PROSPECTUS DATED 26 APRIL 2021

LOUIS DREYFUS COMPANY B.V.

(*incorporated in the Netherlands with limited liability*)

EUR500,000,000

1.625 per cent. Bonds due 2028

Issue Price 99.823 per cent.

This prospectus constitutes a prospectus (the "**Prospectus**") for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority in Luxembourg under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Bonds that are the subject of this Prospectus, and the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with provisions of Article 6 (4) of the Luxembourg Law on prospectuses for securities. Investors should make their own assessment as to the suitability of investing in the Bonds.

The 1.625 per cent. Bonds due 2028 (the "**Bonds**") will be issued in an initial aggregate principal amount of EUR500,000,000 by Louis Dreyfus Company B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands (the "**Issuer**" or "**LDC**") on 28 April 2021 (the "**Issue Date**"). Interest on the Bonds accrues from the Issue Date and is payable annually in arrear on 28 April in each year commencing on 28 April 2022 as further described under "Terms and Conditions of the Bonds – Interest". Payments on the Bonds will be made without deduction for or on account of taxes of the Relevant Taxing Jurisdiction (as defined hereinafter) to the extent described under "Terms and Conditions of the Bonds – Taxation". The Bonds mature on 28 April 2028 but may be redeemed in whole, but not in part, at the option of the Issuer upon the occurrence of a Withholding Tax Event (as defined and described in "Terms and Conditions of the Bonds – Redemption and Purchase") at their principal amount together with interest accrued to the date fixed for redemption On the occurrence of a Change of Control Put Event (as defined herein), each holder of Bonds (each a "**Bondholder**" or "**Holder**") will have the right to request the Issuer to redeem or purchase (or procure the purchase of) all or part of its Bonds at their principal amount together with accrued interest (or, in the case of purchase, an amount equal to accrued interest) to the date fixed for redemption or purchase. The Issuer may, at its option, on giving not less than 15 nor more than 30 days' notice to the Bondholders, at any time or from time to time up to but excluding the date falling three months prior to their Maturity Date redeem the Bonds, in whole or in part, at the Make-Whole Redemption Amount (as defined herein) in accordance with the provisions set out in "Terms and Conditions of the Bonds – Make-Whole Redemption by the Issuer". Furthermore, the Issuer may, at its option, on giving not less than 15 nor more than 30 days' notice to the Bondholders, redeem the Bonds in whole but not in part: (i) in accordance with the provisions set out in "Terms and Conditions of the Bonds – Redemption in the case of Minimal Outstanding Amount" or (ii) at any time as from and including the date falling three months prior to but excluding the Maturity Date, in each case, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption in accordance with the provisions set out in "Terms and Conditions of the Bonds - Residual Maturity Call Option".

The Bonds will constitute direct, unsecured and unsubordinated obligations of the Issuer. See "Terms and Conditions of the Bonds – Status".

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and admitted to trading on the Regulated Market (within the meaning of Directive 2014/65/EU, as amended, "**MiFID II**") of the Luxembourg Stock Exchange.

The denominations of the Bonds are EUR100,000 and integral multiples of EUR1,000 in excess thereof, up to and including EUR199,000.

The Bonds are issued in bearer form and will initially be represented by a temporary Global Bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited with a common safekeeper for Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and Euroclear SA/NV ("**Euroclear**") on or around the Issue Date. The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a permanent global bond (the "**Permanent Global Bond**"), without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable, in whole but not in part, for definitive Bonds in bearer form (the "**Definitive Bonds**"), with coupons attached in certain limited circumstances. No Definitive Bonds will be issued with a denomination above EUR199,000. See "Summary of Provisions relating to the Bonds while in Global Form".

The Bonds are expected to be rated BB+ by S&P Global Ratings Europe Limited ("**S&P**"). As at the date of this Prospectus, S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. According to the S&P definitions, an obligation rated BB+ is less vulnerable to nonpayment than other speculative issues. However, they face major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. The long-term credit of the Group is rated BBB- by S&P. According to the S&P definitions, an obligor rated 'BBB-' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments. **A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.**

An investment in the Bonds involves certain risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Copies of this Prospectus will be published (i) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (ii) on the website of the Issuer (https://www.ldc.com/who-we-are/financial-information/financing/).

JOINT LEAD MANAGERS

Natixis	**SMBC Nikko**	**Société Générale Corporate & Investment Banking**	**Standard Chartered Bank AG**

PASSIVE BOOKRUNNERS

DBS Bank Ltd.	**UniCredit**

IMPORTANT NOTICES

Certain information contained in this Prospectus has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Any websites included in the Prospectus are for information purposes only and do not form part of the Prospectus.

*References to the "**Group**", unless otherwise specified herein in the Terms and Conditions of the Bonds, are to the Issuer, together with its consolidated subsidiaries.*

This Prospectus is valid for twelve months until 26 April 2022. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus, in the event of significant new factors, material mistakes or material inaccuracies, after the end of the offer or admission to trading of the Bonds.

*The Managers (as defined in the section entitled "Subscription and Sale", herein the "**Managers**") have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Bonds.*

This Prospectus constitutes a prospectus for the purpose of Article 6 of the Prospectus Regulation, in respect of, and for the purposes of, giving information with regard to, the Issuer, the Group and the Bonds which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group, the rights attaching to the Bonds and the reason for the issuance and its impact on the Issuer.

In connection with the issue and sale of the Bonds, no person is or has been authorised by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue and sale of the Bonds is correct as at any time subsequent to the date indicated in the document containing the same.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Bonds should purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Bonds.

In making an investment decision regarding the Bonds, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their business, their financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an *investment in the Bonds and the suitability of investing in the Bonds in light of its particular circumstances. The Managers do not undertake to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus or to advise any investor or potential investor in the Bonds of any information coming to the attention of the Managers. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Bonds.*

***MIFID II product governance / Professional investors and ECPs only target market** - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("**ESMA**") on 5 February 2018, has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

***UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of each UK manufacturer's product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "Brexit our approach to EU non-legislative materials"), has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the UK manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the UK manufacturers' target market assessment) and determining appropriate distribution channels.*

***PRIIPs Regulation / Prohibition of sales to EEA** - The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

***Prohibition of sales to UK retail investors** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No.2017/565 as it forms part of domestic law by virtue of the EUWA (as defined below); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No.600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information* *document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT IN TRANSACTIONS EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS PROSPECTUS, SEE "SUBSCRIPTION AND SALE."*

Any Bonds will only be offered and sold in Singapore in compliance with the Securities and Futures Act (Chapter 289) as amended.

Any Bonds will only be offered and sold in Hong Kong in compliance with the Securities and Futures Ordinance (Cap. 571) of Hong Kong, as amended.

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers that would permit a non-exempt offer of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. This Prospectus has been prepared on the basis that any offer of the Bonds in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**" (the "**UK Prospectus Regulation**") from a requirement to publish a prospectus for offers of Bonds. This Prospectus is not a prospectus for the purpose of the UK Prospectus Regulation. Accordingly, no Bonds may be offered or sold, directly or indirectly, and none of this Prospectus, any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bond in the United States, the United Kingdom, France, the European Economic Area, Singapore, Hong Kong and Switzerland; see the section entitled "Subscription and Sale".*

This Prospectus is being provided for informational use solely in connection with the consideration of a purchase of the Bonds to qualified purchasers in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorised. This Prospectus may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

a) *have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus;*

b) *have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;*

c) *have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;*

d) *understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and*

e) *be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

The investment activities of certain investors are subject to laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

In connection with the issue of the Bonds, Natixis (herein referred to as the "Stabilising Manager", (or persons acting on behalf of the Stabilising Manager), may over-allot or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail but in doing so the Stabilising Manager shall act as principal and not as agent of the Issuer. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the Bonds and sixty (60) calendar days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that are, or may be deemed to be, "forward-looking statements". All statements other than statements of historical facts included in this Prospectus may constitute forward- looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "project", "plan", "schedule", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or similar words or expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance or achievements of the Issuer and the Group to differ materially from those expressed or implied by such forward-looking statements. These factors include those set forth in the section of this Prospectus entitled "Risk Factors". Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The risks described in this Prospectus are not the only risks investors should consider. New risk factors emerge from time to time and it is not possible for the Issuer to predict all risk factors on their business and that of the Group or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place any undue reliance on forward-looking statements as a prediction of actual results, performance or achievements. The Issuer undertakes no obligation to update the forward-looking statements contained in this Prospectus or any other forward-looking statements it may make. All subsequent written and forward-looking statements attributable to the Issuer or persons acting on its behalf are expressly qualified in their entirety by such cautionary statements. These forward-looking statements do no constitute profit forecasts or estimates under Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.

INFORMATION REGARDING THE GROUP'S MARKETS AND INDUSTRY

Market data and certain industry forecasts used throughout this Prospectus have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Issuer, the Managers nor any of their respective affiliates make any representation as to the accuracy of that information.

Substantially all the information contained in this Prospectus concerning the Group's position by comparison with its competitors is based on internal analyses derived from publicly available information. The Issuer believes that these sources and estimates are reliable, but the Issuer has not independently verified them. Any discussion of matters relating in this Prospectus to competitive position is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information.

CURRENCY INFORMATION, ROUNDING AND OTHER FINANCIAL INFORMATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to "**Singapore**" are references to the Republic of Singapore, all references to the "**U.S.**", "**U.S.A.**" or "**United States**" are references to the United States of America and all references to the "**UK**" are references to the United Kingdom. All references to "**U.S. dollars**" or "**US$**" are to the lawful currency of the United States of America, and all references to "**Euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Certain monetary amounts in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. References herein to "**billions**" are to thousands of millions.

PRESENTATION OF CERTAIN FINANCIAL INFORMATION

General

The Group maintains its books of account and prepares its accounts for regulatory purposes in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

The financial information of the Issuer set forth in this Prospectus, has, unless otherwise indicated, been extracted from (i) the Issuer's audited consolidated statement of financial position as at 31 December 2019 and consolidated income statement and consolidated statement of comprehensive income, changes in equity and cash flows for the year ended 31 December 2019 (the "**2019 Audited Financial Statements**") or (ii) the Issuer's audited consolidated statement of financial position as at 31 December 2020 and consolidated income statement and consolidated statement of comprehensive income, changes in equity and cash flows for the year ended 31 December 2020 (the "**2020 Audited Financial Statements**") all as set out on pages F-2 to F-130 of this Prospectus (the "**Audited Financial Statements**")

Certain non-IFRS measures

The Group uses certain non-IFRS measures throughout this Prospectus in addition to the financial performance measures prepared under IFRS. A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. These measures include Gross Debt, Net Debt, Adjusted Net Debt and Liquidity.

The reconciliation between Gross Debt, Net Debt, Adjusted net debt and the IFRS equivalent figures is presented below:

	As at 31 December	
US$ millions	**2019**	**2020**
Long term debt …………….	3,269	3,690
Short-term debt …………….	3,889	5,765
Current portion of long-term debt …………….	637	198
Financial advances from related parties …………….	184	154
- Repurchase agreements …………….	(38)	(6)
- Securities short position …………….	-	-
Gross debt …………….	**7,941**	**9,801**
Financial advances to related parties …………….	5	804
Available-for-sale financial assets …………….	-	-
Other financial assets at fair value through profit and loss …	414	223
Cash and cash equivalents …………….	750	1,296
- Financial assets held for trading purpose …………….	(89)	(122)
- Reverse Repurchase agreement loan …………….	-	-
Current financial assets, excluding items considered in Working Capital Usage …………….	**1,080**	**2,201**
Net debt …………….	**6,861**	**7,600**
- Readily Marketable Inventories (RMI)[1] …………….	(4,293)	(5,246)
Adjusted net debt (net debt less RMI) …………….	**2,568**	**2,354**

US$ millions	As at 31 December 2019	2020
Cash and cash equivalents …………….	750	1,296
Financial advances to related parties …………….	5	804
Available-for-sale financial assets …………….	-	-
Other financial assets at fair value through profit and loss …	414	223
Readily Marketable Inventories (RMI)[1] …………….	4,293	5,246
Undrawn committed bank lines …………….	3,198	3,533
Liquidity …………….	**8,660**	**11,102**

Notes:

1. In line with industry practice, certain agricultural inventories are treated as Readily Marketable Inventories ("RMI") due to their highly liquid nature. RMI are readily convertible into cash because of widely available markets and international pricing mechanisms. The Group considers that trading inventories with less than three months' liquidity horizon qualify as RMI. For information on the maturity dates of trading in inventories, see Note 11 (under "Liquidity Risk") to the Audited Financial Statements.

Non-IFRS measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Non-IFRS measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies. The non-IFRS measures discussed in this Prospectus are used in the internal management of the Group, along with the most directly comparable IFRS financial measures, in evaluating operating performance, financial position and cash flows. The Group's management believes that these non-IFRS measures, when considered in conjunction with IFRS measures, accurately reflect the Group's economic performance and enhance investors' and management's overall understanding of the Group's performance.

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Persons responsible for the information given in the Prospectus

To the best knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The opinions and intentions expressed in this Prospectus with regard to the Issuer are honestly held. The Issuer accepts responsibility for the information contained in this Prospectus.

Overview of the Bonds

This overview must be read as an introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole. Words and expressions defined in the "Terms and Conditions of the Bonds" below or elsewhere in this Prospectus have the same meanings in this overview.

Issuer:	Louis Dreyfus Company B.V.
Bonds:	EUR500,000,000 1.625 per cent. Bonds due 2028.
Fiscal Agent, Paying Agent and Calculation Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Make-Whole Calculation Agent:	Aether Financial Services
Issue Date:	28 April 2021.
Issue Price:	99.823 per cent.
Form of Bonds, Initial Delivery of Bonds and Clearing Systems:	The Bonds are issued in bearer form and will initially be represented by a Temporary Global Bond, without interest coupons, which will be deposited with a common safekeeper for Clearstream, Luxembourg and Euroclear on or around the Issue Date. The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a Permanent Global Bond, without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable, in whole but not in part, for Definitive Bonds in bearer form with coupons attached in certain limited circumstances. The Temporary Global Bond and the Permanent Global Bond are to be issued in new global note form. See also "Summary of Provisions while in Global Form".
Denominations:	EUR100,000 and integral multiples of EUR1,000 in excess thereof, up to and including EUR199,000.
Status of the Bonds:	The Bonds will constitute direct, unsecured and unsubordinated obligations of the Issuer as described in "Terms and Conditions of the Bonds – Status".
Interest:	The Bonds bear interest from, and including, the Issue Date at the rate of 1.625 per cent. per annum. Interest on the Bonds is payable annually in arrear on 28 April in each year with the first payment being made on 28 April 2022. See "Terms and Conditions of the Bonds – Interest".
Redemption:	The Bonds will mature on 28 April 2028.

Early Redemption for Taxation Reasons:	The Bonds may be redeemed in whole, but not in part, at the option of the Issuer upon the occurrence of a Withholding Tax Event at their principal amount together with interest accrued to the date fixed for redemption. See "Terms and Conditions of the Bonds – Redemption for withholding taxation reasons".
Redemption at the option of the Bondholders on the occurrence of a Change of Control Put Event:	On the occurrence of a Change of Control Put Event, each Bondholder will have the right to request the Issuer to redeem or purchase (or procure the purchase of) all or part of its Bonds at their principal amount together with interest accrued (or, in the case of purchase, an amount equal to accrued interest) to the date fixed for redemption or purchase. See "Terms and Conditions of the Bonds – Redemption and Purchase".
Make-whole Redemption:	The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem the Bonds, in whole or in part, at the Make-Whole Redemption Amount, at any time or from time to time up to but excluding the date falling three months prior to their Maturity Date. See "Terms and Conditions of the Bonds - Make-Whole Redemption by the Issuer".
Redemption in the case of Minimal Outstanding Amount:	The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem the Bonds in whole, but not in part, at their principal amount together with accrued interest thereon to the date set for redemption, if immediately before giving such notice, the aggregate principal amount of the Bonds outstanding is less than 25 per cent of the aggregate principal amount originally issued (including any further Bonds issued pursuant to Condition 12) (other than as a result of any Make-Whole Redemption by the Issuer). See "Terms and Conditions of the Bonds - Redemption in the case of Minimal Outstanding Amount".
Residual Maturity Call Option:	The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders redeem, at any time as from and including the date falling three months prior to but excluding the Maturity Date, the Bonds in whole, but not in part, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption. See "Terms and Conditions of the Bonds - Residual Maturity Call Option".
Purchases:	The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price in accordance with applicable laws and regulations. All

	Bonds so purchased by, or for the account of the Issuer may, at its sole discretion, be held and resold or be cancelled, in accordance with applicable laws and regulations. See "Terms and Conditions of the Bonds - Purchases".
Events of Default and Negative Pledge:	The Terms and Conditions of the Bonds contain certain events of default and a negative pledge. See "Terms and Conditions of the Bonds – Events of Default" and "Terms and Conditions of the Bonds – Negative Pledge".
Taxation:	All payments of principal and interest in respect of the Bonds will be made free and clear of withholding taxes of the Relevant Taxing Jurisdiction, unless such withholding or reduction is required by applicable law. In that event, the Issuer shall, subject to the exceptions as described in "Terms and Conditions of the Bonds – Taxation", pay certain additional amounts as described in "Terms and Conditions of the Bonds – Taxation".
Substitution:	The Issuer shall be entitled, subject to certain conditions, to substitute itself as obligor under the Bonds with another entity. See "Terms and Conditions of Bonds – Meetings of Bondholders, Modification, Waiver and Substitution".
Governing Law:	English law.
Rating:	The Bonds are expected to be rated BB+ by S&P Global Ratings Europe Limited. The long-term credit of the Group is rated BBB- by S&P. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.
Listing and Admission to Trading:	Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market as at the Issue Date.
Selling Restrictions:	The United States, the United Kingdom, France, the European Economic Area, Singapore, Hong Kong and Switzerland. See "Subscription and Sale". The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. These include various risks relating to the Issuer's and the Group's business. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Bonds. These include the fact that the

	Bonds may not be a suitable investment for all investors and certain market risks. See "Risk Factors".
Use of Proceeds:	The net proceeds of the issue of the Bonds will be applied by the Issuer for general corporate purposes of the Group, investments in accordance with the Group's investment strategy and refinancing of existing indebtedness.
ISIN:	XS2332552541
Common Code:	233255254

Risk Factors

The Bonds are being offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Bonds in the primary or secondary markets unless they are professional investors. Investing in the Bonds involve risks.

Prior to making an investment decision in the Bonds, prospective investors should consider carefully, among other things, and in light of their personal and financial circumstances and investment objectives, all the information contained in this Prospectus, including the risk factors detailed below. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds and are material for an informed investment decision with respect to the Bonds. All of these factors are contingencies which may or may not occur.

The following should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or part of their investment.

Prospective investors should make their own independent evaluation of all risk factors contained in this section.

In each category below the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence. References herein to "Conditions" shall be to the Terms and Conditions of the Bonds. Words and expressions defined in the section entitled "Terms and Conditions of the Bonds" herein shall have the same meanings in this section.

Part 1: Risks relating to the Group and its Business

Category 1: Geopolitical and macro-economic risks

The volume and price of products that the Group merchandizes are affected by supply and demand conditions which are beyond the Group's control

The Group is primarily a merchandizer of agricultural products. It also produces commodities at its own industrial operations, or those of its industrial associates (see "Description of the Issuer, its Group and their Business – Overview of the Group"). Earnings from production and merchandizing of commodities are influenced to a large extent by movements in supply and demand conditions, which change constantly affecting their pricing. Under volatile or uncertain market conditions, or when there is depressed demand or oversupply, the volume and price of physical goods merchandized may fluctuate significantly or may be depressed for long periods. There is a large degree of uncertainty with respect to the global economic outlook, and prices of commodities produced and/or merchandized by the Group may evolve in a manner that would adversely affect its financial results.

A number of factors have affected and are continuing to affect the volume and pricing of products that the Group merchandizes. These include:

Stocks and supply: Several commodities have experienced oversupply in recent periods as a result of the growth rate in supply exceeding the growth rate in demand – this is particularly the case with grains, cotton and coffee. When commodities stocks are high, whether resulting from favourable harvests release of government stocks (such as was the case with Chinese corn, cotton and sugar stocks in 2018), or otherwise, this has the effect of depressing the demand for and price of those commodities. So, for example, in 2018 and 2019, the results of the Group's Rice Platform were impacted by a slow-down in demand owing to high stocks in most African markets and oversupply in origination markets such as China. Similarly, the Juice Platform's results were affected by a near-record level of crops in Brazil and larger crops in the US and Mexico than previous years leading to a lower price environment. The Cotton Platform's performance was impacted in 2020 by a significant decline in demand following the successive COVID-19 related lockdowns across the world which resulted in a fall of cotton prices (see "Results of Operations and Financial Position – Merchandizing"). Prices of all the products merchandized by the Group were under pressure during the first semester of 2020 in a context of record high crops expected for almost all the products merchandized by the Group. This was followed by a surge in prices as the year 2020 came to an end. In periods of surplus there are generally fewer market physical disruptions requiring agri-commodity merchants' risk management expertise.

Weather conditions: Weather conditions have historically caused volatility in the agricultural commodity industry and consequently, in the Group's operating results, by causing crop failures or significantly reduced harvests in bad years or bumper harvests in good years. In 2018 the Group's oilseed origination was hampered by drought in Argentina, its cotton production was impacted by droughts in Texas, and grain origination was hit by extreme dry weather in Australia and Europe. In 2019, wheat prices rose as droughts in the southern hemisphere induced supply concerns in Argentina and Australia. In addition, sugar prices increased at the end of 2019 owing to a weak monsoon that affected crops in India and Thailand. Rains and flooding in Brazil in 2020 affected the Group's Freight Platform (see "Results of Operations and Financial Position – Value Chain"). The strengthening of La Niña could also have an impact across the world putting crops at risk with potential increased drought in South America. This volatility can significantly affect the supply and pricing of the agricultural commodities that the Group sells and uses in its business and negatively affect the creditworthiness of its customers and suppliers to the extent that such customers or suppliers are reliant on good harvests to ensure cash-flow.

Oil and gas prices: Although the Group does not directly merchandize oil or gas, fluctuations in oil and gas prices can affect the Group in a number of ways. The price of oil has been particularly volatile in recent years: having reached a peak in March 2012 at US$125.45 per barrel, it significantly decreased in 2014 (US$62.34 per barrel in December 2014) and 2015 (US$ 38.01 per barrel in December 2015) and reached a low of US$9.12 per barrel in April 2020[1] and continues to be volatile and unstable to date. On the demand side, future volatility in oil prices globally may adversely affect the economic growth and stability of certain countries in which the Group operates, especially those which have an oil-based economy and, as a result, may reduce the ability of consumers to purchase the Group's products. A low oil price environment means that production costs are generally reduced resulting in a decrease in pricing on the supply side. Moreover, demand for biodiesel and ethanol, which the Group merchandizes and which is an alternative to oil and gas, may be significantly affected.

General and regional slowdowns in growth: Among other factors, the prices of commodities produced, purchased and sold by the Group are subject to primary drivers of demand such as urbanization and changes in dietary habits, which could themselves be subject to the general worldwide economic environment. Any downturn in the global economy or in regions material to it could indirectly adversely affect the Group's business, results of operations and/or financial condition. There has been a general trend in recent years of slowing GDP growth in a number of the jurisdictions where the Group has operations. These include countries in Latin America, South America and Black Sea regions and, to a certain extent, China. For example, in China, the GDP growth was 6.1 per cent.[2] in 2019, the lowest growth rate in 28 years. (see "Risk factors – Risks relating to the Group and its Business – Category 1: Geopolitical and macro-economic risks – The Group's business depends significantly on market conditions in China and is impacted by events and policies relating to China"). In the event that growth

1 https://countryeconomy.com/raw-materials/brent

2 https://www.statista.com/statistics/263616/gross-domestic-product-gdp-growth-rate-in-china/

in these regions continues to slacken or becomes negative, this could indirectly influence the level of demand for the commodities merchandized by the Group.

Currency devaluations and depreciation: A number of countries in which the Group operates have effected currency devaluations or experienced significant currency depreciation in recent years. These include Argentina (2019), Brazil (2018 and 2020), China (2019), Egypt (2016), Mexico (2015 and 2017), Russia (since 2014), Ukraine (2013 and 2015) and a number of other countries in the Central and South American region where the Group has operations. The devaluations or depreciation of the local currency against the U.S. dollar have had the effect of reducing the buying power customers in these jurisdictions, created a stockpiling effect in certain production areas (see "Risk factors – Risks relating to the Group and its Business – Category 3: Political and legal risks – Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability*")* as well as reducing production costs in U.S. dollar terms and thus rendering local exports more competitive. If the opposite were to happen and local currencies appreciate against the U.S. dollar, then this would negatively impact commercial and administrative expenses. In 2020, the Group was particularly affected by the devaluation of the Brazilian real: while the devaluation created profitable origination opportunities, it also resulted in an adverse functional currency impact within the income tax line (see "Results of Operations and Financial Position – Income Statement Analysis*"*).

Consumer habits: Demand for commodities is influenced by changing consumer habits. The Group's Sugar Platform, for example, is impacted by the general flattening in sugar demand in the US as people seek to reduce sugar in their diet. And the market for traditional fruit juice is experiencing declining demand partly because of adverse publicity highlighting the high carbohydrate content of fruit juice, and partly as a result of customers switching to innovative new products such as NFC juice and premium, sustainable and traceable juice. The same trend towards sustainability, higher quality and specialist products can be seen in the coffee market. In order to remain competitive the Group needs to successfully predict and keep up with evolving consumer trends – if it fails to do so, the business, results of operations and/or financial condition of the Group may be adversely affected.

Other factors: The availability and price of agricultural commodities are also subject to other unpredictable factors such as: planting; government farm programmes and policies (see "Risk factors – Risks relating to the Group and its Business – Category 3: Political and legal risks – Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability"); tariffs and import and export restrictions, including those arising from international trade disputes (see Risk factors – Risks relating to the Group and its Business – Category 1: Geopolitical and macro-economic risks – The Group's business depends significantly on market conditions in China and is impacted by events and policies relating to China" and "Category 3: Political and legal risks – Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability"), pandemics or outbreaks of livestock or crop disease (see "Category 1: Geopolitical and macro-economic risks –The Group's business depends significantly on market conditions in China and is impacted by events and policies relating to China" and "Category 1: Geopolitical and macro-economic risks –The outbreak of other infectious diseases or any other serious public health concerns anywhere in the world could adversely impact the Group's business, results of operations and/or financial condition"), price volatility as a result of increased participation by non-commercial market participants in commodity markets and changes in global demand resulting from population growth, changes in standards of living and increased food, and particularly meat, consumption.

If any of these factors subsists or is aggravated by further developments, or if new factors arise affecting supply and demand conditions, this could affect the Group in a number of ways, including, but not limited to, the following:

- The Group may not be able to sell its products or may be forced to sell them at reduced prices which will result in the Group's profit margins being reduced.

- The inability of the Group to sell its products will prolong the Group's exposure to price risks.
- The Group may find itself in a position where it cannot source commodities.
- Cash flow problems might arise, especially when the time limits for the sale and purchase of the Group's products as agreed with the Group's banking counterparties are exceeded. This in turn may lead to banks recalling or refusing to extend the loans of the Group.
- In respect of commodities which the Group produces, the lead time required to build a processing plant can make it difficult to time capacity additions to coincide with market demand for the Group's products. When additional processing capacity becomes operational, a temporary imbalance between the supply and demand for processing capacity might exist, which, until the supply/demand balance is restored, negatively impacts processing margins.

As a result, the business, results of operations and/or financial condition of the Group may be adversely affected.

The Group's business depends significantly on market conditions in China and is impacted by events and policies relating to China

A significant proportion of the Group's revenues comes from sales destined for China. Consequently, geopolitical and other events affecting China can have a material impact on the Group's business.

A number of events and policies in particular have materially impacted the Group's business in the most recent period, and are expected to continue to impact results in the short to medium term.

African Swine Flu: Since 2018, the Group's business has been materially affected by a severe outbreak of African swine flu among Chinese pig stocks. The Group is a merchandizer of soybeans into China, which are used to feed livestock, including pigs. There have been major culls in the Chinese pig population, and, given the fragmented nature of pig farming in China, eradicating the disease and rebuilding stocks is expected to take three to five years, though the full extent of the disease and further impact on Chinese pig stocks is difficult to predict. The result has been a significant decline in demand for soybeans used in pig feed, with a concomitant drop in Chinese soybean imports. Although pork remains the preferred meat for most Chinese consumers, the African swine flu outbreak has bolstered demand for alternative sources of animal protein out of unfounded health fears, price considerations, and a desire to diversify the diet. If disease-free pig stocks are not successfully replenished in the medium to long term, or there is a more general shift in consumer tastes away from pork and towards meats with a lower feed conversion rates such as chicken, this could result in a further drop or stagnation in demand for soybeans, which in turn could mean that the business, results of operations and/or financial condition of the Group may be adversely affected.

US-China trade dispute: Since January 2018 China and the United States have been engaged in a trade dispute, with each country placing tariffs on goods imported from the other. In 2018, the United States imposed three rounds of tariffs on more than US$250 billion worth of Chinese goods. The duties of up to 25 per cent. cover a wide range of industrial and consumer items. China, in turn, has placed tariffs on US$110 billion of US goods with levies that range from 5 per cent to 25 per cent. This overall effect of the trade dispute has been a rebound in price volatility among affected commodities and shifts in global physical flows. The trade dispute has affected the Group in a number of ways. It has also affected the Group's commodities, in particular soybeans, which is one of the products targeted, and the Chinese tariffs have materially impaired the Group's ability to import US-sourced soybeans into China. During 2018 and 2019, the Group was able to take advantage of the disruption in soybean flows and price volatility by switching to South-American sourced soybeans (which were not affected by the tariffs) to continue importing into China and by employing of its soybean crushing capacity in China (See

“Description of the Issuer, its Group and their Business – Processing Assets”). However, the reduction in US exports has also weighed on the elevation margins of US logistic assets. Negotiations between the US and China begun in December 2018, marked by a Phase 1 trade deal signed in January 2020, are still moving ahead with an uncertainty around further tariffs. Consequently, the existing tariffs may not be lifted, levies may not be increased and tariffs on new goods may not be put in place, which could further affect the Group’s business in a material way. On 13 January 2021, the Trump administration in the US banned cotton and tomato products originating in Xinjiang, including products manufactured outside of China but using cotton and tomatoes from Xinjiang, as a result of forced labour allegations. Since the change of administration in January 2021, the US has still not announced any immediate plans to remove the tariffs. The Group may not be able to predict further developments in the trade dispute or continue to successfully redeploy resources to counter the effects.

Economic slowdown: Having experienced a period of rapid expansion in the second half of the last decade, China’s economy has since the middle of the current decade been experiencing reduced growth. This has the effect of flattening demand for the products that the Group merchandises in China. Any further slowdown in growth in China could materially and adversely affect the Group’s business. In addition, the Chinese government may from time to time adjust its monetary and fiscal policies to manage the rate of growth of the Chinese economy, and such economic adjustments may negatively affect the world economy, and consequently negatively affect the Group’s results. For example, economic slowdown may result in lower merchandize trade and affect seaborne demand while demand for vegetal oil and Sugar may also be impacted lower restaurant frequentation.

The COVID-19 pandemic has affected, and could continue to affect, the global economy as a whole and markets in which the Group operates

The COVID-19 pandemic has caused volatility in the global economy and significant shifts in the prices of and the demand for the commodities that the Group merchandizes.

Government measures taken in response to the pandemic, including quarantine orders, as well as other indirect effects that the COVID-19 pandemic is having on global economic activity, have resulted in some degree of global economic downturn and demand shocks for the Group’s commodities, particularly energy-related assets, which initially led to significantly lower commodity prices.

The Cotton Platform was the most strongly-impacted sector among those in which the Group operates. As textile plants shut down for months following lockdown decisions across the globe, the entire textile industry faced a sharp decrease in demand, cotton prices fell to levels not seen since 2009, and volumes shipped decreased as counterparties delayed shipments, negatively impacting the Platform’s performance.

Despite this increased price volatility since the second quarter of 2020 due to the COVID-19 pandemic, the Group’s risk deployment has not significantly increased but has remained around 0.3 per cent. of the stockholders’ equity (see Note 4.1 to the 2020 Financial Statements). Nonetheless, if the effects of the pandemic subsist or are aggravated, the Group may suffer losses in the future related to market risk and the inability to accurately predict commodity demand and supply and price flows.

The impact of the COVID-19 pandemic on the Group’s business going forward will depend on a range of factors which it is not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity and the nature and severity of measures adopted by governments, including restrictions on travel, mandates to avoid large gatherings and orders to self-quarantine or shelter in place. The COVID-19 pandemic has led to sharp reductions in global growth rates and the ultimate impact on the global economy remains uncertain. Accordingly, the COVID-19 pandemic may have significant negative impacts in the medium and long-term, including on the Group’s business, financial condition and results of operations.

The COVID-19 pandemic has affected, and may continue to affect, the Group's business in a number of other ways. See in particular "Risk factors – Risks relating to the Group and its Business – Category 4: Political and legal risks – Operational risks connected with the COVID-19 pandemic", "Category 5: Financial market risks – Access to financing has been, and may continue to be, curtailed by the effects of the COVID-19 pandemic" and "Category 6: Counterparty and Credit risk – The Group may be adversely affected by the actions of the Group's counterparties".

The outbreak of other infectious diseases or any other serious public health concerns anywhere in the world could adversely impact the Group's business, results of operations and/or financial condition

The outbreak of other infectious diseases affecting humans or animals in parts of the world where the Group operates and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in the affected region or elsewhere and adversely impact the revenues and results of the Group. For example, in 2015, the Group's shipping operations in West Africa were affected by the outbreak of Ebola. And since 2018, the Group's soybean imports into China has been heavily impacted by African Swine Flu (See "Risk factors – Risks Related to the Group and its Business – Category 1: Geopolitical and macro-economic risks – The Group's business depends significantly on market conditions in China and is impacted by events and policies relating to China"). Any future outbreak of an infectious disease or any other serious public health concern in Africa, China or elsewhere could adversely affect the Group's business.

The Group operates in many developing countries and the Group is subject to risks relating to conducting business in such countries

The Group has significant operations in emerging markets such as Asia, the CIS region, the Middle East, Africa and Latin America (in particular, Argentina and Brazil) and other developing countries. The Group has a significant customer and supplier base in these developing countries. In conducting the Group's business, the Group is subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:

- civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- default by government bodies who may be the only authorized trading counterparties in certain regulated markets;
- relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;
- reversal or change of laws, regulations or policies;
- changes in duties payable and taxation rates;
- imposition of restrictions on currency conversion or the transfer of funds;
- fluctuation in the currency values;
- limitations and/or bans on imports and exports;
- expropriation or nationalization of private enterprises or confiscation of private property or assets;
- relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls; and
- reinstatement of commodity boards or state monopolies for any of the Group's products.

Should any of the aforementioned risks materialize and they either exceed the coverage of, or are not covered by, the Group's insurance policies, the Group's business, results of operations and/or financial condition may be adversely affected.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group

The Group operates in over 100 countries around the world, including large presences in Asia, the Middle East, Africa and Latin America.

Many of the countries in which it operates have experienced terrorist attacks, armed conflicts and civil unrest in the past. Terrorist activities could materially and adversely affect international financial markets and economies and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks, armed conflicts or civil unrest are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on the Group's business, results of operations and/or financial condition.

The Group has significant grain and oilseed assets in Ukraine, and during 2018 and 2019 invested in a new railcar fleet to support its Odessa terminal activities. It also has grains and sugar assets in Russia, and in 2017 completed a new grain terminal in Azov. Instability and unrest in Ukraine and the ongoing conflict with Russia have had an adverse effect on economies in the region, including Ukraine and Russia; and have led to the imposition of sanctions on certain individuals and companies in Russia, with Russia reciprocally imposing trade sanctions on certain goods and services originating in the EU and the United States. If the instability in Ukraine continues, tensions between Russia and Ukraine escalate further or new tensions between Russia and other countries emerge, or if further economic or other sanctions, such as further limitations on trade, are imposed in response to such instability and tensions, this could have a further adverse effect on the economies in the region, and on the Group's activities in the region.

Category 2: Risks relating to competition and market data

The Group faces competition in the Group's various product and geographic markets

The Group faces competition in its various product and geographic markets. The Group's competitors range from global trade houses to local distributors and buying agents.

