income Statement

For the six-month periods ended June 30

(in millions of US$)	Notes	2021	2020
Net sales	2.2	23,957	16,303
Cost of sales		(23,075)	(15,512)
Gross margin		**882**	**791**
Commercial and administrative expenses		(346)	(302)
Interest income	2.3	38	43
Interest expense	2.3	(139)	(164)
Other financial income and expense	2.3	(16)	9
Share of profit (loss) in investments in associates and joint ventures	3.3	(3)	8
Gain (loss) on investments and sale of fixed assets	2.4	9	(79)
Income before tax		**425**	**306**
Income taxes	2.5	(89)	(179)
Net income		**336**	**127**
Attributable to:			
Owners of the company		**336**	**126**
Non-controlling interests		–	1

Interim Consolidated Statement of Comprehensive Income

For the six-month periods ended June 30

(in millions of US$)	2021	2020
Net income	**336**	**127**
Items reclassified from equity to net income during the period		
Cash flow and net investment hedges - change in fair value, gross	16	43
Related tax impact	(4)	(11)
Exchange differences recycled upon sale/liquidation of investments	–	1
Investments in associates and joint ventures - share of other comprehensive income	1	–
Total	**13**	**33**
Items that may be reclassified subsequently from equity to net income		
Cash flow and net investment hedges - change in fair value, gross	2	(185)
Related tax impact	(2)	52
Exchange differences arising on translation of foreign operations	(3)	(17)
Investments in associates and joint ventures - share of other comprehensive income	–	(13)
Total	**(3)**	**(163)**
Items that will not be reclassified subsequently from equity to net income		
Pensions, gross	6	(5)
Related tax impact	(1)	–
Total	**5**	**(5)**
Changes in other comprehensive income (OCI)	**15**	**(135)**
Total comprehensive income	**351**	**(8)**
Attributable to:		
Owners of the company	**351**	**(8)**
Non-controlling interests	–	–

Interim Consolidated Balance Sheet

As of

(in millions of US$)	Notes	June 30, 2021	December 31, 2020
Non-current assets			
Intangible assets	3.1	290	309
Property, plant and equipment	3.2	3,491	3,468
Investments in associates and joint ventures	3.3	229	216
Non-current financial assets	5.4	567	554
Deferred income tax assets	2.5	154	184
Other non-current assets	3.4	286	254
Total non-current assets		5,017	4,985
Current assets			
Inventories	3.7	6,032	6,101
Biological assets	3.8	50	43
Trade and other receivables	3.9	5,181	4,256
Derivative assets	4.8	2,729	3,023
Margin deposits	4.7	1,622	2,117
Current tax assets		38	52
Financial advances to related parties	7.3	832	804
Other financial assets at fair value through profit and loss	5.5	365	223
Cash and cash equivalents	5.6	1,354	1,296
Total current assets		18,203	17,915
Assets classified as held for sale	1.4	325	353
Total assets		**23,545**	**23,253**

Interim Consolidated Balance Sheet Continued

As of

(in millions of US$)	Notes	June 30, 2021	December 31, 2020
Equity			
Issued capital and share premium		1,587	1,587
Retained earnings		3,554	3,409
Other reserves		(123)	(138)
Equity attributable to owners of the company		***5,018***	***4,858***
Equity attributable to non-controlling interests		*31*	*12*
Total stockholders' equity and non-controlling interests	5.1	5,049	4,870
Non-current liabilities			
Long-term debt	5.2	3,748	3,690
Retirement benefit obligations	6.1	92	99
Provisions	3.6	66	69
Deferred income tax liabilities	2.5	170	170
Other non-current liabilities	3.5	118	95
Total non-current liabilities		4,194	4,123
Current liabilities			
Short-term debt	5.3	5,528	5,765
Current portion of long-term debt	5.2	773	198
Financial advances from related parties	7.3	142	154
Trade and other payables	3.10	5,304	4,764
Derivative liabilities	4.8	2,373	3,198
Provisions	3.6	10	9
Current tax liabilities		58	75
Total current liabilities		14,188	14,163
Liabilities associated with assets classified as held for sale	1.4	114	97
Total liabilities		18,496	18,383
Total equity and liabilities		**23,545**	**23,253**

Interim Consolidated Statement of Cash Flows

For the six-month periods ended June 30

(in millions of US$)	Notes	2021	2020
Net income		336	127
Adjustments for items not affecting cash			
Depreciation and amortization		233	203
Biological assets' change in fair value	3.8	(3)	2
Income taxes	2.5	89	179
Net finance costs		122	115
Other provisions, net		9	(16)
Share of (profit) loss in investments in associates and joint ventures, net of dividends	3.3	3	5
(Gain) loss on investments and sale of fixed assets	2.4	(9)	79
Net expense arising from share-based payments	6.2	9	19
		789	713
Changes in operating assets and liabilities			
Inventories and biological assets		56	597
Derivatives		(730)	(344)
Margin deposits net of margin deposit liabilities		526	239
Trade and other receivables		(1,028)	23
Trade and other payables		549	(271)
Interests paid		(160)	(171)
Interests received		78	83
Income tax received (paid)		(40)	(90)
Net cash from (used in) operating activities		40	779
Investing activities			
Purchase of fixed assets		(135)	(101)
Additional investments, net of cash acquired		(26)	(18)
Change in short-term securities		(19)	94
Proceeds from sale of fixed assets		1	1
Proceeds from sale of investments, net		35	38
Change in loans and advances made		5	3
Net cash from (used in) investing activities		(139)	17
Financing activities			
Net proceeds from (repayment of) short-term debt and related parties loans and advances	5.3	(289)	630
Proceeds from long-term financing	5.2	779	72
Repayment of long-term financing	5.2	(117)	(335)
Repayment of lease liabilities	7.1	(47)	(33)
Dividends paid to equity owners of the company	5.1	(191)	(302)
Increase in capital financed by non-controlling interests		17	–
Net cash from (used in) financing activities		152	32
Exchange difference on cash		4	(4)
Net increase (decrease) in cash and cash equivalents		57	824
Cash and cash equivalents, at beginning of the period	5.6	1,296	750
Change in cash and cash equivalents reclassified to held for sale assets	1.4	1	5
Cash and cash equivalents, at end of the period	5.6	**1,354**	**1,579**

Interim Consolidated Statement of Changes in Equity

(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, 2019		**1,587**	**3,318**	**(119)**	**4,786**	**12**	**4,798**
Net income			126		**126**	1	**127**
Other comprehensive income, net of tax				(134)	**(134)**	(1)	**(135)**
Others			6	(6)	**–**	–	**–**
Total comprehensive income	5.1		132	(140)	**(8)**	–	**(8)**
Dividends	5.1		(302)		**(302)**	–	**(302)**
Balance as of June 30, 2020		**1,587**	**3,148**	**(259)**	**4,476**	**12**	**4,488**
Balance as of December 31, 2020		**1,587**	**3,409**	**(138)**	**4,858**	**12**	**4,870**
Net income			336		**336**	–	**336**
Other comprehensive income, net of tax				15	**15**	–	**15**
Total comprehensive income	5.1		336	15	**351**	–	**351**
Dividends	5.1		(191)		**(191)**	–	**(191)**
Change in the list of consolidated companies			–	–	**–**	19	**19**
Balance as of June 30, 2021		**1,587**	**3,554**	**(123)**	**5,018**	**31**	**5,049**

Notes to Interim Condensed Consolidated Financial Statements

Period from January 1, 2021 to June 30, 2021

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. It 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).

Since December 2007, a non-controlling share of LDCH is held by employees in the execution of the equity participation plan described in Note 6.2.

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 1851, the Group's portfolio has grown to include Grains & Oilseeds, Coffee, Cotton, Juice, Rice, Sugar, Freight and Global Markets.

In December 2013, LDC completed the issuance of an unrated senior bond for €500 million (7-year, 4% coupon) which was reimbursed in December 2020. In 2017, LDC completed the issuance of two unrated senior bonds: one in February for €400 million (5-year, 4% coupon) and one in June for US$300 million (6-year, 5.25% coupon). In November 2020, LDC completed the issuance of a BB+ rated senior bond for €600 million (5-year, 2.375% coupon) completed in February 2021 by an additional €50 million reverse inquiry. In April 2021, LDC completed the issuance of a BB+ rated senior bond for €500 million (7-year, 1.625% coupon). Those 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 June 2021 interim condensed consolidated financial statements of LDC (the "Financial Statements") were approved by the Board of Directors of LDC on September 17, 2021.

The Financial Statements were prepared in accordance with *International Financial Reporting Standards* (IFRS) adopted by the European Union as of June 30, 2021, and in accordance with IAS 34 "Interim Financial Reporting".

These Financial Statements do not include all the information required for annual financial statements and shall be read in conjunction with the consolidated financial statements as of December 31, 2020. Operating results for the six-month period ended June 30, 2021 are not necessarily indicative of results expected for the year ending December 31, 2021. The 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, 2020, except for the adoption of new amendments, standards and interpretations as of January 1, 2021 detailed below.

New and Amended Accounting Standards and Interpretations Effective in 2021

The following amendments applied starting from 2021 have had no effect on the balance sheet or performance of the Group:

- Amendments to IFRS 4 "Insurance contracts – deferral of IFRS 9".
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2", addressing the financial reporting implications following the replacement of an interest rate benchmark by an alternative benchmark rate, including the effect of changes to contractual cash flows or hedging relationships, along with the necessary disclosure requirements. A project is in progress within the Group to manage the transition to alternative benchmark rates.
- Amendment to IFRS 16 "Leases: Covid-19-related Rent Concessions beyond June 30, 2021". The amendment extends the availability of the exemption from assessing whether a Covid-19-related rent concession is a lease modification by one year. The Group did not apply the initial exemption, as no significant rent concession related to Covid-19 was granted during the period.

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

- 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 amendments will come into effect as of January 1, 2022 and are not expected to have any impact on the Group's financial statements.

Accounting Standards and Interpretations Issued by the *International Accounting Standards Board* (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.

- IFRS 17 "Insurance Contracts" and related amendments. The standard and amendments will come into effect as of January 1, 2023 with early application permitted.
- 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 IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies". The amendments will come into effect as of January 1, 2023 with early application permitted.
- Amendments to IAS 8 "Definition of Accounting Estimates". The amendments will come into effect as of January 1, 2023 with early application permitted.
- Amendment to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The amendments will come into effect as of January 1, 2023 with early application permitted.

1.2 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 significant judgements and assumptions made by management in determining the Group's estimates were the same as those described in the consolidated financial statements as of December 31, 2020.

1.3 Change in the List of Consolidated Companies

On April 8, 2021, the Group completed its capital injection into a new 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 in *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.

On August 7, 2020, the Group finalized the sale of its 67% share in *LDC (Fujian) Refined Sugar Co. Ltd.* to the minority shareholder *Zhangzhou Baiyulan Refined Sugar Company*. The selling price of this transaction amounted to US$3 million. On November 24, 2020, the Group finalized the sale of its 100% share in *LDC (Bazhou) Feedstuff Protein Company Ltd.* to *Bazhou Yaosheng Concrete Co., Ltd.* The selling price of this transaction amounted to US$10 million. Neither transaction generated any material gain or loss on sale.

No other significant change in the list of consolidated companies occurred during the first half of 2021 or during the year ended December 31, 2020.