The Group also faces additional competition from its existing customers who are becoming more involved in sourcing their own products. In some of the developing economies where the Group operates, government controls on trade are gradually being relaxed and trade is being opened up to new participants. As such, there are potential threats of new competitors entering the markets in which the Group operates. Increased competition may reduce the growth in customer base, reduce the profit margin and the market share that the Group currently has, and result in higher selling and marketing expenses. Other competitors may surpass the Group's performance in the future. In the event that the Group fails to sustain its competitive advantages, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group also faces the risk of disintermediation as some of its existing market counterparties at different stages of the agri-commodities value chain may, in the future, use their resources to broaden into some or all of the markets in which the Group operates and therefore provide further competition for the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing or merchandizing operations to increase competitive pressure on the Group, and the Group's business, results of operations and/or financial condition may be adversely affected.

In most of the countries in which the Group operates, the Group's operations are also subject to various licensing requirements. Complete deregulation or the removal of licensing requirements in the countries from which the Group procures its products may lead to increased competition. This may have an adverse effect on the Group's business operations in these countries. As a result, the Group's business, results of operations and/or financial condition may be adversely affected. (See "Description of the Issuer, its Group and their Business – Competition").

The Group is often unable to obtain accurate third-party data to corroborate the Group's market assumptions

To meet the demands of the Group's customers in the developed world, the Group sources agricultural products and food ingredients from the point of collection from suppliers in numerous developing countries. As such, the Group is exposed to inefficient markets where the Group relies on its own employees to overcome any lack of political, legal and financial infrastructure to obtain accurate, reliable and available data. If, as a result of inaccurate or unreliable data or lack of available data, the Group's assumptions with respect to any of the markets in which it operates prove to be erroneous, the Group's business, results of operations and/or financial condition may be adversely affected.

Category 3: Political and legal risks

The Group is subject to a significant number of laws and regulations

The Group's activities are subject to extensive laws and regulations governing various matters. These include laws and regulations relating to the commodities markets, taxation, anti-trust, bribery and corruption, environmental protection, management and use of hazardous substances, management of natural resources, development of projects, production and post-closure reclamation, labour and occupational health and safety standards (including biosecurity). Additionally, in many of the developing countries where the Group operates, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to increase risk and compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety and other impacts of the Group's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. More stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on or suspensions of the Group's operations and delays in the development of its properties.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations compliance with which could be expensive or onerous, could also have a material adverse impact on the Group's business.

In particular, in the wake of the most recent financial crisis, both the United States and European states sought to increase regulation of the financial markets, including the commodities markets in which the Group operates, through implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation in the United States. Similar initiatives have been implemeted in Europe such as the European Market Infrastructure Regulation (EMIR). This legislation affects in particular the areas of risk mitigation (trade confirmation timeframes, portfolio reconciliation, portfolio compression and dispute resolution) and trade reporting, and subject large users of derivatives, such as the Group, to extensive new oversight and regulation which could potentially result in significant additional costs on the Group, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain transactions. The implementation of certain of these initiatives is subject to uncertainty, in particular in light of the different policy goals expressed by the U.S. presidential administration; however, they could, in particular, have an impact on the Group's ability to hedge its merchandising activities (for instance, by imposing limits on positions in the commodity exchanges and/or requiring increased transparency with respect to volumes transacted). Moreover, existing legislation is subject to change and the regulatory requirements may be augmented in the future. For example, increasingly stringent rules under EMIR relating to initial margining requirements are expected to come into force in 2022 which could impose further burdens on the Group in terms of providing cash deposits for hedging transactions (See "Risk factors – Risks relating to the Group and its Business – Category 5: Financial market risks - Margin calls on futures contracts or other derivative instruments could result in losses being suffered by the Group"). Future governmental policies, regulations or actions affecting the industries in which the Group operates may materially and adversely affect the supply of, demand for and prices of the Group's products, restrict its ability to do business and cause its financial results to suffer.

Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability

Agricultural production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products) can influence commodity price volatility, industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are merchandized, and the volume and types of imports and exports.

From September 2019, the Group was affected by the Argentinian government's imposition of new foreign exchange restrictions in the wake of the economic crisis and rapid depreciation of the Argentinian peso. One of the effects of the foreign exchange restrictions was that Argentinian farmers were unable to receive payments for their goods in US Dollars, all payments having to be made in Argentinian peso. As a consequence, during the period while the foreign exchange restrictions were in place (up until 31 December 2019) local farmers were reluctant to sell their goods to foreign customers including the Group, preferring to stockpile them as long as the peso instability and foreign exchange restrictions continued. The Group's inability to effectively source goods from Argentina during this period had a significant, albeit temporary, effect on its results of operations and financial condition (see "Results of Operations and Financial Position – Value Chain").

In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Rising commodity prices have historically prompted governments in several countries to introduce export bans on key agricultural commodities and commodity products.

Since 2018, the Group's results have been materially affected by the ongoing trade dispute between China and the United States (see "Risks factors – Risks relating to the Group and its Business – Category 1: Geopolitical and macro-economic risks - The Group's business depends significantly on market conditions in China and is impacted by events and policies relating to China").

More recently, the announcement of constraining export policies at the end of 2020 by Russia and Argentina put pressure on export capacity.

Such export bans may become more prevalent, whether across countries or products. Future government policies may adversely affect the supply, demand for and prices of the Group's products, restrict the Group's ability to do business in the Group's existing and target markets and could materially and adversely affect the Group's financial condition.

The Group is subject to regulation by various regulatory bodies

The Group is subject to the rules and practices of various regulatory bodies, exchanges and trade associations which regulate and organize the terms and conditions of trade in some of the Group's products. Such organizations include, amongst others: the Commodity Futures Trading Commission (CFTC); the *Autorité des Marchés Financiers* (AMF); the Financial Conduct Authority (FCA); the European Securities and Markets Authority (ESMA); exchanges such as CME CBOT, CME US, and Europe; the International Cotton Association (formerly known as the Liverpool Cotton Association); Grain and Feed Trade Association; Association for international trading in oils, fats and oilseeds; and the China Futures Association.

These associations help to facilitate dispute resolution through a recognized forum and allow trade participants to regulate, promote and develop best practices as an industry.

If the Group is found to be in breach of any rules or regulations of such trade associations or regulatory bodies, the Group may be subject to fines, penalties or other sanctions. This may materially and adversely affect the Group's business, results of operations and/or financial condition (See "Description of the Issuer, its Group and their Business – Compliance").

The Group is subject to the laws of various countries imposing sanctions for conducting business with certain persons

Certain countries in which the Group currently does business, or may consider doing business in the future, are or may become subject to various trade sanctions including, but not limited to, sanctions administered by the United States Treasury Department's Office of Foreign Assets Control (OFAC), and European Union and United Nations Sanctions programmes. While the Group employs dedicated resources (see "Description of the Issuer, its Group and their Business – Compliance") to ensure that it is in compliance, the Group may in the future enter into transactions that breach these sanctions. Non-compliance with applicable sanctions could result in imposition of significant fines, as well as negative publicity and reputational damage. Any of the foregoing could result in a material adverse effect on the Group's business, results of operations and/or financial condition.

Environmental regulation imposes additional costs and may affect the results of the Group's operations

Costs and liabilities related to compliance with applicable environmental laws and regulations are an inherent part of the Group's business. Particularly in respect of the Group's processing activities, the Group is subject to various national, provincial and municipal environmental laws and regulations, concerning issues such as damage caused by air emissions, noise emissions, waste-water discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination.

These laws can impose liability for non-compliance with the regulations or clean up liability in respect of the generation of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. Other laws may require the Group to investigate and remedy contamination at its properties or where it conducts its operations, including contamination that was caused in whole or in part by previous owners of its properties. Moreover, these laws and regulations are becoming increasingly more stringent and may in future create substantial environmental legislation and regulatory requirements. It is possible that such compliance may prove restrictive and/or costly.

In addition to clean-up liability, the Group may become subject to monetary fines and penalties for violation of applicable laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on its operations. The Group may also, in the future, become involved in proceedings with various regulatory authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance.

In addition, third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties and/or production facilities. Although there are no material outstanding claims that the Group's properties and production facilities are not in compliance in all material respects with all applicable environmental laws, unidentified environmental liabilities could arise which could have a material adverse effect on the Group's business, results of operations and/or financial condition (See "Description of the Issuer, its Group and their Business – Environment").

The Group may not be able to maintain or obtain statutory and regulatory licences, permits and approvals required for its business

The Group's operations require certain statutory and regulatory licences, permits and approvals, which may be subject to certain conditions. While the Group has historically been able to maintain or obtain such licences, permits and approvals as and when required, the relevant authorities may not in the future issue or extend any such licences, permits or approvals in a timely manner, at all or on terms that are acceptable to the Group. The loss of any of its licences, a temporary suspension thereof, a breach of the terms of a licence by the Group or failure to obtain any further required licences in the future for whatever reason could have a material adverse effect on the Group's business, results of operations and/or financial condition. (See "Description of the Issuer, its Group and their Business – Compliance").

The Group's profitability may be affected by changes in tax laws and regulations or their interpretation in the countries where it operates

The Group's operations in various countries are subject to different tax laws and regulations. Changes in local tax laws and regulations, or the interpretation thereof, might materially and adversely affect the Group's business, results of operations and/or financial condition. For a discussion of certain tax contingencies, see Note 7.2 to the 2020 Financial Statements included in this Prospectus.

The Group's financial position may be materially impacted by adverse litigation

The Group is involved in certain number of contentious proceedings (see "Description of the Issuer, its Group and their Business – Litigation"). New disputes may arise. The Group is not in a position to foresee the outcome of such proceedings and cannot rule out being ordered to pay significant amounts as a result of unfavorable decisions which could have a material adverse effect on the Group's business, financial position, results of operations or prospects.

Category 4: Industrial, operational and logistics risks

The Group's business is dependent on its processing and logistics facilities and the Group is subject to risks affecting operations at such facilities

The Group currently operates processing and logistics facilities in various countries such as Argentina, Brazil, Canada, China, Germany, India, Indonesia, Paraguay, Russia, Ukraine and the United States (See "Description of the Issuer, its Group and their Business – Description of Main Activities – Fixed Asset and Logistics Operator" and "Description of the Issuer, its Group and their Business – Description of Assets"). These facilities are subject to operating risks, such as industrial accidents, which could cause personal injury or loss of human life and cause third party damages to become payable; the breakdown or failure of equipment, power supplies or processes; performance below expected levels of output or efficiency; obsolescence; labour disputes; natural disasters and pandemics and the need to comply with new directives of relevant government authorities.

The Group needs to carry out planned shutdowns of its various plants for routine maintenance, statutory inspections and testing and may need, from time to time, to shut down its various plants for capacity expansions and equipment upgrades.

In addition, due to the nature of its business and despite compliance with requisite safety requirements and standards, the Group's production process is still subject to operating risks, including discharges or releases of hazardous substances, exposure to particulates and the operation of mobile equipment and manufacturing machinery.

These operating risks may cause personal injury or loss of human life and third party damages and could result in the imposition of civil and criminal penalties.

The occurrence of any of these events could have a material adverse effect on the productivity and profitability of a particular processing facility and on the Group's business, results of operations and/or financial condition (See "Description of the Issuer, its Group and their Business – Health and Safety" and "Description of the Issuer, its Group and their Business – Environment").

Operational and logistics risks connected with the COVID-19 pandemic

The Group faces operating and logistics risks connected with the COVID-19 pandemic, and business continuity planning has been and remains challenging in many countries.

Almost all industrial operations were impacted by changed protocols or working practices. In most of the countries in which the Group operates, its business is classified as an essential activity meaning that there have so far been no significant disruptions to operations and output has been running at normal or close to normal levels. Nevertheless, if further preventative measures are put in place to tackle the pandemic in any jurisdiction where the Group operates, this could impact in a negative way on the Group's operations.

The Group's logistics were also affected and the Group's Juice business was particularly impacted. The delivery of new vessels was delayed due to the successive lockdowns in Asia and then in Europe which constrained the Platform to source products from competitors or hire vessels at a higher price in order to meet its delivery commitments towards customers (see "Results of Operations and Financial Position – Value Chain"). If lockdowns continue or further lockdowns are imposed in jurisdictions in which the Group has logistics activities this could impact in a negative way on the Group's operations.

The Group is subject to risks relating to the processing, storage and transportation of its commodities

The Group relies on a network of processing, transportation and storage facilities that are subject to numerous risks and hazards. If any of these risks materializes, the Group's business, results of operations and/or financial condition could be materially adversely affected.

The Group's processing and storage facilities are subject to risks and hazards, including accidental environmental damage, technical failure, theft, vandalism and terrorism. In addition, the Group depends upon seaborne freight, rail, trucking, pipeline, overland conveyor and other systems to deliver its commodities to market. Disruption of these transport services due to weather-related problems, key equipment or infrastructure failures, strikes, maritime disaster or other events could temporarily impair the Group's ability to supply its commodities to its customers and could thus adversely affect the Group's operations. In May 2018, for example the Group's North Latin America business was significantly affected by the mass lorry drivers' strike in Brazil. North American freight operations were also severely impacted during the financial period covered by this Prospectus by exceptionally high water levels on the Mississippi River, hindering transport of goods to and from the Group's logistics facilities on the Mississippi Delta.

Transportation and storage of certain commodities involve significant hazards that could result in fires, explosions, spills, maritime disasters and other unexpected or dangerous conditions. The occurrence of any of these events could result in a material adverse effect, either directly or indirectly, through resulting damages, claims and awards, remediation costs or adverse publicity on the Group's business. Commodity storage entails significant risks associated with the storage environment, including temperature, humidity levels, pests, parasites and diseases (See “Risks factors – Risks relating to the Group and its Business – Category 4: Industrial, operational and logistic risks – The value of the Group’s physical products may deteriorate across various stages of its supply chain”). Excessively high or low levels of moisture, temperature or humidity may result in damage to stored crops and seeds. An event that destroys or results in all or part of a silo complex or terminal being taken out of service could result in the loss of stored crops and require the Group to find alternative storage arrangements. The Group may also be subject to the loss of stored crops as a result of catastrophic events, such as fires, explosions or natural disasters. Moreover, the volume of inventories that needs to be stored in warehouses can be significant, and, despite the Group’s procedures to limit this exposure and insurance cover, there is thus an increased risk that pilfering and misappropriation could occur.

In addition, the vessels the Group charters to transport its products may be exposed to a variety of natural calamities during operations, including violent storms, tidal waves, rogue waves and tsunamis. Any of these natural calamities could result in such vessels grounding, sinking, or colliding with other vessels or property, or the loss of life. If one of the vessels suffers damage, in addition to the potential loss of its cargo, it would need to be repaired, and the costs relating to such losses or repairs may not be covered (either in part or in whole) by the insurance policies that are in place. The costs of such repairs are unpredictable and could be substantial. In addition, vessels will require general repair and maintenance from time to time. The loss of earnings while the vessels are being repaired and repositioned, the cost of arranging for alternative transport, as well as the actual cost of such repairs, could adversely affect the Group's business and results of operations. Furthermore, the vessels used by the Group to transport its products may be exposed to piracy, smuggling, terrorist attacks and other events beyond its control. These events could result in adverse effects to the Group's business as a result of seizure of its cargoes and disruption to its customers' or suppliers' business as well as reputational damage. While the Group has procured insurance for its operations against these types of risks, no insurance can compensate for all potential losses and the insurance coverage that the Group has may not be adequate and its insurers may not pay a particular claim. In the event of damage to, or the loss of, a vessel or vessels and/or their cargoes, or cases of personal injury or fatalities among personnel, lack of adequate insurance coverage or indemnities may have a material adverse effect on the Group's business and results of operations.

The Group is subject to volatility in shipping and logistics costs

Although the Group has its own Freight Platform which provides shipping services to support the Group’s operations, most of the Group’s shipments are made using third-party land and sea transport providers. Consequently, the Group is subject to fluctuations in the prices of shipping and logistics costs, which may in turn have an impact on the Group’s results of operations. Shipping and logistics costs for commodities are usually market-driven and are highly cyclical. Shipping and logistics rates fluctuate in response to the level of demand for vessels and the availability of vessels to satisfy that demand. The level of demand is influenced by many factors, including general economic conditions, global trading volumes and port usage. In 2018, for example, the Group’s business was impacted by a major shortage of available US truck freight resulting from a general increase in production levels in the US. Demand is aslo susceptible to weather disruptions as was the case in 2019 in both Australia and Brazil, restricting cargo exports; and natural disasters such as the dam collapse in Burmadinho that disrupted Brazilian activity. Shipping and logistics rates are the most variable element of expense in relation to a particular shipment and are relevant to the Group’s results to the extent that they affect the pricing and profit margin of the services provided by the Group.

Changes in shipping rates affect the shipping industry as a whole, and the Group normally mitigates the effect by passing on a proportion of such changes to its customers. However, it may not always be possible for the Group to immediately offset a freight contract with a corresponding charter party or sufficiently hedge against all changes in shipping costs. During certain periods, depending on market conditions, prevailing rates may be subject to change and should rates increase, the profitability and financial results of the Group may be adversely affected even if such rates increases have a positive effect on the profitability and financial results of the chartering division of the Group. In addition, other factors, such as port congestion, increases in fuel costs and piracy, could materially adversely affect the ability of the Group to carry on its operations in a timely or cost-effective manner.

The Group is exposed to infrastructure risks

Certain of the Group’s industrial assets are located in sparsely populated regions to which there is limited access. Key infrastructure such as roads, other transport infrastructure, power sources and water supplies are essential if the Group is to conduct its operations in these regions. In addition, the availability and cost of these utilities and infrastructure affect the Group’s capital and operating costs and consequently its ability to maintain production levels and results of operations. Unusual weather or other natural phenomena, sabotage to or other interference in the maintenance or provision of this infrastructure could impact the development of the Group’s projects; reduce the Group’s production volumes; or increase the cost or time of transportation of commodities to the Group’s customers.

Any such issues arising in respect of the infrastructure supporting or on the Group's sites could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The Group's merchandizing activities entail shipments of commodities in large quantities, often by sea. The Group often competes with other producers, purchasers or merchandizers for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading the Group's products and expose the Group to significant delivery interruptions. Limitations or interruptions in rail, shipping or port capacity could impede the Group's ability to deliver its products on time. In addition, increases in the costs of freight could adversely affect the Group's business, results of operations or financial condition.

The value of the Group’s physical products may deteriorate across various stages of its supply chain

The actual value of the products which the Group delivers may differ from that assessed by the Group for the following principal reasons:

Quality deterioration
*T*he Group’s products are subject to deterioration in quality during storage and transit. Each of the Group’s products has different physical characteristics and requires different kinds of storage, handling and transportation. For example, some products are sensitive to the external environment and their quality may deteriorate considerably during storage. The realizable value of the Group’s products falls with quality deterioration through bad or inadequate quality management.

Weight loss
Weight loss constitutes a major operational risk. All the Group’s products tend to lose some weight or volume due to natural causes. Pilferage and theft also contribute to weight loss during storage or transit. The Issuer’s financial performance will be adversely affected if there are weight or volume losses to products, which are not otherwise assumed and factored into the pricing of such products.

Variation in yield
Some of the Group’s products undergo processing operations, which require estimates to be made regarding the amount of raw material input needed to produce the required output. Such processing output is estimated at the time of buying the various products. Actual output may, however, deviate from the estimate. If such deviation occurs, the Group’s results of operations may be adversely affected.

The Group may inadvertently deliver genetically modified organisms ("GMOs") to those customers that request GMO-free products

The use of GMOs in food and in animal feed has been met with varying degrees of acceptance in the different markets in which the Group operates. The United States and Argentina, for example, have approved the use of GMOs in food products and animal feed, and GMO and non-GMO grain is produced and frequently commingled during the grain sourcing process.

However, adverse publicity about genetically modified food has led to governmental regulation that limits or prevents sales of GMO products in some of the markets in which the Group sells its products, including the European Union and its constituent nations. It is possible that new restrictions on GMO products will be imposed in major markets for the Group's products or that the Group's customers will decide to purchase lower levels of GMO products or not to buy GMO products.

The Group may not always be able to verify all aspects of how and where the agricultural products that the Group sources are produced and under what conditions they are so produced and it is therefore possible that the Group may inadvertently deliver products that contain GMOs to those customers that request GMO-free products. As a result, the Group could lose customers and may incur liability. The Group may also incur significant expenses related to upgrading its procedures and facilities. GMO products that have not received regulatory approval may also enter the food chain. If the Group encounters incidents of this type, they can be costly and time-consuming to rectify, may damage the Group's reputation and may subject the Group to litigation. If regulators in the countries that restrict or prohibit the sale of GMO products or customers who request GMO-free products do not have confidence in the Group's products, the Group could lose customers and could be prohibited from selling its products in those countries, which could, in turn, affect the Group's business, results of operations and/or financial condition.

The Group's insurance policies may not adequately cover all potential losses and the Group or its key personnel might face liability in case of major incident

The Group's insurance policies cover various risks, including, but not limited to, general and specific liabilities, property damage, fire, theft, civil disturbance, riots, inland transit and marine risks. While the Group considers that it currently has sufficient insurance coverage in place, the Group's insurance policies may not adequately compensate it for any and every type of loss that the Group may incur. Any such loss not otherwise compensated may adversely affect the Group's business, results of operations and/or financial condition.

The Group's liability in the case of a major incident, such as pollution caused by a cargo, destruction of freight infrastructures, product recall or poisoning, is covered under various insurance policies, up to a certain limit. However, the Group might not be able to fully protect itself against the financial, reputational or commercial consequences of such an event, and this might adversely affect the Group's business, results of operations and/or financial condition.

Category 5: Financial market risks

There are risks associated with the Group's current debt financings

The Group is highly dependent on debt financing in the form of short-term debt to fund the Group's working capital requirements.

Since all of the Group's loans have a limited tenure, the Group needs sufficient liquidity to meet the Group's loan repayment obligations. Adverse market conditions which hamper the liquidation of stocks or delay the recovery of credit may affect the Group's loan repayment schedules and this may in turn result in the lending banks withdrawing or requiring early repayment of the facilities granted to the Group. This might pose a solvency risk for the Group even though the Group may be profitable.

As the Group obtains loans of longer tenures, it may be exposed to risk of interest rate fluctuations. These may adversely affect the Group's business, results of operations and/or financial condition.

A high level of indebtedness could cause the Group to dedicate a substantial portion of cash flow from operations to payments to service debt, which could reduce the funds available for working capital, capital expenditure, acquisitions, distributions to shareholders and other general corporate purposes and could limit its ability to borrow additional funds and its flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates, placing the Group at a competitive disadvantage compared to those of its competitors that are less leveraged than it is.

Moreover, the Group has a substantial amount of indebtedness at the level of its subsidiaries. In the event of an insolvency of any such subsidiary, Bondholders' claims would be structurally subordinated to the claims of such subsidiary creditors.

(See "Description of the Issuer, its Group and their Business – Funding and Liquidity" and see also Note 4.5 to the 2020 Financial Statements "Liquidity Risk")

The Group may experience limited availability of funds

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. Additional financing, either on a short-term or a long-term basis, may not be made available or, if available, such financing may not be obtained on terms favourable to the Group.

Factors that could affect the Group's ability to procure financing include the cyclicality of the agricultural products and food ingredients market and market disruption risks which could adversely affect the liquidity, interest rates and availability of funding sources.

In addition, consolidation in the banking industry in any market in which the Group procures financing may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector. Independently, Banks may seek to further reduce exposure to the commodities sector or the Group in the future for other reasons. (See "Risks factors – Risks relating to the Group and its Business – Category 5: Financial market risks — Access to financing has been, and may continue to be, curtailed by the effects of the COVID-19 pandemic").

Furthermore, availability of financing to the Group may be negatively affected if LDC or any member of the Group or its shareholders fail to maintain good relations with a particular bank or banks currently lending to the sector.

Factors that could affect cost of funds include further regulatory developments in the banking sector, including changes to the standards promulgated by the Basel Committee on Banking Supervision, which may lead to an increase in banks' funding costs. As these costs are generally passed on to the banks' clients, this may render it more expensive in the future for the Group to borrow money and to maintain the availability of funds which it needs to operate its business.

In addition, during recent years, credit markets worldwide have experienced significant volatility, including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. These developments may result in the Group incurring increasing financing costs associated with the Group's significant levels of debt.

Moreover, the Group's future credit facilities may contain covenants that limit its operating and financing activities and require the creation of security interests over its assets. The Group's ability to meet its payment obligations and to fund planned capital expenditures will depend on the success of the Group's business strategy and the Group's ability to generate sufficient revenues to satisfy its obligations, which are subject to many uncertainties and contingencies beyond the Group's control (See "Description of the Issuer, its Group and their Business – Funding and Liquidity").

If the Group is unable to access financing in the future or if the terms of such financing are more costly or impose increased restrictions on the Group, this could adversely affect the Group's business, results of operations and/or financial condition.

Access to financing has been, and may continue to be, curtailed by the effects of the COVID-19 pandemic

The COVID-19 pandemic and protective measures taken to deal with it have led to disruption and volatility in the global economy and the capital markets. If this disruption and volatility continue, the Group's cost of capital may increase and its ability to access the bond and loan markets may be restricted. The Group's ability to raise future financing for the funding of its operations or refinancing of existing indebtedness may thus be limited or delayed, which could also have an adverse effect on its ability to react to changing economic and business conditions.

The pandemic led to global pressure on the banking sector over the second quarter of 2020, following drawdowns on corporate revolvers, decreased creditworthiness of Asian commodity players, non-performing loans in the commodity sector and non-US banks' increased cost of funds to access dollars. Concerns about liquidity led to a "COVID-19 premium", an increase in the spread applied by banks (see "Results of Operations and Financial Position – Net Finance Costs"). This in turn led to the Group deciding to postpone the refinancing of its US$600 million RCF in the US maturing in May 2021, to wait for more stable market conditions.

In August 2020, partly as a result of concerns around the downturn caused by the COVID-19 pandemic, certain significant international banks announced their intention to stop financing the commodity market with other banks reviewing their ongoing participation.

Access to liquidity by the Group has been consequently negatively impacted while the trend could strengthen in the future and its business, results of operations and/or financial condition may be adversely affected.

Foreign exchange rate fluctuations could adversely affect the Group's financial results

Due to the international nature of its business, the Group is exposed to currency exchange rate fluctuations as a significant portion of its net sales and expenses are denominated currencies other than the U.S. dollar. Changes in exchange rates between the U.S. dollar and other currencies, particularly the Brazilian Real, the Argentine Peso, the Euro and certain Eastern European and Asian currencies, affect the Group's revenues and expenses that are denominated in local currencies. They can also have collateral effects, for example on the Group's ability to effectively source products from, or sell into, particular jurisdictions (see "Risks factors – Risks related to the Group and its Business – Category 3: Political and legal risks -Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability*")*.

Where possible and as a matter of policy, the Group uses forward contracts such as cash-settled forwards to hedge the Group's foreign currency exchange exposures arising from the purchase and sale of products in currencies other than U.S. dollars. Where such instruments are not available, the Group will also attempt to create natural hedging arrangements by matching the value of sales and purchases to and from the same geographic market. Should the Group be unable to hedge the Group's currency exposures, the Group's business, results of operations and/or financial condition may be adversely affected.

Margin calls on futures contracts or other derivative instruments could ultimately result in losses being suffered by the Group

The Group uses derivative instruments such as commodity futures, forward currency contracts and interest rate contracts to hedge its risks associated with commodity price, foreign currency and interest rate fluctuations.

Excessive movements in commodity prices, foreign currency exchange rates or interest rates could result in margin calls being made on the Group by the relevant futures exchange or calls for posting of additional cash or non-cash collateral being made on the Group by its other derivatives counterparties. Such margin calls in turn result in sudden cash flow requirements which the Group may not be able to meet. In 2020, for example, the increase in prices observed at the end of the year, particular in soy products, led to higher margin deposits (see "Results of Operations and Financial Position – Working Capital Usage").

In the event that the Group fails to meet any margin calls, the relevant futures exchange or other derivatives counterparty could terminate the outstanding derivatives position, which could result in losses being suffered by the Group.

The use of futures contracts or other derivative instruments may not fully hedge the risks of price fluctuations and the Group may not be able to effectively hedge the Group's risk of price fluctuations for some of the products the Group merchandizes

Liquid derivatives markets exist for the majority of the key commodities that the Group merchandizes, for example CME CBOT (Chicago), Euronext MATIF (Paris), ICE U.S. and ICE Europe (former LIFFE) and CME NYMEX (New York); and consequently for products such as cotton, sugar, coffee, grains, oilseeds, juice, and rice, the Group uses derivative instruments to hedge the risks of adverse price fluctuations. Additionally, the Group's operations in developing markets require it to participate in futures exchanges in these markets such as the Dalian Commodity Exchange (DCE), the Shanghai Futures Exchange and the Zhengzhou Commodity Exchange (ZCE).

However, the use of such derivative instruments as a means of hedging its exposures may not be fully effective under certain circumstances such as:

- where the prices of the physical products and the corresponding futures prices do not move in the same direction and/or by the same magnitude for periods of time which could be prolonged due, for instance, to speculative activity in the futures market – this was the case, for example in 2017 where a significant influx of speculative funds triggered erratic movements in the coffee futures markets, and in 2018 where speculative activity impacted cotton prices. The trade disputes between the US and China in 2019 also made the hedging strategy less efficient owing to irrational volatility;
- where the product the Group merchandizes does not correspond exactly to the futures market in terms of grade, type, market and quantity; and/or
- where the Group's hedging arrangements have to be rolled forward due to the Group's remaining in physical possession of the products beyond the period contemplated by the initial hedging transaction, thereby exposing the Group to price differences between the contract periods.

If any of the above risks should materialize, the Group's business, results of operations and/or financial condition may be adversely affected.

Moreover, for some of the products which the Group merchandizes, there are no futures markets and, as such, there are no derivative instruments available for the Group to hedge the risks of adverse price fluctuations. Under such circumstances, the Group is partially or fully exposed to price risks until the Group has sold the products that the Group has purchased or has bought the products that the Group has contracted to sell. If the price of the products that the Group sells is lower than the price at which they were procured, the Group's profitability may be adversely affected.

Category 6: Counterparty and Credit risk

The Group may be adversely affected by the actions of the Group's counterparties

The counterparty risks that the Group may face include, amongst others, the following:

Performance risks
The Group faces the risk that the Group's contractual counterparties, such as customers, suppliers and service providers, fail to honour their contractual obligations to the Group. This may result in the Group not being able to net off the Group's positions and hence reduce the effectiveness of the Group's hedging arrangements.

Non-execution of contracts by counterparties may lead to the Group in turn not being able to honour its contractual obligations to third parties. This may subject the Group to, *inter alia*, legal claims and penalties.

The Group may also be subject to legal claims and penalties if the products which the Group has contracted to sell to its customers suffer losses in weight or quality during shipment and transportation by third parties. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

Credit risks
The Group's counterparties may default on credit which the Group grants them. Credit default may arise due to a weakness in the Group's internal credit exposure monitoring system or mechanism, improper judgement or incomplete information on the trading risks of the Group's counterparties. In the countries from which the Group procures its products, the Group may make advances to, amongst others, farmers, agents, co-operatives and other suppliers. These advances may not be recoverable in the event of volatile price movements, disruptions or a sudden end to the crop season. The Group may also make advances to established suppliers or sell on credit to established customers, where it is commercially advantageous to do so. In all these situations, counterparty default on advances will adversely affect the Group's financial performance. Where loans are secured with collateral, the Group may not be able to recover the full value of the loan by liquidating the collateral. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

Counterparty and credit risk relating to the effects of the COVID-19 pandemic
The continuing effects of the COVID-19 pandemic may increase the Group's counterparty and credit risk. The Group's customers or suppliers may seek to release themselves from their contractual obligations by claiming that the ongoing pandemic, and government responses, constitute a *force majeure* event. Moreover, financial difficulties linked to the COVID-19 pandemic are creating an increased liquidity tightening and risk of bankruptcy for certain of the Group's customers and other counterparties. The Group is monitoring this risk closely and in the large majority of cases, deliveries and payments have continued in the normal course of business. Nevertheless, in 2020, the Cotton Platform experienced particular difficulties with a sharp textile demand decrease following lockdown decisions across the globe resulting in a rise of counterparty default risk. Following an in-depth analysis of its trade receivables and exposure to credit risk, the Group's management decided to book additional provisions on trade receivables, particularly linked to the Cotton Platform (see Note 3.9 to the 2020

Financial Statements). If the economic downturn and government-imposed measures to curb the spread of the COVID-19 pandemic continue for an extended period of time the Group's exposure to credit and counterparty default risk could increase which may in turn have a material adverse effect on its business, results of operations and/or financial condition.

The Group has significant credit exposure to a related party

The Group has a significant credit exposure to its immediate shareholder, Louis Dreyfus Company Netherlands Holding B.V. ("**LDCNH**") in the form of a loan extended in 2018 and maturing in 2023 in the amount of US$1,051 million (see notes 5.4 and 7.3 to the 2020 Financial Statements). LDCNH is a holding company and virtually all of its assets are shareholdings in its subsidiaries. In order to satisfy its payment obligations under the loan, LDCNH will therefore rely on dividends and other payments received from its subsidiaries or liquidity events or capital injections from its shareholder. If such dividends are not forthcoming and LDCNH's payment obligations under the loan are not fulfilled, this could adversely affect the Group's business, results of operations and/or financial condition.

Following the completion of the share acquisition described in "Management and Shareholders – Shareholders", this loan is expected to be repaid in a minimum amount of US$800,000,000, with an agreement for progressive repayment of the balance until 2027 at the latest (see "Results of Operations and Financial Position – Key trends and developments in 2020"). However, closing of the share acquisition is subject to conditions precedent and it may not take place and the partial repayment of the loan may not occur.

Risk relating to equity investments

As part of its vertical integration and partnership strategy, the Group holds other financial assets at fair value through profit and loss including equity investments in certain of its partners. For example, since April 2019 the Group has held shares in Leong Hup International. The Group also has also held shares in Luckin Coffee Inc since May 2019. Financial assets at fair value through profit and loss such as these equity investments are regularly marked to market. Consequently, the variation of the value of the shares between two closing periods could have a significant impact on the results of operations of the Group. For example, the Group's has suffered significant losses in respect of its Luckin Coffee Inc investment (see "Results of Operations and Financial Position – Gain (Loss) on Investments and Sale of Fixed Assets"). If the Group suffers losses on its other equity investments or further equity investments that it makes in the future, this could adversely affect the Group's business, results of operations and/or financial condition.

Category 7: Risks relating to the Group's strategy

The Group may face uncertainties associated with its development plans

Since its establishment in its current form in 2006, the Group has undertaken certain development initiatives through the acquisition of various companies and the establishment of joint ventures. The Group plans to continue pursuing a measured expansion through investments in selected assets with a view to enhancing profitable growth. (See "Description of the Issuer, its Group and their Business – Strategy").

The Group's expansion initiatives involve numerous risks, including but not limited to, the financial costs of investment in machinery and equipment, construction of new facilities and working capital requirements. Moreover, mergers and acquisitions involve risks, including: unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalized; potential difficulties in the integration of the operations and systems; potential difficulties in the retention of select personnel; potential difficulties in the co-ordination of sales and marketing efforts; and diversion of the Group's management's attention from other ongoing business concerns.

COVID-19 has also had an effect on the Group's expansion plans, with the Group investing at a slower pace than usual due to lockdowns and near-term uncertainty caused by the pandemic. (See "Results of Operations and Financial Position – Capital Expenditure and Divestments").

The success of the Group's acquisition and investment strategy depends on a number of factors, including:

- the Group's ability to identify suitable opportunities for investment or acquisition;
- whether the Group is able to complete an acquisition or investment agreement on terms that are satisfactory;
- the extent to which the Group is able to exercise control over the acquired company or business;
- the economic, business or other strategic objectives and goals of the acquired company or business compared to those of the Group; and
- the Group's ability to successfully integrate the acquired company or business with the Group.

In addition, the initiatives undertaken may not result in increased revenues or cost-cutting or other synergies commensurate with the investment costs. If the Group is unable to do so or cannot manage its costs, its business and profitability will be adversely affected as the Group will not be able to recover the costs of its investment.

See also "Risk factors – Risks relating to the Group and its Business – Category 9: Risks relating to the corporate structure of the Group – The Group holds a small number of its industrial/processing assets through non-controlling stakes or joint ventures and strategic partnerships arrangements and could enter into further arrangements in the future."

Category 8: Risks related to the Group's processes

The Group is dependent on its internal systems, including its information technology systems, for the Group's operations

The Group's operations rely on its ability to process a substantial number of complex transactions involving different markets, countries and currencies. Consequently, the Group is dependent on the Group's risk management systems, operational systems, other data processing systems and the Group's financial accounting systems. Although most of the Group's information technology infrastructure is housed in secured data-centres (see "Description of the Issuer, its Group and their Business – Information Technology"), if any of these systems do not operate properly or are disabled, the Group may suffer disruption to the Group's business operations, financial loss, disclosure of confidential information and/or damage to the Group's reputation.