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

During 2020, the Group entered into an exclusivity agreement to negotiate the sale of *Imperial Sugar Company* assets ("the Imperial transaction"), including notably its sugarcane refinery. 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 (refer to Notes 3.1 and 3.2). The residual net book value has been classified as held for sale. As of June 30, 2021, an additional US$7 million impairment was recognized.
As of December 31, 2020, *Louis Dreyfus Company (Shaanxi) Juices Co. Ltd.* (juice processing plant in China) was also classified as held for sale. The transaction was closed on June 11, 2021 (refer to Note 1.3).

Since June 30, 2020, the investment in associates *Riddoch Holdings Pty. Ltd.* (dairy processing plant in Australia) has been classified as held for sale (30% ownership). On January 15, 2021, the Group finalized the sale of its investment to *Midfield Penola Pty Ltd ATF the Midfield Penola Trust*.
Additionally, since December 31, 2020, the investment in joint venture *Luckin Roastery Technology (Xiamen) Co. Ltd.* (coffee roasting facility in China) has been classified as held for sale (40% ownership). In 2021, the Group finalized the sale of this investment to *Luckin Coffee (China) Company Limited* (30% sold on February 3, 2021 and 10% sold on April 12, 2021).

Assets classified as held for sale are summarized as follows:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Imperial	314	318
Luckin Xiamen	–	10
Riddoch	–	6
Shaanxi	–	4
Others	11	15
Total assets classified as held for sale	**325**	**353**

The condensed assets and liabilities with third parties of Imperial transaction net assets as of June 30, 2021 and December 31, 2020 are as follows:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Property, plant and equipment	160	175
Other non-current assets	10	12
Non-current assets	170	187
Inventories	91	86
Other current assets	53	45
Current assets	144	131
Total assets classified as held for sale	**314**	**318**
Retirement benefit obligations	(45)	(46)
Other non-current liabilities	(2)	(2)
Non-current liabilities	(47)	(48)
Other current liabilities	(67)	(49)
Current liabilities	(67)	(49)
Total liabilities associated with held for sale assets	**(114)**	**(97)**

During the six-month periods ended June 30, 2021 and June 30, 2020, the change in cash and cash equivalents held for sale is as follows:

	2021		2020		
(in millions of US$)	Imperial	**Total**	Fujian	Bazhou	**Total**
Cash and cash equivalents held for sale, at beginning of the period	**2**	**2**	**7**	**1**	**8**
Change in cash and cash equivalents held for sale	(1)	**(1)**	(5)	–	**(5)**
Cash and cash equivalents held for sale, at end of the period	**1**	**1**	**2**	**1**	**3**

As of June 30, 2020, *LDC (Fujian) Refined Sugar Co. Ltd.* (sugar refinery in China) and *LDC (Bazhou) Feedstuff Protein Company Ltd.* (oilseeds processing plant in China) were still classified as held for sale, as both transactions closed during the second semester of 2020.

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 and Global Markets, both 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 for the six-month periods ended June 30, 2021 and June 30, 2020 is detailed as follows:

	2021		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Net sales	17,448	6,509	**23,957**
Depreciation	(162)	(33)	**(195)**
Share of profit (loss) in investments in associates and joint ventures	(2)	(1)	**(3)**
Segment operating results	525	354	**879**
Commercial and administrative expenses			**(346)**
Net finance costs			**(117)**
Others			**9**
Income taxes			**(89)**
Net income attributable to owners of the company			**336**

	2020		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Net sales	11,241	5,062	**16,303**
Depreciation	(137)	(31)	**(168)**
Share of profit (loss) in investments in associates and joint ventures	11	(3)	**8**
Segment operating results	492	307	**799**
Commercial and administrative expenses			**(302)**
Net finance costs			**(112)**
Others			**(79)**
Income taxes			**(179)**
Non-controlling interests			**(1)**
Net income attributable to owners of the company			**126**

Balance sheet segment information as of June 30, 2021 and December 31, 2020 is as follows:

	June 30, 2021		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Fixed assets (intangible assets and property, plant and equipment)	3,445	336	**3,781**
Investments in associates and joint ventures	183	46	**229**
Inventories	3,677	2,355	**6,032**
Biological assets	50	–	**50**
Trade and other receivables	3,739	1,442	**5,181**
Derivative assets	1,894	835	**2,729**
Margin deposits	1,166	456	**1,622**
Marketable securities held for trading	259	–	**259**
Assets classified as held for sale	3	322	**325**
Segment assets	**14,416**	**5,792**	**20,208**
Trade and other payables	(3,660)	(1,552)	**(5,212)**
Derivative liabilities	(1,854)	(519)	**(2,373)**
Liabilities associated with assets classified as held for sale	–	(114)	**(114)**
Segment liabilities	**(5,514)**	**(2,185)**	**(7,699)**
Other assets			**3,337**
Other liabilities			**(10,797)**
Total net assets	**8,902**	**3,607**	**5,049**
Capital expenditure	**143**	**18**	**161**

	December 31, 2020		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Fixed assets (intangible assets and property, plant and equipment)	3,389	388	**3,777**
Investments in associates and joint ventures	168	48	**216**
Inventories	3,064	3,037	**6,101**
Biological assets	43	–	**43**
Trade and other receivables	2,681	1,575	**4,256**
Derivative assets	2,564	459	**3,023**
Margin deposits	1,781	336	**2,117**
Marketable securities held for trading	122	–	**122**
Assets classified as held for sale	12	341	**353**
Segment assets	**13,824**	**6,184**	**20,008**
Trade and other payables	(2,978)	(1,694)	**(4,672)**
Derivative liabilities	(2,691)	(507)	**(3,198)**
Repurchase agreement	(6)	–	**(6)**
Liabilities associated with assets classified as held for sale	(1)	(96)	**(97)**
Segment liabilities	**(5,676)**	**(2,297)**	**(7,973)**
Other assets			**3,245**
Other liabilities			**(10,410)**
Total net assets	**8,148**	**3,887**	**4,870**
Capital expenditure	**266**	**40**	**306**

Marketable securities held for trading 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 are included in the line "Short-term debt" (refer to Note 5.3). 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.

As of June 30, 2021, US$92 million of trade and other payables were not segmented (US$92 million as of December 31, 2020).

Net sales by geographical area, based on the country of incorporation of the counterparty, were broken down as follows for the six-month periods ended June 30, 2021 and June 30, 2020:

(in millions of US$)	**2021**	2020
North Asia	5,384	4,234
South & Southeast Asia	5,905	3,694
North Latin America	848	627
South & West Latin America	1,866	847
North America	3,178	2,042
Europe, Middle East & Africa	6,776	4,859
Of which Europe & Black Sea	*4,214*	*2,731*
Of which Middle East & Africa	*2,562*	*2,128*
Net sales	**23,957**	**16,303**

Net sales to the Netherlands are not material.

The Group's fixed assets were located in the following geographic regions as of June 30, 2021 and December 31, 2020:

(in millions of US$)	**June 30, 2021**	December 31, 2020
North Asia	212	182
South & Southeast Asia	233	205
North Latin America	1,169	1,202
South & West Latin America	605	609
North America	1,001	1,018
Europe, Middle East & Africa	561	561
Fixed assets	**3,781**	**3,777**

Fixed assets in the Netherlands are not material.

2.2 Net Sales

Net sales for the six-month periods ended June 30, 2021 and June 30, 2020 consist of the following:

	2021			2020		
(in millions of US$)	Value Chain	Merchandizing	**Total**	Value Chain	Merchandizing	**Total**
Sale of commodities and consumable products	16,797	6,475	**23,272**	10,860	5,029	**15,889**
Freight, storage and other services	554	29	**583**	290	31	**321**
Others	97	5	**102**	91	2	**93**
	17,448	**6,509**	**23,957**	**11,241**	**5,062**	**16,303**

2.3 Net Finance Costs

Net finance costs for the six-month periods ended June 30, 2021 and June 30, 2020 are as follows:

(in millions of US$)	**2021**	2020
Interest income	38	43
Interest expense	(139)	(164)
Other financial income and expense	(16)	9
Net finance costs on leases	*(10)*	*2*
Foreign exchange	*64*	*(76)*
Net gain (loss) on derivatives	*(74)*	*72*
Other (mainly related to commercial transactions)	*4*	*11*
	(117)	**(112)**

Net finance costs on leases include interest expense on leases for US$(9) million and foreign exchange on leases mainly related to the lease contracts denominated in Brazilian Real for US$(1) million for the six-month period ended June 30, 2021 (respectively US$(9) million and US$11 million for the six-month period ended June 30, 2020).

The "Foreign exchange" and "Net gain (loss) on derivatives" lines need to be read jointly. For the six-month period ended June 30, 2021, the foreign exchange is mainly attributable to Euro and Japanese Yen depreciation, impacting Euro-denominated bonds and Japanese Yen-denominated debt. For the six-month period ended June 30, 2020, the foreign exchange is mainly attributable to Brazilian Real depreciation and Euro appreciation, impacting Brazilian Real-denominated cash and Euro-denominated bonds. 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 six-month periods ended June 30, 2021 and June 30, 2020 are as follows:

(in millions of US$)	**2021**	2020
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	(77)
Gain (loss) on sale of fixed assets	–	(2)
	9	**(79)**

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

In 2021, the gain included a US$10 million fair value adjustment recognized on the investments held by *LDC Food Innovation B.V.* During the period, the Group also sold the remaining shares of *Luckin Coffee* for a selling price of US$14 million, resulting in a US$(2) million loss.
In 2020, the loss derived mainly from *Luckin Coffee* investment. During the first quarter of the year, the Group sold part of its shares for a selling price of US$37 million, resulting in a US$(3) million loss in the period. An additional US$(71) million fair value loss was booked on the remaining shares, reflecting the decrease in *Luckin Coffee's* share price during the period. The Group also recognized a US$2 million fair value gain on the investments held by *LDC Food Innovation B.V.*

Gain (Loss) on Sale of Fixed Assets

In 2020, the US$(2) million loss related mainly to the sale of two Ukrainian silos.

2.5 Income Taxes

Income taxes in the consolidated income statement for the six-month periods ended June 30, 2021 and June 30, 2020 are as follows:

(in millions of US$)	**2021**	2020
Current year income taxes	(59)	(127)
Adjustments with respect to prior year income taxes	(4)	(6)
Current income taxes	**(63)**	**(133)**
Current year deferred income taxes	22	(43)
Valuation allowance for deferred tax assets	(16)	(5)
Adjustments with respect to prior year deferred income taxes	(8)	2
Change in tax rate	(24)	–
Deferred income taxes	**(26)**	**(46)**
Income taxes	**(89)**	**(179)**

The reported tax expense differs from the computed theoretical income tax provision using the Netherlands' income tax rate of 25% during the six-month periods ended June 30, 2021 and June 30, 2020 for the following reasons:

(in millions of US$)	**2021**	2020
Theoretical income tax	**(106)**	**(77)**
Differences in income tax rates	51	(9)
Effect of change in tax rate	(24)	–
Difference between local currency and functional currency	22	(83)
Change in valuation of tax assets and net operating losses	(16)	(5)
Permanent differences on share of profit (loss) in investments in associates and joint ventures	–	4
Adjustments on prior years	(12)	(4)
Other permanent differences	(4)	(5)
Reported income tax	**(89)**	**(179)**

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

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 2021, such impact mainly regarded Group entities in Argentina and, to a lesser extent, in Brazil (mainly Brazil in 2020).

The change in valuation of tax assets and net operating losses is mostly attributable to a valuation allowance on deferred tax assets related to tax benefits from carry forward losses in Brazil in 2021 and in Switzerland in 2020.

The consolidated deferred income tax assets (liabilities) as of June 30, 2021 and December 31, 2020 are as follows:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Deferred income tax assets	154	184
Deferred income tax liabilities	(170)	(170)
Deferred tax net	**(16)**	**14**

Notes Continued

Changes in net deferred income tax assets (liabilities) for the six-month period ended June 30, 2021 are as follows:

(in millions of US$)	June 30, 2021 Opening balance	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Closing balance
Net tax benefits from carry forward losses	**238**	30	–	(1)	**267**
Tax benefits from carry forward losses	***339***	*33*	–	*(1)*	***371***
Valuation allowance on carry forward losses	***(101)***	*(3)*	–	–	***(104)***
Unrealized exchange gains and losses	**142**	(42)	–	–	**100**
Non-monetary balance sheet items - difference between tax and functional currencies	**(263)**	24	–	–	**(239)**
Fixed assets (other temporary differences)	**(194)**	9	–	1	**(184)**
Other temporary differences	**93**	(39)	(7)	–	**47**
Valuation allowance for other deferred tax assets	**(2)**	(5)	–	–	**(7)**
Deferred tax net	**14**	**(23)**	**(7)**	**–**	**(16)**

Changes in net deferred income tax assets (liabilities) for the year ended December 31, 2020 are as follows:

(in millions of US$)	December 31, 2020 Opening balance	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Other	Closing balance
Net tax benefits from carry forward losses	**297**	(55)	–	1	(5)	**238**
Tax benefits from carry forward losses	***393***	*(50)*	–	*1*	*(5)*	***339***
Valuation allowance on carry forward losses	***(96)***	*(5)*	–	–	–	***(101)***
Unrealized exchange gains and losses	**122**	20	–	–	–	**142**
Non-monetary balance sheet items - difference between tax and functional currencies	**(210)**	(53)	–	–	–	**(263)**
Fixed assets (other temporary differences)	**(199)**	7	–	(2)	–	**(194)**
Other temporary differences	**54**	16	23	–	–	**93**
Valuation allowance for other deferred tax assets	**(2)**	–	–	–	–	**(2)**
Deferred tax net	**62**	**(65)**	**23**	**(1)**	**(5)**	**14**

3. Operating Balance Sheet Items

3.1 Intangible Assets

As of June 30, 2021 and December 31, 2020, intangible assets consist of the following:

(in millions of US$)	June 30, 2021 Gross value	Accumulated amortization/ impairment	Net value	December 31, 2020 Gross value	Accumulated amortization/ impairment	Net value
Goodwill	61	(34)	**27**	61	(21)	**40**
Trademarks and customer relationships	64	(24)	**40**	64	(24)	**40**
Other intangible assets	578	(355)	**223**	556	(327)	**229**
	703	**(413)**	**290**	**681**	**(372)**	**309**

Changes in the net value of intangible assets for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

(in millions of US$)	Notes	June 30, 2021 Goodwill	Trademarks and customer relationships	Other intangible assets	Total	December 31, 2020 Total
Balance as of January 1		40	40	229	**309**	**303**
Acquisitions and additions		–	–	24	**24**	65
Amortization		–	–	(29)	**(29)**	(53)
Impairment losses		(13)	–	–	**(13)**	(3)
Foreign currency translation adjustment		–	–	(1)	**(1)**	7
Reclassification to held for sale assets	1.4	–	–	–	**–**	(11)
Other reclassifications		–	–	–	**–**	1
Closing balance		**27**	**40**	**223**	**290**	**309**

Acquisitions and Additions

During the six-month period ended June 30, 2021 and during the year ended December 31, 2020, 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.

Impairment Losses

Following the impairment test update as of June 30, 2021, Juice Platform goodwill was fully impaired for US$13 million.

Foreign Currency Translation Adjustment

During the six-month period ended June 30, 2021, the foreign currency translation adjustment is mainly related to the depreciation of the Euro against the US Dollar.
In 2020, the foreign currency translation adjustment was mainly related to the appreciation of the Euro against the US Dollar.

Reclassification to Held for Sale Assets

As of December 31, 2020, the Group fully impaired the goodwill related to *Louis Dreyfus Company (Shaanxi) Juices Co. Ltd.* following the decision to sell the entity. The Group also recognized a US$(2) million impairment on sugar trademarks that were part of the Imperial transaction (Sugar business). The US$11 million residual value was classified as held for sale at the same date (refer to Note 1.4).

3.2 Property, Plant and Equipment

As of June 30, 2021 and December 31, 2020, property, plant and equipment consist of the following:

(in millions of US$)	Notes	June 30, 2021 Gross value	June 30, 2021 Accumulated depreciation	June 30, 2021 Net value	December 31, 2020 Gross value	December 31, 2020 Accumulated depreciation	December 31, 2020 Net value
Owned assets		5,491	(2,389)	**3,102**	5,414	(2,275)	**3,139**
Right-of-use assets	7.1	581	(192)	**389**	477	(148)	**329**
		6,072	**(2,581)**	**3,491**	**5,891**	**(2,423)**	**3,468**

The following tables provide information on owned assets only.

As of June 30, 2021 and December 31, 2020, consolidated owned assets consist of the following:

(in millions of US$)	June 30, 2021 Gross value	June 30, 2021 Accumulated depreciation	June 30, 2021 Net value	December 31, 2020 Gross value	December 31, 2020 Accumulated depreciation	December 31, 2020 Net value
Land	208	–	**208**	208	–	**208**
Buildings	2,039	(758)	**1,281**	2,032	(720)	**1,312**
Machinery and equipment	2,654	(1,389)	**1,265**	2,631	(1,333)	**1,298**
Bearer plants	211	(79)	**132**	210	(71)	**139**
Other tangible assets	211	(163)	**48**	199	(151)	**48**
Tangible assets under construction	168	–	**168**	134	–	**134**
	5,491	**(2,389)**	**3,102**	**5,414**	**(2,275)**	**3,139**

Changes in net value of property, plant and equipment for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

(in millions of US$)	Notes	June 30, 2021 Land	Buildings	Machinery and equipment	Bearer plants	Other tangible assets	Tangible assets under construction	Total	December 31, 2020 Total
Balance as of January 1		208	1,312	1,298	139	48	134	**3,139**	**3,410**
Additions		–	1	4	1	1	70	**77**	204
Disposals	2.4	–	–	(1)	–	–	–	**(1)**	(4)
Depreciation		–	(39)	(61)	(8)	(8)	–	**(116)**	(257)
Impairment losses		–	(1)	(1)	–	–	–	**(2)**	(49)
Foreign currency translation adjustment		–	(1)	(2)	–	–	(1)	**(4)**	14
Reclassification from (to) held for sale assets	1.4	–	1	–	–	–	–	**1**	(178)
Other reclassifications		–	8	28	–	7	(35)	**8**	(1)
Closing balance		**208**	**1,281**	**1,265**	**132**	**48**	**168**	**3,102**	**3,139**

Additions

During the six-month period ended June 30, 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. It also started to build a third truck dump in Rosedale, Maryland, US, and a new rice warehouse in Abidjan, Côte d'Ivoire, and increased its boiler capacity in Claypool, Indiana, US. The Group invested in the reengineering of its corn milling plant in Rio Verde, Goiás, Brazil to enhance its production's efficiency and flexibility. It also improved its existing assets, such as grains and oilseeds industrial sites in Argentina, its elevators network in the US, its grains and oilseeds warehouses and juice processing plants in Brazil, and its crushing plant in Claypool, Indiana, US.
During the year ended December 31, 2020, the Group invested in more sustainable logistic assets for its orange juice business by adapting two new vessels for the transportation of not-from-concentrate and frozen concentrate orange juice. It continued to build soybean sheds and truck dumps and increase its boiler capacity in Claypool, Indiana, US, and to invest in its wider transshipment hub construction project in Brazil. The Group improved its existing assets, such as its sugar refining plant in Port Wentworth, Texas, US, its grains and oilseeds industrial sites in Argentina and in Tianjin, China, its elevators in the US, its orange juice processing plants in Brazil and its canola crushing plant in Yorkton, Saskatchewan, Canada.

Disposals

During the year ended December 31, 2020, the Group sold two Ukrainian silos.

Impairment Losses

During the year ended December 31, 2020, the Group recognized a US$(30) million impairment on its sugarcane refinery in Port Wentworth, Texas, US, that was part of the Imperial transaction (Sugar business) (refer to Note 1.4). Additionally, a US$(13) million impairment was recorded on assets in the Texas Gulf region as the Group signed a lease termination agreement on the elevators.

Foreign Currency Translation Adjustment

During the six-month period ended June 30, 2021, the foreign currency translation adjustment is mainly related to the depreciation of the Euro against the US Dollar.
In 2020, the foreign currency translation adjustment was mainly related to the appreciation of the Euro and the Chinese Yuan against the US Dollar, partially offset by the depreciation of the Russian Ruble against the US Dollar.

Reclassification to Held for Sale Assets

As of December 31, 2020, the Group classified as held for sale its sugarcane refinery in Port Wentworth, Texas, US, that are part of the Imperial transaction (Sugar business) for a net book value of US$172 million (refer to Note 1.4).

3.3 Investments in Associates and Joint Ventures

Changes in investments in associates and joint ventures for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

(in millions of US$)	June 30, 2021	December 31, 2020
Balance as of January 1	216	227
Acquisitions and additional investments	11	18
Reclassification to held for sale assets	–	(16)
Share of profit (loss)	(3)	9
Impairment	–	(2)
Dividends	–	(15)
Change in other reserves	1	(5)
Reclassification	4	–
Closing balance	**229**	**216**
Of which:		
Investments in associates	*16*	*13*
Investments in joint ventures	*213*	*203*

Notes Continued

Acquisitions and Additional Investments

In 2021, the Group performed 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$10 million capital injection was also made in 2020. Additionally, the Group performed a US$1 million capital injection in the joint venture *Tianjin Rongchuan Feed Co., Ltd.* (aquatic feed facilities), in which a US$4 million capital injection was also made in 2020.
In 2020, the Group had contributed US$4 million (representing a 17% stake) for the creation of *Covantis S.A.*, a technology company focused on digitizing international trade, equally co-owned with *ADM, Bunge, Cargill, COFCO* and *Viterra*. In 2021, an additional investment of US$3 million was performed by the Group.

Reclassification to Held for Sale Assets and Impairment

In 2020, the Group reclassified to held for sale its investments in *Riddoch Holdings Pty. Ltd.* (dairy processing plant) for US$6 million and in *Luckin Roastery Technology (Xiamen) Co. Ltd.* (coffee roasting plant) for US$10 million, after recognizing a US$2 million impairment in the consolidated income statement. As of June 30, 2021, both investments were sold with a net gain on sale of investments of US$1 million (refer to Notes 1.4 and 2.4).

Dividends

In 2020, the Group received US$15 million as dividends, including US$8 million from *TEG - Terminal Exportador Do Guarujá Ltda.*, US$3 million from *Complejo Agro Industrial Angostura S.A.* and US$2 million from *Calyx Agro Ltd.*

Change in Other Reserves

In 2020, the change in other reserves was mainly due to cash flow hedges in Brazilian joint ventures and foreign currency translation adjustments related to the depreciation of the Brazilian Real.