In particular, the Group's information technology systems some of which are dependent on services provided by third parties, provide critical data and services for internal and external users, including procurement and inventory management, transaction processing, financial, commercial and operational data, human resources management, legal and tax compliance information and other information and processes necessary to operate and manage the Group's business. The Group's information technology and infrastructure may experience attacks by hackers, breaches or other failures or disruptions that could compromise the Group's systems and the information stored there. While the Group has implemented security measures designed to protect the security and continuity of its networks and critical systems, these measures may not adequately prevent adverse events such as breaches or failures from occurring or mitigate their severity if they do occur. If the Group's information technology systems are breached, damaged, fail to function properly due to any number of causes, such as security breaches or cyberattacks, systems implementation difficulties, catastrophic events or power outages, and its security, contingency or disaster recovery plans do not effectively mitigate these occurrences on a timely basis, the Group may experience a material disruption in its ability to ensure privacy or guard personal information. The increase in remote working as a result of the preventative measures taken to combat the COVID-19 pandemic will exacerbate this risk. This may adversely impact the Group's business, results of operations and financial condition, as well as its competitive position.

In addition, the Group's systems may not detect illegal, unauthorized or fraudulent activities by the Group's employees. As a diversified Group conducting complex transactions globally, the Group is exposed to the risk of fraud. The Group's operations are large in scale, which makes fraudulent transactions difficult to detect. While the Group has put in place internal policies, procedures and controls, such policies, procedures and controls may not adequately protect the Group's business, reputation, results of operations, financial condition and/or prospects. Moreover, the Group's present systems may also not be able to cope with the Group's growth and expansion. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks

The Group's merchandizing activities are exposed to commodity price, foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. The Group has devoted significant resources to developing and implementing policies and procedures to manage these risks and expects to continue to do so in the future. Nonetheless, the Group's policies and procedures to identity, monitor and manage risks have not been fully effective in the past and may not be fully effective in the future.

Some of the Group's methods of monitoring and managing risk are based on historical market behaviour that may not be an accurate predictor of future market behaviour. Other risk management methods depend on evaluation of information relating to markets, suppliers, customers and other matters that are publicly available or otherwise accessible by the Group. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in doing so. The Group uses, among other techniques, Value at Risk, or "VaR", as a key risk measurement technique. VaR is only one of the risk metrics within a wider risk management system applied within the Group. VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by the Group, nor does the Group expect that VaR results are indicative of future market movements or representative of any actual impact on its future results. Failure to mitigate all risks associated with the Group's business could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is dependent on key personnel for the Group's operations and profitability

One of the key reasons for the Group's growth and success has been the Group's ability to retain a talented and motivated team of senior professional managers (See "Description of the Issuer, its Group and their Business – Competitive Strengths – Experienced Management Team and Stable Shareholder Structure"). Nevertheless, the Group is from time to time affected by departures of senior executives: in September 2018, for example, both the Group's CEO and CFO were replaced and there have been further changes of CEO and CFO since that time. The Group's continued success will depend on the Group's ability to retain key management staff and train new employees. If members of the Group's senior management team are unable or unwilling to continue in their present positions, the Group's business, results of operations and/or financial condition may be adversely affected (See "Risk management")

Moreover, the process of hiring employees with the required combination of skills and attributes may be time-consuming and competitive. The Group may not be able to attract additional qualified personnel for overseas postings in developing economies. This will further constrain the Group's growth in those places. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

If the demand among competitors for professional managers and skilled employees continues to increase, such increase in demand is likely to lead to increases in remuneration costs, and as a result, the Group's business, results of operations and/or financial condition may be adversely affected.

Category 9: Risks relating to the corporate structure of the Group

The Issuer is a holding company

The Issuer's principal business is to act as the holding company of the Group and virtually all of the Issuer's assets are shareholdings in its subsidiaries and associated companies. Investors will not have any direct claims on the cash flows or the assets of such subsidiaries and associated companies, and such entities have no obligation, contingent or otherwise, to pay amounts due under the Bonds or to make funds available to the Issuer for these payments. In order to satisfy its payment obligations, the Issuer will rely on dividends and other payments received from its subsidiaries and associated companies. Both the timing and ability of certain subsidiaries and associated companies to pay dividends is limited by applicable laws as well as their financial performance and may be limited by conditions contained in certain of their agreements such as dividend restrictions and obligations to maintain debt/equity ratios (see "Description of the Issuer, its Group and their Business – Funding and Liquidity"). If dividends received from its subsidiaries and associated companies diminish or are restricted, this could have an adverse effect on the Issuer's ability to service its payment obligations under the Bonds.

Substantial shareholders could significantly influence the outcome of corporate actions in a manner which may conflict with the Group's interests and the interests of other shareholders

The Issuer's shareholders can significantly influence most matters concerning the strategic direction of the Group. The Issuer's substantial shareholders' objectives may conflict with the Issuer's business goals and activities or the interests of Bondholders (see "Management and Shareholders").

The Group holds a small number of its industrial/processing assets through non-controlling stakes or joint ventures and strategic partnerships arrangements and could enter into further arrangements in the future

(see "Note 5.4 Non-current financial assets to the 2020 Financial Statements")

A small number of its industrial assets investments are not under the Group's control (see "Description of the Issuer, its Group and their Business – Description of Assets"). Although the Group has various structures in place which seek to protect its position where it does not exercise control, the board of these companies may:

- have economic or business interests or goals that are inconsistent with or opposed to those of the Group;
- exercise veto rights or take shareholder decisions so as to block actions that the Group believes to be in its best interest and/or in the best interest of all shareholders;
- take action contrary to the Group's policies or objectives with respect to its investments or commercial arrangements; or

- as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under any joint venture or other agreement, such as contributing capital to expansion or maintenance projects.

Where projects and operations are controlled and managed by the Group's co-investors or where control is shared on an equal basis, the Group may provide expertise and advice, but has limited or restricted ability to mandate compliance with its policies and objectives. Improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of the Group.

The Group is subject to its obligations relative to its Equity Participation Plan and related contractual arrangements

The Group has set up an Equity Participation Plan ("**EPP**") at the level of its indirect parent company, Louis Dreyfus Company Holdings B.V. ("**LDCH B.V.**"), designed to ensure that certain key employees benefit from the Group's success and growth. In connection with this plan, the Issuer has certain contractual obligations. The Group and LDCH B.V. have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH B.V. for the benefit attributed to their employees pursuant to the EPP. For further details of the Group's financial obligations under the EPP, see Note 6.2 to the 2020 Financial Statements as set out on page F-55 of this Prospectus. The Group's obligations under the EPP may impose constraints on its financial results and might affect them adversely, without any relation to the Group's economic or commercial performance.

Part 2: Risks relating to the the Bonds

Category 10: Risks relating to nature of the Bonds

The Issuer is not a listed company

The Issuer is not a listed company and accordingly is not subject to the normal reporting requirements that apply to companies whose shares are listed on a regulated stock exchange.

The Issuer may raise other funds which affect the price of the Bonds

The Issuer may raise additional funds through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Bonds. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up of the Issuer. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Bonds and/or the ability of Bondholders to sell their Bonds.

No obligation of subsidiaries or associated companies to pay amounts under the Bonds

The Issuer's principal business is to act as the holding company of the Group, and virtually all of the Issuer's assets are shareholdings in its subsidiaries and associated companies. Investors will not have any direct claims on the cash flows or the assets of the other entities of the Group, and such entities have no obligation, contingent or otherwise, to pay amounts due under the Bonds or to make funds available to the Issuer for these payments. As a result Bondholders will rely solely on the Issuer's cash flows and assets to obtain payment under the Bonds and, should the Issuer become insolvent, they may lose a substantial part of their investment in the Bonds.

Modification and waivers

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. If a decision were adopted by a majority of Bondholders and such modifications were to impair or limit the rights of the Bondholders, this might have an impact on the market value of the Bonds and Bondholders might lose part of their investment.

Integral multiples of less than EUR100,000

The denominations of the Bonds are EUR100,000 and integral multiples of EUR1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of EUR100,000 that are not integral multiples of EUR100,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than EUR100,000 will not receive a Definitive Bond in respect of such holding (should Definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations.

Change of control – Put option

In the event of a Change of Control of the Issuer (as defined in Condition 5(c)) in conjunction with a rating downgrade, each Bondholder will have the right to request that the Issuer redeem or purchase (or procure purchase of) all or part of its Bonds at their principal amount, together with any accrued interest thereon (or, in the case of purchase, an amount equal to such accrued interest). In such case, any trading market in respect of those Bonds in respect of which such redemption right is not exercised may become illiquid. Investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

Early redemption options exercisable by the Issuer: Make-whole or Minimal Outstanding Amount

The Issuer has the option to redeem all or any of the outstanding Bonds at any time or from time to time up to but excluding the date falling three months prior to their Maturity Date under a make-whole call option as provided in Condition 5(e). In the event that the Issuer chooses to redeem some only of the outstanding Bonds under the make-whole call option described above, any trading market in respect of those Bonds in respect of which such call option is not exercised may become illiquid.
The Issuer may redeem all but not some only of the Bonds at their principal amount, together with any accrued interest thereon in the circumstances described in the call option for Redemption in the Case of Minimal Outstanding Amount as provided in Condition 5(d). The option provided under Condition 5(d) may be expected to be exercised when prevailing interest rates are relatively low.

The Issuer may also redeem the Bonds at any time as from and including the date falling three months prior to but excluding the Maturity Date in whole (but not in part), at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

During a period when the Issuer may elect to redeem Bonds, such Bonds may feature a market value not above the price at which they can be redeemed.

No gross-up for new withholding tax on interest in the Netherlands in respect of payments made by the Issuer to certain Holders that are entities related to the Issuer

The Netherlands has introduced a new withholding tax on interest payments as at 1 January 2021 pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). The new withholding tax generally applies to interest payments made by an entity tax resident in the Netherlands, like the Issuer, to a related entity of it (as described below) tax resident in a Listed Jurisdiction (as defined below).

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered a *related entity* if (i) such entity has a Qualifying Interest (as defined below) in the Issuer, (ii) the Issuer has a Qualifying Interest in the entity, or (iii) a third party has a Qualifying Interest in both the Issuer and such entity. The term "**Qualifying Interest**" means a directly or indirectly held interest – either individually or jointly as part of a collaborating group (*samenwerkende groep*) – that confers a definite influence over the entity's decisions and allows the holder of such interest to determine its activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (*vrijheid van vestiging*)).

A jurisdiction is considered a listed jurisdiction (a "**Listed Jurisdiction**"), if it is listed in the yearly updated Dutch Regulation on low-taxing jurisdictions and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) which includes (i) jurisdictions with a corporation tax on business profits with a general statutory rate of less than 9 per cent. and (ii) jurisdictions that are included in the EU list of non-cooperative jurisdictions.

For the fiscal year 2021, the following 23 jurisdiction are Listed Jurisdictions: American Samoa, Anguilla, the Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates, and the U.S. Virgin Islands.

The new withholding tax may also apply in situations where artificial structures are put in place with the main purpose or one of the main purposes to avoid the Dutch withholding tax, e.g., where an interest payment to a Listed Jurisdiction is artificially routed via an intermediate entity in a non-Listed Jurisdiction, or in the event of a hybrid mismatch.

In practice, the Issuer may not always be able to assess whether a Bondholder is a related entity with respect to the Issuer or located in a Listed Jurisdiction. The parliamentary history is unclear on the Issuer's responsibilities to determine the absence of affiliation in respect of bonds issued in the market, like the Bonds.

As provided in Condition 7 (*Taxation*), if the Bonds become subject to withholding tax on interest in the Netherlands pursuant to the Dutch Withholding Tax Act 2021, the Issuer will make the required withholding or deduction for the account of the Bondholders and shall not be obliged to pay any additional amounts to the Bondholders in respect of the withholding or deduction. This may have an impact on the net income received from the Bonds.

Change of law

The terms and conditions of the Bonds are based on English law in effect as at the date of this Prospectus. Judicial decisions or changes as to English law or administrative practice after the date of this Prospectus may impact the Bonds.

Insolvency laws of the Netherlands may preclude Holders from recovering payments due on the Bonds or the Coupons

The Issuer is incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in the Netherlands, and is likely to have (subject to proof to the contrary) its centre of main interests in the Netherlands (within the meaning of Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**EU Insolvency Regulation**"). Consequently, the main insolvency proceedings in respect of the Issuer would likely be initiated in the Netherlands while secondary proceedings could be initiated in one or more EU jurisdictions (with the exception of Denmark) in which the Issuer has an establishment. Dutch insolvency laws may make it difficult or impossible to effect a restructuring which may limit the ability of the Holders to enforce their rights under the Bonds or the Coupons.

There are two primary insolvency regimes under Dutch law in relation to corporations. The first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate the assets of a debtor and distribute the proceeds thereof to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*). The consequences of both proceedings are roughly equal from the perspective of a creditor, with creditors being treated on a *pari passu* basis subject to exceptions. A general description of the principles of both insolvency regimes is set forth below.

A request for a suspension of payments can only be filed by the debtor itself if it foresees that it will not be able to continue to pay its debts as they fall due in the future. Upon commencement of suspension of payments proceedings, the court will immediately (*dadelijk*) grant a provisional suspension of payments, and will appoint an administrator (*bewindvoerder*). A definitive suspension will generally be granted in a creditors' meeting called for that purpose, unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or one-third in number of creditors represented at such creditors' meeting) of the unsecured and non-preferential creditors (including subordinated creditors) withholds its consent or if there is no prospect that the debtor will in the future be able to pay its debts as they fall due (in which case the debtor will generally be declared bankrupt). During a suspension of payments, unsecured and non-preferential creditors (including subordinated creditors) will be precluded from attempting to recover their claims existing at the moment of the commencement of the suspension of payments from the assets of the debtor. A suspension of payments is subject to exceptions, the most important of which excludes secured creditors and (subject to certain limitations) preferential creditors (such as tax and social security authorities and employees) from the application of the suspension. This implies that during suspension of payments proceedings secured creditors may proceed to take recourse against the assets that secure their claims to satisfy their claims, and preferential creditors are also not barred from seeking to recover their claims. However, a competent Dutch court may order a "cooling down period" (*afkoelingsperiode*) for a maximum period of two times two months during which enforcement actions by secured creditors and preferential creditors are barred, unless such creditors have obtained leave for enforcement from the court or the supervisory judge (*rechter-commissaris*).

In a suspension of payments, a composition (*akkoord*) may be proposed by the debtor to its creditors. Such a composition will be binding on all unsecured and non-preferential creditors (including subordinated creditors), irrespective of whether they voted in favour or against it or whether they were represented at the creditor's meeting called for the purpose of voting on the composition, if (i) it is approved by a simple majority of the recognized and admitted creditors present or represented at the relevant meeting, representing at least 50 per cent. of the amount of the recognized and admitted claims and (ii) it is subsequently ratified (*gehomologeerd*) by the competent Dutch court. Consequently, Dutch insolvency laws could reduce the recovery of Holders in a Dutch suspension of payments applicable to the Issuer.

Bankruptcy can be applied for either by the debtor itself or by a creditor if the debtor has ceased to pay its debts as they fall due. This is deemed to be the case if the debtor has at least two creditors (at least one of which has a claim that is due and payable). Simultaneously with the opening of the bankruptcy, a liquidator in bankruptcy will be appointed. Under Dutch bankruptcy proceedings, the assets of an insolvent debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the ranking and priority of their respective claims. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that the net proceeds of the liquidation of the debtor's assets in bankruptcy proceedings shall be distributed to the unsecured and non- preferential creditors in proportion to the size of their claims and in priority to any subordinated creditors. Subordinated creditors will only receive payment if the net proceeds of the debtor's assets exceed the claims of the unsubordinated creditors. Certain creditors (such as secured creditors and preferential creditors) have special rights that may adversely affect the interests of Holders. For example, a Dutch bankruptcy in principle does not prohibit secured creditors from taking recourse against the encumbered assets of the bankrupt debtor to satisfy their claims.

Consequently, Dutch insolvency laws could reduce the potential recovery of a Holder in Dutch bankruptcy proceedings. As a general rule, to obtain payment on unsecured and non-preferential claims (including subordinated claims), such claims need to be submitted to the liquidator in bankruptcy in order to be recognized. The liquidator in bankruptcy determines whether a claim can be provisionally recognized for the purpose of the distribution of the proceeds, and at what value and ranking. The valuation of claims that do not by their terms become payable at the time of the commencement of the bankruptcy proceedings may be based on their net present value. Interest payments that fall due after the date of the bankruptcy will not be recognized. At a creditors' meeting (*verificatievergadering*) the liquidator in bankruptcy, the insolvent debtor and all relevant creditors may contest the provisional recognition of claims of other creditors. Creditors whose claims or part thereof are disputed in the creditors' meeting will be referred to separate court proceedings (*renvooiprocedure*). This procedure could result in Holders receiving a right to recover less than the principal amount of their Bonds or Coupons. In addition, in a Dutch bankruptcy in practice usually no or little funds remain available for the payment of unsecured and non-preferential creditors or subordinated creditors.

As in suspension of payments proceedings, in a bankruptcy, a composition (*akkoord*) may be offered to the unsecured and non-preferential creditors, including subordinated creditors. Such a composition will be binding upon all unsecured and non-preferential creditors (including subordinated creditors), if (i) it is approved by a simple majority of unsecured non-preferential creditors (including subordinated creditors) with recognized and provisionally admitted claims representing at least 50 per cent. of the total amount of the recognized and provisionally admitted unsecured non preferential claims (including subordinated claims) and (ii) it is subsequently ratified (*gehomologeerd*) by the court.

Secured creditors may, in a Dutch bankruptcy, enforce their rights against the assets of the debtor which are subject to their security rights, to satisfy their claims as if there were no bankruptcy. A recovery under Dutch law could, therefore, involve a sale of assets that does not reflect the going concern value of the Issuer. Consequently, a Holder's potential recovery could be reduced in Dutch insolvency proceedings. As in suspension of payments proceedings, the competent Dutch court or the supervisory judge may order a "cooling down period" for a maximum of two times two months during which enforcement actions by those creditors are barred unless they have obtained leave for enforcement from the supervisory judge. Under Dutch law, as soon as a debtor is declared bankrupt, all pending enforcements of judgments against such debtor terminate by operation of law and all attachments on the debtor's assets lapse by operation of law. Litigation against a debtor which is pending on the date on which that debtor is declared bankrupt and which concerns a claim against that debtor which must be satisfied from the proceeds of the liquidation in bankruptcy is automatically stayed. Under Dutch law, bankruptcy and suspension of payment generally take effect at 00.00 a.m. on the day of the judgment of the bankruptcy or the suspension of payments.

The Dutch Scheme

With the entry into force of the Act on Court Confirmation of Extrajudicial Restructuring Plans (*Wet homologatie onderhands akkoord*) ("**WHOA**") on 1 January 2021, debtors now have the possibility to offer a composition outside of formal insolvency proceedings. The WHOA is inspired from the UK Scheme of Arrangements and the US Chapter 11 procedure and it offers debtors additional possibilities to restructure their debt. Unlike a composition in suspension of payments and in bankruptcy proceedings, a composition under the WHOA can be offered to secured creditors as well as shareholders. The WHOA provides, inter alia, for cross class cramdown, the restructuring of group company obligations through aligned proceedings, the termination of onerous contracts, the suspension of certain ipso facto clauses in contracts and supporting court measures. A WHOA composition may result in claims against the Issuer being compromised if the relevant majority votes in favor of such a composition and it is subsequently confirmed by the Dutch courts. A composition plan under the WHOA can extend to claims against entities that are not incorporated under Dutch law and/or are residing outside the Netherlands. Accordingly, the WHOA can affect the rights of the Holders of Bonds and therefore the Bonds.

Voting on a WHOA composition plan is done in classes. A class is deemed to accept the plan if two thirds of the total amount of the debt of that class or, in the case of a class of shareholders, two thirds of the share capital of that class, participating in the vote, votes in favor. The WHOA provides for the possibility for a composition plan to be binding on a dissenting class (i.e., cross class cramdown). Under the WHOA, the court will confirm a composition plan if at least one class of creditors (other than a class of shareholders) that can be expected to receive a distribution in case of a bankruptcy of the debtor approves the plan, unless there is a statutory ground for refusal. The court can, inter alia, refuse confirmation of a composition plan on the basis of (i) a request by a dissenting creditor, if the value of the distribution that such creditor receives under the plan is lower than the distribution it can be expected to receive in case of a bankruptcy of the debtor or (ii) a request of a dissenting creditor in a dissenting class, if the plan provides for a distribution of value that deviates from the statutory or contractual ranking and priority to the detriment of that class, unless there is a reasonable ground to do so. There is one mandatory refusal ground specifically applicable to secured financial creditors. If the composition plan entails a debt-for-equity swap to which such creditors do not want to ascribe, and these creditors do not have the right to opt for a different kind of distribution, the court will refuse confirmation of such plan on the request of such creditor.

Under the WHOA, the court may grant a stay on enforcement of a maximum of four months, with a possible extension of four months. For the duration of such moratorium, all enforcement action against the assets of (or in the possession of) the debtor is suspended unless with the court's approval, including action to enforce security over the assets of the debtor or, in case of an undisclosed right of pledge over receivables, the collection, or notification to the debtors. Furthermore, any petitions for bankruptcy in respect of the debtor are suspended and the court may lift attachments on the debtor's assets at the request of the debtor or restructuring expert.

The WHOA could therefore have an adverse effect on the ability of Holders to recover payments due on the Bonds or the Coupons.

Temporary Act COVID-19 Ministry of Social Affairs and Ministry of Justice

The Temporary Act COVID-19 Ministry of Social Affairs and Ministry of Justice (*Tijdelijke wet COVID-19 SZW en JV*) entered into force on 17 December 2020. Under this temporary act, a debtor is (*inter alia*) entitled to request that the court suspend the enforcement measures and/or any court decisions regarding bankruptcy requests. The court will grant such request under specific circumstances, such as if: (i) suspension is necessary for continuation of the company's activities; (ii) it is summarily evidenced that the current financial situation is mainly (or completely) caused by the measures imposed as from 16 March 2020 as a result of the COVID-19 outbreak, and as a result the company is temporarily unable to pay its debts; and it is evidenced that the financial situation of the company before the COVID-19 outbreak was normal and it is expected that the financial situation will be better in the (near) future. If approved, suspension will be initially granted for two months and can be extended twice for another period of two months.

The Temporary Act COVID-19 Ministry of Social Affairs and Ministry of Justice could therefore have an adverse effect on the ability of Holders to recover payments due on the Bonds or the Coupons.

Market value of the Bonds

The long-term credit of the Group is rated BBB- by S&P. The Bonds have been assigned a rating of BB+ by S&P. Any negative change in such credit rating of the Group and/or the Bonds could negatively affect the trading price for the Bonds and hence investors may lose part of their investment. The rating assigned by a rating agency to the Group and/or the Bonds may not reflect the potential impact of all risks related to the Group and/or the Bonds, as the case may be. Therefore, the market value of the Bonds may be affected by the Issuer's creditworthiness and/or that of the Group and other additional factors, including prevailing interest rates.

Furthermore, the value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in the jurisdictions in which the Group operates, and factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Holder of Bonds will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. If the Issuer's or the Group's credit quality deteriorates, the value of the Bonds may also fall and Bondholders selling their Bonds prior to the Maturity Date may receive significantly less than the total amount of capital invested.

The secondary market generally

There is currently no existing market for the Bonds. The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be maintained or be liquid. Therefore, Bondholders may not be able to sell their Bonds easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. Although application has been made for the Bonds to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, such application may not be accepted. The Issuer is entitled, under certain circumstances, to buy the Bonds, which shall then be cancelled or caused to be cancelled, and to issue further Bonds. Such transactions may favourably or adversely affect the price development of the Bonds. If additional and competing products are introduced in the markets, this may adversely affect the value of the Bonds.

Interest Rate Risk

Investment in instruments like the Bonds which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the market value of Bonds. In particular, a Bondholder that receives interest at a fixed rate is exposed to the risk that the market value of such Bond could fall as a result of changes in the market interest rate. While the nominal interest rate of the fixed rate Bonds is fixed during the term of such Bond, the current interest rate on the capital markets ("market interest rate") typically varies on a daily basis. As the market interest rate changes, the market value of the fixed rate Bonds would typically change in the opposite direction. If the market interest rate increases, the market value of the fixed rate Bonds would typically fall, until the yield of such Bonds is approximately equal to the market interest rate. If the market interest rate falls, the market value of the Bonds would typically increase, until the yield of such Bonds is approximately equal to the market interest rate. The degree to which the market interest rate may vary presents a significant risk to the market value of the Bonds if a Bondholder were to dispose of the Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Bondholders whose financial activities are carried out or dependent principally in a currency other than Euro may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

The Global Bonds are held by or on behalf of Clearstream, Luxembourg and Euroclear and investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Bonds will be represented by the Global Bonds except in certain limited circumstances described in the Permanent Global Bond. The Global Bonds will be deposited with a common safekeeper for Clearstream, Luxembourg and Euroclear. Except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive Definitive Bonds. Clearstream, Luxembourg and Euroclear will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Clearstream, Luxembourg and Euroclear.

The Issuer will discharge its payment obligations under the Bonds by making payments to or to the order of the common safekeeper for Clearstream, Luxembourg and Euroclear for distribution to their account holders. A Holder of a beneficial interest in a Global Bond must rely on the procedures of Clearstream, Luxembourg and Euroclear to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

Holders of beneficial interests in the Global Bonds will not have a direct right to vote in respect of the Bonds. Instead, such Holders will be permitted to act only to the extent that they are enabled by Clearstream, Luxembourg and Euroclear to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Bonds will not have a direct right under the Global Bonds to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon direct enforcement rights that they acquire in the Global Bonds which will are executed by the Issuer as deed polls.

Transaction costs

When Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Bonds. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro rata commissions depending on the order value. To the extent that additional — domestic or foreign — parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Bondholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

Terms and Conditions of the Bonds

The following are the terms and conditions substantially in the form in which they will be endorsed on the Bonds:

The issue of the Bonds was authorized by the managing board (*bestuur*) of the Issuer in a resolution adopted on 12 April 2021. An agency agreement dated 28 April 2021 (as amended from time to time, the "**Agency Agreement**") has been entered into in relation to the Bonds between the Issuer and BNP Paribas Securities Services, Luxembourg Branch, as principal paying agent, fiscal agent and calculation agent. The fiscal agent the paying agents and the calculation agent for the time being (including any successor agents appointed from time to time in connection with the Bonds) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent**" and together, the "**Agents**". The Agency Agreement includes the form of the Bonds and the coupons relating to them (the "**Coupons**"). Copies of the Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents (specified below in accordance with Condition 6(f)). The holders of the Bonds (the "**Bondholders**") and the holders of the Coupons (whether or not attached to the relevant Bonds) (the "**Couponholders**") are deemed to have notice of all the provisions of the Agency Agreement applicable to them. References to "**Holders**" shall include both Bondholders and Couponholders.

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

1. Form, Denomination and Title

a) **Form and denomination:** The Bonds are serially numbered and in bearer form in the denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof, up to and including EUR199,000, each with Coupons attached on issue. No definitive Bonds will be issued with a denomination above EUR199,000. Bonds of one denomination may not be exchanged for Bonds of any other denomination.

b) **Title:** Title to the Bonds and Coupons passes by delivery. The Holders will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the Holder.

2. Status

The Bonds and Coupons constitute unsubordinated (subject to Condition 3) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations which may be preferred by applicable law.

3. Negative Pledge

So long as any Bond or Coupon remains outstanding (as defined below), the Issuer will not, and will ensure that none of its Material Subsidiaries will, create, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) ("**Security**") to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds and the Coupons the same security as is created to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Bondholders passed in accordance with the provisions for meetings of Bondholders set forth in Annex 3 of the Agency Agreement.

In these Conditions:

(i) "**Consolidated Group**" means the Issuer and its consolidated Subsidiaries from time to time;

(ii) "**Material Subsidiary**" means, at any time, a Subsidiary:

(a) whose revenues (excluding intra-Consolidated Group items) then account for at least 10 per cent. of the consolidated revenues of the Consolidated Group; or

(b) whose assets (excluding intra-Consolidated Group items) then account for at least 10 per cent. of the consolidated assets of the Consolidated Group.

For this purpose:

(a) the revenues or assets of a Subsidiary of the Issuer will be determined from the contribution which it makes to the assets and revenues, as applicable, of the Consolidated Group based on the latest audited financial statements of the Consolidated Group;

(b) if a Subsidiary of the Issuer becomes a member of the Consolidated Group after the date on which the latest audited financial statements of the Consolidated Group have been prepared, the revenues or assets of that Subsidiary will be determined from its latest financial statements;

(c) the revenues or assets of the Consolidated Group will be determined from its latest audited annual financial statements; and

(d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent audited annual financial statements of those Subsidiaries and the Consolidated Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

(iii) "**outstanding**" means, in relation to the Bonds, all the Bonds issued except (a) those which have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Fiscal Agent as provided in the Agency Agreement, and remain available for payment against presentation and surrender of Bonds and/or Coupons, as the case may be, (c) those in respect of which claims have become void, (d) those which have been purchased and cancelled as provided in these Conditions, (e) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds and (f) (for the purpose only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Bondholders and (2) the determination of how many Bonds are outstanding for the purposes of the meetings of Bondholders (provisions of which are further described in Annex 3 of the Agency Agreement) those Bonds which are beneficially held by, or are held on behalf of, the Issuer or any of its their Subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

(iv) "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(v) "**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

4. Interest

The Bonds bear interest from and including 28 April 2021 (the "**Issue Date**") at the rate of 1.625 per cent. per annum, payable annually in arrear in equal instalments of EUR16.25 per Calculation Amount (as defined below) on 28 April in each year (each an "**Interest Payment Date**"), with the first Interest Payment Date to be on 28 April 2022. If any Interest Payment Date would otherwise fall on a date which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day. Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Holder, and (b) the day seven days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Conditions).

In these Conditions, the period beginning on and including 28 April 2021 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per EUR1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period save as provided above in relation to equal instalments for a complete Interest Period shall be equal to the product of the interest rate, the Calculation Amount and the day count fraction for the relevant period (such day count fraction being the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last)). The resulting figure will be rounded to the nearest cent (half a cent being rounded upwards).

In this Condition and in Condition 11(c) "**Business Day**" means (i) a day on which commercial banks and foreign exchanges markets are open in Luxembourg, and (ii) a day on which the TARGET 2 System is operating.

"**TARGET 2 System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer 2 System.

5. Redemption and Purchase

(a) **Redemption Date:** To the extent they have not previously been redeemed or repurchased and cancelled, the Bonds will be redeemed at their principal amount plus accrued interest on the final Interest Payment Date falling on 28 April 2028 (the "**Maturity Date**").

(b) **Redemption for withholding taxation reasons**: The Issuer may redeem the Bonds in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' notice to the Bondholders in accordance with Condition 14 and the Fiscal Agent (which notice shall be irrevocable), at their principal amount together with interest accrued to the date fixed for redemption, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any actual or proposed change in, or amendment to, the laws or regulations of the tax jurisdiction of the Issuer or any Substitute appointed pursuant to Condition 11 (the "**Relevant Taxing Jurisdiction**") (including a decision or ruling of any court or tribunal) or any political subdivision or any authority thereof or therein having power to tax, or any actual or proposed change in the official application or official interpretation of such laws or regulations (including any interpretation or pronouncement by any relevant tax authority), which change or amendment becomes effective on or after the

Issue Date (a "**Withholding Tax Event**"), provided that (i) such Withholding Tax Event cannot be avoided by the Issuer or any Substitute taking reasonable measures available to it and (ii) no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer or any Substitute would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing (which may include legal advisers of the Issuer and/or who have advised in connection with the original issue of the Bonds) to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) **Redemption at the option of the Bondholder in the event of a Change of Control Put Event:**

If a Change of Control Put Event (as defined below) occurs, each Bondholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the relevant Change of Control Put Event Notice (as defined below), the Issuer has given notice to redeem the Bonds in accordance with Conditions 5(b), 5(d) and 5(e)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) the Bonds held by it on the Change of Control Put Date at their principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to but excluding the Change of Control Put Date.

Promptly upon a Change of Control Put Event having occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Bondholders in accordance with Condition 14 specifying the nature of the Change of Control Put Event and the circumstances giving rise to it, the procedure for exercising the Change of Control Put Option and the Change of Control Put Date.

In order to exercise the Change of Control Put Option, the Bondholder must deposit such Bond with the Principal Paying Agent at its specified office at any time during normal business hours of the Principal Paying Agent, accompanied by a duly signed and completed option exercise notice in the form (for the time being current) available from the specified office of the Principal Paying Agent (a "**Change of Control Put Notice**") within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Put Event Notice is given. No Bond so deposited and option so exercised may be revoked or withdrawn without the prior approval of the Issuer.

The Bonds should be delivered together with all Coupons relating to them maturing after the Change of Control Put Date, failing which the amount of any such missing unmatured Coupon will be deducted from the sum due for payment in the manner provided in Condition 6(d). The Principal Paying Agent will issue to the Bondholder concerned a non-transferable receipt in respect of all Bonds so delivered. Payment in respect of any Bond so delivered will be made, if the Holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date, by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office the Principal Paying Agent. For the purposes of these Conditions, receipts issued pursuant thereto shall be treated as if they were Bonds.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

For the purposes of this Condition 5(c):

"**Affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

A "**Change of Control**" shall be deemed to have occurred each time that any Third Person or Third Persons acting in concert come(s) to own or acquire(s) directly or indirectly (i) more than 50 per cent. of the issued share capital of Louis Dreyfus Company B.V. or (ii) such number of shares in the capital of Louis Dreyfus Company B.V. carrying more than 50 per cent. of the voting rights exercisable at a general meeting of Louis Dreyfus Company B.V..

"**Change of Control Put Date**" is the seventh calendar day after the last day of the Change of Control Put Period.

A **"Change of Control Put Event"** means that a Change of Control has occurred and:

(i) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement that the Change of Control has occurred and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:

(A) an investment grade credit rating (i.e. BBB-, or its respective equivalents, or better) (an "**Investment Grade Rating**"), from any Rating Agency and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (i.e. BB+, or its respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or reinstated to an Investment Grade Rating by such Rating Agency; or

(B) a Non-Investment Grade Rating from any Rating Agency and such rating is, within the Change of Control Period, either downgraded by one or more rating categories or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or reinstated to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that

(i) if at the time of the occurrence of the Change of Control the Bonds carry a credit rating from more than one Rating Agency at least one of which is an Investment Grade Rating, then sub paragraph (A) will apply, with the effect that no Change of Control and Rating Event will be deemed to have occurred if, on the last day of the Change of Control Period, the Bonds carry a rating of at least BB+ from at least one Rating Agency; and

(ii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating which is at least an Investment Grade Rating as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control;

A "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Bonds by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, the Issuer is unable to obtain such a rating which is at least an Investment Grade Rating by the end of the Change of Control Period.

"**Permitted Holding Company**" means each and any company or other legal entity which is directly or indirectly controlled or co-controlled by a Relevant Person, whether through ownership of voting capital, by contract or otherwise.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

"**Rating Agency**" means (i) S&P Global Ratings Europe Limited ("**S&P**") or (ii) any of its successors or (iii) any rating agency substituted for it by the Issuer or (iv) any further rating agency appointed at the Issuer's initiative from time to time.

"**Related Persons**" with respect to a Relevant Person means:

(i) in the case of any individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(ii) any trust, corporation, partnership or other Person for which one or more of the Relevant Persons and other Related Persons, directly or indirectly constitute the whole or entire stockholders, beneficiaries, partners or owners thereof, or persons beneficially holding in the aggregate the whole or entire controlling interest therein; or

(iii) any investment fund or vehicle managed, sponsored or advised by such Relevant Person on its behalf or any successor thereto; or

(iv) an Affiliate of the Relevant Person.

"**Relevant Person**" means (i) any Person who, as at 28 April 2021, controls Louis Dreyfus Company B.V. and/or (ii) Apuleaf II, being a company incorporated in the Abu Dhabi Global Market (registered no. 000004842) whose registered office is at 3408, 34, Al Maqam Tower, Abu Dhabi Global Market, Al Maryah Island, Abu Dhabi, United Arab Emirates and which is indirectly wholly owned by Abu Dhabi Developmental Holding Company PJSC ("**ADQ**").