Investments in associates and joint ventures are detailed as follows:

			June 30, 2021		December 31, 2020	
Investment	**Country**	**Activity**	**Ownership**	**Net value**	Ownership	Net value
All Asian Countertrade Inc.	Philippines	Sugar merchandizing	18%	8	18%	8
Covantis S.A.	Switzerland	Digitizing international trade technology	17%	6	17%	3
Total main associates				**14**		**11**
Amaggi Louis Dreyfus Zen-Noh Grãos S.A.	Brazil	Grain and soy storage and processing	33%	21	33%	22
Amaggi Louis Dreyfus Zen-Noh Terminais Portuarios S.A.	Brazil	Logistic facilities	33%	16	33%	14
Calyx Agro Ltd.	Cayman Islands	Land fund	29%	12	29%	7
Cisagri Holland Cooperatief U.A.[1]	Netherlands	Logistic facilities	10%	16	10%	16
Complejo Agro Industrial Angostura S.A.	Paraguay	Soy crushing plant and facilities	33%	38	33%	37
Epko Oil Seed Crushing Pty. Ltd.	South Africa	Sunflower seed and maize germ crushing plant	50%	9	50%	8
LDC - GB Terminais Portuários e Participações Ltda.	Brazil	Logistic facilities	50%	4	50%	4
Namoi Cotton Alliance	Australia	Cotton packing and marketing	49%	16	49%	20
Orient Rice Co. Ltd.	Vietnam	Rice procurement and processing	33%	5	33%	4
TEG - Terminal Exportador Do Guarujá Ltda.	Brazil	Logistic facilities	40%	27	40%	27
TES - Terminal Exportador De Santos S.A.[2]	Brazil	Logistic facilities	60%	35	60%	30
Tianjin Rongchuan Feed Co. Ltd.	China	Aquatic feed facilities	30%	10	30%	9
Total main joint ventures				**209**		**198**
Total main associates and joint ventures				**223**		**209**
Other associates				2		2
Other joint ventures				4		5
				229		**216**

1. The Group's percentage of control in *Cisagri Holland Cooperatief U.A.* ("Cisagri") is 25% and the percentage of ownership is 10%.
2. The governance rules of *TES - Terminal Exportador De Santos S.A.* meet the definition of a joint control, therefore this investment qualifies as a joint venture.

Investments in associates and joint ventures include a goodwill of US$1 million as of June 30, 2021 and December 31, 2020.

Share of profit (loss) in investments in associates and joint ventures for the six-month periods ended June 30, 2021 and June 30, 2020 is as follows:

Income statement (in millions of US$)	**2021**	2020
Main associates and joint ventures	2	9
Others	(5)	(1)
Share of profit (loss) in investments in associates and joint ventures	**(3)**	**8**

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

3.4 Other Non-Current Assets

As of June 30, 2021 and December 31, 2020, other non-current assets consist of the following:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Tax credits	257	240
Long-term advances to suppliers	24	9
Others	5	5
	286	**254**

Tax credits mainly include income tax and VAT credits in Brazil. The increase in 2021 is mostly attributable to the appreciation of the Brazilian Real.

3.5 Other Non-Current Liabilities

As of June 30, 2021 and December 31, 2020, other non-current liabilities consist of the following:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Debts associated to business combinations and put options	61	60
Others	9	11
Non-current financial liabilities	70	71
Staff and tax payables	46	23
Others	2	1
Non-current non-financial liabilities	48	24
Other non-current liabilities	**118**	**95**

As of June 30, 2021 and December 31, 2020, the table does not include the US$1 million staff and tax payables that are part of the Imperial transaction (Sugar business), as they were reclassified to held for sale liabilities (refer to Note 1.4).

3.6 Provisions

As of June 30, 2021 and December, 31 2020, provisions consist of the following:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Current provisions	10	9
Non-current provisions	66	69
	76	**78**

Changes in provisions for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

(in millions of US$)			**June 30, 2021**			December 31, 2020
Provisions for:	Tax risks	Social risks	Litigations	Other	**Total**	**Total**
Balance as of January 1	9	20	18	31	**78**	**68**
Allowance	1	3	1	1	**6**	30
Reversal of used portion	–	(1)	(5)	–	**(6)**	(5)
Reversal of unused portion	–	(2)	(1)	–	**(3)**	(8)
Reclassification to held for sale liabilities	–	–	–	–	**–**	(10)
Others	–	–	1	–	**1**	3
Closing balance	**10**	**20**	**14**	**32**	**76**	**78**

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 June 30, 2021, amounted to US$34 million (US$34 million as of December 31, 2020) and are disclosed under the line "Deposits and Others" within the non-current financial assets (refer to Note 5.4).

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

As of June 30, 2021, other provisions include a US$27 million provision for decommissioning leased land (US$26 million as of December 31, 2020) and US$1 million for environmental provisions in Brazil (US$1 million as of December 31, 2020).
In 2020, the Group recognized a US$10 million provision for onerous contracts, reclassified to held for sale liabilities as it was part of the Imperial transaction (Sugar business). As of June 30, 2021, this liability held for sale amounted to US$17 million (refer to Note 1.4).

3.7 Inventories

As of June 30, 2021 and December 31, 2020, inventories consist of the following:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Trading inventories	5,490	5,501
Finished goods	395	454
Raw materials	156	153
Inventories (gross value)	**6,041**	**6,108**
Depreciation of non-trading inventories	(9)	(7)
Inventories (net value)	**6,032**	**6,101**

The table does not include the raw materials and finished goods that are part of the Imperial transaction (Sugar business) amounting to US$91 million as of June 30, 2021 (US$86 million as of December 31, 2020), as they were reclassified to held for sale assets (refer to Note 1.4).

3.8 Biological Assets

The Group owns biological assets located in Brazil consisting of oranges growing until point of harvest. As of June 30, 2021 and December 31, 2020, the Group owns 38 mature orange groves, which generally sustain around 17 years of orange production.

Changes in biological assets for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

(in millions of US$)	June 30, 2021	December 31, 2020
Balance as of January 1	43	54
Acquisitions and capitalized expenditure	13	53
Decrease due to harvest	(9)	(63)
Change in fair value	3	(1)
Closing balance	**50**	**43**

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 number of boxes and the price for an orange box 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:

	June 30, 2021	December 31, 2020
Number of trees (in thousands)	12,583	12,756
Expected yields (in number of boxes)	15,521	16,953
Price of a box of oranges (in US$)	5.88	5.88
Discount rate	6.20%	5.63%

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

As of June 30, 2021 and December 31, 2020, trade and other receivables consist of the following:

	June 30, 2021			December 31, 2020		
(in millions of US$)	Gross value	Provision	Net value	Gross value	Provision	Net value
Trade receivables	2,891	(263)	**2,628**	2,205	(207)	**1,998**
Accrued receivables	1,281	–	**1,281**	1,049	–	**1,049**
Prepayments	265	(4)	**261**	368	(3)	**365**
Other receivables	55	(4)	**51**	140	(4)	**136**
Financial assets at amortized cost	4,492	(271)	**4,221**	3,762	(214)	**3,548**
Advances to suppliers	311	(8)	**303**	275	(7)	**268**
Staff and tax receivables	555	(16)	**539**	402	(14)	**388**
Prepaid expenses	118	–	**118**	52	–	**52**
Non-financial assets	984	(24)	**960**	729	(21)	**708**
Trade and other receivables	**5,476**	**(295)**	**5,181**	**4,491**	**(235)**	**4,256**

The table does not include the following items, as they were reclassified to held for sale assets (refer to Note 1.4):

- The trade and other receivables amounting to US$51 million and the US$1 million prepaid expenses that are part of the Imperial transaction (Sugar business) as of June 30, 2021 (respectively US$40 million and US$3 million as of December 31, 2020);
- The staff and tax receivables amounting to US$1 million and the US$2 million prepaid expenses held by *Louis Dreyfus Company (Shaanxi) Juices Co. Ltd.* (Juice business) as of December 31, 2020.

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

(in millions of US$)	June 30, 2021	December 31, 2020
Balance as of January 1	(235)	(157)
Increase in provision	(63)	(87)
Receivables written off as uncollectable	1	15
Unused amount reversed	8	21
Reclassification from provision on derivative assets	(6)	(27)
Closing balance	**(295)**	**(235)**

Increase in Provision

During the six-month period ended June 30, 2021, the increase in provision mainly corresponded to default risk on various customers for US$57 million (US$79 million as of December 31, 2020) for their estimated non-recoverable portions and to provisions on VAT for US$3 million (US$4 million as of December 31, 2020).

Receivables Written Off as Uncollectable

During the six-month period ended June 30, 2021, the amount of receivables written off mainly corresponded to provisions for trade receivables for US$1 million (US$14 million during the year ended December 31, 2020).

Unused Amount Reversed

The unused amount of provisions recovered during the six-month period ended June 30, 2021 mainly consisted of provisions on trade receivables for US$6 million and to provisions on VAT for US$1 million (respectively US$12 million and US$9 million during the year ended December 31, 2020).

Reclassification From Provision on Derivative Assets

As of June 30, 2021, the US$6 million reclassification is related to contracts on cotton that were washed out during the period and invoiced to customers (US$27 million as of December 31, 2020). The corresponding provisions were kept, as the risk of default remains.

The following table details the counterparty exposure broken down by past due date of receivables as of June 30, 2021 and December 31, 2020:

	June 30, 2021			December 31, 2020		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Not due	5,662	(20)	**5,642**	5,619	(36)	**5,583**
Due since < 3 months	517	(13)	**504**	386	(7)	**379**
Due since 3-6 months	79	(62)	**17**	43	(19)	**24**
Due since 6 months-1 year	84	(52)	**32**	96	(53)	**43**
Due since > 1 year	189	(148)	**41**	167	(120)	**47**
Closing balance	**6,531**	**(295)**	**6,236**	**6,311**	**(235)**	**6,076**
Including:						
Trade receivables	*2,891*	*(263)*	***2,628***	*2,205*	*(207)*	***1,998***
Prepayments	*265*	*(4)*	***261***	*368*	*(3)*	***365***
Advances to suppliers	*311*	*(8)*	***303***	*275*	*(7)*	***268***
Staff and tax receivables	*555*	*(16)*	***539***	*402*	*(14)*	***388***
Other receivables	*55*	*(4)*	***51***	*140*	*(4)*	***136***
Margin deposits	*1,622*	–	***1,622***	*2,117*	–	***2,117***
Financial advances to related parties	*832*	–	***832***	*804*	–	***804***

3.10 Trade and Other Payables

As of June 30, 2021 and December 31, 2020, trade and other payables consist of the following:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Trade payables	2,363	1,843
Accrued payables	2,035	1,965
Prepayments received	276	295
Margin deposits	199	172
Payable on purchase of fixed assets and investments	10	10
Other payables	74	137
Financial liabilities at amortized cost	**4,957**	**4,422**
Advances received	46	30
Staff and tax payables	270	264
Deferred income	31	48
Non-financial liabilities	**347**	**342**
Trade and other payables	**5,304**	**4,764**

As of June 30, 2021 and December 31, 2020, the table does not include the following items that are part of the Imperial transaction, as they were reclassified to held for sale liabilities (refer to Note 1.4):

- The trade and other financial payables amounting respectively to US$45 million and US$35 million;
- Staff and tax payables amounting respectively to US$4 million and US$2 million.

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, volatilities 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 a corporate level and are allocated at platform and profit center levels. Compliance with the limits is reported daily.

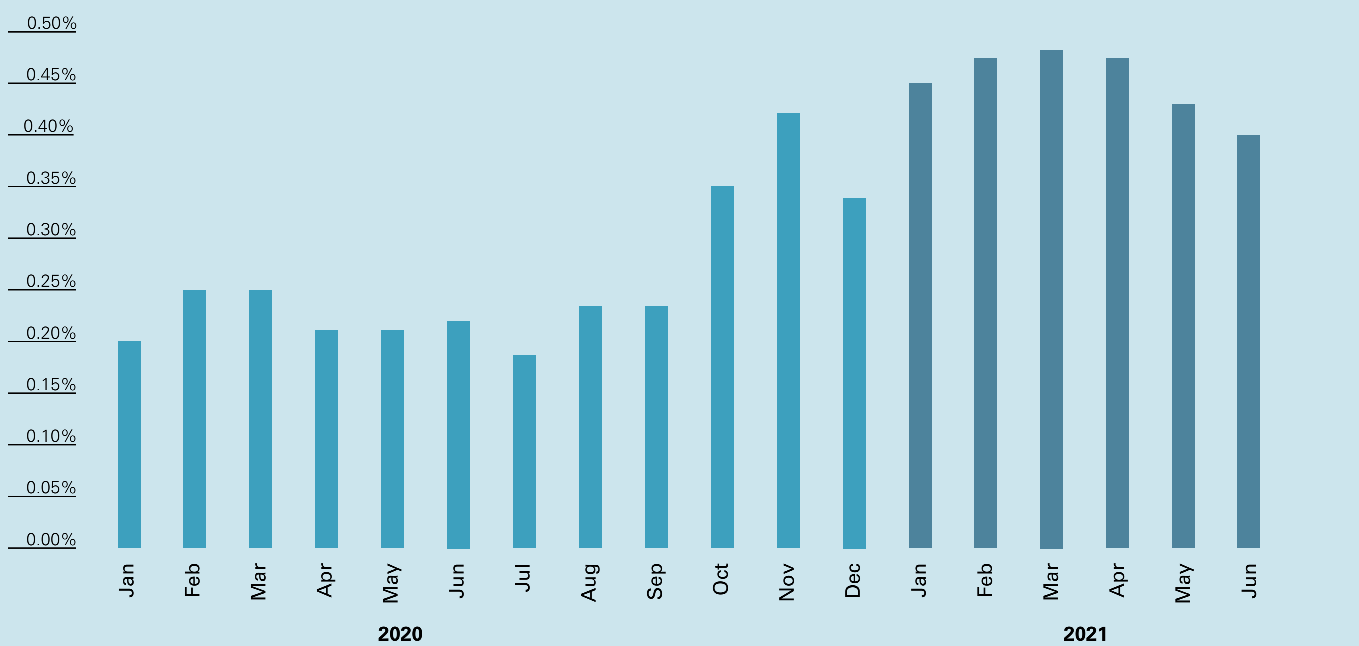
Limits are based on a daily measure of market risk exposure referred to as value at risk (VaR). The VaR that the Group measures is a model-based estimate grounded upon various assumptions such as the log-normality of price returns, and on conventions such as the use of exponentially weighted historical 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 volatilities in market prices, and the probability of large market moves may be underestimated per the normal distribution as well as due to significant market, weather, geopolitical or other events.

The monthly average of 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 six-month period ended June 30, 2021 and the year ended December 31, 2020, the monthly average Group VaR for trading activities was less than 1% of Group equity. The average VaR for the Group reached 0.45% over the six-month period ended June 30, 2021, compared to 0.26% over the year ended December 31, 2020.

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 a foreign currency 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 June 30, 2021 and December 31, 2020, the net exposure to foreign currency transactions before hedge for current monetary items (excluding the current portion of long-term debt) represents 2% and 4% of net equity position, respectively, and is denominated in the following currencies:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Brazilian Real	114	140
Euro	115	317
Indian Rupee	(282)	(198)
US Dollar	(30)	(42)
Argentine Peso	111	(21)
Other currencies	60	21
Net exposure	**88**	**217**

The Group is also exposed to currency translation risk from its investments in foreign operations, particularly in China and European countries.

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 the 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 June 30, 2021 and December 31, 2020.

	June 30, 2021				December 31, 2020			
(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	5,238	251	1	**5,490**	5,246	254	1	**5,501**
Derivative assets	2,030	350	349	**2,729**	2,188	530	305	**3,023**
Trade and other receivables	4,701	305	175	**5,181**	3,621	428	207	**4,256**
Derivative liabilities	(2,077)	(189)	(107)	**(2,373)**	(3,010)	(87)	(101)	**(3,198)**
Trade and other payables	(4,945)	(180)	(179)	**(5,304)**	(4,578)	(137)	(49)	**(4,764)**
Total assets net of liabilities	**4,947**	**537**	**239**	**5,723**	**3,467**	**988**	**363**	**4,818**

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 June 30, 2021 and December 31, 2020. Such interests are grouped by maturity based on the contractual maturity date of the interests.

(in millions of US$)	**June 30, 2021**	December 31, 2020
Maturity < 1 year	183	178
Maturity 1-2 years	101	110
Maturity 2-3 years	80	69
Maturity 3-4 years	69	52
Maturity 4-5 years	62	44
Maturity > 5 years[1]	64	34
Interests future cash outflows related to short-term debt and long-term financing existing at closing date	**559**	**487**
of which:		
Fixed rate	477	376
Floating rate	82	111

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

4.6 Interest Rate Risk

As of June 30, 2021 and December 31, 2020, the allocation of Group financing between fixed and floating interest rates is as follows:

(in millions of US$)	June 30, 2021	December 31, 2020
Fixed rate	5,908	4,435
Floating rate	3,817	4,931
Total short-term debt and long-term financing	**9,725**	**9,366**

For further details, refer to Notes 5.2 and 5.3.

Short-term debt with initial contractual maturity below six months is considered as bearing a floating interest rate.

4.7 Categories of Financial Assets and Liabilities

As of June 30, 2021, 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	220	–	347	**567**
Total non-current financial assets		220	–	347	**567**
Financial advances to related parties	7.3	–	–	832	**832**
Trade and other receivables	3.9	–	–	4,221	**4,221**
Derivative assets	4.8	2,693	36	–	**2,729**
Margin deposits		–	–	1,622	**1,622**
Other financial assets at fair value through profit and loss	5.5	365	–	–	**365**
Cash and cash equivalents	5.6	246	–	1,108	**1,354**
Total current financial assets		3,304	36	7,783	**11,123**
Total financial assets		**3,524**	**36**	**8,130**	**11,690**

(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	–	–	3,748	**3,748**
Other non-current financial liabilities	3.5	–	–	70	**70**
Total non-current financial liabilities		–	–	3,818	**3,818**
Short-term debt	5.3	–	–	5,528	**5,528**
Current portion of long-term debt	5.2	–	–	773	**773**
Financial advances from related parties	7.3	–	–	142	**142**
Trade and other payables (excluding margin deposit liabilities)	3.10	–	–	4,758	**4,758**
Margin deposit liabilities	3.10	–	–	199	**199**
Derivative liabilities	4.8	2,287	86	–	**2,373**
Total current financial liabilities		2,287	86	11,400	**13,773**
Total financial liabilities		**2,287**	**86**	**15,218**	**17,591**

As of December 31, 2020, 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	196	–	358	**554**
Total non-current financial assets		196	–	358	**554**
Financial advances to related parties	7.3	–	–	804	**804**
Trade and other receivables	3.9	–	–	3,548	**3,548**
Derivative assets	4.8	2,977	46	–	**3,023**
Margin deposits		–	–	2,117	**2,117**
Other financial assets at fair value through profit and loss	5.5	223	–	–	**223**
Cash and cash equivalents	5.6	317	–	979	**1,296**
Total current financial assets		3,517	46	7,448	**11,011**
Total financial assets		**3,713**	**46**	**7,806**	**11,565**

(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	–	–	3,690	**3,690**
Other non-current financial liabilities	3.5	–	–	71	**71**
Total non-current financial liabilities		–	–	3,761	**3,761**
Short-term debt	5.3	–	–	5,765	**5,765**
Current portion of long-term debt	5.2	–	–	198	**198**
Financial advances from related parties	7.3	–	–	154	**154**
Trade and other payables (excluding margin deposit liabilities)	3.10	–	–	4,250	**4,250**
Margin deposit liabilities	3.10	–	–	172	**172**
Derivative liabilities	4.8	3,137	61	–	**3,198**
Total current financial liabilities		3,137	61	10,539	**13,737**
Total financial liabilities		**3,137**	**61**	**14,300**	**17,498**

4.8 Classification of Derivative Financial Instruments

As of June 30, 2021 and December 31, 2020, derivative financial instruments are as follows:

	June 30, 2021		December 31, 2020	
(in millions of US$)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	2,059	1,355	2,294	1,453
Forward foreign exchange contracts	362	310	308	434
Futures	196	571	303	1,214
Options	88	51	100	35
Swaps	1	–	1	1
Provision on derivative assets	(13)	–	(29)	–
Derivatives at fair value through profit and loss	**2,693**	**2,287**	**2,977**	**3,137**
Forward foreign exchange contracts	36	12	24	14
Swaps	–	74	22	47
Derivatives at fair value through OCI - cash flow hedges	36	86	46	61
Total derivatives	**2,729**	**2,373**	**3,023**	**3,198**

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 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 June 30, 2021, the Group recognized a provision on derivative assets of US$13 million on performance risk to offset unrealized gains on counterparties identified as being at risk. As of December 31, 2020, this provision was US$29 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 lower 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 June 30, 2021, contracts in Brazilian Reais represent a total US$583 million nominal value and are effective until 2035 with an average fixed exchange rate of 5.38 Brazilian Reais to the US Dollar (a total US$493 million nominal value effective until 2035 with an average fixed exchange rate of 5.20, as of December 31, 2020).

The Group enters into interest-rate swap contracts in North America to hedge against fluctuation in international interest rates (LIBOR) on the floating rate exposure of its debt. As of June 30, 2021 and December 31, 2020, these operations represent a total US$1,555 million nominal value effective until 2026 with an average three-month LIBOR rate fixed at 1.66% per year. For this hedging relationship directly affected by the IBOR reform, LDC will apply the temporary exception in IFRS 9. By doing so, the Group assumes that the interest rate benchmark on which the hedged risk is based is not altered as a result of the reform, as it is expected that eventual changes in the loan (hedged item) will be followed by similar changes in the swap (hedging instrument), ensuring the economic relationship of the hedge.

The Group entered into cross-currency swap contracts in order to hedge the currency and interest exposures of the €500 million unrated senior bond issued in December 2013, the €650 million rated senior bond issued in November 2020 and February 2021 and the €500 million rated senior bond issued in April 2021. The hedge on the exposure linked to future interest payments on these bonds is booked at fair value through OCI. The hedge on the exposure related to the principal and accrued interests is booked in profit and loss impacting "Other financial income and expense" in the consolidated income statement (refer to Note 2.3). In December 2020, LDC repaid the €500 million unrated senior bond and settled the corresponding cross-currency swap representing a total repayment amount of US$677 million. The remaining cross-currency swaps are effective until 2025 and 2028.