"**Relevant Potential Change of Control Announcement**" means any formal public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 120 days following the date of such announcement or statement, such Change of Control occurs.

"**Third Person**" means any Person who fulfils all of the following criteria:

(i) is not as at 28 April 2021 a direct or indirect holder of shares of Louis Dreyfus Company B.V;

(ii) is not a Relevant Person or a Related Person of a Relevant Person; and

(iii) is not a Permitted Holding Company.

(d) **Redemption in the case of Minimal Outstanding Amount**: The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem all, but not some only, of the Bonds at their principal amount together with accrued interest thereon to the date set for redemption, if immediately before giving such notice, the aggregate principal amount of the Bonds outstanding is less than 25 per cent. of the aggregate principal amount originally issued (which shall, for the avoidance of doubt, include any further Bonds issued pursuant to Condition 12) (other than as a result of any redemption at the option of the Issuer pursuant to Condition 5(e)).

(e) **Make-Whole Redemption by the Issuer**:

(i) The Issuer may on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem the Bonds, in whole or in part, at any time or from time to time, up to but excluding the date falling three months prior to their Maturity Date (a "**Make-Whole Redemption Date**"). Any such redemption of Bonds shall be made on the Make-Whole Redemption Date at their Make-Whole Redemption Amount (as defined below) calculated by the Make-Whole Calculation Agent.

(ii) For the purposes of this Condition 5(e):

"**Make-Whole Calculation Agent**" means:

Aether Financial Services UK Limited
57, Berkeley Square, W1J 6ER London
United Kingdom

"**Make-Whole Redemption Amount**" means, in respect of any Bond subject to redemption pursuant to Condition 5(e), an amount in euro determined by the Make-Whole Calculation Agent, equal to the sum of:

(i) the greater of (x) 100 per cent. of the principal amount of such Bond and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Bond (excluding any interest accrued on such Bond to, but excluding, the relevant Make-Whole Redemption Date) with the last scheduled interest payment date and date of principal repayment advanced to the date falling three months prior to the Maturity Date (the interest at such date being determined as per Condition 4 (*Interest*)) discounted to such Make-Whole Redemption Date on the basis of the day count fraction defined in Condition 4 (*Interest*) at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin;

(ii) any interest accrued on such Bond to, but excluding, such Make-Whole Redemption Date.

"**Make-Whole Redemption Margin**" means 0.35 per cent.

"**Make-Whole Redemption Rate**" means, in respect of any redemption of Bonds on any Make-Whole Redemption Date pursuant to this Condition 5(e), the average, calculated by the Make-Whole Calculation Agent, of the four quotations obtained by the Make-Whole Calculation Agent from the Reference Banks of the mid-market annual yield to maturity of the Reference Security on the fourth business day in Luxembourg preceding the relevant Make-Whole Redemption Date at 11:00 a.m. (Central European time (CET)). If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Make-Whole Calculation Agent in its reasonable judgment, at 11:00 a.m. (Central European time (CET)) on the fourth business day in Luxembourg preceding the relevant Make-Whole

Redemption Date, quoted in writing by the Make-Whole Calculation Agent to the Issuer. The Make-Whole Redemption Rate will be notified to the Bondholders by the Issuer in accordance with Condition 14.

"**Reference Security**" means the German federal government bond bearing interest at a rate of 0.5 per cent. per annum and maturing on 15 February 2028 (ISIN DE0001102440).

"**Reference Bank**" means each of the four banks that may have been selected by the Make-Whole Calculation Agent (excluding the Make-Whole Calculation Agent and any of its affiliates) which are primary government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"**Similar Security**" means a reference bond or reference bonds issued by the German federal government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be used, at the time of financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

(f) **Residual Maturity Call Option:** The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem, at any time as from and including the date falling three months prior to but excluding the Maturity Date, the Bonds, in whole (but not in part), at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

(g) **Notice of redemption and drawings:** All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition. In the case of a partial redemption the notice shall also contain the serial numbers of the Bonds to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(h) **Purchase**: The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith). The Bonds so purchased may be resold but, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 11(a).

(i) **Cancellation**: All Bonds so redeemed or purchased in accordance with Condition 5 and any unmatured Coupons attached to or surrendered with them, other than any Bonds or Coupons purchased in the ordinary course of a business of dealing in Bonds, will be cancelled and may not be re-issued or resold. The obligations of the Issuer in respect of any such Bonds shall be discharged.

6. Payments

(a) **Method of Payment**: Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent. Payments of interest due in respect of any Bond other than on presentation and surrender or endorsement of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) **Payments subject to laws**: All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(c) **Surrender of unmatured Coupons**: Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

(d) **Payments on business days**: A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation. No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this Condition 6 falling after the due date. In this Condition "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(e) **Agents**: The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, or vary or terminate the appointment of the Fiscal Agent or the Calculation Agent provided that it will maintain a Fiscal Agent and a Calculation Agent having a specified office in a European City. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders.

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services, Luxembourg Branch
60 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes present or future, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law. In the event such taxes are imposed, levied, collected, withheld or assessed by or on behalf of or within the Relevant Taxing Jurisdiction or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer shall pay such additional amounts as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) **Other connection**: by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the Relevant Taxing Jurisdiction other than the mere holding of the Bond or Coupon;

(b) **Presentation more than 30 days after the Relevant Date**: more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days;

(c) **Avoidable deduction**: by or on behalf of a Holder if such withholding or deduction would have been avoided by such Holder complying with any statutory requirement or making a declaration of residence or non-residence or other similar claim from exemption to the relevant tax authority and such Holder fails to do so;

(d) **Beneficial owners**: by or on behalf of a Holder that is a partnership, or a Holder that is not the sole beneficial owner of the Bond or which holds the Bond in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settler or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settler or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or

(e) **Dutch Withholding Tax 2021**: where such deduction or withholding is imposed under the Dutch Withholding Tax 2021 (*Wet bronbelasting 2021*).

In addition, no additional amounts will be paid by the Issuer or any Paying Agent or any other person on account of any deduction or withholding from a payment on, or in respect of, the Bonds where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations thereunder, any official interpretations thereof, any governmental agreement with respect thereto or any law implementing, or relating to, an intergovernmental agreement ("**FATCA**").

"**Relevant Date**" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition.

8. Events of Default

If any of the following events occurs and is continuing:

(a) **Non-Payment**: the Issuer fails to pay the principal of or any interest on any of the Bonds when due and such failure continues for a period of 15 days in the case of principal or interest; or

(b) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Bonds which default is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Bondholder; or

(c) **Cross-Default**: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for moneys borrowed becomes due and payable prior to its stated maturity as a result of any event of default (howsoever described) or (ii) any such indebtedness is otherwise not paid when due following the expiry of any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed after the expiration of any applicable grace period, unless (in the case of (i) only, and only in relation to an event of default referred to in (i) which is not a payment default) the Issuer or the relevant Material Subsidiary, as the case may be, is contesting in good faith and by appropriate proceedings that such indebtedness was due, and provided (in the case of (i), (ii) and (iii)) that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 8(c) have occurred equals or exceeds EUR50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 8(c) operates); or

(d) **Insolvency**: the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared in respect of or affecting such debts; or

(e) **Winding-up**: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation where all the obligations of the Issuer under the Bonds are assumed by the resulting or remaining entity,

then any Bond may, by notice in writing given to the Fiscal Agent at its specified office by the Holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

9. Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

10. Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or any Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

11. Meetings of Bondholders, Modification, Waiver and Substitution

(a) **Meetings of Bondholders**: The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary

Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, or to vary the method of calculating the rate of interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification of Agency Agreement**: The Issuer shall only permit any modification of, or any waiver or authorization of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders and/or the Couponholders.

(c) **Substitution**: The Issuer, or any previous substituted company, may at any time, without the consent of the Holders, substitute for itself as principal debtor under the Bonds and the Coupons, any Subsidiary or Affiliate of the Issuer (the "**Substitute**"), provided that no payment in respect of the Bonds or the Coupons is at the relevant time overdue or in default. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement, and may take place only if: (i) the Substitute shall, by means of the Deed Poll, agree to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge which is or may be imposed on, incurred by or levied on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Bond or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any liability, charge, cost or expense, in connection with the substitution; (ii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents or approvals) to ensure that the Deed Poll, the Bonds and Coupons represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of Louis Dreyfus Company B.V. have been taken, fulfilled and done and are in full force and effect; (iii) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it; (iv) the obligations of the Substitute (including any previous Substituted Company) under the Bonds and the Coupons shall be unconditionally and irrevocably guaranteed by Louis Dreyfus Company B.V. by means of the Deed Poll; (v) legal opinions, dated not more than five Business Days (as defined in Condition 4) prior to the date of substitution, addressed to the Holders shall have been delivered to them (care of the Fiscal Agent) from independent legal advisers of recognized standing (which may include legal advisers of the Issuer and/or who have advised in connection with the original issue of the Bonds) in each jurisdiction referred to in (i) above, the jurisdiction of the Issuer (if different) and in England as to the fulfilment of the preceding conditions of this Condition 11 and the other matters specified in the Deed Poll; and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Bondholders in accordance with Condition 14, stating that copies, and pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Bondholders, will be available for inspection at the specified office of each of the Paying Agents. The Issuer will notify Bondholders as soon as reasonably practicable following a substitution in accordance with Condition 14 and such substitution shall become effective upon the publication of such notice.

In this Condition "**Affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

12. Further Issues

The Issuer may from time to time without the consent of the Holders create and issue further Bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other Bonds issued pursuant to this Condition and forming a single series with the Bonds.

13. Provision of Financial Information

For so long as any Bonds are outstanding the Issuer will deliver to the Fiscal Agent within 105 days of the end of each financial year of the Issuer, beginning with the financial year ending 31 December 2020, a copy in the English language of financial statements consisting of an audited consolidated balance sheet of the Issuer as at the end of the most recent financial year and prior financial year and audited consolidated statements of income, comprehensive income, changes in equity and cash flow of the Issuer for the most recent financial year with a comparison against the prior-year period, together with complete notes to such financial statements and a report of the independent auditors of the Issuer on such financial statements; and procure that copies of the same are made available (A) on the website of the Luxembourg Stock Exchange's regulated market and (B) for inspection by Holders in accordance with the Agency Agreement at the specified office of each of the Paying Agents as soon as practicable thereafter. The financial statements referred to in this paragraph shall be prepared in accordance with International Financial Reporting Standards as adopted by the European Union (or any other internationally recognized set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time) and with a level of detail that is substantially comparable to that set out on pages F-2 et seq. of the Prospectus relating to the Bonds dated 26 April 2021 (the "**Prospectus**").

In addition, for so long as any Bonds are outstanding, the Issuer will deliver to the Fiscal Agent within 105 days of the end of the first six months in each financial year of the Issuer, beginning with the six months ended 30 June 2021, a copy in the English language of half-yearly financial statements consisting of an unaudited consolidated balance sheet as at the end of such six months and the immediately preceding financial year-end and unaudited statements of income, comprehensive income, changes in equity and cash flow for the six months ending on the date of the unaudited balance sheet, and the comparable prior year period for the Issuer, together with condensed notes to such financial statements and a limited review or other report of the independent auditors of the Issuer on such financial statements and procure that copies of the same are made available (A) on the website of the Luxembourg Stock Exchange's regulated market and (B) for inspection by Holders in accordance with the Agency Agreement at the specified office of each of the Paying Agents as soon as practicable thereafter. The interim condensed financial statements referred to in this paragraph shall be prepared in accordance with International Financial Reporting Standards as adopted by the European Union (or any other internationally recognized set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time) in accordance with a level at least equivalent to IAS34 "Interim Financial Reporting".

14. Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

15. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

16. Governing Law

(a) **Governing Law**: The Agency Agreement, the Bonds and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

(b) **Jurisdiction**: The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Bonds or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Bonds or Coupons) ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Agent for Service of Process**: The Issuer irrevocably appoints Mills & Co. of Milburn House, Dean Street, Newcastle upon Tyne, NE1 1LE as its agent in England to receive service of process in any Proceedings in England based on any of the Bonds or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and immediately notify the Holders of such appointment in accordance with Condition 14. Nothing herein shall affect the right of any Holder to serve process in any other manner permitted by law.

Summary of Provisions while in Global Form

The Bonds will initially be in the form of a Temporary Global Bond which will be deposited on or around the Issue Date with a common safekeeper for Clearstream, Luxembourg and Euroclear.

*The Bonds will be issued in new global note ("**NGN**") form. On 13 June 2006 the European Central Bank (the "**ECB**") announced that Bonds in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Bonds in NGN form will be offered by Clearstream, Luxembourg and Euroclear as at 30 June 2006 and that debt securities in global bearer form issued through Clearstream, Luxembourg and Euroclear after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.*

The Bonds are intended to be held in a manner which would allow Eurosystem eligibility — that is, in a manner which would allow the Bonds to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Agency Agreement, the Temporary Global Bond and the Permanent Global Bond contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this document. The following is a summary of certain of those provisions:

1. Exchange

The Bonds will initially be in the form of a Temporary Global Bond in substantially the form set out in Schedule 1 to the Agency Agreement, without interest coupons. The Temporary Global Bond is exchangeable, in whole or in part, for interests in a Permanent Global Bond in bearer form without interest coupons not earlier than the date which is 40 days after the Issue Date and only upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond. The Permanent Global Bond is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the Holder) for the Definitive Bonds described below (i) if the Permanent Global Bond is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) any of the circumstances described in Condition 8 (Events of Default) occurs. Thereupon, the Holder may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Bond for Definitive Bonds.

If principal or interest in respect of any Bonds is not paid when due and payable, the Holder of the Permanent Global Bond may, by notice to the Fiscal Agent (which may but need not be the default notice referred to in "– Default" below), require the exchange of a specified principal amount of the Permanent Global Bond (which may be equal to or (provided that, if the Permanent Global Bond is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Bonds represented thereby) for Definitive Bonds on or after the Exchange Date (as defined below) specified in such notice.

On or after the Exchange Date, the Holder of the Permanent Global Bond may surrender the Permanent Global Bond or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. Whenever the Permanent Global Bond is to be exchanged for Definitive Bonds, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Agency Agreement. On exchange in full of the Permanent Global Bond, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with any relevant Definitive Bonds.

"**Exchange Date**" means a day falling not less than 60 days or, in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

2. Payments

No payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. The Issuer shall procure that the payment is entered pro rata in the records of Clearstream, Luxembourg and Euroclear. For the purpose of any payments made in respect of a Temporary Global Bond or Permanent Global Bond, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6(e).

3. Notices

So long as the Bonds are represented by the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) and the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to Clearstream, Luxembourg and Euroclear for communication by them to the entitled accountholders in substitution for publication as required by the Conditions except that, so long as the Bonds are listed on the Luxembourg Stock Exchange's regulated market and the rules of that Exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) .

4. Prescription

Claims against the Issuer in respect of principal and interest on the Bonds while the Bonds are represented by the Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond) will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

5. Meetings

The Holder of the Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond) shall (unless it represents only one Bond) be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each EUR1,000 in principal amount of Bonds.

6. Purchase and Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond).

7. Default

The Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond) provides that the Holder may cause the Permanent Global Bond or a portion of it to become due and payable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the principal amount of Bonds which is being declared due and payable. If principal and interest in respect of any Bond is not paid when due and payable, the Holder of the Global Bond may elect that the Permanent Global Bond becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions of the Permanent Global Bond executed by the Issuer as a deed poll.

8. Put Option

The Bondholders' put option in Condition 5(c) may be exercised by the Holder of the Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond), giving notice to the Fiscal Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond) for endorsement of exercise within the time limits specified in Condition 5(c).

9. Issuer's Option

The Issuer's call options provided for in Conditions 5(b), 5(d) and 5(e) and 5(f) shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the relevant Conditions. The rights of accountholders will be governed by the standard procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

10. Electronic Consent and Written Resolution

While any Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond) is held on behalf of a relevant clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Holders of not less than 75 per cent. in nominal amount of the Bonds outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Holders whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Permanent Global Bond (or the Permanent Global Bond and/or the Temporary Global Bond) or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Bondholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Bonds. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

11. Outstanding Bonds

The definition of "outstanding" in Condition 3 of the Terms and Conditions of the Bonds shall not include the Temporary Global Bond to the extent that it shall have been exchanged for the Permanent Global Bond pursuant to its provisions and the Permanent Global Bond to the extent that it shall have been exchanged for Definitive Bonds pursuant to its provisions.

Description of the Issuer, its Group and their Business

Overview of the Issuer

Louis Dreyfus Company B.V. ("**LDC**" and, together with its consolidated subsidiaries, the "**Group**") was incorporated in the Netherlands as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) on 28 December 2004 for an unlimited term with its statutory seat (*statutaire zetel*) in Rotterdam and is registered with the trade register of the Dutch Chamber of Commerce under number 24371219 and operates under Dutch law. The legal entity identifier (LEI) of LDC is 54930077YL0GMTEGZD16. Its principal business is to act as a holding company of the Group. Its legal and commercial name is Louis Dreyfus Company B.V. As a holding company, LDC centralizes and oversees the day-to-day global management of the Group. Its registered office is at Westblaak 92, 3012 KM Rotterdam, the Netherlands and its telephone number is +31 10 206 2440. As at 31 December 2020, the share capital of LDC amounted to US$1,438 million (at a historical conversion rate of EUR1.00 equaling US$1.438) consisting of 100,000,000 ordinary shares of Euro 0.01 nominal value each fully issued and paid up. Neither the shares of LDC nor those of any of its direct or indirect subsidiaries are listed on any stock exchange. For further information on LDC's shareholding structure, please refer to "Management and Shareholders". The address of the website of the Issuer is: https://www.ldc.com. The information provided on the Issuer's website is not part of this Prospectus.

Overview of the Group

The Group is a leading global integrated commodities group[3], with worldwide activities in the merchandizing of agricultural products and their production, sourcing, processing, storage and transport. The Group focuses predominantly on a single asset class – agricultural commodities – but does so in a highly diversified manner, covering all of the main categories within this single asset class such as: grains, oilseeds, rice, cotton, coffee, sugar and fruit juices.

The Group's business model consists of a globally managed, diversified portfolio of merchandizing activities supported in key production and consumption centres by strategically located production, processing and logistics assets: in particular, the Group sources and produces a large range of agricultural commodities; processes and refines products and materials; stores and transports commodities for export or domestic consumption; and merchandizes, customizes and distributes to a wide range of industrial and commercial consumers, including in the food, textile and fuel processing industries. The Group takes advantage of its extensive and long-standing product sourcing capacities in the Americas, supported by its global logistics and processing network to supply its large distribution networks in the growing markets of Asia. The Group also provides financing, logistics and other services to producers and consumers within the commodities markets in which the Group operates.

The Group believes that it has global market leading positions in a number of areas in which it operates[4]. It believes that it is:

- one of the world's largest merchandizers of raw cotton by volume;
- one of the world's leading rice merchandizers by volume;
- one of the world's leading orange juice processors by volume;
- one of the world's largest merchandizers of oilseeds and their by-products (vegetable oils, meals and biodiesel) by volume;

[3] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above.

[4] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above.

- among the world's leading merchandizers of wheat, barley and corn by volume;
- among the world's largest merchandizers of green coffee by volume; and
- among the world's leading sugar merchandizers by volume.

The Group conducts its operations in two business Segments (each a "**Segment**"): Value Chain and Merchandizing. Each of the Group's business Segments focuses on a range of distinct product lines (each a "**Platform**"), as follows:

- The Value Chain Segment includes the Grains and Oilseeds Platform and the Juice Platform supported by the Freight Platform and the Global Markets Platform; and
- The Merchandizing Segment includes the Cotton, Coffee, Rice and Sugar Platforms.

Division of Platforms between the two Segments is based on how vertically integrated the Platform is, with the Merchandizing Platforms being less processing-orientated than those of the Value Chain Segment.

Each Platform is responsible for the integrated management, marketing, sourcing, hedging, logistics and fixed asset operations, as well as the global strategy, relating to the commodities or the activities which the Platform covers.

Set out below are certain key consolidated financial data for the Group as at, or for the years ended, 31 December 2019 and 2020 (presented in US$ millions (after rounding):

	For the year ended 31 December	
	2019	**2020**
Net Sales……………………………………………………………	33,643	33,564
Operating result[1] ………………..	956	1,559
Net Income attributable to Owners of the Company………..	229	382
	As at 31 December	
	2019	**2020**
Fixed Assets[2] and Investments in associates and joint ventures …….	4,292	3,993
Equity attributable to Owners of the Company ……………..	4,786	4,858

Notes:

1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.
2. Fixed Assets mean Property, Plant and Equipment and Intangible assets.

History

The Group traces its history back to 1851, when Léopold Louis-Dreyfus, the 18-year-old son of a farmer from Sierentz, in France's Alsace region, entered the grain business by buying wheat from local Alsatian farmers and selling it in the commercial centre of Basel in Switzerland. Over the next half-century, Louis Dreyfus expanded to become an international grain merchant (also trading in futures), with operations serving Europe, North and South America, South Africa and Asia.

During the first part of the twentieth century, Louis Dreyfus expanded its business in North and South America as an exporter of corn, wheat, barley, oats and oilseeds to worldwide customers. By the end of the Second World War, Louis Dreyfus had achieved a global footprint with offices in Europe, North and South America, South Africa, India, Indo-China, China, Australia and Russia.

In the 1970s and 1980s, Louis Dreyfus extended its agricultural activities to cotton, sugar, citrus and coffee.

In the 1990s, Louis Dreyfus focused on commodity sourcing activities to complement the existing merchandizing activities, buying processing operations in citrus and oilseeds. In the early years of the present century, Louis Dreyfus further expanded with the purchase of sugar production operations in Brazil and entered into the metals business.

In 2006, Robert Louis-Dreyfus (the great-grandson of Léopold Louis-Dreyfus) took control of the family business. He restructured Louis Dreyfus' different activities into autonomous subsidiaries, resulting in the creation of the Group as it stands today. At the same time, Philippe Louis-Dreyfus (another great-grandson of Leopold Louis-Dreyfus) acquired 100 per cent. of Louis Dreyfus Armateurs, the ship-owning arm of the Louis Dreyfus family business.

In recent years, the Group has consolidated and expanded its businesses in the commodities markets in which it currently operates, entered into new markets such as palm oil, fertilizer and apple juice concentrate and managed a successful expansion into new geographical areas such as China, Indonesia, Vietnam and certain countries in the Middle East and Africa. It has also expanded through numerous significant acquisitions and transactions, including the following:

2006: construction of the Timbues crushing plant in Argentina commences;

2007: acquisition of an oilseed crushing plant in China; creation of the start-up Calyx Agro, an agricultural land fund;

2008: acquisition of an edible-oil refinery in India; construction of a biodiesel line in the General Lagos crushing plant in Argentina;

2009: acquisition of a rapeseed crushing plant in Germany;

2010: acquisition of a deep-sea port in Lampung, Indonesia; signing of a long-term off-take contract to operate a grains and oilseeds terminal at the port of Santos (Brazil); and signing of an agreement with partners for the construction of a soybean crushing plant in Paraguay;

2011: acquisition of SCPA-Sivex International, a leading fertilizer, crop protection and chemical products manufacturer and distributor in West and Central Africa; and acquisition of *Macrofértil Industria e Comercio de Fertilizantes Ltda* in Brazil, a fertilizer manufacturer and distributor in several Brazilian states.

2012: acquisition of Imperial Sugar Company (a U.S. company formerly listed on NASDAQ) allowing the Group to expand its industrial base, add a new consumer product to its offering in the sugar sector and reinforce its presence in North America; inaugural issuance by LDC B.V. of US$350 million, 8.25 per cent. hybrid capital securities listed on the Singapore Stock Exchange; construction of a second biodiesel line in General Lagos in Argentina; construction of the Bahia Blanca port in Argentina;

reorganization of the Group leading to the up-streaming of the Group's 65.9 per cent. owned sugar cane production and processing subsidiary BIOSEV, from the Group to a newly formed intermediary holding, leading to BIOSEV becoming a sister company of the Issuer and ceasing to be a subsidiary of the Group.

2013: new joint ventures in cotton (Australia) and rice (South Africa); issuance of a EUR400 million and a EUR500 million Eurobond each listed on the Luxembourg Stock Exchange; inauguration of a grain and oilseeds export elevator at the Port of Greater Baton Rouge, Louisiana, United States.

2014: purchase of the shares of Ilomar Holdings N.V., a leading commodities supply chain company based in Belgium; acquisition of Kowalski Alimentos S.A., one of Brazil's largest corn milling operators; continuing development of the North American grains and oilseeds origination network with a number of investments in in-land logistics along the Mississippi River; exit from the Group's joint venture in Green Eagle Plantations Pte Ltd (an Indonesian palm plantation company).

2015: selected investments and capital expenditure with a focus on logistics assets. Highlights include the commissioning of several rail-to-barge and truck-to-barge facilities in the United States; the finalization of construction of elevators in Paraguay and Uruguay and the ongoing construction of a new trans-shipment terminal at Miritituba in Para State, Brazil as part of the River Export Project in Para State[5].

2016: announcement of the change of name from Louis Dreyfus Commodities B.V. to Louis Dreyfus Company B.V.; continued focus on selected logistics and processing investments: completion of the West Memphis river terminal and truck-to-barge facility in Arkansas, United States; operations begin at a new biodiesel plant adjacent to an existing refinery located in Lampung, Indonesia; commissioning of a port terminal on the Don River in the Azov district, Russia.

2017: issuance of two senior unsecured bonds listed on the Luxembourg Stock Exchange, one in the amount of EUR400 million with a 5-year tenor and one in the amount of US$300 million with a 6-year tenor. On 12 September, LDC exercised its call option to redeem in whole its US$350 million hybrid securities. The Group sold its Africa-based fertilizers and inputs operations to Helios Investment Partners in November 2017. The Group also announced the sale of its fertilizers and inputs activities in Australia to Landmark Operations (the transaction was closed in April 2018) as well as its Metals operations to NCCL Natural Resources Investment Fund for US$466 million (transaction closed in May 2018).

2018: completion of acquisition of Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co Ltd, which owns and operates oilseed crushing and refining facilities in Tianjin, China; the Rice Platform and Sugar Platform are transferred from the Value Chain Segment to Merchandizing Segment; LDC's Finance platform was renamed Global Markets, bringing Structured Trade Finance activities within its scope. On 30 July 2018, LDC redeemed at maturity its EUR400 million Eurobond issued in 2013.

2019: the Group exited the Dairy business. Renewal of the US$750 million revolving credit facility (RCF) in North America, US$650m in Asia and US$800m in Switzerland, all including for the first time in the Group's history a sustainability-linked pricing mechanism. The Group merged its Grains and Oilseeds businesses into one Platform to develop synergies. The Group divested its 10 Western Canadian grain elevators to Parrish & Heimbecker Limited for US$173 million.

2020: Covantis, the industry initiative that aims to modernize global trade operations received all required regulatory approvals and was incorporated as a legal entity in Geneva, Switzerland, as Covantis S.A.. The company is co-owned by its founding members: ADM (NYSE: ADM), Bunge (NYSE: BG), Cargill, COFCO, Louis Dreyfus Company and Glencore Agriculture. On 11 November 2020, LDC's shareholder, LDCH B.V. announced that an agreement had been reached with ADQ, a large holding company based in Abu Dhabi (the "**Acquiror**") for the acquisition by the Acquiror of an indirect 45 per

[5] The River Export Project in Para State is the creation of a new logistics route for grains and oilseeds in Brazil and involves investment in, *inter alia*, ports and silos.

cent. equity stake in LDC. Issuance of Eurobonds listed on the Luxembourg Stock Exchange in the amount of EUR600 million with a 5-year tenor (subsequently tapped in February 2021 for a further EUR50 million).

Credit rating of the Group

The long-term credit of the Group is rated BBB- by S&P. According to the S&P definitions, an obligor rated 'BBB-' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.

Competitive Strengths

The Group believes that its success is built upon the following combination of key competitive strengths:

Leading global market positions in a wide range of commodity areas

The Group is among the market leaders in many of the areas in which it operates. For example, it believes that it is: one of the world’s largest merchandizers of raw cotton; a world leader in rice merchandizing by volume, one of the world’s leading orange juice processors by volume; one of the world’s largest merchandizers of oilseeds and their by-products (vegetable oils, meals and biodiesel) by volume; among the world’s leading merchandizers of wheat and corn and barley by volume; among the world’s largest merchandizers of green coffee by volume; and among the world’s leading sugar merchandizers by volume.

These market-leading positions benefit the Group in a number of ways, including by: (i) allowing it to benefit from economies of scale leading to more competitive pricing; (ii) helping it to develop trusted relationships with market counterparties, including suppliers, customers and farmers globally; and (iii) fostering partnerships with financial institutions (it has relationships with over 140 banks in more than 40 countries and 6 regions) which in turn provides increased and cheaper access to liquidity.

Diversity in Product Range and Geographical Spread

The Group focuses predominantly on a single asset class – agricultural commodities – but does so in a highly diversified manner covering all of the main categories within this field. Its commodities offering covers many of the world’s most traded agricultural commodities such as: grains, oilseeds, rice, cotton, coffee, fruit juices and sugar. The Group is also involved in the ocean freight market and the financial markets of certain emerging countries.

The Group also has a high level of geographical diversity. For 170 years, the Group’s and its predecessor entities’ strategy has been to be as close as possible to the world’s production and consumption regions. Today it operates in six global regions: North America, North Latin America, South and West Latin America, Europe Middle East and Africa, North Asia and South and Southeast Asia, and is active in more than 100 countries. Its activities are particularly developed in the Southern Hemisphere, and the Group takes advantage of its extensive and long-standing product sourcing capacities in the Americas to supply its large distribution networks in the growing markets of Asia and the Middle East and Africa (though it also sources directly in Asia). The Group believes that its diversity in terms of both product offering and geography is a key strength allowing it to improve access to evolving global commodity flows while helping to mitigate regional risks. In particular, the Group considers that this diversity results in a number of advantages including:

Logistic Synergies

The Group has generated and continues to build economies of scale by drawing on complementary crop harvesting cycles (both in terms of harvesting different crops in the same region and the same crop in different regions). This results in a more efficient use of logistical facilities and working capital, as well as synergies among support and administrative functions. Moreover, maximizing volumes leads to increased optimization of the Group's ocean freight chartering activities both in bulk and containers.

Pooling Expertise

The Group's emphasis on enhancing information flows and leveraging its expertise enables it to apply similar arbitrage strategies across a diverse range of commodities.

Local Market Knowledge

The Group's significant involvement at the local agri-business level in different geographical regions affords it insights into macro-drivers such as foreign exchange fluctuations, farming activities, weather and government policies.

Risk Management

The diversity of the Group's commodity offerings contributes to de-concentrating risk, both on the market side and in terms of spreading credit risk among a wider base of market counterparties. Geographical diversity further helps to mitigate against regional risk, for example enabling the Group to guarantee supply regardless of adverse climate conditions or biosecurity issues relating to the crops themselves.

Platform for Local Expansion

The Group's presence and local know-how in one Platform in a particular region facilitate its expansion into other Platforms in the same region.

Merchandizer Building Links Across the Value chain

The Group's merchandizing activities are supported by a base of logistical and production assets integrated into the areas of its core commodities. Through significant investment in assets worldwide, the Group has built links across the value chain: from sourcing and production, through processing and refining and transport and storage, to research, merchandizing, customization and distribution. The Group currently operates across the world, with a fixed asset base[6] (including investments in associates and joint ventures) with a value of US$4.0 billion as at 31 December 2020.

Integration of assets allows the Group to benefit from synergies and economies of scale in relation to all key transaction components, including commodity purchases and sales and their associated financing, storage, transportation and risk management activities, resulting in increased efficiencies at every stage of the value chain. It also gives the Group increased control over physical flows in the supply chain thus helping to protect against supply risk and gather local intelligence to improve merchandizing.

In-Depth Market Understanding Supported by Dedicated Research Teams

The Group's merchandizing operations are supported by dedicated research teams that continually produce real-time and in-depth market intelligence. In this, the Group employs principles developed and tested by 170 years of experience in the markets, enhanced by the latest technology, including an extensive data base for performance tracking and validation. Real-time data analysis allows harvests on the ground to be evaluated by local offices and experts, and the results processed centrally and directed to the Platforms and merchandizing business worldwide. The Group believes that its diversified global presence brings a comprehensive knowledge of local markets and their specific characteristics and opportunities.

The Group also believes that it has an in-depth market understanding, and that this is a significant strength because it helps to inform the Platforms' hedging and merchandizing decisions and allows them

[6] Fixed asset base means intangible assets plus property, plant and equipment plus investments in associates and joint ventures.

to identify and implement new business opportunities globally by accessing 'on the ground' knowledge and information about local markets on a 'real-time' basis.

Risk Management Capabilities

The Group believes that the ability to manage risk is one of its key strengths. Risk management is a core function under the supervision of the Group's senior leadership structure – both Global Head of Market Risk and Middle Office and Global Head of Credit Risk report to the Chief Financial Officer. Risk is also a crucial consideration in the Group's overall merchandizing strategy, which is based on bulk sourcing and merchandizing, capturing margins coming from the high volumes merchandized and value chain integration, with profits relatively isolated from large market fluctuations thanks to proactive and prudent risk management. Risk policies are determined centrally and administered regionally by a team of dedicated specialists. Exposures are monitored on a daily basis. Risk procedures and monitoring systems are designed to be clear and prudent while seeking to allow optimal deployment of risk capital. Compliance procedures are continuously reviewed and updated to reflect the constantly evolving regulatory environment. (See "Risk Management").

The Group believes that its sound risk management policies have contributed to its positive performance through the volatile market environment over recent years and helped to mitigate earnings volatility.

Experienced Management Team and Stable Shareholder Structure

LDC's management team has a proven track record of developing and growing the business. Since the creation of the Group in its current form in 2006, the management has overseen the consolidation and expansion of the Group's business in the commodities markets in which it had existing operations and managed its expansion into new markets as well as into new geographical areas such as Indonesia, Vietnam and certain countries in the Middle East and Africa. The management team has also overseen numerous acquisitions and other transactions (See "History").

LDC believes that its current ownership structure fosters a culture of excellence, teamwork and accountability. Key management and employees are incentivized through the Group's employee participation plan, which involves equity participation at the Louis Dreyfus Company Holdings B.V. ("**LDCH B.V.**") level and helps to align interests of shareholders, management and employees. LDC employees held an economic interest of approximately 5 per cent. in LDCH B.V. as 31 December 2020.

Moreover, Louis Dreyfus is, and has been for 170 years, a family-owned business. This shareholder structure has historically provided stability, and is conducive to the Group's long-term business consolidation, development and expansion.

Well-Managed and Flexible Financial Model

The Group has developed a mixed and diversified funding model, combining local debt lines arranged by regional subsidiaries, and debt originated at the Group level and allocated to regions.

LDC's historical funding model has been based on its regional subsidiaries maintaining lending relationships with local banks, which has provided significant diversification both in terms of sources of funding and geographies, and allowed the Group to expand while managing its liquidity position. Currently, funding is provided by a diverse range of both regional and international banks – as at 31 December 2020, the Group had access to a pool of over 140 different relationship banks.

In recent years, debt capital markets have been playing an increasing role in the Group's diversification of financing. After entering the debt capital markets in September 2012 with an inaugural US$350 million hybrid perpetual security listed on the Singapore Exchange (redeemed in 2017), on 30 July 2013, LDC completed the issuance of a EUR400 million, 5-year, 3.875 per cent. Luxembourg-listed Eurobond (redeemed in 2018), followed in December 2013 by the issuance of a EUR500 million, 7-year, 4.00 per cent. Luxembourg-listed Eurobond. On 7 February 2017, LDC issued a further EUR400 million 5-year, 4 per cent. Luxembourg-listed Eurobond, followed on 13 June 2017 by a US$300 million 6-year 5.25 per cent. Luxembourg-listed Eurobond. On 27 November 2020, LDC issued a EUR600 million 5-year, 2.375 per cent. Eurobond due 2025 (which was subsequently tapped in February 2021 for a further EUR50 million). As a result, 44 per cent. of long term financing (excluding current portion) as at 31 December 2020 (vs. 25 per cent. as at 31 December 2019) came from the debt capital markets. The issue of Bonds described in this Prospectus is further testament of the Group sourcing financing through the international debt capital markets.

At the same time, the Group believes that it has successfully managed its liquidity position, including throughout the volatile commodities environment of recent years with increasing long-term debt and short-term debt balanced by current assets.