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 June 30, 2021 and December 31, 2020, the following table shows an analysis of financial assets and liabilities recorded at fair value by level of the fair value hierarchy:

	June 30, 2021				December 31, 2020			
(in millions of US$)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Trading inventories	15	5,396	79	**5,490**	3	5,426	72	**5,501**
Derivative assets	243	2,454	32	**2,729**	253	2,739	31	**3,023**
Forward purchase and sale agreements	*–*	*2,027*	*32*	***2,059***	*–*	*2,263*	*31*	***2,294***
Forward foreign exchange contracts	*–*	*398*	*–*	***398***	*–*	*332*	*–*	***332***
Futures	*192*	*4*	*–*	***196***	*179*	*124*	*–*	***303***
Options	*51*	*37*	*–*	***88***	*74*	*26*	*–*	***100***
Swaps	*–*	*1*	*–*	***1***	*–*	*23*	*–*	***23***
Provision on derivative assets	*–*	*(13)*	*–*	***(13)***	*–*	*(29)*	*–*	***(29)***
Other financial assets at fair value through profit and loss (current and non-current)	278	75	232	**585**	140	68	211	**419**
Cash equivalents	–	246	–	**246**	–	317	–	**317**
Total assets	**536**	**8,171**	**343**	**9,050**	**396**	**8,550**	**314**	**9,260**
Derivative liabilities	588	1,771	14	**2,373**	1,231	1,962	5	**3,198**
Forward purchase and sale agreements	*–*	*1,341*	*14*	***1,355***	*–*	*1,448*	*5*	***1,453***
Forward foreign exchange contracts	*–*	*322*	*–*	***322***	*–*	*448*	*–*	***448***
Futures	*571*	*–*	*–*	***571***	*1,214*	*–*	*–*	***1,214***
Options	*17*	*34*	*–*	***51***	*17*	*18*	*–*	***35***
Swaps	*–*	*74*	*–*	***74***	*–*	*48*	*–*	***48***
Total liabilities	**588**	**1,771**	**14**	**2,373**	**1,231**	**1,962**	**5**	**3,198**

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 SPPI (Solely Payments of Principal and Interests) requirements, classified as Level 3.

There was no transfer between levels during the six-month period ended June 30, 2021.

5. Equity and Financing

5.1 Equity

(in millions of US$)	June 30, 2021	December 31, 2020
Issued capital	1	1
Share premium	1,586	1,586
Retained earnings	3,554	3,409
Other reserves	(123)	(138)
Equity attributable to owners of the company	5,018	4,858
Non-controlling interests	31	12
Total stockholders' equity and non-controlling interests	**5,049**	**4,870**

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

Capital

When managing capital, the objectives of the Group 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.

As of June 30, 2021 and December 31, 2020, 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 six-month period ended June 30, 2021, LDC distributed US$191 million as dividends to LDCNH, corresponding to a dividend payment of US$1.91 per share.

During the year ended December 31, 2020, LDC distributed US$302 million as dividends to LDCNH, corresponding to a dividend payment of US$3.02 per share.

Other Reserves

Other reserves as of June 30, 2021 and December 31, 2020 relate to:

	June 30, 2021				December 31, 2020			
(in millions of US$)	Pre-tax	Tax	Non-controlling share	**Owners of the company share**	Pre-tax	Tax	Non-controlling share	**Owners of the company share**
Other comprehensive income	(160)	7	(6)	**(147)**	(182)	14	(6)	**(162)**
Deferred compensation	24	–	–	**24**	24	–	–	**24**
Other reserves	**(136)**	**7**	**(6)**	**(123)**	**(158)**	**14**	**(6)**	**(138)**

Deferred compensation reserves correspond to the awards granted to the employees of the subsidiaries that did not enter into a reimbursement agreement with LDCH (refer to Note 6.2).

Other Comprehensive Income (OCI)

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 six-month periods ended June 30, 2021 and June 30, 2020 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, 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 period gains (losses)	1	5	(3)	**3**
Reclassification to profit and loss	12	–	–	**12**
OCI for the period – owners of the company share	13	5	(3)	**15**
of which :				
Pre-tax	19	6	(3)	**22**
Tax	(6)	(1)	–	**(7)**
Non-controlling share	–	–	–	**–**
Balance as of June 30, 2021 - owners of the company share	(58)	19	(108)	**(147)**
of which :				
Pre-tax	(70)	24	(114)	**(160)**
Tax	12	(5)	–	**7**
Non-controlling share	–	–	(6)	**(6)**

(in millions of US$)	Cash flow and net investment hedges	Fixed assets revaluation reserve	Pensions	Foreign currency translation adjustment	Total
Balance as of January 1, 2020 - owners of the company share	(20)	6	17	(152)	**(149)**
of which :					
Pre-tax	(18)	7	24	(158)	**(145)**
Tax	(2)	–	(7)	–	**(9)**
Non-controlling share	–	1	–	(6)	**(5)**
Current period gains (losses)	(138)	–	(5)	(24)	**(167)**
Reclassification to profit and loss	32	–	–	1	**33**
Others	–	(6)	–	–	**(6)**
OCI for the period – owners of the company share	(106)	(6)	(5)	(23)	**(140)**
of which :					
Pre-tax	(150)	(7)	(5)	(24)	**(186)**
Tax	44	–	–	–	**44**
Non-controlling share	–	(1)	–	(1)	**(2)**
Balance as of June 30, 2020 - owners of the company share	(126)	–	12	(175)	**(289)**
of which :					
Pre-tax	(168)	–	19	(182)	**(331)**
Tax	42	–	(7)	–	**35**
Non-controlling share	–	–	–	(7)	**(7)**

5.2 Long-Term Debt

As of June 30, 2021 and December 31, 2020, long-term debt consists of the following:

(in millions of US$)	Notes	June 30, 2021	December 31, 2020
Non-current portion of long-term financing		3,527	3,471
Non-current portion of lease liabilities	7.1	221	219
Non-current portion of long-term debt		**3,748**	**3,690**
Current portion of long-term financing		670	130
Current portion of lease liabilities	7.1	103	68
Current portion of long-term debt		**773**	**198**
Total long-term debt		**4,521**	**3,888**

The tables below only refer to long-term financing.

Long-term financing as of June 30, 2021 and December 31, 2020 is analyzed as follows:

(in millions of US$)	June 30, 2021	December 31, 2020
Debt capital markets	2,135	1,522
Revolving credit facilities	–	15
Term loans from banks	2,062	2,064
Total long-term financing	**4,197**	**3,601**

Maturity of long-term financing as of June 30, 2021 and December 31, 2020 is analyzed as follows:

(in millions of US$)	June 30, 2021	December 31, 2020
Maturity 1-2 years[1]	814	1,007
Maturity 2-3 years	149	520
Maturity 3-4 years	141	264
Maturity 4-5 years[2]	1,203	1,048
Maturity > 5 years[3]	1,220	632
Non-current portion of long-term financing	3,527	3,471
Current portion of long-term financing[4]	670	130
Total long-term financing	**4,197**	**3,601**
of which:		
Fixed rate	3,400	2,807
Floating rate	797	794

1. As of June 30, 2021, this amount includes a US$300 million, 6-year, 5.25% coupon unrated senior bond listed on the *Luxembourg Stock Exchange* issued by LDC on June 13, 2017.
2. As of June 30, 2021, this amount includes a €650 million, 5-year, 2.375% coupon rated senior bond listed on the *Luxembourg Stock Exchange* issued by LDC on November 27, 2020 and on February 17, 2021 (swapped to US Dollars, refer to Note 4.8).
3. As of June 30, 2021, this amount includes a €500 million, 7-year, 1.625% coupon rated senior bond listed on the *Luxembourg Stock Exchange* issued by LDC on April 27, 2021 (swapped to US Dollars, refer to Note 4.8).
4. As of June 30, 2021, this amount includes a €400 million, 5-year, 4.00% coupon unrated senior bond listed on the *Luxembourg Stock Exchange* issued by LDC on February 7, 2017. This bond is partially used as a hedging instrument to hedge the net investments in the Euro subsidiaries of the Group.

Certain portions of this financing, aggregating US$98 million as of June 30, 2021 and US$143 million as of December 31, 2020 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 June 30, 2021, the Group complied with all the covenants included in its loan agreements with banks.

As of June 30, 2021 and December 31, 2020, outstanding long-term financing after hedge is denominated in the following currencies:

(in millions of US$)	June 30, 2021	December 31, 2020
US Dollar	3,549	3,055
Euro	647	545
Other currencies	1	1
Total long-term financing	**4,197**	**3,601**

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

(in millions of US$)	June 30, 2021	December 31, 2020
Bank loans, from 0.9% to 3.0%, over LIBOR due through 2022	37	37
Bank loans, from 0.8% to 1.7%, over LIBOR due through 2023	47	68
Bank loans, from 0.9% to 3.5%, over LIBOR due through 2027	494	586
Bank loans, from 1.3% to 2.0%, over EURIBOR due through 2026	172	55
Bank loans, from 2.6% to 5.0%, over TJLP due through 2035	46	47
Other variable rates through 2022	1	1
Fixed rate through 2028	3,400	2,807
Total long-term financing	**4,197**	**3,601**

As of June 30, 2021, the main difference between the fair value of long-term financing and its historical value amounts to US$95 million, and relates to the senior bonds for which fair value is US$2,230 million compared to US$2,135 million net book value.

Changes in long-term financing for the six-month period ended June 30, 2021 are as follows:

(in millions of US$)	June 30, 2021
Balance as of January 1	**3,601**
Proceeds from long-term financing	779
Repayment of long-term financing	(117)
Foreign exchange	(72)
Others	6
Closing balance	**4,197**

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 June 30, 2021 and December 31, 2020, short-term debt consists of the following:

(in millions of US$)	June 30, 2021	December 31, 2020
Bank loans	3,981	5,085
Commercial paper	1,378	536
Bank overdrafts	169	138
Repurchase agreements	–	6
Total short-term debt	**5,528**	**5,765**
of which:		
Fixed rate	2,508	1,628
Floating rate	3,020	4,137

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.

As of June 30, 2021 and December 31, 2020, there is no significant difference between the historical value of the short-term debt and its fair value.

As of June 30, 2021 and December 31, 2020, the outstanding short-term debt is denominated in the following currencies:

(in millions of US$)	June 30, 2021	December 31, 2020
US Dollar	4,505	4,820
Chinese Yuan	453	589
Euro	322	79
Ukrainian Hryvnia	82	72
Indonesian Rupiah	75	124
Australian Dollar	27	25
Other currencies	64	56
Total short-term debt	**5,528**	**5,765**

Changes in short-term debt for the six-month period ended June 30, 2021 are as follows:

(in millions of US$)	June 30, 2021
Balance as of January 1	5,765
Net proceeds from (repayment of) short-term debt	(238)
Foreign exchange	1
Closing balance	**5,528**

Net Proceeds From (Repayments of) Short-Term Debt

This line included changes in repurchase agreements (US$(6) million) which are reported as changes in derivatives in the consolidated statement of cash flows. This line excluded changes in related parties' advances (US$(57) million) reported as "Net proceeds from (repayments of) short-term debt and related parties' loans and advances" in the consolidated statement of cash flows.

5.4 Non-Current Financial Assets

As of June 30, 2021 and December 31, 2020, non-current financial assets consist of the following:

(in millions of US$)	June 30, 2021	December 31, 2020
Non-current financial assets at amortized cost	347	358
Long-term loans to related parties	*254*	*260*
Deposits and others	*93*	*98*
Non-current financial assets at fair value through profit and loss	220	196
Non-current financial assets	**567**	**554**

As of June 30, 2021 and December 31, 2020, long-term loans to related parties mainly include the non-current part of the loan granted by LDC to LDCNH for US$251 million. On November 11, 2020, LDCH announced the signing of an agreement to sell an indirect 45% equity stake in *Louis Dreyfus Company B.V.* to Abu Dhabi-based ADQ, one of the region's largest holding companies. According to the Shareholders Agreement signed, a minimum of US$800 million of the proceeds shall be used to partially reimburse the US$1,051 million loan to LDCNH at the transaction closing date. As a consequence, US$800 million of the loan were classified as current assets in the line "Financial advances to related parties" as of December 31, 2020 and June 30, 2021. The transaction was closed on September 10, 2021, resulting in the full repayment of the loan originally maturing in 2023 (refer to Note 7.4).

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"). The non-current financial assets at fair value through profit and loss include loans granted to the joint venture partner *Infragos Consortium B.V.*, whose rights and obligations have now been transferred to *Infracis Group Limited* ("IGL") (the "Loan"). As of June 30, 2021 and December 31, 2020, principal and accrued interests of the Loan total US$193 million and US$188 million, respectively.

The Group owns 10% of the shares of the Dutch joint venture vehicle (*Cisagri Holland Cooperatief U.A.*), which is booked under Investments in associates and joint ventures using the equity method. As of June 30, 2021 and December 31, 2020, it amounted to US$16 million (refer to Note 3.3). The Loan is repayable in cash or convertible into an additional 15% membership interests in the joint venture, and was due at the earlier of the terminal completion date or December 31, 2018.

As of September 17, 2021, the Loan has not been repaid and the membership interests have not been transferred to LDC.

The Project is significantly delayed, mainly because land re-zoning approval has not been obtained and there remains significant uncertainty on the completion of the Project.

LDC and IGL have brought claims against each other in arbitration proceedings with the *International Chamber of Commerce* in London. LDC and its legal advisors consider that this arbitration shall not interfere with the Project activities and that LDC has good prospects of success in the arbitration.

The Loan was valued using a discounted cash flow method of future cash flow from the Project, in case of successful completion of the Project, with a finite projection period. Projections rely on market assumptions prevailing at the closing date, which may be subject to further delays or evolution in the future. Material assumptions include construction costs and timing, elevation fees, elevated volume, inflation and foreign exchange. The pre-tax discount rate used reflects current market assessments of the time value of money and the risks specific to the project.

LDC's legal advisors have confirmed that LDC has a good argument in the arbitration that if the Project is not completed and is frustrated, the Loan and interests would be repayable in cash. However, despite the strength of LDC's argument, as with all arbitration/court proceedings, there remains an inevitable element of uncertainty over the conclusion of the arbitration proceedings and recovery of the Loan.

5.5 Other Financial Assets at Fair Value Through Profit and Loss

As of June 30, 2021 and December 31, 2020, other financial assets at fair value through profit and loss consist of the following:

(in millions of US$)	June 30, 2021	December 31, 2020
Marketable securities held for trading	259	122
Short-term securities	71	51
Investments in equity instruments	35	50
	365	**223**

Short-term securities include US$1 million of securities or cash deposits pledged as collaterals as of June 30, 2021 and December 31, 2020.

The decrease in investments in equity instruments is mostly attributable to the sale of the remaining shares in *Luckin Coffee* in February 2021 (refer to Note 2.4).

5.6 Cash and Cash Equivalents

As of June 30, 2021 and December 31, 2020, cash and cash equivalents are as follows:

(in millions of US$)	**June 30, 2021**	December 31, 2020
Cash equivalents	246	317
Cash	1,108	979
	1,354	**1,296**

As of June 30, 2021, the table does not include the US$1 million cash (US$2 million as of December 31, 2020) that are part of the Imperial transaction (Sugar business), as they were reclassified to held for sale assets (refer to Note 1.4).

Cash equivalents include US$15 million of securities pledged as collateral for exchange as of June 30, 2021 (US$17 million as of December 31, 2020).

As of June 30, 2021 and December 31, 2020, there is no material difference between the historical value of cash and cash equivalents and their fair value.

6. Employees

6.1 Employee Benefits

Short-Term Employee Benefits

For the six-month period ended June 30, 2021, personnel expenses reached US$408 million (US$349 million for the six-month period ended June 30, 2020).

Long-Term Employee Benefits

Defined Benefit Plans and Other Long-Term Benefits

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 June 30, 2021 and December 31, 2020, retirement benefit obligations are as follows:

	June 30, 2021			December 31, 2020		
(in millions of US$)	US	Other	**Total**	US	Other	**Total**
Long-term pension benefit	45	16	**61**	45	23	**68**
Post-retirement benefit	19	12	**31**	19	12	**31**
Retirement benefit obligations	**64**	**28**	**92**	**64**	**35**	**99**
Net plan asset[1]	**–**	**(1)**	**(1)**	**–**	**(1)**	**(1)**

1. Reported in "Trade and other receivables".

As of June 30, 2021, this table does not include the US$41 million long-term pension benefit and the US$4 million other long-term employee benefits (respectively US$41 million and US$5 million as of December 31, 2020) that are part of the Imperial transaction (Sugar business), as they were reclassified to held for sale liabilities (refer to Note 1.4).

As of June 30, 2021, no actuarial assumptions update was performed for US pension plans contrary to Switzerland and UK ones. The update of the demographic assumptions for the Swiss plan and the increase in discount rate for the UK one mainly explain respectively the US$3 million and the US$2 million gains recognized in OCI, both decreasing the liability by the same amounts (refer to Note 5.1).

6.2 Share-Based Payment

In December 2006, the terms of a stock-based compensation arrangement referred to as the Equity Participation Plan (EPP), which is 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 provides 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 vest on a graduated basis over a four-year period. Additional awards have been granted to employees during each first semester starting in 2008, with the corresponding securities and options to purchase securities to be issued during the second semester of the same calendar year.

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

The Group and LDCH have entered into reimbursement agreements under which certain subsidiaries of the Group reimburse LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group is liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements are recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements give 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 is recorded as an additional debit to retained earnings. Certain reimbursement agreements provide for a payment anticipating the accounting vesting schedule and give rise to a prepaid asset. The Group recorded a liability relating to reimbursement agreements of US$93 million as of June 30, 2021 (US$91 million as of December 31, 2020).

During the six-month period ended June 30, 2021, awards forfeited by employees represent 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. As of December 31, 2020, the attribution value of outstanding EPP awards granted to employees was US$146 million, of which US$24 million corresponded to awards granted in 2020, while awards forfeited by employees during 2020 amounted to US$3 million. During the 2020 transfer window period, LDCH purchased shares from employees corresponding to US$59 million in attribution value.

As of June 30, 2021, EPP awards fully vested represent US$63 million and awards vesting ratably over periods ranging from nine months to three years are of US$50 million. As of December 31, 2020, they were respectively of US$65 million and US$81 million vesting ratably over periods ranging from three months to three years.

During the first semester, compensation costs recognized in commercial and administrative expenses are of US$9 million in 2021 (US$19 million in 2020).

Unrecognized compensation costs expected to be recognized from 2021 to 2024 are of US$17 million as of June 30, 2021 and of US$29 million as of December 31, 2020.

As a subsequent event, in the context of the transaction with ADQ, the EPP was terminated (refer to Note 7.4).

6.3 Number of Employees

The average number of employees for the six-month periods ended June 30, 2021 and June 30, 2020 is as follows:

	2021	2020
Managers and traders	1,630	1,578
Supervisors	1,433	1,381
Employees	4,102	4,006
Workers	7,126	7,197
Seasonal workers	1,566	1,908
	15,857	**16,070**

7. Leases and Other Information

7.1 Leases

Right-of-use assets are included within property, plant and equipment. Changes in the net value of right-of-use assets for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

		June 30, 2021						December 31, 2020
(in millions of US$)	Notes	Land	Buildings and offices	Machinery and equipment	Vessels	Other tangible assets	Total	Total
Balance as of January 1		86	138	82	21	2	329	352
New leases and additions		34	3	8	71	–	116	71
Early terminations, disposals and decreases		–	(1)	–	–	–	(1)	(15)
Depreciation		(4)	(15)	(15)	(21)	–	(55)	(85)
Foreign currency translation adjustment		–	–	–	–	–	–	10
Reclassification to held for sale assets	1.4	–	–	–	–	–	–	(4)
Closing balance		**116**	**125**	**75**	**71**	**2**	**389**	**329**

New Leases and Additions

In 2021, new leases and additions include US$32 million right-of-use of land fully prepaid in Nansha, Guangzhou, China, and US$71 million right-of-use of vessels including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.
In 2020, new leases and additions referred mainly to new long-term time charter contracts on vessels, new office spaces in Shanghai, China and Lyon, France, renewal of railcar contracts in the US, as well as an increase in maturity of agricultural partnerships in Brazil.

Early Terminations, Disposals and Decreases

In 2020, there was a US$(4) million decrease in vessels related to the remeasurement of contracts resulting from a change in index. The remaining decrease for other class of assets was mainly due to early terminations, notably an elevator contract in Beaumont, Texas, US, or reduction in maturity of different individual contracts.

Reclassification to Held for Sale Assets

As of December 31, 2020, the Group classified as held for sale the US$3 million right-of-use of machinery and equipment that are part of the Imperial transaction (Sugar business), and the US$1 million right-of-use of land located in Shaanxi, China, following the decision to sell the entity *Louis Dreyfus Company (Shaanxi) Juices Co. Ltd.*

Lease liabilities are included within long-term debt and current portion of long-term debt. Changes in lease liabilities for the six-month period ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

	June 30, 2021			December 31, 2020		
(in millions of US$)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Balance as of January 1	219	68	287	242	65	307
New leases and additions	24	60	84	38	33	71
Payments	(1)	(46)	(47)	–	(70)	(70)
Early terminations, disposals and decreases	(1)	–	(1)	(6)	(9)	(15)
Reclassification	(21)	21	–	(52)	52	–
Reclassification to held for sale	–	–	–	(1)	(2)	(3)
Foreign exchange	1	–	1	(7)	(2)	(9)
Foreign currency translation adjustment	–	–	–	5	1	6
Closing balance	**221**	**103**	**324**	**219**	**68**	**287**

As of June 30, 2021 and December 31, 2020, the maturity of non-current lease liabilities were as follows:

(in millions of US$)	June 30, 2021	December 31, 2020
Maturity 1-2 years	55	44
Maturity 2-3 years	26	29
Maturity 3-4 years	22	23
Maturity 4-5 years	16	16
Maturity > 5 years	102	107
Non-current portion of lease liabilities	**221**	**219**

The amounts recognized in the consolidated income statement for the six-month periods ended June 30, 2021 and June 30, 2020 are as follows:

(in millions of US$)	2021	2020
Variable lease expenses	(5)	(2)
Short-term lease expenses	(315)	(104)
Low-value asset lease expenses	–	–
Income from sub-leasing right-of-use assets	121	23

As of June 30, 2021, the total cash outflow for leases amounts to US$367 million (US$139 million as of June 30, 2020).