As at 31 December 2020, the Group's consolidated gross debt[7] stood at US$9.8 billion, US$3.7 billion being long-term debt, with 4.1 years of average maturity. As at 31 December 2020, short-term debt[8] was US$6.1 billion and the Group's adjusted gross debt[9] stood at US$4.6 billion. Current financial assets stood at US$2.2 billion, leading to an adjusted net debt (net of RMI[10]) of US$2.4 billion. At the same date, adjusted net gearing[11] was 0.48. As at 31 December 2020, available liquidity was US$11.1 billion, representing 182 per cent. of the Group's short term debt[8] and 48 per cent. of total assets. LDC believes that its sound liquidity position and access to diverse funding sources has significantly contributed to its global expansion and business growth and has allowed it to remain flexible and resilient over the years.

Strategy

Growth in traded volumes of agricultural commodities is supported by long term trends, such as population expansion, the increasing emergence of the middle class in developing markets (particularly China), increasing geographical imbalance between population and available land, food security policies and improving technology for farming (increasing and stabilizing yields).

Overinvestment in recent years and slower than expected growth in emerging countries have temporarily mitigated the impact of these fundamental imbalances on growth in the commodities industry.

The industry is also affected by new trends providing further opportunities for growth and requiring adaptation of the traditional business model. These new trends include (i) rising demand for healthier food and meat alternatives, transparency, traceability and sustainability, (ii) volatility of energy prices (which has an impact on biofuels), global warming and the need to reduce emissions and (iii) big data trading and block chain execution.

Recognizing that the market environment has evolved but also that certain activities operated by the Group required a more capital intensive business model, which differed significantly from the Group's main operations, the Group has decided to refocus on its core agricultural business and to exit non-core areas. This has led to (i) the sale of its Metals Platform and Fertilizers and Inputs operations in Africa and Australia and (ii) its exit from the Dairy business.

This leaves the Group well positioned to grow in its core business areas and it is pursuing ambitious growth plans for the future based on four strategic pillars. These are (i) Strengthening the Group's edge in merchandizing (ii) Integrating vertically (iii) Diversifying revenue through value-added products, and

[7] Gross debt includes long-term debt (both current and non-current portion) and short-term debt, financial advances from related parties, less repurchase agreements and securities short positions.
[8] Short-term debt (including current portion of long-term debt) plus financial advances from related parties, net of repurchase agreements.
[9] Adjusted gross debt is Gross debt less RMI.
[10] Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories ("**RMI**"). RMI are readily convertible into cash because of widely available markets and international pricing mechanisms. LDC considers that trading inventories with less than three months' liquidity horizon qualify as RMI.
[11] Adjusted net gearing is adjusted net debt/equity

(iv) Innovation. In addition to these four pillars, the Group is focussing its strategy on generating sustainable value.

Strengthening the Group's edge in merchandizing

The Group is dedicated to leveraging on its expertise and market presence and improving its core business by (i) increasing its physical footprint in key markets, (ii) using innovative data science and (iii) focussing on key human capital.

The Group aims to strengthen its leading position by increasing its logistic capabilities and to optimize existing asset usage. Consequently, the Group plans to continue pursuing a measured expansion through investments in selected assets with a view to enhancing profitable growth. As the Group's capital expenditure plan is predominantly composed of discretionary investments, it remains highly flexible.

One example of the Group's investment in this first strategic pillar is the Grains and Oilseeds Platform's expansion of its asset base with the construction of a transshipment terminal, barges, pushers and a port terminal solution for the river export terminal in Para State (North Corridor) in Brazil. This investment is expected to increase the Group's export capacity, consolidate flows and allow the Group to develop strong relationships with key local partners in the region.

Strengthening its presence at key locations is expected to help the Group gather local market insight and better understand price evolution.

Access to technology and information has modified the way the agricultural commodities industry operates. The Group has adopted a more data-centric approach, increasing the use of data science and algorithms in trading decisions and reinforcing its teams of data scientists and engineers.

Nurturing the Group's internal commercial talent is integral to ensuring its sustainable growth and developing future leadership. The Group has put in place a long-term training and development framework which includes a Trading Academy designed to support and accelerate the development of the Group's traders all along their carrier. Training is tailored for different levels of the organization and integrated within individual development plans. Individual performance and development plans are supported by an incentive structure to attract and retain the best people. At the same time, the Group is constantly reviewing this structure to ensure that it maintains a strong, entrepreneurial and sustainable set of behaviors to position the Group as competitively as possible in the talent market.

Integrating vertically

The second strategic pillar focuses on taking the Group's activities further downstream in the value chain to track the progressive disintermediation of the industry.

While remaining strong at origination level, the Group is dedicated to increasing its presence in destination countries in order to secure commodities flows. This rebalancing can already be seen with the acquisition of a port-based soybean processing plant in Tianjin, China, with a daily crushing capacity of 4,000 tons and a daily oil refining capacity of 1,200 tons. This acquisition strengthens LDC's global oilseeds portfolio and solidifies the Group's presence in China.

Another example of the Group moving further downstream in the value chain is the signing, in August 2019, of a strategic partnership with Meituan Dianping, one of the leading e-commerce companies in China, to promote the Group's new packaged B2B cooking oil brand, Chef Fu. Two further B2B and one B2C cooking oil brands were launched in China in 2019.

Diversifying revenue through value-added products

While the second Pillar of the Group's strategy focuses on securing trade flows, the third pillar aims at leveraging the Group's global presence to diversify into adjacent downstream activities. This may be achieved by integrating even further vertically as well as seizing transversal opportunities. The Group is committed to pursuing its diversification strategy through joint ventures and partnerships that complement its in-house expertise. This will be done by increasing investment into non-commoditized products such as animal feed (aquatic), alternative proteins, aquaculture and origination of specialty products.

As an example, in May 2019, the Group and Guangdong HAID Group Co. Ltd. (HAID) started construction work on a new feed mill in Tianjin, China, (expected to be in operation later in 2021) to be built and operated by their joint venture, Tianjin Rongchuan Feed Co. Ltd. Under this partnership, the mill will produce high-end aquatic feeds, including prawn feeds, as well as soybean meal.

Another example is the research partnership with Barramundi Asia and Temasek Life Sciences Laboratory (TLL) to develop optimal aqua feed formulations for the rearing of Barramundi fish on a commercial scale. The tripartite agreement is the first collaboration to result from the Memorandum of Understanding between LDC and Temasek Lifesciences Accelerator (TLA), signed in November 2019 to support the commercialization of promising technologies for the advancement of agri-food innovation in the region.

The Group already processes and merchandizes a number of high-grade value added products such as refined oil, refined glycerine and lecithin. The Group expects to continue to invest in this area, expanding its portfolio and building capability to serve customers across a range of industries.

Innovation

The fourth strategic pillar consists of long-term investments in disruptive technologies, which have the potential to transform the agricultural commodity and the food industry. The current business landscape is dominated by an aggressive adoption of new technologies in the agricultural sector, as well as by the intense scrutiny of new food trends and the way food is produced, marketed and consumed.

The Group is committed to addressing the ongoing food revolution and helping to solve the future world's protein gap with healthy and nutritious food, produced safely and sustainably. Through its innovation strategic pillar the Group is looking ahead to the future of food supply and the food value chain, including digital (such as Blockchain) and Ag-Tech developments and the sourcing and merchandizing of new proteins. Through its corporate venture capital program, 'LDC Innovations', the Group is continuously investing in companies that develop technologies with the potential to change the industry in the medium to long term such as the investment in ingredient innovation company Motif FoodWorks announced in February 2019. In May 2019, the Group became a founding member of the China Food Tech Hub, a consortium of multinationals focused on increasing presence in the Chinese market through technology. The Group participated in October 2020 in the capital increase of Benson Hill (a leading food innovation engine that combines data science and machine learning with biology and genetics) to support the company's expansion on a global scale.

One element of the Group's innovation pillar relates to supply chain improvements. An example is the launch of the MyLDC application in North America in 2016, which allows customers to securely sign contracts on-the-go, access their previous and current transactions, and view the current bid price of the relevant commodity on the applicable commodities exchange. The application is being upgraded for use in the Group's North Latin America and South and West Latin America regions, where the Group has been using online tools to serve clients more efficiently since 2008, notably in Argentina. The Group completed the first ever block-chain transaction for an agri commodity in 2018 and following that successful "proof of concept", it was instrumental in the creation of Covantis, a consortium between industry leaders for modernizing the post-trade process.

Generating sustainable value

Sustainable practices are already a differentiating criterion for customers, end consumers and banks alike. The Group constantly reviews its policies and processes to make its products and businesses more sustainable. Oilseeds is one of the Platforms actively working in this area, particularly in palm and soybean origination. The Group also works with external partnerships to improve traceability and certification, in particular in the Coffee, Cotton and Juice Platforms.

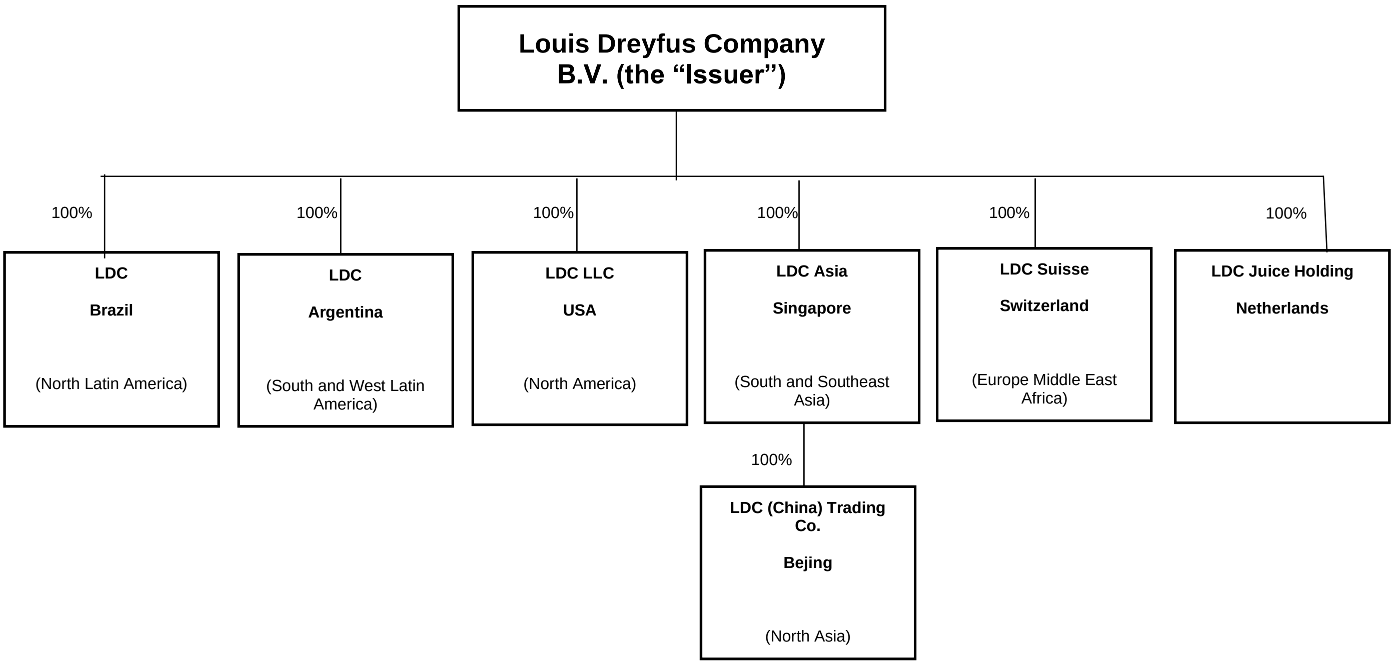
In 2017, the Group set global targets for reducing its environmental key performance indicators (the "**KPIs**") per metric ton of feedstock processed by 5 per cent. between 2018 and 2022. Four KPIs have been highlighted for all production, logistic and agricultural assets: greenhouse gas emissions, electrical energy consumption, water consumption and solid waste.

In 2019, the Group reduced its four KPIs by respectively 11 per cent., 10 per cent., 14 per cent. and 57 per cent[12].

The Group will continue to maintain strict processes in asset safety and product quality. Across all its activities, the Group remains deeply committed to its people, prioritizing investments to ensure their health and safety.

Corporate Structure

Set out below is a simplified diagram as at 31 December 2020 showing LDC and those of the Group's principal subsidiaries which are wholly controlled, directly or indirectly, by LDC:



[12] 2020 figures are not yet available.

Description of Main Activities

Merchandizing

The core business of the Group consists of merchandizing commodities. The Group and its predecessor entities have 170 years of experience as a physical commodities merchant. This has allowed it to develop and build upon its expertise in the diversified commodities portfolios which it merchandizes and to cultivate long-term relationships with a supplier and customer base across diverse industries and in several geographic regions. The Group sources a diversified range of physical commodities from third party suppliers and from industrial assets in which the Group has full or part ownership interests. These commodities are sold, often with value added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end users, with many of whom the Group enjoys long-term commercial relationships.

The Group focuses on maximizing returns from the entire supply chain, taking into account its extensive and global third party supply base, its logistics, risk management and working capital financing capabilities, extensive market insight, business optionality, wide customer base, strong market position and penetration in most commodities, and economies of scale.

Merchandizing can occur at every step of the value chain, from raw (sometimes prior to harvest) to processed commodities and the distribution of finished products, some of which are sold under brands owned by the Group. Determining which products to merchandize and at what stage of the production process is an important element of the Group's arbitrage policy and the Group believes that its diverse asset base and flexible sourcing structure allow it to take advantage of market opportunities and effectively address demand and supply imbalances.

With a presence in the whole value chain in several commodities markets, the Group regularly does business with a wide variety of counterparties in a large number of geographic locations. Counterparties vary to some extent depending on the particular commodity, but generally include:

- on the product sourcing side: farmers, farming co-operatives and traders;
- in the area of processing: raw commodities suppliers such as farming co-operatives, individual farms, multinationals, distributors, wholesalers and end-users;
- in the field of logistics: processing plants, warehouses, silos, tanks for liquids, local exporters, freight companies, forwarders, logistics providers; and
- in its merchandizing activities: multinationals, global merchants, state bodies, end-users and wholesalers.

All the counterparties above may generate a credit and performance risk. The Group operates principally with short-term transactions but also has some longer-term contracts, both on fixed and variable pricing terms. (For a description of how the various risks involved in transactions with counterparties are managed, see "Risk Management").

Payment terms are usually secured and, where applicable and possible, the remaining risk is laid off to third parties such as banks or insurers.

The Group estimates that, at any one time, it has over 10,000 active counterparties in the main production areas (such as Africa, South America, Black Sea and North America) and the main destination areas (such as North America, Europe, the Middle-East, Africa and Asia). In line with the industry in which the Group operates, the customer base is fragmented and there is no significant customer concentration in any of the areas in which it operates. No third-party counterparty accounts for more than 3 per cent. of total exposure (in nominal terms including a variety of potential risks associated with that counterparty). The majority of the Group's counterparties have contracts for one product line only, and crossover between the Group's customer base and its supplier base is limited.

Additionally, the Group is a significant user of futures exchanges (CME CBOT, CME NYMEX, ICE U.S. and Europe (formerly Liffe), Euronext Matif, DCE, the Shanghai Futures Exchange and ZCE) for the purpose of hedging its price risk on physical transactions.

Fixed Asset and Logistics Operator

The Group's merchandizing operations are supported by a base of production, processing and logistics fixed assets integrated into the areas of the core commodities which it merchandizes. In particular, the Group operates over a network of industrial facilities (including processing plants, ports, terminals and storage facilities).

Farming

The Group's major farm products consist of orange groves. These activities enable the Group to secure the sourcing of specific products, gain access to valuable information on expected crop yields and foster closer relationships with other producers in the various geographical regions in which it operates.

Processing

The Group also operates approximately 50 processing plants. As well as being stand-alone sales generators in their own right, the 'on-the-ground' presence of these assets contributes significant regional market insight and technical know-how and helps to mitigate against supply risk, while providing an integrated value chain which enhances cost efficiency. See "Description of Assets" below.

Whether commodities are sourced internally from farming and industrial assets or externally from third-party suppliers is dependent on relevant market conditions and arbitrage strategy. If, for example, a certain product can be sold at a particular time at its raw stage more profitably than the finished product (production and other costs taken into account), then the Group may choose not to use such a product for processing but rather to sell it directly and to supply the Group's processing plants or end customers with externally-sourced products.

Logistics

The Group's products are transported by road, rail and sea. Transportation is carried out both internally at every stage of the sourcing and production process and externally to end-customers. The ability to transport products efficiently and cost-effectively using both third-party freight companies and the Group's own Freight Platform (for shipping by sea) provides a value-added service which the Group believes enhances its product offering. Integration of the Freight Platform also allows the Group to control transport costs more effectively, protect against supply risks and enhance synergies within the value-chain. The ability to move products quickly and efficiently from one place to another further enables the Group to optimize geographical arbitrage activities – for example, by supplying a particular product in one location by sourcing it from another, thus allowing the Group to capitalize on favorable market opportunities to ensure optimal pricing. See "Value Chain Segment – Freight".

In the geographical areas in which it operates, the Group has access to ports, terminals and storage assets – these include those which it owns and controls and those which are leased from third parties. Its own storage assets include warehouses and silos in a number of key locations. Integration allows the Group to control costs, protect against non-availability risks and enhance synergies within the value-chain. The ability to access both proprietary and third-party facilities over a wide geographical area also enables the Group to maximize arbitrage opportunities by being able to store goods for further processing or on-sale to exploit future price differentials. See "Description of Assets".

Market Intelligence

The Group believes that its success in merchandizing derives from a long-standing and deeply entrenched knowledge of the markets in which it operates. As a global business, supported by regional know-how over a wide geographical area and diverse product ranges, the Group draws on its own comprehensive knowledge of local markets and their specific characteristics to inform its merchandizing and risk management strategies. The Group is assisted in this by its diverse and geographically widespread asset base and supporting operations providing ‘on the ground’ knowledge to enable it to effectively arbitrate, obtain critical information, build and maintain sales volumes, secure the value chain end-to-end, and address increasingly complex market and regulatory environments. This integration also leads to significant synergies between the Group’s sourcing and production facilities, mainly in the Americas and Asia, and its sales and marketing capabilities, as well as enhanced risk management capabilities.

A team of researchers based across the Group’s offices in Europe, Asia, the Americas and Africa provides the Platforms with in-depth market research including analysis of external reports and other data, and supply and demand projections. This research is used by the merchandizing team to assist with their arbitraging and marketing activities. The merchandizing team is made up of over 1,400 experts worldwide whose role is to continuously monitor the markets and conduct market research to ensure that ‘on the ground’ know-how is effectively exploited. They also ensure that arbitrage opportunities are maximized to secure the value chain. The team evaluates harvests on the ground, gathers information from the Group’s offices and experts in every country and analyzes external reports, data and supply and demand prospects. Real-time information flow means more accurate estimates and enables the Group to alert the appropriate teams, who can immediately make adjustments and optimize their activities. The Group’s market intelligence is supported by extensive databases. See “Information Technology”.

Operating Segments

The Group operates its business under two Segments: Value Chain and Merchandizing. These Segments, in turn, are divided as follows:

1. The **Value Chain** business Segment focuses on the following Platforms: Grains and Oilseeds (including soybeans, canola, sunflower seeds, palm and their by-products, for example meals, crude and refined vegetable oils, biodiesel, lecithin and glycerin as well as corn, wheat, sorghum, rye, oats and barley and their by-products, for example flour and corn ethanol and fertilizers and inputs including a range of chemical products such as fertilizers and crop protection products), Juice (including orange, lime, grapefruit and apple juices and their oils and by-products), and the support Platforms: Freight and Global Markets.

2. The **Merchandizing** business Segment focuses on the following Platforms: Sugar (including raw and refined sugar and sugar ethanol), Rice (including brown and milled rice), Cotton and Coffee (including Arabica and Robusta coffee beans). The Metals Platform was sold in May 2018 while the Group exited the Dairy business in June 2019.

Each Platform operates in an integrated manner and is responsible for sourcing, hedging, logistics and fixed asset operations, as well as the global strategy relating to the commodities or the activities which the Platform covers. This global competence helps to ensure worldwide consistency, high reactivity and efficiency for each Platform.

Activities of each of the Group’s business Segments are supported by ownership interests in fixed assets and may include farming operations and storage, handling and processing facilities in strategic locations.

Set out below are selected financial data of the Group as at or for the years ended, 31 December 2019 and 2020, in each case broken down by Segment.

In each case presentation is in US$ millions or percentages (after rounding).

	For the year ended 31 December

	2019	2020
Net Sales		
Value Chain ………………………………………………	23,229	23,003
Value Chain (% of total for Segments) ………………..	*69.00%*	*68.50%*
Merchandizing ……………………………………………	10,414	10,561
Merchandizing (% of total for Segments) ……..………	*31.00%*	*31.50%*
Sales (total for Segments) ……………………….……	**33,643**	**33,564**
Operating result[1]		
Value Chain ………………………………………………	569	1,003
Value Chain (% of total for Segments) ………………..	*59.50%*	*64.30%*
Merchandizing ……………………………………………	387	556
Merchandizing (% of total for Segments) ……..………	*40.50%*	*35.70%*
Operating result[1] (total for Segments) ……….…………	**956**	**1,559**
Share of gain (loss) in investments in associates and joint ventures, net		
Value Chain ………………………………………………	3	14
Value Chain (% of total for Segments) ………………..	*n.a.*	*n.a.*
Merchandizing ……………………………………………	(2)	(7)
Merchandizing (% of total for Segments) ……..………	*n.a.*	*n.a.*
Share of gain (loss) in investments in associates and joint ventures, net (total for Segments) …….…………………..……..	**1**	**7**

Notes:

1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.

	As at 31 December	
	2019	2020
Segment assets[1]		
Value Chain ………………………………………………	10,997	13,824
Value Chain (% of total for Segments) ………………..	*66.50%*	*69.10%*
Merchandizing ……………………………………………	5,536	6,184
	33.50%	*30.90%*
Segment assets (total for Segments) ……………..………	**16,533**	**20,008**
Segment liabilities[2]		
Value Chain ………………………………………………	(4,206)	(5,676)

Value Chain (% of total for Segments) ………………..	*67.70%*	*71.20%*
Merchandizing ……………………………………………	(2,011)	(2,297)
Merchandizing (% of total for Segments) ……..………	*32.30%*	*28.80%*
Segment liabilities (total for Segments) …………………	**(6,217)**	**(7,973)**
Additions to fixed assets		
Value Chain ………………………………………………	300	266
Value Chain (% of total for Segments) ………………..	*72.60%*	*86.90%*
Merchandizing ……………………………………………	113	40
Merchandizing (% of total for Segments) ……..………	*27.40%*	*13.10%*
Additions to fixed assets (total for Segments) ………..….	**413**	**306**

Notes:

1. Segment assets are intangible assets plus property, plant and equipment plus biological assets plus investments in associates and joint ventures plus inventories plus trade and other receivables plus derivative assets plus margin deposits plus financial advances to related parties plus non-current assets held-for-sale.

2. Segment liabilities are current liabilities consisting of accounts payables and accrued expenses plus derivative liabilities. Held-for-sale liabilities are also included.

Although managed globally, each Platform receives the support of the six regional organizations (North Latin America; South and West Latin America; North America; Europe Middle East and Africa; North Asia, South and Southeast Asia) which assist with financing, accounting, controlling and reporting and risk management.

This matrix is designed to ensure that business operations leverage each other's strengths and benefit from cross-region and cross-Segment knowledge-sharing and expertise.

Set out below are selected financial data of the Group as at, or for the years ended, 31 December 2019 and 2020, broken down by geographical region (presented in US$ millions (after rounding)):

Net sales by geographical destination	**For the year ended 31 December**	
	2019	**2020**
North Asia……………………………………………………...	7,802	7,555
South & South East Asia………………………………………..	7,227	7,332
North Latin America……………………………………………..	1,313	1,285
South & West Latin America……………………………………	2,050	2,216
Europe, Middle East & Africa ………………………………….	9,461	10,017
North America……………………………………………………	5,790	5,159
Total…………………………………………………………….	**33,643**	**33,564**

Fixed assets[1] by geographical area	**As at 31 December**	
	2019	**2020**
North Asia……………………………………………………...	185	182
South & South East Asia………………………………………..	181	205
North Latin America……………………………………………..	1,236	1,202
South & West Latin America……………………………………	623	609
Europe, Middle East & Africa ………………………………….	543	561
North America……………………………………………………	1,297	1,018
Total…………………………………………………………….	**4,065**	**3,777**

Notes:

1. Fixed Assets mean Property, Plant and Equipment and Intangible assets.

Value Chain Segment

The Value Chain Platforms have a fully integrated asset network ranging from production to distribution.

Among them, the Grains and Oilseeds Platform is the Group's longest-standing business, dating back to 1851 when Léopold Louis-Dreyfus created the original business by merchandizing wheat from Alsace (France) to Switzerland. Since then, the Group has expanded its expertise into the corn and soybean markets, establishing an international presence over time.

The Value Chain Segment includes commodities for both human and animal consumption (soybeans, soymeal, soy oil, palm oil, wheat, grains and juice). It also includes the Freight Platform, which is instrumental in ensuring transport logistics and services for the Group's other Platforms, in particular, the Grains and Oilseeds Platform, as well as third parties, using an international presence to cover major commodity flows. Lastly, the Group's Global Markets Platform is also attached to the Value Chain Segment.

Set out below are selected financial data of the Value Chain Segment as at, or for the years ended, 31 December 2019 and 2020. Presentation is in in US$ millions or percentages (after rounding).

	For the year ended 31 December	
	2019	**2020**
Net Sales…………………………………………………..	23,229	23,003
Operating result[1]………………………………………………	569	1,003
Share of gain (loss) in investments in associates and joint ventures, net……...……………………………………………	3	14

	As at 31 December	
	2019	**2020**
Segment assets[2]………………………………………	10,997	13,824
Segment liabilities[3]………………………………………	(4,206)	(5,676)

Notes:

1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.

2. Segment assets are intangible assets plus property, plant and equipment plus biological assets plus investments in associates and joint ventures plus inventories plus trade and other receivables plus derivative assets plus margin deposits plus financial advances to related parties plus non-current assets held-for-sale.

3. Segment liabilities are current liabilities consisting of accounts payables and accrued expenses plus derivative liabilities. Held-for-sale liabilities are also included.

In January 2019, the Group announced its decision to exit the Dairy business through a liquidation process. In the 2019 Audited Financial Statements, the contribution of the Dairy Platform was classified as discontinued operations in the consolidated income statement and consolidated statement of cash flows and was not presented as held-for-sale in the consolidated balance sheet. This business was exited at the end of June 2019.

For a description of the Value Chain Segment's processing assets, see "Description of Assets".

Grains and Oilseeds

Louis Dreyfus Company originates, stores, transforms and merchandizes a wide range of grains and oilseeds products.

Grains

Grains is the Group's longest-standing business. The Group believes that it ranks globally among the leading merchandizers in terms of volumes merchandized for wheat and corn[13].

The Grains Platform includes wheat, corn, sorghum, barley, rye, oats and corn-based ethanol. It has also recently developed corn and wheat milling activities.

The Group sources grain products from all of the world's major grain producing regions (the United States, South America, Australia and Eastern Europe, including in particular the countries of the former Soviet Union) from farmers and other suppliers. It is involved in processing and refining grains and grain by-products. It also manages a large import and distribution network in key consumption regions such as Europe, Asia, Africa, the Middle East and the Black Sea countries.

The main sales destinations of the Grains Platform are Asia, the Middle East and Africa.

The Group owns and operates processing, warehousing and export facilities globally.

Oilseeds

The Group has long-standing experience in the oilseeds market. Today the Group believes it is one of the largest global merchants of oilseeds and oilseeds by-products by volume.

The oilseeds complex covers a large number of commodities. Most oilseeds are crushed to produce protein meals and vegetable oils for direct consumption or further processing. Oilseeds meals are mainly used in the animal feed industry as a protein ingredient, soybean meal being the most widely used. Vegetable oils are mainly used in human food consumption (cooking oils and food processing), industrial applications (plastics, cosmetics, paints) and energy (biodiesel).

The Group merchandizes a wide spectrum of oilseeds and oilseeds by-products, including soybeans, soybean meal, soybean oil (crude and refined), soy-methyl-ester, palm-methyl-ester and rape-methyl-ester, rapeseed/canola, rapeseed/canola meal, rapeseed/canola oil (crude and refined), sunflower oil, cottonseeds, cottonseed oil, cottonseed meal, palm oil (crude and refined), olein, stearin, vanaspati, lecithin and glycerin. The Group's activities span the entire oilseeds value chain from origination to downstream. The Group also markets refined oils under its proprietary brands, such as VILA VELHA in Brazil.

Major customers are wholesalers and other merchandizers, food, feed or industrial corporations, and multi-nationals and governmental entities.

The merchandizing activities of the Oilseeds Platform are supported by proprietary operations at a global network of every level of the value chain, from sourcing through to storage, transformation and transport. The Group operates a global network of processing assets and logistics assets, including elevators, barges, warehouses, tanks, ports and terminals, which are owned or leased.

The Grains and Oilseeds Platform also includes the Fertilizers and Inputs business, involving the import and distribution of fertilizers and including clearing the goods through customs, and storing, blending, bagging and transporting them to customers. The Platform merchandizes nitrogen, phosphates, potash fertilizers and crop protection products to large farms, co-operatives and government associations, as well as food, mining and industrial firms. It sources products from the world's largest suppliers and producers. The Group owns fertilizer blending plants and logistical assets.

The Group completed the sale of (i) its African Fertilizers and Inputs business in November 2017 and (ii) its Australian Fertilizers and Inputs business in April 2018.

[13] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above

Logistical support is provided by the Group's Freight Platform for sea transport.

Juice

The Juice Platform produces and merchandizes orange, lime, lemon and apple juice, each with their oils and other by-products. The Group (including its predecessor companies) has over 25 years of experience in the juice business. Primary customers are beverage bottlers (either branded or private-label), consumer product companies and flavour, fragrance and pectin companies.

The Platform is involved in the entire value chain of juice processing, from farming to distributing packaged juice. It produces both Frozen Concentrate ("**FC**") orange, lemon and apple juice and not-from-concentrate orange juice ("**NFC**"). The Group believes it is one of the leading orange juice processors by volume worldwide.[14]

To answer a continued tightening of juice consumption in key markets, the Platform has implemented a strategy of optimization of inventory levels and asset utilization, with an enhanced customer focus and product diversification. The sale to Peace River Citrus Products Inc. of the Group's frozen juice products business in the U.S. in May 2016 is part of that strategy.

On the sourcing side, the Group farms orange and lemon groves in Brazil (either on an ownership or a leasing basis). The Group also has long term partnerships with key Brazilian growers.

In addition, the Group operates processing assets. Logistical support is provided by assets which are capable of handling both FC and NFC in bulk and drums in Brazil, United States and Europe.

The Group has legally ring-fenced its Juice Platform and accelerated plans to drive the Group's growth ambitions for this activity, in particular in the NFC market.

During 2019, the Group also increased its presence in the food service segment, by signing a national long-term NFC supply agreement with the second largest fast food chain in Brazil.

Freight

The Group has many years of experience in chartering, having been involved in all aspects of the bulk ocean freight industry. The Freight Platform provides critical supply chain links to support the Group's worldwide commodity activities (in particular the Oilseeds and Grains, Rice and Sugar Platforms). To a lesser extent, it also operates as a stand-alone profit center providing freight services to third party merchandizers.

The Freight Platform is involved in all aspects of ocean transport activity, and is fully globalized with four main chartering offices covering all time zones. The Platform's activity includes time-chartering (leasing vessels on a daily basis) as well as voyage-chartering (chartering vessels on a lump-sum or per metric rate). The Platform does not own the vessels which it operates.

Through its Freight Platform the Group supports the International Maritime Organization's (IMO's) environmental protection regulations and initiatives, particularly with respect to water ballast treatment, lowering sulphur in fuel oil and reducing greenhouse gas emissions.

In November 2019, the Group signed up to the 'Ship Recycling Transparency Initiative' which promotes the responsible disposal of vessels at the end of their cycle.

Global Markets

The Global Markets Platform has a strategic geographic presence in Buenos Aires, Geneva, São Paulo and Singapore, and provides foreign exchange currency risk management support for the various commodities Platforms. As well as pure foreign exchange management, the Global Markets Platform is

[14] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above

leveraging its trading experience to diversify into various other types of financial instruments including interest rates hedges, options and fixed income securities. As the business has grown into new regions, the Platform has continued to leverage key relationships to absorb local market knowledge, especially in the emerging markets.

Merchandizing Segment

The cotton, coffee, sugar and rice Platforms together make up the Merchandizing Segment.

Merchandizing can occur at every step of the value chain, from raw to processed commodities as well as the distribution of finished products, some of which are sold under brands owned by the Group.

International global reach, logistic capabilities and the ability to provide integrated solutions to its customers are the key competitive advantages of the Merchandizing Segment.

Set out below are selected financial data of the Merchandizing Segment as at, or for the years ended, 31 December 2019 and 2020. Presentation is in in US$ millions or percentages (after rounding).

	For the year ended 31 December	
	2019	**2020**
Net Sales…………………………………………………..	10,414	10,561
Operating result[1]………………………………………………	387	556
Share of gain (loss) in investments in associates and joint ventures, net……..……………………………………………	(2)	(7)

	As at 31 December	
	2019	**2020**
Segment assets[2]………………………………………	5,536	6,184
Segment liabilities[3]………………………………………	(2,011)	(2,297)

Notes:

1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.
2. Segment assets are intangible assets plus property, plant and equipment plus biological assets plus investments in associates and joint ventures plus inventories plus trade and other receivables plus derivative assets plus margin deposits plus financial advances to related parties plus non-current assets held-for-sale.
3. Segment liabilities are current liabilities consisting of accounts payables and accrued expenses plus derivative liabilities. Held-for-sale liabilities are also included.

For a description of the Merchandizing Segment's processing assets, see "Description of Assets".

Cotton

The Cotton Platform conducts operations in all major world markets, including sourcing in the key production regions of the United States, China, Brazil, West Africa, the Indian sub-continent and Australia. It also serves all major consumption markets and prides itself on its strong business relationships with both suppliers and customers, developed through domestic presence in key markets, especially in the United States, Brazil, and Asia. The Group promotes sustainability programmes such the 'Better Cotton Initiative', which encourages conservation of resources and improved production practices to meet the global need for cotton produced in a sustainable manner.

The Group believes that it is one of the global leaders in cotton merchandizing and one of the largest merchandizers of raw cotton in the world by volume.[15]

In order to support its cotton operations, the Group has developed and maintains a state-of-the art proprietary research department, equipped with facilities for gathering weather and news reports, statistical data, intelligence material and academic analysis from around the world.

Logistical support is provided by extensive warehouse operations in the United States, Argentina, Brazil and Australia. The Group also operates intermodal loading operations in the United States

Coffee

The Coffee Platform operates an integrated global supply chain managing the flow of coffee from source to destination. The Group merchandizes all major Arabica and Robusta varieties and serves a diversified range of customers, from specialist roasters to multinational food companies across the globe.

The Group believes it is one of the top five coffee merchandizers in the world by volume.[16]

The Platform has an upstream sourcing footprint in all of the world's major producing countries including Brazil, Colombia, Honduras, Peru, Mexico, Vietnam, Indonesia, India, China, Uganda, Ethiopia and Kenya. These activities are supported by a network of marketing offices in regional merchandizing centres, which include Geneva, Sao Paulo, Wilton and Singapore. The coffee activities are supported by investments at all major stages of the coffee value chain, from sourcing and processing to destination warehousing, blending and value-added services.

The Group invests in sourcing coffee in a responsible manner while addressing the growing demand for sustainability and traceability, and is an active member of the various existing coffee associations (4C Association, UTZ, Rainforest Alliance, CAFE Practices and the Fairtrade Certification Program). With its significant role to play in spreading good practices within the coffee value chain, the Coffee Platform has developed and rolled out a Suppliers Code of Conduct in its main origination areas.

Logistical support is provided by warehouse operations.

Sugar

The core activity of the Sugar Platform is the sourcing and merchandizing of raw and white sugar and ethanol.

The Sugar Platform has a global presence with merchandizing centres including Geneva, Wilton, Singapore, São Paulo, Delhi, Beijing and Jakarta and distribution activities in Bangkok, Dubai and East Africa. The Group sources raw and white sugar mainly from Brazil, Thailand and Central America and merchandizes principally in the Black Sea region, Middle East, South East Asia and East Africa.

The Group believes it is one of the top three sugar merchandizers worldwide by volume.[17]

The Group has equity stakes in green field sugar refineries China and in the United States. In June 2012, the Group made an investment in the United States through the purchase of Imperial Sugar and its basket of brands (please refer to the section entitled "Recent Developments").