The Group is committed to lease an oilseeds crushing plant in Zhangjiagang, China, for 10 years with an annual consideration of CNY49 million, following the commencement date expected by end of 2022.

7.2 Commitments and Contingencies

Commitments

As of June 30, 2021 and December 31, 2020, the Group has commitments to purchase or sell non-trading commodities that consist of the following:

		June 30, 2021			December 31, 2020	
(in millions of US$)	Quantities' unit	Quantities	Estimated amount	Maturity	Quantities	Estimated amount
Commitments to purchase						
Raw sugar	Ktons	112	57	2022	145	89
Orange boxes[1]	Million boxes	75	334	2029	78	338
Fuel	MMBtus[2]	7	25	2024	5	15
			416			**442**
Commitments to sell						
Refined sugar	Ktons	417	316	2022	469	393
Hulls and glycerin	Ktons	41	24	2022	52	27
Frozen concentrate orange juice	Ktons	153	255	2023	192	278
Not-from-concentrate citrus juice	Ktons	358	175	2023	443	201
Juice by-products	Ktons	24	54	2023	22	48
Apple juice	Ktons	9	10	2022	17	21
		1,002	**834**		**1,195**	**968**

1. Of which US$103 million may fall in the following 6 months.
2. Million British Thermal Units.

Notes Continued

In addition, the Group has the following commitments:

(in millions of US$)	June 30, 2021 Estimated amount	December 31, 2020 Estimated amount
Commitments given		
Letters of credit	509	697
Bid and performance bonds	110	109
Capex commitments	83	81
Guarantees given	209	123
Other commitments	43	18
	954	**1,028**
Commitments received		
Guarantees and collaterals received	426	396
	426	**396**

Capex commitments are mainly related to investments in export terminals.

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 June 30, 2021, these tax assessments amounted to US$40 million, compared to US$43 million as of December 31, 2020. *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 June 30, 2021, *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 plaintiffs have proposed to bring the action as a class action. 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. Plaintiffs' motion to certify the action as a class action is pending. 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, and that appeal is pending.

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 six-month periods ended June 30, 2021 and June 30, 2020 are reflected as follows:

Income statement (in millions of US$)	2021	2020
Sales[1]	78	56
Cost of sales[1]	(186)	(353)
Commercial and administrative expenses	(1)	2
Finance costs, net	28	29

As of June 30, 2021 and December 31, 2020, outstanding balances with related parties are as follows:

Balance sheet (in millions of US$)	June 30, 2021	December 31, 2020
Non-current financial assets at amortized cost	254	260
Financial advances to related parties	832	804
Trade and other receivables[1]	52	68
Margin deposits	2	–
Derivative assets	130	134
Total assets	**1,270**	**1,266**
Financial advances from related parties	142	154
Trade and other payables[1]	144	172
Derivative liabilities	25	2
Total liabilities	**311**	**328**

1. Mainly correspond to transactions with associates and joint ventures and/or with *Biosev S.A.* (a Brazilian company, indirect subsidiary of LDCH as of June 30, 2021).

As of June 30, 2021 and December 31, 2020, the US$1,051 million loan granted by LDC to LDCNH is reported for US$251 million in the line "Non-current financial assets at amortized cost" and for US$800 million in the line "Financial advances to related parties", as this amount was reclassified to current assets following the signature of an agreement to sell an indirect 45% equity stake in *Louis Dreyfus Company B.V.* to ADQ (refer to Note 5.4). The transaction was closed on September 10, 2021, resulting in the full repayment of the loan originally maturing in 2023 (refer to Note 7.4).

Financial advances from related parties comprises financing from LDCH of US$107 million as of June 30, 2021 (US$153 million as of December 31, 2020), including a liability relating to reimbursement agreements with LDCH of US$93 million as of June 30, 2021 (US$91 million as of December 31, 2020) (refer to Note 6.2).

7.4 Subsequent Events

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. The closing of the transaction triggered the following impacts at Group level:

- **Termination of the Employee Participation Plan (EPP)**, sponsored by LDCH and described in Note 6.2. Consequently, the US$63 million fully vested awards should be paid to employees and the US$50 million unvested awards as of June 30, 2021 will be paid according to the initial vesting dates until 2024.
- **Legal reorganization:** LDC became a direct subsidiary of LDCH, held by *Louis Dreyfus International Holdings B.V.*, the new holding company owned at 45% by ADQ and at 55% indirectly by LDH.
- **Full repayment of the US$1,051 million loan to LDCNH:** as agreed between the parties, part of the proceeds were used by LDCNH to fully repay to LDC the US$1,051 million loan originally maturing in 2023, of which US$251 million were reported in the line "Non-current financial assets" and US$800 million in the line "Financial advances to related parties" as of June 30, 2021.

7.5 List of Main Subsidiaries

As of June 30, 2021 and December 31, 2020, the main subsidiaries of LDC that are consolidated are the following:

		June 30, 2021		December 31, 2020	
Company	Country	% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A.	Argentina	100.00	100.00	100.00	100.00
LDC Enterprises Australia Pty. Ltd.	Australia	100.00	100.00	100.00	100.00
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
Macrofértil - Indústria e Comércio de Fertilizantes S.A.[1]	Brazil	0.00	0.00	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 Colombia S.A.S.	Colombia	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 Kenya Ltd.	Kenya	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
LDC Food Innovation 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
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 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

		June 30, 2021		December 31, 2020	
Company	Country	% of control	% of ownership	% of control	% of ownership
Louis Dreyfus Company Juices Suisse S.A.	Switzerland	100.00	100.00	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
Imperial Sugar Company	US	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 Oilseeds Merchandising LLC[2]	US	0.00	0.00	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. *Macrofértil - Indústria e Comércio de Fertilizantes S.A.* was merged into *Louis Dreyfus Company Brasil S.A.* as of June 2021.
2. *Louis Dreyfus Company Oilseeds Merchandising LLC* was merged into *Louis Dreyfus Company Grains Merchandising LLC* as of June 2021.

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
Ton van der Laan
Marcos de Quadros

Supervisory Board Committees

Audit Committee

Victor Balli Chairperson
Michel Demaré
Marcos de Quadros

Strategy Committee

Michel Demaré Chairperson
Gil Adotevi
Andreas Jacobs
Ton van der Laan
Margarita Louis-Dreyfus

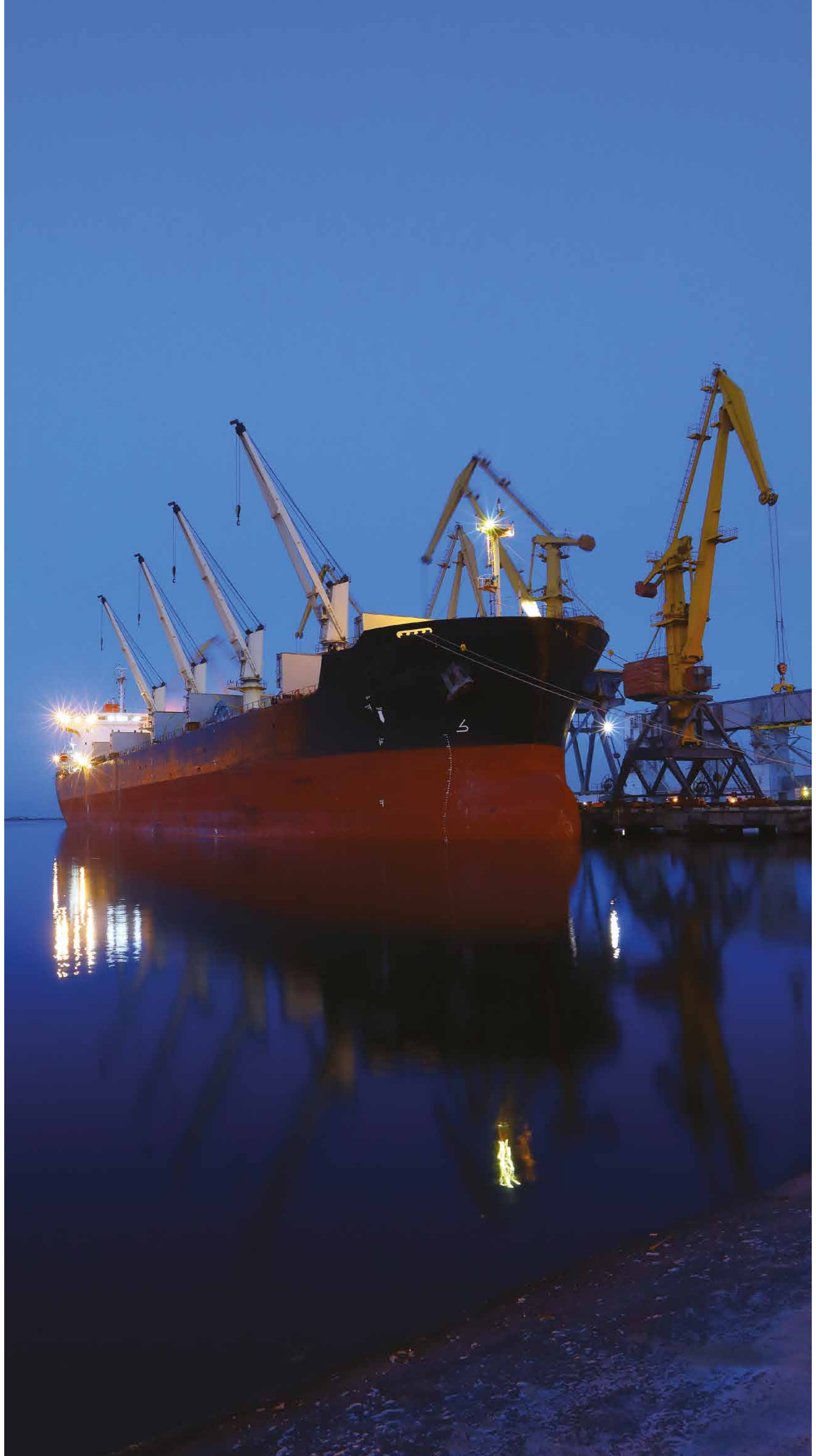
Compensation, Nomination and Governance Committee

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

Keir Ashton
Group General Counsel

Enrico Biancheri
Head, Sugar Platform

Juan José Blanchard
Chief Operating Officer,
Head, Juice Platform
Head, Latin America

Tim Bourgois
Global Trading Manager,
Cotton Platform

Miguel Catella
Head, Global Markets

Ben Clarkson
Head, Coffee Platform

Thomas Couteaudier
Chief Strategy Officer
Head, Innovation & Downstream

Jean-Marc Foucher
Executive Chairman of the Board of Ilomar Holding

Tim Harry
Global Head, Business Development

Adrian Isman
Head, North America Region
Chairman of the Board, Calyx Agro Ltd.

Sebastien Landerretche
Head, Freight Platform

Guy de Montulé
Head, Rice Platform

Joe Nicosia
Trading Operations Officer
Head, Cotton Platform

Murilo Parada
Head, North Latin America Region

Javier Racciatti
Head, Grains & Oilseeds Strategic Trading Unit

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, Asia Region

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