[15] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above
[16] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above
[17] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above

Rice

Rice can be merchandized at various stages: from paddy rice, which has come from the field after harvest and has a hard husk protecting the kernel inside; through to brown rice, which has had the husk removed but which retains a bran layer; to milled rice (or white rice), which has had the husk and bran removed.

The Rice Platform is involved in merchandizing, supported by sourcing activities in Asia, where it sources high-quality Indian, Thai, Vietnamese, Pakistani and Chinese milled rice for consumers within Asia and for export. It also buys rice for domestic and export markets in Mercosur, and in West Africa where it has built long-term partnerships and is one of the market leaders in rice merchandizing by volume. In Asia, the Group has developed strong distribution networks. The Group buys brown and milled rice mainly from Asia and South America. The Group's main rice suppliers are local merchants who buy products from rice millers. Its main customers are wholesalers and merchants selling to wholesalers who operate in their own domestic markets.

The Group believes that it is a world leader in rice merchandizing.[18]

Description of Assets

The Group owns or operates a strategically-located and diverse portfolio of fixed assets, which the Group exploits to conduct its merchandizing activities. Through significant investment in assets on all of the world's continents, the Group has built links across the value chain, from sourcing and production, through processing and refining and transport and storage, to research, merchandizing, customizing and distribution. As a result, the Group has expanded its fixed asset base operated across the world. The Group's major fixed assets are listed below. The list is divided up between processing assets and sourcing and logistics assets.

Processing Assets

The tables below may include assets under construction, consolidated assets, minority stakes, tolling agreements, leased facilities lease or off-take contracts.

These data are given as at 31 December 2020.

Key to regions:

NASIA	North Asia
SSEASIA	South and Southeast Asia
EMEA	Europe, Middle East and Africa
NAM	North America
NLA	North Latin America
SLA	South and West Latin America

Chart of Group's selected processing assets

Region	Country	Platform	Assets	Type of Asset
NASIA	China	Grains and Oilseeds	Dongguan Oilseeds plant	Processing
NASIA	China	Grains and Oilseeds	Tianjin Oilseeds plant	Processing
NASIA	China	Grains and Oilseeds	Zhangjiag Oilseeds plant	Processing
NASIA	China	Grains and Oilseeds	Greenfield Oilseeds plant	Processing

[18] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" above

Chart of Group's selected processing assets

Region	Country	Platform	Assets	Type of Asset
NASIA	China	Juice	Sanchuan plant	Processing
SSEASIA	Australia	Cotton	Dalby Cotton Ginning	Processing
SSEASIA	Australia	Cotton	Emerald Cotton Ginning	Processing
SSEASIA	Australia	Cotton	Moree Cotton Ginning	Processing
SSEASIA	Indonesia	Grains and Oilseeds	Balikpapan Oilseeds plant	Processing
SSEASIA	Indonesia	Grains and Oilseeds	Lampung Oilseeds plant	Processing
SSEASIA	Indonesia	Grains and Oilseeds	Lampung Biodiesel plant	Processing
SSEASIA	Indonesia	Coffee	Lampung Coffee mill	Processing
SSEASIA	India	Grains and Oilseeds	Kandla Oilseeds plant	Processing
SSEASIA	India	Coffee	Koppa Coffee mill	Processing
SSEASIA	Vietnam	Coffee	Lam Ha Coffee mill	Processing
SSEASIA	Vietnam	Coffee	Pleiku Coffee mill	Processing
EMEA	Germany	Grains and Oilseeds	Wittenberg oilseeds and biodiesel plant	Processing
EMEA	Ghana	Grains and Oilseeds	Tema fertilizer Blender	Processing
EMEA	Zambia	Cotton	Lusaka Cotton Ginning	Processing
NAM	Canada	Grains and Oilseeds	Yorkton oilseeds plant	Processing
NAM	United States	Grains and Oilseeds	Claypool oilseeds and biodiesel plant	Processing
NAM	United States	Grains and Oilseeds	Grand Junction ethanol plant	Processing
NAM	United States	Grains and Oilseeds	Norfolk ethanol plant	Processing
NAM	United States	Sugar	Ludlow sugar plant	Processing
NAM	United States	Sugar	Port Wentworth sugar plant	Processing
NLA	Brazil	Coffee	Nova Venecia coffee plant	Processing
NLA	Brazil	Coffee	Varginha coffee plant	Processing
NLA	Brazil	Grains and Oilseeds	Caarapo fertilizer plant	Processing
NLA	Brazil	Grains and Oilseeds	Nova Mutum fertilizer plant	Processing
NLA	Brazil	Grains and Oilseeds	Ponta Grossa plant	Processing
NLA	Brazil	Grains and Oilseeds	Alto Araguaia oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Apucarana Grains mill	Processing
NLA	Brazil	Grains and Oilseeds	Itumbiara oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Jatai oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Paraguacu oilseeds plant	Processing

Chart of Group's selected processing assets

Region	Country	Platform	Assets	Type of Asset
NLA	Brazil	Grains and Oilseeds	Rio Verde grains mill	Processing
NLA	Brazil	Juice	Bebedouro juice plant	Processing
NLA	Brazil	Juice	Matao juice plant	Processing
NLA	Brazil	Juice	Paranavai juice plant	Processing
SLA	Argentina	Grains and Oilseeds	General Lagos biodiesel plant	Processing
SLA	Argentina	Grains and Oilseeds	General Lagos oilseeds plant	Processing
SLA	Argentina	Grains and Oilseeds	Timbues oilseeds plant	Processing
SLA	Argentina	Cotton	GIN Quimili Ginning	Processing
SLA	Colombia	Coffee	Ibague coffee mill	Processing
SLA	Colombia	Coffee	Pereira coffee mill	Processing
SLA	Honduras	Coffee	Villanueva coffee mill	Processing
SLA	Mexico	Coffee	Perote coffee mill	Processing
SLA	Paraguay	Grains and Oilseeds	Caaguazu oilseeds plant	Processing
SLA	Paraguay	Grains and Oilseeds	Villeta oilseeds processing	Processing

Sourcing and logistics assets

Chart of Group's selected sourcing and logistics assets

Region	Country	Platform	Assets
NASIA	China	Grains and Oilseeds	1 storage facility
SSEASIA	Australia	Cotton	2 storage facilities
SSEASIA	Australia	Grains and Oilseeds	1 storage facility
SSEASIA	Indonesia	Coffee	1 storage facility
SSEASIA	Indonesia	Grains and Oilseeds	2 port terminals
SSEASIA	Vietnam	Coffee	2 storage facilities
EMEA	Belgium	Coffee	1 storage facility
EMEA	Belgium	Juice	1 port terminal and 2 vessels
EMEA	Ghana	Grains and Oilseeds	1 storage facility
EMEA	Kenya	Coffee	1 storage facility
EMEA	Kenya	Grains and Oilseeds	1 oil storage facility
EMEA	Russia	Grains and Oilseeds	1 port terminal and 8 elevators
EMEA	Russia	Sugar	1 storage facility
EMEA	Ukraine	Grains and Oilseeds	3 ports facilities and 2 storage facilities
EMEA	Senegal	Rice	1 storage facility
EMEA	Uganda	Coffee	1 storage facility
EMEA	Zambia	Cotton	1 storage facility
NAM	Canada	Grains and Oilseeds	1 port terminal
NAM	United States	Cotton	2 ports terminals and 11 storage facilities
NAM	United States	Grains and Oilseeds	5 port terminals and 2 elevators
NLA	Brazil	Coffee	1 storage facility
NLA	Brazil	Cotton	3 storage facilities
NLA	Brazil	Grains and Oilseeds	5 port terminals, 31 elevators and storage facilities, waterway barges
NLA	Brazil	Juice	1 port terminal and 2 storage facilities
SLA	Argentina	Cotton	1 storage facility
SLA	Argentina	Grains and Oilseeds	3 port facilities and 6 storage facilities
SLA	Paraguay	Grains and Oilseeds	2 storage facilities and waterway barges
SLA	Uruguay	Grains and Oilseeds	3 storage facilities

Capital Expenditure

The Group's capital expenditure relates primarily to asset acquisition and maintenance as part of its ongoing strategy of expanding and diversifying its global fixed asset base in a measured way, by focusing effort on core activities in selected core geographies. As the Group's capital expenditure plan is predominantly composed of discretionary investments, it remains highly flexible.

Capital expenditure[19] by operating Segment for the full financial years 2019 and 2020 in each case broken down by Segment, is set out below (in US$ millions):

	For the year ended 31 December	
	2019	**2020**
Value Chain Segment……………………………………..…..	300	266
Merchandizing Segment…………………………………………	113	40
Segment total ……………………………………………………	**413**	**306**

As at 31 December 2020, the Group had US$81 million of commitments mainly related to export terminals and investments (compared to US$83 million as at 31 December 2019).

The Group has a five-year plan approved by the board of LDCH B.V. which sets out general investment strategies over the medium-term, while keeping a large degree of flexibility regarding the capital expenditure deployment policy. In addition, the Group has a dedicated capital expenditure committee which considers and approves requests put forward by the Platforms for particular projects on a case-by-case basis and allocates resources accordingly.

See also "Results of Operations and Financial Position –Capital Expenditure and Divestments".

Funding and Liquidity

Introduction

The Group's financial model is designed to support its long-term strategy. Short-term debt is generally used to support the Group's on-going business by financing its main working capital needs, while long-term sources of funds mainly provide support for long-term investments.

The Group's financing structure has historically been based on a local funding model, with its regional subsidiaries maintaining lending relationships with local banks. This has provided significant diversification both in terms of sources of funding and geographies, allowing the Group to expand while successfully managing its liquidity position, as has been demonstrated through the global financial crisis and in the volatile commodities environment of recent years. The Group intends to follow this financial model through its near to medium-term focus on maintaining: (i) an appropriate level of committed facilities; (ii) a staggered debt maturity profile; and (iii) diversified sources of funding.

Under the supervision of the Group's Global Treasury Department, each regional subsidiary within the Group is in charge of funding its needs through local banks or local branches of international banks. The Group has access to over 140 banks, in more than 40 countries across six regions to afford regular access to liquidity. The Group seeks to maintain sufficient available liquidity at all times to cover short-term liabilities and constant access to liquidity.

Loan facilities

As at 31 December 2020, 42 per cent. of the Group's total facilities were committed and US$3.5 billion of committed facilities were undrawn, of which US$2.5 billion were above one-year maturity.

The Group limits its refinancing risk by maintaining both geographical diversification and staggered maturity dates. To that end, the Group has six medium-term revolving credit facilities ("**RCFs**"),

[19] Purchases of fixed assets and additional investments, net of cash acquired

through three of its regional hubs, for a total amount of US$3.5 billion as at 31 December 2020. Each regional hub refinances one RCF per year, one year ahead of maturity.

As at 31 December 2020, the Group had the following loan financings in place:

In South and Southeast Asia

- A syndicated loan in the total amount of US$600 million consisting of revolving credit facilities between Louis Dreyfus Company Asia Pte. Ltd. and a syndicate of local and international banks. This RCF matures in August 2021 and is guaranteed by LDC. This syndicated loan has been extended by 2 years for US$269 million, from August 2021 to August 2023 and includes a sustainability-linked pricing mechanism. The initial amount of the RCF remains committed until the initial maturity dates of the facility.

- A syndicated loan in the total amount of US$671 million consisting of a RCF between Louis Dreyfus Company Asia Pte. Ltd. and a syndicate of regional and international banks. This syndicated loan has a maturity date of August 2022. This syndicated loan includes a sustainability-linked pricing mechanism and has an extension option for two additional one-year periods or one additional two-year period. This syndicated loan is guaranteed by LDC.

In Europe, Middle East and Africa

- Two unsecured RCFs of US$407.5 million each between Louis Dreyfus Company Suisse SA and a syndicate of local and international banks. One RCF matures in December 2021, the other in December 2022. Both facilities have been extended by 1 year for US$349 million each. They now mature in December 2022 and December 2023 respectively. These RCFs include a sustainability-linked pricing mechanism and are guaranteed by LDC.

- A 3 years “Samurai” term loan in a total amount of JPY34.3 billion between Louis Dreyfus Company Suisse S.A. and Japanese investors. This term loan is guaranteed by LDC.

- A RCF of US$100 million between Louis Dreyfus Company Suisse S.A. and the European Bank for Reconstruction and Development (“**EBRD**”) maturing in January 2023.

In North Latin America

- An export prepayment facility in a total amount of US$250 million between Louis Dreyfus Company Sucos S.A. (a Juice subsidiary) and a syndicate of international banks. This facility includes a sustainability-linked pricing mechanism through which the loan interest rate is linked to performance against seven sustainability key performance indicators (KPIs), which target reductions in CO_2 emissions, electricity consumption, water usage, solid waste sent to landfill, decreased frequency and severity of accidents, and an increase in sustainability-certified farms. The loan is amortizing and the final maturity date is in June 2024.

- An export prepayment facility partly covered by a Japanese export insurance company in a total amount of US$250 million between Louis Dreyfus Company Brasil S.A. and a syndicate of international banks and Japanese investors. The loan is amortizing and the final maturity date is in December 2024. This loan is guaranteed by LDC.

In North America

- A US$955 million Farm Credit System[20] syndicated term loan, with five tranches, US$100 million, US$255 million, US$250 million, US$225 million and US$125 million, maturing respectively in December 2024, 2025, 2026, 2027 and 2028. LDC is guarantor.

[20] U.S. Congress established the Farm Credit System in 1916 to provide a source of credit for American agriculture by making loans to qualified borrowers at competitive rates and providing insurance and related services

- A syndicated RCF in a total amount of US$600 million maturing in May 2021 between LDC NA LLC (a subsidiary of the Group) and a syndicate of local and international banks. This syndicated RCF is guaranteed by LDC.

- A syndicated RCF in a total amount of US$750 million maturing in May 2022 between LDC NA LLC and a syndicate of local and international banks. This syndicated RCF includes a sustainability-linked pricing mechanism and is guaranteed by LDC.

Debt Capital Markets and Money Markets

As at 31 December 2020, 44 per cent. of the Group's non-current long-term financing came from the debt capital markets.

In recent years, debt capital markets have been playing an increasing role in the Group's diversification of financing. The Group had entered the debt capital markets in September 2012 with an inaugural US$350 million hybrid perpetual security bearing an 8.25 per cent coupon and listed on the Singapore Exchange, which the Group has redeemed as at its first call date on 12 September 2017. On 30 July 2013, LDC completed the issuance of a EUR400 million, 5-year, 3.875 per cent. Luxembourg-listed Eurobond (redeemed in 2018), followed in December 2013 by the issuance of a EUR500 million, 7-year, 4.00 per cent. Luxembourg-listed Eurobond. On 7 February 2017, LDC issued a further EUR400 million Eurobond with an annual interest rate of 4.00 per cent. and a five-year tenor; followed on 13 June 2017 by a US$300 million senior bond with an annual interest rate of 5.25 per cent. and a six-year tenor. Both issues were admitted to trading on the regulated market of the Luxembourg Stock Exchange. On 27 November 2020, LDC issued a EUR600 million Eurobond with a five-year tenor and an annual interest rate of 2.375 per cent, listed on the Luxembourg Stock Exchange. This issue was tapped in February 2021 for a further EUR50 million. The issue of Bonds described in this Prospectus is further testament of the Group sourcing financing through the international debt capital markets.

In October 2015, LDC put in place an unrated Negotiable EU Commercial Paper (NEU CP, formerly French "*Billets de Trésorerie*") Programme governed by French law. The programme size is EUR1,500 million or its equivalent in any other authorized currency.

Other information relating to Funding

Certain portions of the debt relating to the above facilities (US$143 million in aggregate as at 31 December 2020) are secured by mortgages on assets (mainly greenfield projects in Brazil but also existing fixed assets).

Several of the financings listed above contain limited covenants including those requiring maintenance of working capital levels, net worth, debt/equity ratios, debt/asset ratios, and limits on indebtedness. In the case of any financings listed above which are guaranteed by LDC, LDC has covenanted to maintain a consolidated tangible net worth of greater than US$2.5 billion.

The remaining part of the Group's funding, mainly uncommitted, consists of bilateral facilities with over 90 different banks. These are used to finance working capital.

As at 31 December 2020, the Group's consolidated gross debt[21] stood at US$9.8 billion, US$3.7 billion being long-term debt (out of which US$0.2 billion are lease liabilities), with 4.1 years of average maturity. As at 31 December 2020, short-term debt[22] was US$6.1 billion.

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[21] Gross debt includes long-term debt (both current and non-current portion) and short-term debt, financial advances from related parties, less repurchase agreements and securities short positions.

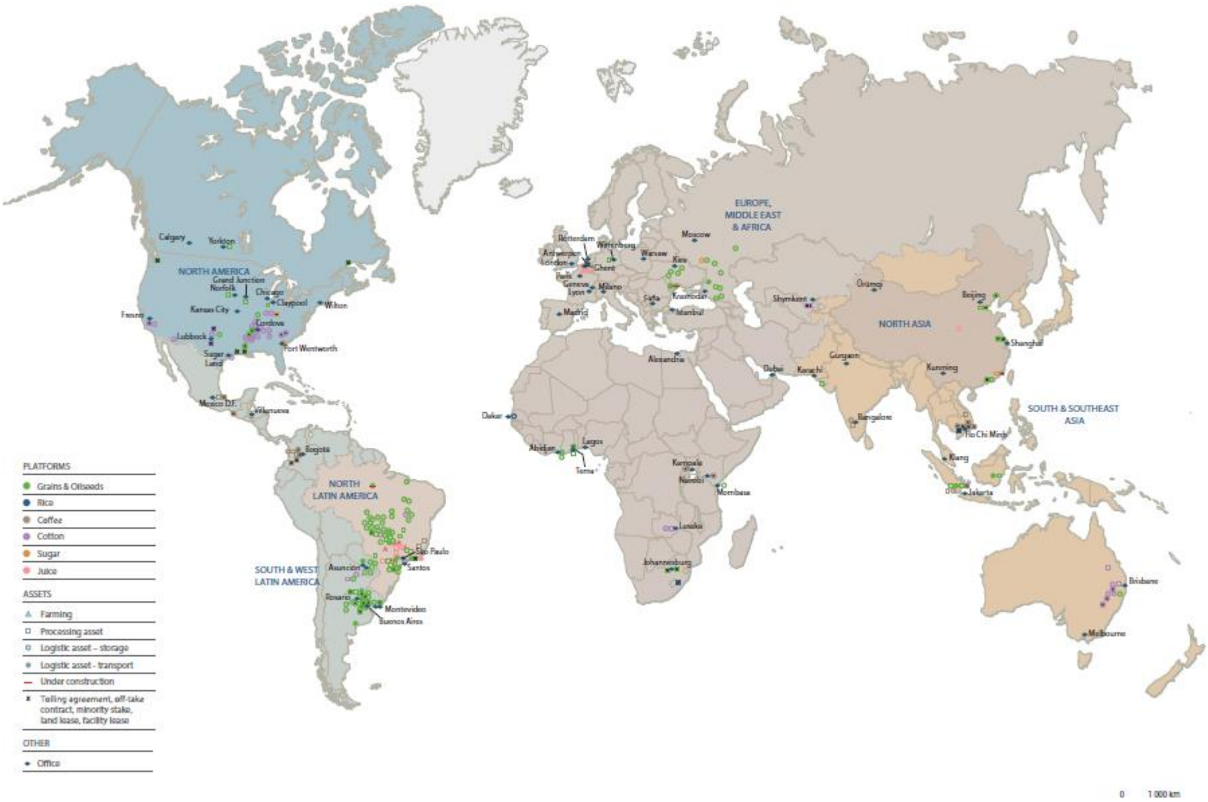
[22] Short-term debt (including current portion of long-term debt) plus financial advances from related parties, net of repurchase agreements.

As at 31 December 2020, the Group's adjusted gross debt stood at US$4.6 billion. Current financial assets stood at US$2.2 billion, leading to an adjusted net debt (net of RMI) of US$2.4 billion. Adjusted net gearing[23] was 0.48.

As at 31 December 2020, available liquidity was US$11.1 billion, representing 182 per cent. of the Group's short term debt[24] and 48 per cent. of the Group's total assets.

Global Network

The Group manages its activities from offices located around the world and operates in over 100 countries. Below is a map highlighting the Group's global presence and indicating its main offices and assets in the various geographical regions as at 31 December 2020.



North America

Platforms in the region consist of: grains and oilseeds, sugar, juice, freight, cotton, coffee and global markets. The Group has 13 offices across North America and employed 1,500 people at peak season. It currently owns or operates 6 processing assets and 21 logistical assets.

North Latin America

Platforms in the region consist of: grains and oilseeds, juice, sugar, rice, cotton, coffee and global markets. The Group has two offices in North Latin America and employed 9,100 employees at peak season. It currently owns or operates 14 processing assets and 44 logistical assets. In addition, the Group farms orange groves.

South and West Latin America

[23] Adjusted net gearing is adjusted net debt/equity.

[24] Short-term debt (including current portion of long-term debt) plus financial advances from related parties, net of repurchase agreements.

Platforms in the region consist of: grains and oilseeds, sugar, juice, rice, cotton, coffee and global markets. The Group has 8 offices across South and West Latin America and employed 1,900 people at peak season. It currently owns or operates 10 processing assets and 16 logistical assets.

Europe, Middle East and Africa

Platforms in these regions consist of: grains and oilseeds, sugar, juice, rice, freight, cotton, coffee and global markets. The Group has 25 offices across Europe, Middle East and Africa and employed 2,300 people at peak season. It currently owns or operates 3 processing assets and 25 logistical assets.

North Asia and South and South East Asia

Platforms in the region consist of: grains and oilseeds, juice, sugar, rice, freight, cotton, coffee and global markets. The Group has 11 offices across Asia and employed 2,300 people at peak season. It currently owns or operates 16 processing assets and 9 logistical assets.

Employees

For the year ended 31 December 2020, the Group had an average of 17,062 employees worldwide (18,158 for the year ended 31 December 2019). The employees include department managers, support staff and employees in the subsidiary offices and production sites, as well as management. The following table indicates the distribution of employees by category for the periods indicated (averages for year):

Distribution of employees	**For the year ended 31 December**	
	2019	2020
Managers and traders	1,669	1,585
Supervisors	1,358	1,385
Employees	4,126	4,058
Workers	7,706	7,326
Seasonal workers	3,299	2,708
Total	**18,158**	**17,062**

The Group has developed various methods to ensure that employees are adequately and correctly trained for the functions they perform and also that they are aware of the legislation affecting the Group's business. In particular e-learning modules have been designed to address compliance-related topics, such as the Group's code of conduct, trade practice, anti-bribery and corruption rules, and regulatory compliance.

The Group aims to incentivize key employees and align employee and shareholder interests via the Group's employee participation plan, which involves equity participation at the LDCH B.V. level. Louis Dreyfus Company employees and management held approximately 5 per cent. of the economic interests in LDCH B.V. as at 31 December 2020.

The Group is strongly opposed to child labour and forced or compulsory labour at any point in the value chain. The Group proactively applies United Nations ("**UN**") recommendations in respect of child- and forced-labor and promotes relations with suppliers, business partners and sub-contractors operating under the same values. The Group has a global training programme in place to reinforce the values of its code of conduct, such training being mandatory for all managers and staff.

Competition

The sectors in which the Group operates are highly competitive at all stages of the value chain and the Group faces competition in its various product and geographical markets. The Group's competitors range from global trade houses to local distributors and buying agents. Many of the Group's competitors in one area are also its customers or suppliers in other areas. The Group's main agri-commodities competitors on an international level are ADM, Bunge, Cargill, COFCO International and Glencore Agriculture. The Group also competes with Wilmar and Olam in Asia and Africa.

Information Technology

The Group has in place a programme of information technology development aimed at improving systems, processes and security. The Group is in the process of progressively replacing legacy applications with better-integrated systems in the areas of commodity trading, risk management, and back office. The aim is to implement systems which are centrally administered, allowing for better monitoring of processes and increased efficiency. The Group currently runs a number of programs including SAP and Microsoft Dynamics Ax.

The Group has implemented a global area network which provides secured connectivity to most of its sites. This network helps to ensure quality of service for secured data transfer, as well as voice and video-conferencing. The Group has also launched a dedicated programme which aims to reinforce IT security practices around digital identities, data protection, intrusion prevention and employee awareness.

In the financial period covered by this Prospectus, the Group invested in planned and custom maintenance to ensure the continued operational performance of its assets, and in strategic long-term projects for the expansion of its logistic network. The Group also invested in IT systems and process improvements, in particular with the roll-out of its new global back-office enterprise resource planning (ERP) system, alongside the deployment of an upgraded version of its existing front-office system, common to its Grains and Oilseeds, Sugar and Rice Platforms. The Group also continued to invest in predictive analytics for faster and better business insights, as well as in upgrades to 'MyLDC', a web and mobile application allowing customers to securely sign contracts on the go and access previous and current transactions.

See also "Risk Factors – Risks relating to the Group and its Business – Category 8: Risks related to the Group's processes – The Group is dependent on its internal systems, including its information technology systems, for the Group's operations".

Health and Safety

The operations of the Group can involve occupational health and safety risks. In particular, the Group is involved in the processing and storage of hazardous products. The Group's sites are monitored both internally and externally for product safety, compliance with applicable laws and regulations, safety and integrity of the Group's facilities, equipment and processes, employee actions and those of contractors, occupational health and safety and employee exposure, transportation safety, asset security, protection of the environment and operating loss and damage.

In 2009, the Group launched a comprehensive occupational health and safety management system based on the OHSAS 18001 standard and, in 2010, added an environmental component to its management system based on the ISO 14001 standard. This management system covers the entire scope of its activities worldwide and includes periodic objective audits. Each region and production asset conducts monthly safety, health and environmental committee meetings to discuss safety results, action plan progress and other relevant topics. Regional committees include top management from that region. An annual "Worldwide Safety, Health and Environment Day" (a day dedicated to global health, safety and environment training) is held at all the Group's sites and among all its employees as part of the Group's continued commitment to workplace safety. Many of the Group's contractors, local emergency providers and community leaders also participate in Safety, Health and Environment Day.

In 2018, the Group renewed its Safety, Health and Environment policy, which set outs expectations for each Group employee and serves as the basis for the implementation of procedures and best practice at each of the Group's locations. Through staff education and preventative measures, the Group has succeeded in reducing injuries in the most recent period. In 2019[25] the frequency index of recordable injuries at the Group's plants was 8.5 per cent. lower than 2018.

Nevertheless, and despite the Group's best efforts, the inherent risks in the Group's operations mean that accidents do occur from time to time and, in 2019[26], there were lost time injuries (including fatalities).

Environment

The nature of the Group's operations, especially in the area of commodity production, processing and logistics, exposes it to environmental risks, and, from time to time, the Group incurs costs associated with compliance with environmental regulations and guidance promulgated by authorities and remediation of sites in the wide variety of areas and geographical regions in which it operates.

The Group aims to develop its business without compromizing environmental protection. It has obtained all necessary governmental licences and certificates to operate its sites. The environmental management system development and implementation process involves all sites in the Group developing comprehensive plans to ensure compliance with all applicable national, state, territorial and local laws and regulations. The Group's production plants have adopted measures to control areas such as atmospheric discharge, water quality and conservation, runoff and seepage, plant and wildlife protection, waste generation and energy consumption. Prior to construction or acquisition, each of the Group's assets is evaluated for its potential environmental impact and proper licensing by local environmental agencies. Each facility is subject to periodic internal environmental monitoring and reviews by external authorities, and internal environmental audits are carried out on a regular basis.

The Group's environmental management system complements its larger safety, health and environment programme (See "Description of the Issuer, its Group and their Business – Health and Safety") and overall business management system. It is not only used to manage the environmental aspects of the Group's activities, products and services, but also to set objectives and targets to improve the Group's environmental performance, to promote sustainable operations, and to reduce the impact of the Group's operations on the environment. Four key performance indicators have been highlighted for all production, logistic and agricultural assets: greenhouse gas emissions, electrical energy consumption, water consumption and solid waste. In 2017, the Group set a target to reduce those key performance indicators per metric ton of feedstock processed by 5 per cent. between 2018 and 2022. In 2019[27], the Group reduced its four KPIs respectively by 11 per cent., 10 per cent., 14 per cent. and 57 per cent.. The management system is used to identify opportunities for improvement in these areas and to manage projects. See also "Risk Factors – Risks relating to the Group and its Business – Category 3: Political and Legal risks – Environmental regulation imposes additional costs and may affect the results of the Group's operations".

Sustainability

The Group is a member of several sustainability-related multi-stakeholder organizations including: the Roundtable for Responsible Soy; the Roundtable for Sustainable Palm Oil; the Better Cotton Initiative; Bonsucro (a sugar-cane roundtable); and the Sustainable Rice Platform (of which the Group is a founding member). The primary function of each such organization is to involve all the different participants in a particular commodity supply chain in collective discussions and decision-making on sustainable methods of producing and marketing commodities. As well as addressing social and labour

[25] 2020 figures are not yet available

[26] 2020 figures are not yet available.

[27] 2020 figures are not yet available.

issues, this also features a substantial environmental element which covers topics such as sustainable water usage, control of chemical applications, waste treatment and greenhouse gas emissions.

In most cases, the roundtables have developed a 'production standard' whereby a product can be audited against a set of sustainability criteria developed by the roundtable, and a product which passes this audit can be certified as to its sustainability credentials. The Group is a partner in the UN Global Compact and also participates in a number of international certification programmes including Fair Trade and the Rainforest Alliance. Since 2017, LDC has been member of the World Business Council for Sustainable Development ("WBCSD"), a group of 200 companies working together towards a more sustainable world. Through the WBCSD's Soft Commodities Forum, the Group became in 2019 one of the six leading commodity traders to begin publicly reporting on soy sourced from Brazil's vulnerable Cerrado biome region. Over time, LDC has built partnerships with a variety of sustainability-oriented organizations including, in 2016, the Earthworm Foundation (formerly The Forest Trust (TFT) which is a leading international environmental and social not-for-profit organization, with a focus on transforming value chains through responsible sourcing. The Group has built sustainability-linked pricing mechanisms into the renewal in 2019 of four of its regional syndicated RCFs and also into the US$600 million Asian RCF extended in 2020 for US$269 million. See "Description of the Issuer, its Group and their Business – Funding and Liquidity" and see also "Management Discussion and Analysis – Financing" in the 2020 Audited Financial Statements.

The Group issues a Sustainability Report on an annual basis, which can be viewed on LDC's website (https://www.ldc.com).

Quality Management

The Group is dedicated to meeting each customer's quality requirements. Commodity orders include grade and quality specifications. The Group has product quality measures in place in each Platform to meet these customer requirements. In some regions, the Group belongs to trade associations that impose industry quality standards such as the National Oilseeds Processors Association in the United States. Each Platform has Quality Management representatives who are responsible for adhering to the Group's policy and who act as a check to ensure the quality of products and services.

In 2018, the Group created a new Quality and Food Safety Department to develop and standardize global quality systems and procedures, as part of the Group's strategy to move downstream in the value chain. In parallel, there is an ongoing development of a global Group Quality Policy to formalize the Group's existing commitment to quality and support ongoing asset- or product-specific efforts in this area. By way of example the Group's pharmaceutical glycerin and food grade lecithin units in Wittenberg, Germany received a FSSC 22000 food safety certification in 2018, and in 2019, the Group successfully obtained FSSC 22000 food safety certification for its Kowalski facility in Rio Verde, Brazil.

Insurance

It is the Group's policy to cover its insurable risks. Principal areas where the use of insurance is systematic include: General and Specific Liability, Property, Marine and Cargo and Travel and Vehicles. All insurance is contracted in co-ordination with the Group's Insurance Department. Where such are permitted and advantageous, global policies are put in place and managed centrally in order to ensure optimal coverage for the Group. All fixed assets, transport and storage of commodities are systematically insured both for damage and liability.

See also "Risk Management and Compliance – Risk Governance – Physical Risk" and "Risk Factors – Risks relating to the Group and its Business – Category 4: Industrial, operational and logistic risks – The Group's insurance may not adequately cover all potential losses and the Group or its key personnel might face liability in case of major incident".

Compliance

The Group operates within regulatory constraints worldwide. Its compliance with such rules has always been a critical part of its business practices.

In order to strengthen the ability of the compliance department to monitor the Group's activities, compliance officers operate within the same structure as the Internal Audit team, under the responsibility of a Global Head of Compliance and Internal Audit, reporting directly to the Group Chairperson, with access to the Supervisory Board.

Compliance is overseen by a senior executive committee, the Compliance and Internal Audit Committee.

The Group's compliance activities cover three areas:

- Commodities futures-related compliance such as the trading and clearing rules of exchanges. The Group's merchandizing activity regularly involves the hedging of its positions in physical commodities with futures and option exchange-traded contracts. As a result, the Group has activities on over 20 futures and option exchanges across the world, and some of its entities hold membership on these exchanges. For instance, the Group's subsidiary, Term Commodities Inc. is a clearing member on some U.S. futures exchanges, and Louis Dreyfus Company Suisse SA is a clearing member on the ICE Europe. The Group monitors compliance with all applicable exchange rules and with the global financial regulations governing these exchanges, for instance the Commodity Futures Trading Commission rules in the U.S. and the Markets in Financial Instruments Regulation and Market Abuse Regulation in the EU.

- Anti-money laundering (AML) and trade sanctions compliance (such as those issued by the U.S. Office of Foreign Assets Control, the UN, the EU or other regulatory bodies).

- Trade practice compliance (such as compliance with the U.S. Foreign Corrupt Practices Act 1977, the UK Bribery Act 2010 and other local bribery legislation, as well as with the Group's Code of Conduct generally).

Compliance officers design and supervise the implementation of compliance policies and procedures. They also perform third party due diligence and give advice to other departments. They provide training for staff, including e-learning.

A dedicated Compliance Monitoring team uses data driven tools to assist compliance officers in obtaining assurance that the Group's compliance policies and procedures are adhered to throughout the organization.

Litigation

From time to time the Group is involved in litigation as part of the ordinary course of its business activities, both as claimant and defendant. This ordinary course litigation has not had a material adverse effect on the Group's operating results or financial condition. See also Note 5.4 Non-Current Financial Assets and Note 7.2 Commitments and Contingencies - Contingencies to the 2020 Audited Financial Statements.

Recent Developments

Schuldscheins

On 1 March 2021, LDC early refinanced an existing US$50 million bilateral Schuldschein with a EUR55 million Schuldschein maturing in March 2026.

On 30 March 2021, LDC closed a EUR45 million syndicated Schuldschein transaction, maturing in March 2026.

Imperial Sugar Company

On 24 March 2021, Louis Dreyfus Company LLC (a susbsidiary of the Issuer) announced that it had entered into a definitive agreement to sell the business and assets of Imperial Sugar Company (Imperial Sugar) to U.S. Sugar, a privately held agri-business based in Clewiston, Florida, USA. The transaction is expected to close in 2021, subject to regulatory approvals and customary closing conditions.

Results of Operations and Financial Position

Foreword

The following discussion of the Group's results of operations and financial position should be read in conjunction with the Audited Financial Statements appearing elsewhere in this Prospectus. Unless otherwise indicated, all financial information included in this section has been derived from the 2020 Audited Financial Statements. Certain figures are subject to rounding.

Results presented include certain financial performance indicators, not defined by IFRS, that are used by the Group's management to assess the Group's financial performance. A definition of each of these indicators based on the Audited Financial Statements can be found in the footnotes of the following discussion. See also "Presentation of certain financial information – Certain non-IFRS measures". As part of the Group's continued efforts to improve the quality of financial information, and to better align performance indicators with its long-term strategy, the Group revised, in 2017, the formula for Earnings Before Interests, Taxes, Depreciation and Amortization ("**EBITDA**"). Reconciliations of EBITDA and Adjusted net debt with the Audited Financial Statements are provided at the end of the following discussion in the sections entitled "EBITDA Reconciliation with the Audited Consolidated Financial Statements".

A reconciliation between prior year published financials and restated financial information is provided in the "Notes to the Consolidated Financial Statements" in the Audited Financial Statements.

In 2019 and 2020, the allocation of the Group's Platforms (business lines) has remained unchanged between its two Segments. The Value Chain Segment includes Grains and Oilseeds, 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.

Key trends and events in 2020

Uncertainties induced by the COVID-19 pandemic and trade tensions fuelled the return of market volatility in 2020. Prices of all the main products merchandized by the Group were under pressure during the first semester of 2020, followed by a surge in prices toward the end of the year, with the notable exception of rice, which saw counter-cyclic trends in 2020. The foreign exchange market was marked by the depreciation of some origination country currencies against the US dollar, particularly the Brazilian Real (29%), Argentine Peso (41%), Russian Ruble (19%) and Ukrainian Hryvnia (19%).

On 11 November 2020, Louis Dreyfus Company Holdings B.V. announced the signing of an agreement to sell an indirect 45% equity stake in LDC to ADQ, a large holding company based in Abu Dhabi. According to the Shareholders Agreement that was signed, a minimum of US$800 million of the proceeds are to be used to partially reimburse the US$1,051 million loan to Louis Dreyfus Company Netherlands Holding B.V. (LDCNH) at the transaction closing date, expected mid-2021 (see "Risk Factors – Part I: Risks relating to the Group and its Business – Category 6: Counterparty and Credit risk – The Group has significant credit exposure to a related party"). Consequently, US$800 million of the loan was reclassified from non-current financial assets to current financial assets in the line "Financial advances to related parties".

Impact of COVID-19

As a leading global merchant and processor of agricultural goods, the Group plays a key role across food and feed value chains, from farmers to end-consumers, ensuring safe, efficient and reliable operations for all participants and stakeholders including customers, suppliers and employees. This role was all the more relevant in the context of the COVID-19 pandemic, during which food security and safety proved a key concern for governments worldwide, with a focus on maintaining supply chain continuity.

In 2020, the Group continued to operate almost all of its facilities without significant business disruption attributable to the pandemic, adapting in good time to health and safety requirements imposed by local authorities to protect employees and subcontractors, and combat the spread of COVID-19.

Amid uncertainty over potential global supply chain disruptions and publicly announced export restrictions in some areas, volatility arose in agri-commodities markets, requiring thorough risk management (see "Risk Factors – Part 1: Risks relating to the Group and its Business – Category 5: Financial market risks – Access to financing has been, and may continue to be, curtailed by the effects of the COVID-19 pandemic"). Demand remained resilient overall for the main products traded by the Group, except cotton and transformation of oilseeds meals into biodiesel (bioenergy), as lockdown measures led to low demand and prices in both the textile industry and energy sector.

Adapting to this unprecedented environment, the Group reinforced its risk management framework with more regular committee and ad hoc meetings to examine and mitigate risks. The Group also actively monitored counterparty risks, particularly those involving businesses disrupted by the pandemic.

Income Statement Analysis

In an unusual and uncertain global trade environment, the Group leveraged its 170 years of 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$1,559 million for the year ended 31 December 2020, up 63.1 per cent. compared to 2019, and EBITDA from continuing operations reached US$1,324 million, up 58.4 per cent. compared to 2019.

Income before tax for the year ended 31 December 2020 increased 110.2 per cent. compared to 2019, reaching US$620 million, despite a negative US$(62) million impact linked to the Group's investment in Luckin Coffee. Although the depreciation of the Brazilian Real over the period created profitable origination opportunities, it also resulted in an adverse US$(85) million functional currency impact within the income tax line. Accordingly, net income from continuing operations for 2020 reached US$383 million, up 68.7 per cent. compared to 2019.

Net Sales

For the year ended 31 December 2020, net sales amounted to US$33.6 billion, stable compared to 2019. Volumes shipped by the Group also remained stable (+0.3 per cent.), with different trends among platforms.

- The Value Chain Segment's net sales decreased by 1.0 per cent. year-on-year compared to 2019, mainly owing to lower volumes shipped by both the Juice Platform and the Grains and Oilseeds Platform, the latter due to a decrease in revenue-generating assets following the sale of Canadian elevators in December 2019. After a low-price environment for grains and oilseeds products in the first half of 2020, prices recovered in the second half, and the year ended with higher average prices than in 2019.
- The Merchandizing Segment's net sales increased by 1.4 per cent. year-on-year compared to 2019, sustained by higher volumes shipped by the Coffee Platform and the Sugar Platform. Volumes shipped decreased year-on-year for the Rice Platform and the Cotton Platform, the latter impacted by reduced activity in the garment industry due to the consequences of COVID-19. While higher rice prices supported the Platform's sales in US Dollars, other platforms in the Segment suffered from lower average sales prices in 2020.

Segment Operating Results

Segment Operating Results increased by 63.1 per cent. to US$1,559 million for the year ended 31 December 2020, compared to US$956 million in 2019. The Group 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 the COVID-19 pandemic.

Value Chain

The Value Chain Segment Operating Results increased 76.3 per cent., amounting to US$1,003 million for the year ended 31 December 2020, compared to US$569 million in 2019.

The Grains & Oilseeds Platform delivered a consistently stronger performance throughout the year compared to 2019, successfully managing uncertainty and anticipating market trends. Uncertain crop size prospects in South America combined with concerns over potential supply chain disruption fuelled market volatility. In the context of a weakening Brazilian Real, the Platform benefitted from its local footprint, capturing origination margins thanks to strong farmer selling. Demand for soybean imports to China recovered during the year, in line with hog herd recovery and easing lockdown measures in the country in early 2020. Demand for Brazilian soybeans remained resilient throughout 2020, while demand for US soy recovered in the second half of the year, offering profitable trade opportunities that benefited asset performance in the country. The profitability of crushing activities in China was driven by higher margins and volumes crushed, thanks to strong demand from local livestock farmers. Crushing activities in other parts of the world also contributed to the Platform's performance, with strong margins in the US, Canada and Brazil. Demand for grains was also sustained by imports in China. The Platform captured origination and sales margins amid fluctuating crop size prospects, as well as global demand and supply uncertainties as COVID-19 spread in the EU and US, and as Russia and Argentina announced constraining export policies at the end of the year. The Group continued to rationalize grain activities, resulting in impairments at some elevators in the US. The performance of energy-related assets was affected by a collapse in global demand and margins, but remained resilient thanks to biodiesel activities in the US and Indonesia.

The consequences of the COVID-19 pandemic, and particularly successive lockdowns in Asia, Europe and then Brazil, weighed on the Juice Platform's financial performance. The Platform was compelled to source products at a higher price to meet customer delivery commitments, as a result of delayed vessel deliveries, which also prevented the Platform from maximizing its product mix toward higher margin not-from-concentrate juice. The large crops in 2019 continued to impact prices for a large portion of frozen concentrate orange juice contracts delivered during 2020 (see "Risk Factors – Part 1: Risks relating to the Group and its Business – Category 4: Industrial, operational and logistics risks – Operational and logistics risks connected with the COVID-19 pandemic).

The Freight Platform further improved its already strong performance on all vessel sizes. The team anticipated market impacts of voluntary economic shutdowns by governments in the first half of 2020, and thereafter the recovery of global trade over the second half. In the first months of the year, the COVID-19 pandemic, rains and flooding in Brazil, and the tight balance between supply and demand due to the limited capacity of carriers in the Atlantic, tightness in the Atlantic weighed heavily on the Baltic Dry Index. Weakness in the fuel market, arising from oversupply and lack of demand, impacted the overall dry bulk market, which saw one of the worst time charter earnings in many years, leading to competitive period charter rate fixing for the Group. Tensions on rates began to ease for all vessel sizes towards the end of the year, as economic activity started to resurface and Chinese import demand for iron ore and animal feed recovered strongly.

Throughout 2020, the Global Markets Platform consistently provided profitable support to the Group through foreign exchange risk management across all significant currencies in the Group's business, in particular those in South America and Asia. The Platform also profitably helped to manage interest risk, particularly in EMEA and North Latin America.

Merchandizing

Merchandizing Segment Operating Results reached US$556 million for the year ended 31 December 2020, up 43.7 per cent. from US$387 million over 2019.

The Cotton Platform improved results despite a particularly difficult market environment, as this was the industry most impacted by the consequences of COVID-19 among those in which the Group operates. In the first half of 2020, as textile plants shut down for months following lockdown decisions across the globe, the entire textile industry faced a sharp decline in demand, weighing on the Platform's financial performance. In the second half, the combination of industry recovery and the resumption of Chinese imports of agricultural products (mainly grains and soybeans) from the United States has created profitable trade opportunities, as demand resumed. The Platform caught up on volumes shipped in the second half of 2020, ending the year close to 2019 levels. Thanks to its global footprint, the Group captured profitable origination opportunities, particularly in India and the US, and the US warehousing business delivered strong margins, benefitting from large inventories for much of the year.

The Coffee Platform consistently improved its financial performance throughout the year ended 31 December 2020, thanks to profitable origination and an increase in volumes executed to customers. Origination margins improved in all the main markets where the Group sources coffee. Supply chain uncertainties in the first half of 2020 and Brazilian Real depreciation resulting in large farmer selling, offered a wider range of arbitrage opportunities, which the Platform profitably captured. In addition, the Group was well positioned to meet increased demand for volumes from the retail channel, as lockdowns shifted consumption habits from "out of home" to "at home".

The Sugar Platform's operating results improved significantly in 2020. The Group's Imperial Sugar business made a solid contribution thanks to increased sales driven by higher volumes and prices, the result of better market conditions in the US for the sugarcane refining industry. This improved business performance was achieved in spite of partial impairment of Imperial Sugar fixed assets, classified as held for sale as at 31 December 2020. The Platform also leveraged its customer-centric approach to deliver a large increase in volumes shipped, thanks to further market penetration in the Middle East and Asia, expansion to new destinations, mainly in Africa, and increased origination volumes in Brazil.

In 2020, the Rice Platform delivered strong operating results, despite lower volumes shipped to destination, and expanded market share in East Africa and Asia. Its alliance with Chinese rice suppliers to meet demand from African markets, combined with agreements made with Vietnamese suppliers prior to the pandemic, supported a strong performance during the year. In a challenging trading environment marked by logistics constraints due to COVID-19, the Group successfully captured opportunities while ensuring continued supply to customers.

Net Finance Costs

Net finance costs[28] amounted to US$(233) million for the year ended 31 December 2020 compared to US$(259) million in 2019. This decrease was mainly the result of cost-efficient long-term debt raised in the second half of 2019, a drop in the London Inter-bank Offered Rate (LIBOR) over 2020 and a positive foreign exchange impact on lease liabilities denominated in Brazilian Reals.

These impacts were partially offset by the combined effect of higher average short-term debt usage in line with the increase in working capital, particularly in the second half of the year, and a "COVID-19

[28] Interest income, Interest expense and Other financial income and expense.

premium" applied by banks. The pandemic led to global pressure on the banking sector following drawdowns on corporate revolvers, and decreased creditworthiness of some Asian commodity players. Consequently, credit spreads widened globally which, in the case of LDC, were more than offset by the LIBOR decrease.

Gain (Loss) on Investments and Sale of Fixed Assets

During the year ended 31 December 2020, the US$(65) million loss derived mainly from the Group's investment in Luckin Coffee. In the first weeks of the year, the Group sold part of its participation for US$37 million, resulting in a US$(3) million loss. The Group booked an additional US$(59) million fair value loss on the remaining shares, reflecting the decrease in Luckin Coffee's share price between 31 December 2019 and 31 December 2020. Luckin Coffee is now delisted from Nasdaq and valued in the Over-The-Counter market (see "Risk Factors – Part I: Risks relating to the Group and its Business – Category 6: Counterparty and Credit risk – Risk relating to equity investments). Since the Group's US$50 million initial investment, the Group's profit on Luckin Coffee's shares has been US$4 million as at 31 December 2020 despite the negative adjustment in 2020.

Income Before Tax – Continuing Operations

For the year ended 31 December 2020, income before tax from continuing operations increased 110.2 per cent. year-on-year to US$620 million, compared to US$295 million in 2019.

Taxes

Taxes amounted to US$(237) million for the year ended 31 December 2020, resulting in a 38.2 per cent. effective tax rate. The US$169 million increase in taxes compared to 2019 is attributable to higher income before tax, a US$(85) million functional currency impact, mainly attributable to the depreciation of the Brazilian Real in 2020 and to impairment of deferred tax assets on net operating losses in Brazil.

Net Income, Group Share

Net income, Group Share, was US$382 million for the year ended 31 December 2020, up 66.1 per cent. from US$230 million in 2019.

<u>Balance Sheet Analysis</u>

Non-Current Assets

As at 31 December 2020, non-current assets amounted to US$4,985 million, down 19.0 per cent. from US$6,155 million as at 31 December 2019:

- Fixed assets were US$3,777 million, compared to US$4,065 million as at 31 December 2019. This US$288 million decrease is the consequence of the reclassification of fixed assets related to the Imperial Sugar transaction as held for sale, as well as higher depreciation and impairment than capital expenditure in the year.
- Investments in associates and joint ventures decreased to US$216 million, compared to US$227 million as at 31 December 2019.
- Non-current financial assets decreased from US$1,317 million as at 31 December 2019 to US$554 million as at 31 December 2020, since the loan granted by LDC to LDCNH was partially reclassified as current for US$800 million (see "Results of Operations and Financial Position – Key trends and events in 2020, and "Risk Factors – Part I: Risks relating to the Group and its Business – Category 6: Counterparty and Credit risk – The Group has significant credit exposure to a related party").
- Deferred income tax assets fell from US$232 million as at 31 December 2019 to US$184 million as at 31 December 2020.

- Other non-current assets amounted to US$254 million, down from US$314 billion as at 31 December 2019.

Capital Expenditure and Divestments

Maintaining its highly selective investment policy, the Group invested US$306 million during the year ended 31 December 2020, supporting its strategic ambitions while securing solid cash flows. The Group invested at a slower pace than usual, due to lockdowns in the first half of the year and near-term uncertainty caused by the COVID-19 pandemic. As the majority of capital expenditure remains discretionary as per the Group's investment policy, the Group is in a sound position to adapt to and capture emerging opportunities as they arise.

Through its venture capital program, LDC Innovations, the Group made a fifth investment on 29 October 2020, participating in the capital increase of Benson Hill to support the company's expansion on a global scale. The Group also contributed US$4 million (representing a 17 per cent. stake) to the creation of Covantis S.A., a technology company focused on digitizing international trade.

The Group continued to invest in planned and custom maintenance and enhancement, to ensure the continued operational performance and safety of its assets. The Group also moved forward with strategic long-term projects for the expansion of its logistics network, as well as with IT systems and process improvements, in particular 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 the Grains and Oilseeds, Sugar and Rice Platforms.

Value Chain

The Value Chain Segment invested US$266 million over the year ended 31 December 2020, mostly to expand processing and logistic capacity.

The Grains & Oilseeds Platform invested to finalize capacity expansion works at its crushing plant in Claypool, Indiana, US, building new soybean storage sheds and installing additional truck unloading zones. The Platform also invested in the maintenance of its industrial assets, mainly in Argentina and Canada. The Group made a fifth planned capital injection into its joint venture, Terminal Exportador de Santos S.A. for the operation of a solid bulk port terminal at the port of Santos in Brazil. The joint venture started in 2015, with the first four planned capital injections made in 2016, 2017, 2018 and 2019. The Group will continue to operate the berth until 2041, with the option to extend operations for up to 25 additional years.

The Juice Platform invested in the installation of tanks on the two vessels of its new eco-efficient fleet, decreasing fuel consumption and shipping emissions, while increasing transportation capacity to support growth in the production and sale of not-from-concentrate juices. The Platform also invested in regular industrial asset maintenance, mainly in Brazil.

Merchandizing

The Merchandizing Segment invested US$40 million over the year in the expansion of rice and coffee warehousing assets, improvements to its green coffee mill in Villanueva, Honduras and maintenance of industrial assets, mainly for its Imperial Sugar business in the US.

Working Capital Use

Working capital usage[29] increased from US$6.0 billion as at 31 December 2019 to US$7.7 billion as at 31 December 2020. Both business Segments contributed to this increase, attributable to higher prices at the end of 2020 compared to 2019 for all the main products traded by the Group, except rice and Arabica coffee.

- Grains & Oilseeds set the overall trend in the Value Chain Segment, while other platforms' working capital needs remained stable. Increased prices between 31 December 2019 and 31 December 2020, particularly for soy products, drove higher inventory value and higher margin deposits on future contracts entered into by the Group in order to hedge inventories value.
- Merchandizing Segment working capital needs also increased compared to 2019 year-end levels, due to mixed impacts. Higher working capital usage in Cotton was driven by higher market prices, ending 2020 with higher margin deposits and inventory value compared to the end of 2019, while volumes of inventories held remained stable. The Coffee Platform's increase in inventory volumes was partially compensated by lower prices. The Rice Platform's working capital needs decreased thanks to faster inventory rotation and collection of trade receivables in 2020.

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 at 31 December 2020, RMIs represented 86.0 per cent. of the Group's inventories, above the 83.5 per cent. mark at the end December 2019. This ratio increase was mainly caused by the reclassification of Imperial Sugar non-trading inventories as held for sale as at 31 December 2020.

Financing

The Group'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 used to support long-term investments, while short-term debt is used to support ongoing business in financing its main working capital needs.

The Group's operations to originate, store, transform and deliver agricultural commodities throughout the world require sizeable amounts of capital.

The Group's funding model is flexible enough to allow the Group to adapt its funding to volatile market conditions. To guarantee continued access to capital, the Group has implemented a funding strategy based on the following pillars:

- Diversified sources of funds: 42.3 per cent. of long-term financing came from debt capital markets as at 31 December 2020.
- Staggered debt maturity profile: average maturity of long-term financing was 4.1 years as at 31 December 2020, stable versus 31 December 2019.
- Sizeable amount of committed facilities: 41.5 per cent. of total Group facilities were committed, of which US$2.5 billion with maturities beyond one year remained undrawn, as at 31 December 2020.

The Group took a further step to reinforce the flexibility and diversification of its financing model, securing its first public investment grade rating (BBB- with a positive outlook) by S&P Global Ratings to widen its investor base and further enhance its access to liquidity, on both short-term European commercial paper and the long-term Eurobond markets.

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[29] Current assets (excluding financial advances to related parties, available-for-sale financial assets, other financial assets at fair value through profit and loss and cash and cash equivalents and including financial assets held for trading purposes and reverse repurchase agreement loans), net of current liabilities (excluding bank loans, acceptances and commercial paper and financial advances from related parties and including repurchase agreements and securities short positions).

Accordingly, the Group successfully issued a EUR600 million 5-year bond (tapped for a further EUR50 million in February 2021) and increased the size of its Commercial Paper program from EUR500 million to EUR1 billion. The latter adds further access to short-term liquidity to fund business needs, particularly in the context of fast-moving commodity markets and induced margin call fluctuations.

This highlights the Group's desire to further diversify sources of funding, balanced more towards debt capital markets, including European Commercial Paper, and a longer-term maturity profile.

Debt and Leverage

As at 31 December 2020, long-term debt[30] stood at US$3.9 billion, stable compared to 31 December 2019, including US$0.3 billion of lease liabilities at both closing dates. Lower drawing of Revolving Credit Facilities (RCFs) was compensated by the issuance in November 2020 of a EUR600 million 5-year bond, replacing the EUR500 million bond that matured in December 2020.

The issuance of a new Eurobond in 2020 reflects the Group's desire to maintain ample access to liquidity in challenging market conditions. As a result, the Group ended the year with significant long-term debt versus non-current assets, as at 31 December 2020.

Short-term debt[31] increased from US$4.0 billion on 31 December 2019 to US$5.9 billion as at 31 December 2020, consistent with the increase in working capital, cash and cash equivalents. The latter corresponds to the Group's strategy to facilitate rapid deployment of working capital when inventory carry opportunities arise. Cash and cash equivalents stood at US$1.3 billion at the end of 2020, compared to US$0.8 billion as at 31 December 2019.

As is 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$2.4 billion as at 31 December 2020, with an adjusted leverage ratio of 1.8x and adjusted net gearing of 0.48. Excluding the US$800 million partial reclassification as current of the loan granted by LDC to LDCNH, adjusted net debt would have amounted to US$3.2 billion as at 31 December 2020, up US$0.6 billion compared to 31 December 2019. The adjusted leverage ratio would have reached 2.4x excluding this reclassification, 0.7x lower compared to 31 December 2019, thanks to improved operational performance and despite the increase in working capital in a context of rising prices.

Liquidity

The Group prudently manages financial risks, ensuring sustained access to liquidity. As at 31 December 2020, the Group had US$3.5 billion of undrawn committed bank lines, of which US$2.5 billion had 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$11.1 billion as at 31 December 2020 (US$10.3 billion, not considering the current portion of the loan granted by LDC to LDCNH), enabling the Group to cover 1.8x its short-term debt (1.7x excluding the current portion of the loan).

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 RCFs fully undrawn since early April 2020 and financed its activity through outstanding term loans, uncommitted bank lines and commercial paper. In addition, the Group kept a cash buffer throughout most of 2020.

Financing Arrangements

Long-Term Financing

[30] Current and non-current portion of the long-term debt.
[31] Short-term debt plus financial advances from related parties, net of repurchase agreements.

Despite a challenging environment as a result of COVID-19, in March 2020 LDC closed a US$50 million bilateral loan with an international bank, maturing in March 2023 with a two-year extension option.

In November 2020, LDC issued a EUR600 million rated senior unsecured bond with a five-year tenor and a coupon of 2.375 per cent.. The offer met with strong demand from more than 250 investors placing orders totalling over EUR3.3 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 one with the European Bank for Reconstruction and Development (EBRD), for a total amount of US$3.5 billion as at 31 December 2020. 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.

The Group's diversified funding approach proved resilient in the context of COVID-19 challenges. The Group decided to await more stable market conditions for the refinancing of its US$600 million RCF in the US, maturing in May 2021, and to extend one of its Asian and European RCFs one year ahead of their respective maturities. Consequently, as at 31 December 2020, out of US$3.5 billion of committed RCFs, US$2.5 billion had maturities above one year.

In January 2020, Louis Dreyfus Company Suisse S.A. signed a US$100 million 3-year RCF with EBRD to refinance a US$75 million facility that matured in 2019. This partnership connects many regional small and medium-sized grain farmers, and cotton ginners and farmers, with LDC’s value chains. As part of their cooperation with LDC, smallholder farmers will also receive training on modern agronomy practices to improve the quality of their produce and, in particular, to achieve EU sustainability classification for grain in Ukraine, and Better Cotton Initiative certification in Turkey and Kazakhstan. The facility is committed and guaranteed by LDC.

In November 2020, Louis Dreyfus Company Suisse S.A., extended by one year both tranches of its syndicated RCF for US$349 million each, now maturing in December 2022 and December 2023 respectively. The facilities are guaranteed by LDC.

In December 2020, Louis Dreyfus Company Asia Pte. Ltd. signed the extension of one of its RCFs for US$269 million by two years, from August 2021 to August 2023. The initial amount of the RCF remains committed until the initial maturity date of the facility. The loan is guaranteed by LDC.

EU-Commercial Paper program

LDC's unrated EU Commercial Paper Program allows the Group to benefit from diversified access to short-term financing across maturities ranging up to 12 months. Following the publication of the rating, the Group increased the size of its Commercial Paper program from EUR500 million to EUR1 billion, which translated into an increase in the outstanding amount of US$536 million as at 31 December 2020, versus US$63 million as at 31 December 2019.

Equity

Equity attributable to owners of the company increased to US$4,858 million as at 31 December 2020 (compared to US$4,786 million as at 31 December 2019), with total equity of US$4,870 million at the same date (versus US$4,798 million as at 31 December 2019).

The US$72 million increase in equity attributable to owners of the company over the year ended 31 December 2020 mainly resulted from the US$382 million of net income, Group share, and the payment of a US$302 million dividend.

Risk

Identifying and quantifying risks is central to the Group'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 per cent. of its equity, with an average VaR usage of 0.26 per cent. during the year ended 31 December 2020, compared to 0.23 per cent. over the year ended 31 December 2019.

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

Subsequent Events

In February 2021, the Group raised an additional EUR50 million on the back of a reverse inquiry by tapping its existing EUR600 million 2.375 per cent. bonds, issued in November 2020 and due in November 2025.

On 5 March 2021, a second amendment to the Term Loan Agreement was executed with the Farm Credit System in the United States, adding a new US$200 million tranche with a maturity date in March 2022

Reconciliations with the Consolidated Financial Statements

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

EBITDA

In U.S$m	**Notes**	**FY-19**	**FY-20**
Income before tax – continuing operations		**295**	**620**
(-) Interest income		(82)	(78)
(-) Interest expense		358	299
(-) Other financial income and expense		(17)	12
(+) Other (financial income related to commercial transactions)	2.3	43	20
(-) Depreciation and amortization		395	447
(-) Gain on sale of consolidated companies	2.4	-	1
(-) Gain (loss) on sale of investments in associates and joint ventures	2.4	-	2
(-) Gain (loss) on sale of fixed assets	2.4	(156)	1
EBITDA – continuing operations g		**836**	**1,324**

Adjusted Net Debt

In U.S$m	**Notes**	**FY-19**	**FY-20**
(+) Long-term debt		3,269	3,690
(+) Current portion of long-term debt		-	198
(+) Short-term debt		4,526	5,765
(-) Repurchase agreements	5.3	(38)	(6)
(+) Financial advances from related parties		184	154
(-) Financial advances to related parties – current portion		(5)	(804)
(-) Other Financial assets at fair value through P&L		(414)	(223)
(+) Marketable securities held for trading	5.5	89	122
(-) Cash and cash equivalents		(750)	(1,296)
= Net Debt		**6,861**	**7,600**
(-) Readily Marketable Inventories	4.5	(4,293)	(5,246)
= Adjusted Net Debt		**2,568**	**2,354**

Risk management

Risk Governance

In the normal course of its business, the Group assumes and manages several types of risk including, but not limited to, market risk, credit risk, trade finance and country risk, physical risk, liquidity and funding risk, foreign exchange risk and operational risk. The ability to manage and hedge these risks is a key strength of the Group, which the Group believes has contributed to its performance through the volatile market environment over recent years. Risk management is a core function of the Group's management structure and is split into two distinct departments: Market risk and Credit risk. The Group's Global Head of Market Risk and the Group Global Head of Credit Risk report to the Chief Financial Officer. Risk policies are determined centrally and administered regionally by a team of dedicated specialists. Exposures are monitored on a daily basis. Risk procedures and monitoring systems are designed to be clear and prudent while seeking to allow optimal deployment of risk capital.

The supervisory board of the Group oversees risk governance issues and has complete authority to decide on control procedures, risk management policies, risk capital allocations and risk limits. Beneath the Board, a senior-management body, the Risk Committees (both Macro and Credit committees), oversee both quantitative and qualitative aspects of risk management and implement the Group risk policies and Board decisions.

Both management supervision and segregation of duties are fundamental pillars of the Group's risk management process. Consequently, in addition to the committee referred to above, the risk department teams perform risk management duties, which include quantifying, analyzing and monitoring the Group's exposures, and implementing any necessary corrective action. These teams are independent of the trading function and centralized under the responsibility and supervision of the Chief Financial Officer.

While day-to-day responsibility for managing risk is assigned to trading managers, senior management is responsible, through the various risk officers, for approving strategies and establishing trading constraints within limits. Exposures are assessed and compared to assigned limits and available risk capital on a daily basis by the different risk teams. These limits ensure that the positions held are consistent with the loss limits that have been set. As such, traders are not allowed to hold positions that have the potential to exceed their designated daily stop loss limits.

The Group's risk exposure is assessed, monitored and controlled through a number of systems developed internally, in which the Group invests significant and continuous development efforts.

Market Risk

Market risk refers to the potential for changes in the market value of the commodities to which the Group is exposed. Categories of market risk include exposures to price volatility, and price, time, geographies, quality and inter- and intra-commodity spreads.

To reduce price risk resulting from market fluctuations, the Group uses a range of instruments including exchange-traded futures and options contracts. The residual risk is quantified, reported and managed within specific limits. Where there are clear opportunities due to temporary market disequilibrium, the Group may retain some limited flat price risk.

It is the Group's policy to manage market risk by:

- Pre-determining, analyzing and purposely entering into retained risks;
- Diversifying exposures;

- Controlling position sizes, maturities and Value at Risk ("**VaR**") (potential loss in the value of a position due to adverse market movements over a defined time horizon with a specific confidence interval);
- Stress testing portfolios;
- Monitoring P&L volatility, progression and drawdown; and
- Applying strict internal procedures (in particular, all exposures must remain within approved limits).

Various techniques and quantitative tools have been developed internally to measure the magnitude of market risk within the Group, in any given portfolio or set of positions as a whole. They are used jointly to construct a global view of the Group's risk profile on any given date. Each technique analyzes specific aspects of the risk profile and is an integral part of the Group's market risk management.

Key techniques and tools are as follows:

- Risk limits, based on a summary measure of market risk exposure, referred to as VaR;
- Stress testing (assessment of potential vulnerability to exceptional but plausible events whose probabilities are not accurately captured by a VaR approach);
- Theoretical/artificial scenario analysis (assessment of specific risks linked to the Group's position and trading strategy); and
- Unit and marginal VaRs, component VaRs and parametric VaRs used alongside the Monte Carlo VaR in order to provide a complete picture of the various residual risks.

Procedures for position size adjustment in case of breaches of assigned limits are enforced across the Group and traders are monitored on a daily basis.

Credit Risk

Credit risk primarily encompasses the risk of non-payment (where goods are delivered but payment not received) or non-delivery (where payment has been made but goods not delivered) and performance risk (where the counter-party does not fulfill its contract for whatever reason including due to volatile market prices).

As a general principle, the Group strives to avoid or pass on risk of non-payment or non-delivery. Where possible, this risk is mitigated and passed on to third parties. Retention of some credit risk, where unavoidable, is strictly limited to what is considered appropriate by the Credit Risk Department and/or the Credit Committee.

As a policy, the Group seeks to manage credit risk by applying strict internal procedures ranging from systematic credit risk assessment to monitoring and control exposures.

The Group's global credit risk management system enables the Group to monitor credit risk exposures to all counterparties across commodity Platforms on a consolidated basis.

Operational Risk

The task of the operational risk team is to measure and help mitigate the risk of direct loss or reputational damage arising from shortcomings or failures in internal processes, frauds or systems breakdowns in the Group's trading activity.

It focuses its effort on key trading operational risk principles, such as timely trade capture, using dedicated monitoring tools and working closely with traders. It tracks operational risk related incidents and losses worldwide and engages with the different departments to put loss limitation measures in place and identify mitigants.

Trade Finance and Country Risk

Any firm or individual conducting cross-border transactions is exposed to country risk associated with a country's overall political, economic, financial, regulatory and commercial situation.

As a general principle, the Group seeks to avoid country risk: exceptions require approval by the Macro Committee and are monitored on a regular basis. Trade finance specialists seek to mitigate political, country and third-party risks.

While it is not the Group's policy to extend financing to its counterparties, except in particular and specific circumstances, it may seek to obtain trade financing for its counterparties by putting in place trade structures where both the funding and the risks are deferred to financial institutions on a no-recourse or limited recourse basis for the Group.

Storage of commodities in emerging markets presents specific risks and is coordinated and monitored by trade finance specialists working in conjunction with the insurance and credit risk specialists.

Each contract has an associated payment term. The vast majority of transactions are concluded on secure cash payment terms. In certain circumstances the Group may provide credit. Depending on the terms, the Group could be exposed to varying amounts of risk when the payment for the contract becomes due. Trade finance and credit risk specialists review any non-standard payment terms within a commercial contract.

Physical Risk

It is the Group's policy to cover its insurable risks. Principal areas where the use of insurance is systematic include: general and specific liability, property, marine and cargo, travel and vehicles.

All insurance is contracted in conjunction with the Insurance Department. Where permitted and advantageous for the Group, global policies are put in place and managed centrally in order to ensure optimal coverage for the Group. All fixed assets, transport and storage of commodities are systematically insured both for damage and liability.

Liquidity and Funding Risk

Access to liquidity and managing working capital and margin posting requirements is fundamental to the operation of the Group's business.

The Group ensures that sufficient headroom is preserved at all levels (corporate and Platform levels) through a system which requires Platforms to maintain a liquidity reserve within their working capital allocation to meet exceptional market conditions.

Line availability is controlled both locally and centrally by the Treasury Department with the head of treasury in charge of relaying potential systemic or worrying macro issues/situations to the Macro Committee.

Central and local minimum cash reserves are monitored on a daily basis and residual funding capacity is monitored against cash flow forecasts. In order to ensure sufficient liquidity to meet business requirements, twelve-month rolling cash flow forecasts are updated by regions on a monthly basis, providing an outlook on the commercial cash flows anticipated by the Platforms. In stress situations, particular businesses are required to reduce line usage.

These projections are completed by a daily measurement of the treasury VaR, anticipating the maximum margin calls that each regional treasury may have to face. A daily VaR measure of the positions subject to margin calls is performed by the Market Risk Department and reported through the Treasury VaR report to the Treasury Department and the Group's senior management.

Foreign Exchange Risk

As a general principle, all the Group's subsidiaries conduct their operations in their functional currencies.

In cases where foreign exchange exposure arising from the purchase and sale of products in non-functional currencies is unavoidable, the Group uses financial instruments to hedge the foreign exchange exposure. Forex Forwards and Forex Non-Deliverable-Forwards (NDFs) are the preferred hedging instruments. Where such instruments are not available, the Group will attempt to create natural hedging arrangements by matching the value of sales and purchases in the given currency. The Global Markets Platform or local treasury departments are in charge of these operations.

The Group owns assets and equity participations in various geographies, and is consequently exposed to foreign exchange risk on the equity shares in its subsidiaries. This risk is somewhat mitigated by a diversification effect, as the Group's activities are diversified and assets and equity are spread throughout multiple geographies.

Foreign exchange risk arising from overhead and fixed costs is hedged from zero to twelve months. The number of months to be hedged is defined per currency and updated on a regular basis.

Internal Audit

The internal audit team is structured by region and can audit trading desks, physical assets, and departments as well as performing transversal reviews or risk assessments.

Management and Shareholders

Management Bodies

The management structure of the Issuer consists of a Supervisory Board at the level of its indirect parent, LDCH B.V. (the "**LDCH B.V. Supervisory Board**"), a Managing Board (the "**Managing Board**") and an operational management team at the Issuer level (the "**LDC Executive Group**").

The LDCH B.V. Supervisory Board is made up of Margarita Louis-Dreyfus (Non-Executive Chairperson), Michel Demaré (Deputy Chairman), Mehdi El Glaoui, Andreas Jacobs, Marwan Shakarchi and Victor Balli.

Specialized committees have been put in place at the level of LDCH B.V., which report to the LDCH B.V. Supervisory Board. These committees are the LDCH B.V. Audit Committee; the LDCH B.V. Strategy Committee; and the LDCH B.V. Compensation, Nomination and Governance Committee. These committees monitor and regulate the activities of LDCH B.V.'s consolidated group as a whole, including the Issuer. The LDCH B.V. Audit Committee is made up of Victor Balli (Chairperson), Mehdi El Glaoui and Michel Demaré. The LDCH B.V. Strategy Committee is made up of Michel Demaré (Chairperson), Margarita Louis-Dreyfus, Andreas Jacobs and Marwan Shakarchi. The LDCH B.V. Compensation, Nomination and Governance Committee is made up of Mehdi El Glaoui (Chairperson), Michel Demaré and Margarita Louis-Dreyfus.

The Louis Dreyfus Company's Managing Board is made up of Michael Gelchie and Johannes Schol.

Day-to-day operational functions are carried out by the LDC Executive Group. The composition of the LDC Executive Group (as at the date of this Prospectus) is as follows:

Michel Gelchie	Chief Executive Officer
Patrick Treuer	Chief Financial Officer
Guy-Laurent Arpino	Chief Information Officer
Keir Ashton	Group General Counsel
Tim Bourgois	Global Trading Manager, Cotton Platform
Enrico Biancheri	Head, Sugar Platform
Miguel Catella	Head, Global Markets
Ben Clarkson	Head, Coffee Platform
Thomas Couteaudier	Chief Strategy Officer and Head of 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
Joe Nicosia	Head, Cotton Platform
Guy de Montulé	Head, Rice Platform
Murilo Parada	Head, Juice Platform and Head, North Latin America Region
Javier Racciatti	Head, Grains & Oilseeds Strategic Trading Unit
André Roth	Head, Grains and Oilseeds Platform Chairman, North Latin America Region
Jessica Teo	Chief Human Resources Officer
James Zhou	Chief Commercial Officer and Head, Asia Region

The business address of the members of the Managing Board, the LDCH B.V. Supervisory Board and the LDC Executive Group is Westblaak 92, 3012 KM Rotterdam, the Netherlands.

At the date of this Prospectus, there are no conflicts of interest which are material to the issue or offer of the Bonds between the duties of the members of the Managing Board or the LDCH B.V. Supervisory Board to the Issuer and their private interests and/or their other duties.

Shareholders

As at the date of this Prospectus, the share capital of LDC is US$1.438 million (at a historical conversion rate of EUR1.00 equaling US$1,438) consisting of 100,000,000 issued and full-paid ordinary shares of Euro 0.01 nominal value each. The ordinary shares of LDC are 100 per cent. held by Louis Dreyfus Company Netherlands Holding B.V., a wholly owned subsidiary of LDCH B.V. LDCH B.V. is an indirect subsidiary of Louis Dreyfus Holding B.V. a privately owned Dutch company controlled by the family foundation established by Robert Louis-Dreyfus. As at 31 December 2020, an economic interest of approximately 5 per cent. in LDCH B.V. was held by employees and management of LDC as part of the employee participation plan described above (See “Description of the Issuer, its Group and their Business – Employees”).

Arrangements have been put in place at the LDCH level to ensure that shareholder control is not abused. These comprise the setting up of the LDCH B.V. Supervisory Board (including the committees that report to it), the LDC Executive Group and the Managing Board (see “Management Bodies” above). These boards and committees provide checks on the powers of the shareholder to ensure transparent corporate governance of the Issuer. LDC is not aware of any arrangements which may result in a Change of Control of LDC.

On 11 November 2020, LDC’s shareholder, LDCH B.V. announced that an agreement had been reached with ADQ, a large holding company based in Abu Dhabi, for the acquisition by the Acquiror of an indirect 45 per cent. equity stake in LDC. This acquisition is expected to close mid-2021, subject to fulfilment of conditions precedent.

Use of Proceeds

The net proceeds of the issue of the Bonds, being EUR497,235,000, will be used for general corporate purposes of the Group, investments in accordance with the Group's investment strategy and refinancing of existing indebtedness. Total expenses incurred in connection with the admission to trading of the Bonds will be EUR4,300.

Taxation

Tax Warning

Potential investors and sellers of Bonds should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In addition, payments of interest on the Bonds, or income derived from the Bonds, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the Holder of Bonds, or in other jurisdictions in which the Holder of Bonds is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Bonds.

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds. Prospective investors should carefully consider the tax consequences of investing in the Bonds and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Material Dutch Tax Considerations

Scope of Discussion

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Bonds. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a Holder or prospective Holder and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to “the Netherlands” or “Dutch” it refers only to the part of the Kingdom of the Netherlands located in Europe.

This discussion is for general information purposes only and is not Dutch tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding and disposal of the Bonds. Holders or prospective Holders should consult their own tax advisors regarding the Dutch tax consequences relating to the acquisition, holding and disposal of the Bonds in light of their particular circumstances.

Withholding tax

Holder of Bonds (other than entities related to the Issuer; see below)

All payments of principal or interest made by the Issuer under the Bonds to Holders other than Holders that are entities *related* to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021; in Dutch: "*Wet bronbelasting 2021*") (see below) may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Entities related to the Issuer

Payments of principal or interest made by the Issuer under the Bonds to Holders that are entities *related* (in Dutch: "*gelieerd*") to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021) (see below) may become subject to Dutch withholding tax at a rate of 25% (rate for 2021), if such related entity:

(i) is considered to be resident (in Dutch: "*gevestigd*") in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (in Dutch: "*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*") (a "Listed Jurisdiction"); or

(ii) has a permanent establishment located in a Listed Jurisdiction to which the interest payment is attributable; or

(iii) is entitled to the interest payment for the main purpose or one of the main purposes to avoid taxation for another person or entity and there is an artificial arrangement or transaction or a series of artificial arrangements or transactions; or

(iv) is a hybrid entity (a hybrid mismatch), or

(v) is not resident in any jurisdiction,

all within the meaning of the Dutch Withholding Tax Act 2021.

Listed Jurisdiction

For the fiscal year 2021, the following 23 jurisdictions are Listed Jurisdictions: American Samoa, Anguilla, Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates and the U.S. Virgin Islands.

Related entity

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered an entity related to the Issuer if:

(i) such entity has a Qualifying Interest (as defined below) in the Issuer;

(ii) the Issuer has a Qualifying Interest in such entity; or

(iii) a third party has a Qualifying Interest in both the Issuer and such entity.

The term "Qualifying Interest" means a directly or indirectly held interest – either individually or jointly as part of a collaborating group (in Dutch: "*samenwerkende groep*") – that confers a definite influence over the entity's decisions and allows the holder of such interest to determine its activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (in Dutch: "*vrijheid van vestiging*")).

Taxes on income and capital gains

Please note that the summary in this section does not describe the Dutch tax consequences for:

(i) Holders if they, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (in Dutch: "*aanmerkelijk belang*") or deemed substantial interest (in Dutch: "*fictief aanmerkelijk*") in the Issuer under the Dutch Income Tax Act 2001 (in Dutch: "*Wet inkomstenbelasting 2001*"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or to 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (in Dutch: "*fiscale beleggingsinstellingen*"), exempt investment institutions (in Dutch: "*vrijgestelde beleggingsinstellingen*") (as defined in the Dutch Corporate Income Tax Act 1969; in Dutch: "*Wet op de vennootschapsbelasting 1969*") and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and

(iii) Holders who are individuals form whom the Bonds or any benefit derived from the Bonds are a remuneration or deemed to be a remuneration for activities performed by such Holders or certain individuals related to such Holders (as defined in the Dutch Income Tax Act 2001).

Residents of the Netherlands

Generally speaking, if the Holder is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a "**Dutch Resident Entity**"), any payment under the Bonds or any gain or loss realized on the disposal or deemed disposal of the Bonds is subject to Dutch corporate income tax at a rate of 15 per cent. with respect to taxable profits up to EUR245,000 and 25 per cent. with respect to taxable profits in excess of that amount (rates and brackets for 2021).

If the Holder is an individual, resident or deemed to be resident in the Netherlands for Dutch income tax purposes (a "**Dutch Resident Individual**"), any payment under the Bonds or any gain or loss realized on the disposal or deemed disposal of the Bonds is taxable at the progressive Dutch income tax rates (with a maximum of 49.50 per cent. in 2021), if:

(i) the Bonds are attributable to an enterprise from which the Holder derives a share of the profit, whether as an entrepreneur (in Dutch: "*ondernemer*") or as a person who has a co-entitlement to the net worth (in Dutch: "*medegerechtigd tot het vermogen*") of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or

(ii) the Holder is considered to perform activities with respect to the Bonds that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the Bonds that are taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions (i) and (ii) do not apply to the individual Holder, such Holder will be taxed annually on a deemed return (with a maximum 5.69 per cent. in 2021) on the individual's net investment assets (in Dutch: *"rendementsgrondslag"*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold (in Dutch: *"heffingvrij vermogen"*). The deemed return on the individual's net investment assets for the year is taxed at a rate of 31 per cent. in 2021. Actual income, gains or losses in respect of the Bonds are as such not subject to Dutch income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Bonds are included as investment assets. For the net investment assets on 1 January 2021, the deemed return ranges from 1.90 per cent. up to 5.69 per cent. (depending on the aggregate amount of the net investment assets of the individual on 1 January 2021). The deemed return will be adjusted annually on the basis of historic market yields.

Non-residents of the Netherlands

A Holder that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Bonds or in respect of any gain or loss realized on the disposal or deemed disposal of the Bonds, provided that:

(i) such Holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Bonds are attributable, and

(ii) in the event the Holder is an individual, such Holder does not carry out any activities in the Netherlands with respect to the Bonds that go beyond ordinary asset management and does not derive benefits or is not deemed to derive benefits from or in connection with Bonds that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Bonds by way of a gift by, or on the death of, a Holder who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Bonds by way of gift by, or on the death of, a Holder who is neither resident nor deemed to be resident of the Netherlands, unless:

(i) in the case of a gift of a Bond by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(ii) in the case of a gift of a Bond is made under a condition precedent, the Holder is resident or is deemed to be resident of the Netherlands at the time the condition is fulfilled; or

(iii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident of the Netherlands if such person has been a resident of the Netherlands at any time during the 10 years preceding the date of the gift or his/her death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident of the Netherlands if such person has been resident in the Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Dutch VAT will be payable by the Holders on any payment in consideration for the issue of the Bonds or with respect to the payment of interest or principal by the Issuer under the Bonds.

Registration taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a Holder in respect of (i) the issue of the Bonds or (ii) the payment of interest or principal by the Issuer under the Bonds.

Subscription and Sale

Natixis, SMBC Nikko Capital Markets Europe GmbH, Société Générale and Standard Chartered Bank AG (together, the "**Joint Lead Managers**") and DBS Bank Ltd. and UniCredit Bank AG as passive bookrunners (together with the Joint Lead Managers, the "**Managers**") have, pursuant to a Subscription Agreement dated 26 April 2021, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Bonds at 99.823 per cent. of their principal amount less certain fees and commissions. In addition, the Issuer has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Managers to terminate the Subscription Agreement in certain circumstances prior to payment being made to the Issuer.

Selling Restrictions

General

Neither the Issuer nor any Manager has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any related offering material, in all cases at its own expense.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act of 1933 (the "**Securities Act**").

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

i. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the Regulation (EU) 2017/1129 as it form part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA.

Prohibition of Sales to EEA

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

France

Each of the Managers has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Bonds in the Republic of France, and has not distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Bonds, except to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Article 2(e) of the Prospectus Regulation and Articles L.411-1 and L.411-2 of the French *Code monétaire et financier*.

Singapore

Each of the Managers has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Managers has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276 (4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

Each Manager has acknowledged that this Prospectus has not been approved or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong and each Manager has represented, warranted and undertaken to the Issuer and each other Manager that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures

Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding-up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Bonds described herein. The Bonds may not be publicly offered, sold or advertised, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**"), except under the following exemptions under the FinSA:

(i) to any investor that qualifies as a professional client within the meaning of the FinSA;
(ii) in any other circumstances falling within article 36 of the FinSA;

provided, in each case, that no such offer of Bonds referred to in (i) and (ii) above shall require the publication of a prospectus for offers of Bonds and/or the publication of a key information document ("**KID**") (or an equivalent document) pursuant to the FinSA.

The Bonds have not and will not be listed or admitted to trading on any trading venue in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offer, the Bonds or the Issuer constitutes a prospectus or a KID (or an equivalent document) as such terms are understood pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the offer, the Bonds or the Issuer may be distributed or otherwise made available in Switzerland in an manner which would require the publication of a prospectus or a KID (or an equivalent document) in Switzerland pursuant to the FinSA.

General Information

1. Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the Official List and traded on the Luxembourg Stock Exchange's regulated market as at the Issue Date.

2. The estimate of the total expenses related to the admission of the Bonds to trading is EUR4,300.

3. The Issuer has obtained all necessary consents, approvals and authorizations in the Netherlands in connection with the issue and performance of the Bonds. The issue of the Bonds was authorized by the managing board (*bestuur*) of the Issuer in a resolution adopted on 12 April 2021.

4. Except as disclosed on page 90 (*Recent Developments*) of this Prospectus under the heading "Imperial Sugar Company", there has been no significant change in the financial position or financial performance of the Group since 31 December 2020, including with respect to the impact of the health crisis resulting from the coronavirus (COVID-19).

5. Except as disclosed on page 90 (*Recent Developments*) of this Prospectus under the heading "Imperial Sugar Company", there has been no material adverse change in the prospects of the Issuer since 31 December 2020, including with respect to the impact of the health crisis resulting from the coronavirus (COVID-19).

6. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems with the Common Code 233255254. The International Securities Identification Number (ISIN) for the Bonds is XS2332552541. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg, Grand-Duchy of Luxembourg.

7. Except as disclosed on page 89 of this Prospectus, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

8. Each Bond and Coupon will bear the following legend: "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*".

9. There are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued.

10. To the knowledge of the Issuer, no person involved in the Issue of the Bonds has an interest material to the issue of the Bonds. The Managers are paid commissions in relation to the issue of the Bonds. Any such Managers and/or their respective affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of the Managers and/or their respective affiliates have or may hold shares or other securities issued by entities of the

Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

11. For the long as the Bonds are outstanding or, with respect to (a) and (d) below, for at least ten years, the following documents (and English translations where the documents in question are not in English) may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Fiscal Agent or the Issuer:

    (a) the Agency Agreement (which includes the forms of the Temporary Global Bonds, the Permanent Global Bonds, the Definitive Bonds and the Coupons);

    (b) the Audited Financial Statements;

    (c) the Articles of Association of the Issuer; and

    (d) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus.

    This Prospectus will be published on the websites of (i) the Luxembourg Stock Exchange (www.bourse.lu) and (ii) the Issuer (https://www.ldc.com/who-we-are/financial-information/financing/). The Agency Agreement and Articles of Association of the Issuer are available on the website of the Issuer (https://www.ldc.com/who-we-are/financial-information/financing/).

12. Deloitte & Associés (Tour Majunga, 6 Place de la Pyramide, 92908 Paris-la-Défense Cedex) (Independent Public Accountants and a member of *Compagnie Régionale des Commissaires aux Comptes de Versailles*, France). has (i) audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for each of the fiscal years ended 31 December 2019 and 31 December 2020.

13. The Bonds are expected to be rated BB+ by S&P Global Ratings Europe Limited (S&P).

    As at the date of this Prospectus, S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the "CRA Regulation"). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. According to the S&P definitions, obligations rated BB+ are less vulnerable to nonpayment than other speculative issues. However, they face major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.

14. The yield of the Bonds is 1.652 per cent. on an annual basis. The yield is calculated as at the Issue Date on the basis of the issue price. It is not an indication of future yield.

15. The Issuer's Legal Entity Identifier (LEI) is: 54930077YL0GMTEGZD16.

Index to the Consolidated Financial Statements of Louis Dreyfus Company B.V.

As at, and for the year ended, 31 December 2020

As at, and for the year ended, 31 December 2019

Independent Auditor's Report

For the year ended December 31, 2020

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

Opinion

We have audited the consolidated financial statements of *Louis Dreyfus Company B.V.* and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of December 31, 2020, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including the significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2020, and of its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with *International Financial Reporting Standards* (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency in many countries 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 the audits.

It is in this complex and evolving context that key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have communicated the key audit matters to the management board and those charged with governance. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value measurements of trading inventories and financial assets and liabilities

Description

Refer to Note 4.7 under the heading Categories of financial assets and liabilities and note 3.7 under the heading Inventories.

The Group holds significant positions in inventories and derivatives for trading purposes. The Group accounts for these activities using the mark-to-market method. This method can require the use of complex valuation methods and significant estimates from management. These estimates are based on key assumptions such as closing exchange and over-the-counter quotations, parity differences, time value, price volatility and counterparty performance and credit risks.

As the Group's inventories and derivatives are measured at fair value at each reporting date, these fair value measurements significantly impact the Group's result and therefore due to the significance of trading inventories and derivatives and the related estimation uncertainty, there is a risk that the related inventories, financial assets and liabilities are misstated.

How the key audit matter was addressed in the audit

Our audit procedures included, amongst others, evaluating management's controls in valuing trading inventories and derivatives. In addition, we have performed substantive procedures on a sample basis of the related valuations. These procedures included challenging (i) the models used and (ii) the appropriateness of management's assumptions used in developing estimates, as well as agreeing market prices to exchange-quoted prices, broker quotes supported by trades executed close to period-end and to other, directly or indirectly observable inputs. Where necessary we have used the assistance of Deloitte Financial instruments and valuations specialists with industry experience, in particular for evaluating the adequacy of the most complex valuation models. The related disclosures have also been evaluated for adequacy.

Revenue Recognition and trade capturing

Description

Refer to Note 2.2 under the heading Net sales.

Revenue recognition has been identified as a risk primarily relating to the timely and accurate capture of trades within the trade books and the timing of revenue recognition for commodity sales with deliveries occurring on or around year-end.

How the key audit matter was addressed in the audit

We evaluated management's controls over revenue recognition and trade capturing. We also performed substantive testing for transactions occurring on or around year-end and agreed deliveries to supporting documentation, we also obtained third party confirmation where relevant to check completeness and accuracy of trade books. The related disclosures have also been evaluated for adequacy.

Infracis Group Limited loan and equity Investment

Description

Refer to Note 5.4 under the heading Non-current financial assets.

The non-current financial assets at fair value through profit and loss balance includes a US$188 million loan, including capitalized interests, granted to the joint venture partner *Infracis Group Limited* for the development of a grain terminal in the Taman peninsula in Krasnodar, Russia. This project represents a total exposure of US$204 million for the Group as of December 31, 2020 considering the related associated equity investment.

Due to specific circumstances described in the note 5.4 to the financial statements, the project is delayed, resulting in uncertainties around its completion. Additionally, the partners have brought claims against each other. All combined, the current situation cast doubt as to whether this loan will be repaid or converted into equity. There is consequently a risk that the loan and the equity investment might be impaired if the construction of the deep sea terminal is not achieved or if the outcome of the arbitration is unfavorable.

How the key audit matter was addressed in the audit

Our auditing procedures included, amongst others, obtaining an update of the project status and changes compared to previous periods and analyzing underlying documentation substantiating the Group's assessment of the situation. The related disclosures provided in Note 5.4 to the financial statements have also been evaluated for adequacy.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

The engagement partner on the audit resulting in this independent auditor's report is François Buzy.

Paris-La Défense, France, March 24, 2021

Deloitte & Associés

François BUZY

Consolidated Income Statement

Year ended December 31

(in millions of US$)	Notes	2020	2019
Net sales	2.2	33,564	33,643
Cost of sales		(32,012)	(32,688)
Gross margin		1,552	955
Commercial and administrative expenses		(638)	(621)
Interest income	2.3	78	82
Interest expense	2.3	(299)	(358)
Other financial income and expense	2.3	(12)	17
Share of profit (loss) in investments in associates and joint ventures	3.3	7	1
Gain (loss) on investments and sale of fixed assets	2.4	(65)	218
Other gains and losses		(3)	1
Income before tax - continuing operations		620	295
Income taxes	2.5	(237)	(68)
Net income - continuing operations		**383**	**227**
Attributable to:			
Owners of the company		382	229
Non-controlling interests		1	(2)
Net income - discontinued operations	1.4	**–**	**1**
Attributable to:			
Owners of the company		–	1
Non-controlling interests		–	–
Net income		**383**	**228**
Attributable to:			
Owners of the company		**382**	**230**
Non-controlling interests		1	(2)

Consolidated Statement of Comprehensive Income

Year ended December 31

(in millions of US$)	**2020**	2019
Net income	**383**	**228**
Items reclassified from equity to net income during the year		
Cash flow and net investment hedges - change in fair value, gross	115	53
Related tax impact	(35)	(12)
Exchange differences recycled upon sale/liquidation of investments	3	2
Total	**83**	**43**
Items that may be reclassified subsequently from equity to net income		
Cash flow and net investment hedges - change in fair value, gross	(183)	(43)
Related tax impact	55	3
Exchange differences arising on translation of foreign operations	40	(2)
Investments in associates and joint ventures - share of other comprehensive income	(5)	–
Total	**(93)**	**(42)**
Items that will not be reclassified subsequently from equity to net income		
Pensions, gross	(6)	(1)
Related tax impact	3	(1)
Total	**(3)**	**(2)**
Changes in other comprehensive income (OCI)	**(13)**	**(1)**
Total comprehensive income	**370**	**227**
Attributable to:		
Owners of the company	**369**	**228**
Non-controlling interests	1	(1)

Consolidated Balance Sheet

As of December 31

(in millions of US$)	Notes	2020	2019
Non-current assets			
Intangible assets	3.1	309	303
Property, plant and equipment	3.2	3,468	3,762
Investments in associates and joint ventures	3.3	216	227
Non-current financial assets	5.4	554	1,317
Deferred income tax assets	2.5	184	232
Other non-current assets	3.4	254	314
Total non-current assets		**4,985**	**6,155**
Current assets			
Inventories	3.7	6,101	5,143
Biological assets	3.8	43	54
Trade and other receivables	3.9	4,256	4,736
Derivative assets	4.8	3,023	1,235
Margin deposits	4	2,117	885
Current tax assets		52	62
Financial advances to related parties	7.3	804	5
Other financial assets at fair value through profit and loss	5.5	223	414
Cash and cash equivalents	5.6	1,296	750
Total current assets		**17,915**	**13,284**
Assets classified as held for sale	1.4	353	99
Total assets		**23,253**	**19,538**

Consolidated Balance Sheet Continued

As of December 31

(in millions of US$)	Notes	2020	2019
Equity			
Issued capital and share premium		1,587	1,587
Retained earnings		3,409	3,318
Other reserves		(138)	(119)
Equity attributable to owners of the company		***4,858***	***4,786***
Equity attributable to non-controlling interests		*12*	*12*
Total stockholders' equity and non-controlling interests	5.1	4,870	4,798
Non-current liabilities			
Long-term debt	5.2	3,690	3,269
Retirement benefit obligations	6.1	99	147
Provisions	3.6	69	60
Deferred income tax liabilities	2.5	170	170
Other non-current liabilities	3.5	95	93
Total non-current liabilities		4,123	3,739
Current liabilities			
Short-term debt	5.3	5,765	3,889
Current portion of long-term debt	5.2	198	637
Financial advances from related parties	7.3	154	184
Trade and other payables	3.10	4,764	4,841
Derivative liabilities	4.8	3,198	1,308
Provisions	3.6	9	8
Current tax liabilities		75	55
Total current liabilities		14,163	10,922
Liabilities associated with assets classified as held for sale	1.4	97	79
Total liabilities		18,383	14,740
Total equity and liabilities		**23,253**	**19,538**

Consolidated Statement of Cash Flows

Year ended December 31

(in millions of US$)	Notes	2020	2019
Net income		383	228
Adjustments for items not affecting cash			
Depreciation and amortization		447	395
Biological assets' change in fair value	3.8	1	9
Income taxes	2.5	237	68
Net finance costs		242	249
Other provisions, net		22	18
Share of (profit) loss in investments in associates and joint ventures, net of dividends	3.3	8	4
(Gain) loss on investments and sale of fixed assets	2.4	65	(218)
Net expense arising from share-based payments	6.2	32	39
		1,437	**792**
Changes in operating assets and liabilities			
Inventories and biological assets		(952)	(350)
Derivatives		127	425
Margin deposits net of margin deposit liabilities		(1,072)	(470)
Trade and other receivables		460	(344)
Trade and other payables		(208)	1,000
Interests paid		(334)	(380)
Interests received		99	127
Income tax received (paid)		(111)	58
Net cash from (used in) operating activities, discontinued operations		–	88
Net cash from (used in) operating activities		**(554)**	**946**
Investing activities			
Purchase of fixed assets		(270)	(306)
Additional investments, net of cash acquired		(36)	(107)
Change in short-term securities		115	(121)
Proceeds from sale of fixed assets		3	255
Proceeds from sale of investments, net		48	3
Change in loans and advances made		(1)	(16)
Net cash from (used in) investing activities		**(141)**	**(292)**
Financing activities			
Net proceeds from (repayment of) short-term debt and related parties' loans and advances	5.3	1,776	(770)
Proceeds from long-term financing	5.2	856	1,175
Repayment of long-term financing	5.2	(1,048)	(562)
Repayment of lease liabilities	7.1	(70)	(76)
Dividends paid to equity owners of the company	5.1	(302)	(428)
Net cash from (used in) financing activities, discontinued operations		–	(24)
Net cash from (used in) financing activities		**1,212**	**(685)**
Exchange difference on cash		23	(2)
Net increase (decrease) in cash and cash equivalents		**540**	**(33)**
Cash and cash equivalents, at beginning of the year	5.6	750	790
Change in cash and cash equivalents reclassified to held for sale assets	1.4	6	(7)
Cash and cash equivalents, at year-end	5.6	**1,296**	**750**

Consolidated Statement of Changes in Equity

Year ended December 31

(in millions of US$)	Notes	Issued capital and share premium	Retained earnings	Other reserves	Equity attributable to owners of the company	Equity attributable to non-controlling interests	Total equity
Balance as of December 31, 2018		**1,587**	**3,512**	**(125)**	**4,974**	**8**	**4,982**
Net income			230		**230**	(2)	**228**
Other comprehensive income, net of tax				(2)	**(2)**	1	**(1)**
Others			(3)	3	**–**	–	**–**
Total comprehensive income	5.1		227	1	228	(1)	227
Dividends	5.1		(428)		**(428)**	–	**(428)**
Deferred compensation plan, net of tax	5.1		6	5	**11**		**11**
Change in the list of consolidated companies			–		**–**	7	**7**
Transactions with non-controlling interests			1	–	**1**	(2)	**(1)**
Balance as of December 31, 2019		**1,587**	**3,318**	**(119)**	**4,786**	**12**	**4,798**
Net income			382		**382**	1	**383**
Other comprehensive income, net of tax				(13)	**(13)**	–	**(13)**
Total comprehensive income	5.1		382	(13)	369	1	370
Dividends	5.1		(302)		**(302)**	–	**(302)**
Deferred compensation plan, net of tax	5.1		11	(6)	**5**		**5**
Change in the list of consolidated companies			–		**–**	(1)	**(1)**
Balance as of December 31, 2020		**1,587**	**3,409**	**(138)**	**4,858**	**12**	**4,870**

Notes to Consolidated Financial Statements

Louis Dreyfus Company B.V. ("LDC" or the "company") is a privately owned company incorporated in the Netherlands on December 28, 2004, registered at the *Chamber of Commerce* under registration number 24371219. The address of its registered office is Westblaak 92, 3012 KM Rotterdam, Netherlands. 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 June 2019, the Group completed the exit of its Dairy business (refer to Note 1.4).

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). These bonds are listed on the *Luxembourg Stock Exchange* (refer to Note 5.2).

Covid-19

On March 11, 2020, the *World Health Organization* declared Covid-19 a pandemic. Several measures were implemented by numerous countries around the globe in order to slow the spread of the virus. As a leading global merchant and processor of agricultural goods, the Group plays a key role across food and feed value chains, from farmers to end-consumers, ensuring safe, efficient and reliable operations for all participants and stakeholders, including its customers, suppliers and employees. This role was all the more relevant in the context of the Covid-19 pandemic, during which food security and safety proved a key concern for governments worldwide, with a focus on maintaining supply chain continuity.

In 2020, the Group continued to operate almost all its facilities without significant business disruption attributable to the pandemic, adapting in good time to health and safety requirements imposed by local authorities to protect employees and subcontractors, and combat the spread of Covid-19. Demand remained resilient overall for the main products traded by the Group, except cotton and bioenergy, as lockdown measures led to low demand and prices in both the textile industry and energy sector.

Market Risk:

Amid uncertainty over potential global supply chain disruptions and announced export restrictions in some areas, volatility arose in agri-commodities markets, requiring thorough risk management. Despite this context, the Group's risk deployment did not significantly increase, with an average Value at Risk (VaR) that remained around 0.26% of the stockholders' equity in 2020, compared to 0.23% in 2019 (refer to Note 4.1).

Impairment of Goodwill, Intangible Assets and Property, Plant and Equipment:

As mentioned above, no significant disruptions to operations were identified and largely all the Group's facilities around the world continued to operate at normal or close to normal levels. Both segments described in Note 2.1 reported improved positive income before tax and no indication that an individual asset may be impaired was observed. Accordingly, the Group performed the mandatory annual impairment test during the year ended December 31, 2020 and did not recognize any impairment (refer to Note 3.1).

Counterparty Risk:

The Covid-19 pandemic weakens the financial position of certain customers, creating an increased counterparty risk. The Group is closely monitoring this risk and, in the large majority of cases, deliveries and payments have continued as per the normal course of business. Nevertheless, while performing an in-depth analysis of its trade receivables and derivative assets' exposures to credit risk, management decided to book additional provisions on trade receivables, particularly linked to the Cotton Platform (refer to Note 3.9).

Liquidity Risk and Going Concern:

As of December 31, 2020, the Group strengthened its liquidity position with US$1,296 million of cash and cash equivalents recorded in the consolidated balance sheet, in addition to US$3.5 billion of undrawn committed bank lines available (out of which US$2.5 billion with maturities beyond one year). The Group expects to meet all its financial obligations and, therefore, continues to adopt a going concern assumption as the basis for the preparation of the Financial Statements.

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 December 2020 consolidated financial statements of LDC (the "Financial Statements") were approved by the Board of Directors of LDC on March 23, 2021.

The Financial Statements were prepared in accordance with *International Financial Reporting Standards* (IFRS) adopted by the European Union as of December 31, 2020. The Group has not adopted IAS 33 "Earnings per Share" since this standard is not mandatory for companies whose ordinary shares are not publicly traded.

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, 2019, except for the adoption of new amendments, standards and interpretations as of January 1, 2020 as detailed hereafter.

New and Amended Accounting Standards and Interpretations Effective in 2020

- Amendments to IFRS 3 "Definition of a Business", which aimed to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. They mainly clarify that, to be considered as a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform", addressing issues affecting financial reporting in the period before the replacement of existing interest rate benchmark by alternative interest rate (Phase 1). The objective of the amendments is to provide temporary exceptions from applying specific hedge accounting requirements during the period of uncertainty arising from the reform and require additional disclosures for the hedging relationships affected by the amendments. Refer to note 4.8 for disclosure on affected hedging relationships.
- Amendments to IAS 1 and IAS 8 "Definition of Material".
- Amendments to Reference to the Conceptual Framework.
- Amendment to IFRS 16 "Leases: Covid-19-related Rent Concessions". The amendment provides lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. The Group did not apply this exemption, as no significant rent concession related to Covid-19 was granted during the period.

The above-mentioned amendments have had no effect on the balance sheet or performance of the Group.

- *International Financial Reporting Interpretations Committee* (IFRIC) agenda decision on the Physical Settlement of Contracts to Buy or Sell a Non-Financial Item. The IFRIC concluded that upon the physical settlement of contracts to buy or sell commodities that do not meet the own use exemption and are recognized as derivatives under IFRS 9, the accumulated fair value shall be recognized on the same line of the income statement as the revenue or cost of goods sold. The Group previously recognized mark-to-market on physical forward sales contracts within "Cost of sales", along with the mark-to-market of physical forward purchases contracts. Following the agenda decision, the Group recognizes the mark-to-market on physical forward sales contracts that do not meet the own use exemption within "Net sales", with a US$(924) million impact in 2020.

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

- Amendments to IFRS 4 "Insurance contracts – deferral of IFRS 9". The amendments will come into effect as of January 1, 2021 and are not expected to have any impact on the Group's financial statements.
- 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. The amendments will come into effect as of January 1, 2021. A project is in progress within the Group to manage the transition to alternative benchmark rates.

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.

- Annual improvements to IFRSs 2018-2020 that will come into effect as of January 1, 2022, 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.
- 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.

1.2 Basis of Consolidation and Use of Estimates

Basis of Consolidation

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

Entities consolidated by the Group are referred to as ''subsidiaries''. Entities that the Group controls by means other than voting rights are referred to as ''consolidated structured entities''.

In accordance with IFRS 11 "Joint Arrangements", the Group classifies its joint arrangements (i.e. arrangements in which the Group exercises joint control with one or more other parties) either as a joint operation or a joint venture. In the case of a joint operation, the Group recognizes the assets and liabilities of the operation in proportion to its rights and obligations relating to those assets and liabilities. Joint ventures are accounted for using the equity method.

The Group exercises joint control over a joint arrangement when decisions relating to the relevant activities of the arrangement require the unanimous consent of the Group and the other parties with whom control is shared.

The Group exercises significant influence over an entity when it has the power to participate in the financial and operating policy decisions of that entity, but does not have the power to exercise control or joint control over those policies.

In accordance with IAS 28 "Investments in Associates and Joint Ventures", the equity method is used to account for joint ventures and for associates (i.e. entities over which the Group exercises significant influence).

All consolidated subsidiaries and companies carried at equity prepared their accounts as of December 31, 2020 in accordance with the accounting policies and methods applied by the Group.

Intercompany transactions and balances are eliminated in consolidation.

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

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

Use of Estimates

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

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

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

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

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

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

The Group uses some estimates to determine the fair value of certain items such as non-current financial assets at fair value through profit and loss (refer to Note 5.4).

Foreign Currencies

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

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

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

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

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

Consolidated Financial Statements

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

Assets and liabilities are presented separately between current and non-current assets, and current and non-current liabilities. For each asset and liability, this classification is based on the expected recoverability or settlement date, respectively before or after 12 months from the balance sheet date.

The cash flows from operating activities are reported using the indirect method: the net income is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

1.3 Change in the List of Consolidated Companies

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.

On December 23, 2019, the Group acquired 51% of *Louis Dreyfus (Jinzhou) Warehousing Co., Ltd.*, which owns and operates a grain warehouse in the port of Jinzhou, China, for a total consideration of US$9 million. This acquisition aims to strengthen the Group's footprint in the largest grain production region in China and enhance the partnership with a top private origination and trading player in the region. The governance rules established in *Louis Dreyfus (Jinzhou) Warehousing 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. In accordance with IFRS 3 (revised), the Group recognized a US$2 million goodwill (not deductible for tax purposes).

No other significant change in the list of consolidated companies occurred during the years ended December 31, 2020 and December 31, 2019.

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

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

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been abandoned and such a component represents a separate major line of business.
A non-current asset or disposal group that is to be abandoned is not reclassified as held for sale because its carrying amount will be recovered principally through continuing use.
Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as "Net income – discontinued operations" in the consolidated income statement for all periods presented. Net cash flows attributable to the operating, investing and financing activities of discontinued operations are also presented separately from other flows in the consolidated statement of cash flows.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", as of December 31, 2019, the Group classified *LDC (Fujian) Refined Sugar Co. Ltd.* (sugar refinery in China) and *LDC (Bazhou) Feedstuff Protein Company Ltd.* (oilseeds processing plant in China) as held for sale. Both transactions were closed during the second semester of 2020 (refer to Note 1.3).

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 a 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 December 31, 2020, *Louis Dreyfus Company (Shaanxi) Juices Co. Ltd.* (juice processing plant in China) was also classified as held for sale.

Since June 30, 2020, the investment in associates *Riddoch Holdings Pty. Ltd.* (dairy processing plant in Australia) has been classified as held for sale. On January 15, 2021, the Group finalized the sale of its investment to the minority shareholder *Midfield Penola Pty Ltd ATF the Midfield Penola Trust* (refer to Note 7.4).
Additionally, as of December 31, 2020, the investment in joint ventures *Luckin Roastery Technology (Xiamen) Co. Ltd.* (coffee roasting facility in China) has been classified as held for sale. On February 3, 2021, the Group finalized the sale of 30% (out of the total 40% share) of this investment to *Luckin Coffee (China) Company Limited* (refer to Note 7.4).

Assets classified as held for sale are summarized as follows:

(in millions of US$)	**2020**	2019
Imperial	318	–
Luckin Xiamen	10	–
Riddoch	6	–
Shaanxi	4	–
Fujian	–	78
Bazhou	–	9
Others	15	12
Total assets classified as held for sale	**353**	**99**

The condensed assets and liabilities with third parties of Imperial transaction net assets, *LDC (Fujian) Refined Sugar Co. Ltd.* and *LDC (Bazhou) Feedstuff Protein Company Ltd.* as of December 31, 2020 and December 31, 2019 are as follows:

	2020	2019	
(in millions of US$)	**Imperial**	Fujian	Bazhou
Property, plant and equipment	175	29	7
Other non-current assets	12	3	–
Non-current assets	**187**	**32**	**7**
Inventories	86	30	–
Other current assets	45	16	2
Current assets	**131**	**46**	**2**
Total assets classified as held for sale	**318**	**78**	**9**
Retirement benefit obligations	(46)	–	–
Other non-current liabilities	(2)	–	–
Non-current liabilities	**(48)**	–	–
Short-term debt	–	(73)	–
Other current liabilities	(49)	(6)	–
Current liabilities	**(49)**	**(79)**	–
Total liabilities associated with held for sale assets	**(97)**	**(79)**	**–**

In January 2019, the Group announced its decision to exit its Dairy business through a liquidation process. Accordingly, the contribution of this Platform was classified as discontinued operations in the consolidated income statement and consolidated statement of cash flows and was not presented as held for sale in the consolidated balance sheet. This business exit was completed in June 2019.

The contribution of the discontinued Dairy operations excluded from the results of continuing operations for the year ended December 31, 2019 is the following:

(in millions of US$)	2019
Net sales	143
Cost of sales	(136)
Gross margin	**7**
Commercial and administrative expenses	(5)
Net finance costs	(1)
Net income - discontinued operations	**1**

During the years ended December 31, 2020 and December 31, 2019, the change in cash and cash equivalents held for sale is as follows:

	2020				2019			
(in millions of US$)	**Imperial**	**Fujian**	**Bazhou**	**Total**	Fujian	Bazhou	Macrofertil Ghana	**Total**
Cash and cash equivalents held for sale, at beginning of the year	–	7	1	**8**	–	–	1	**1**
Change in cash and cash equivalents held for sale	2	(7)	(1)	**(6)**	7	1	(1)	**7**
of which:								
Cash sold	–	*(3)*	–	***(3)***	–	–	–	–
Reclassification to cash and cash equivalents	*2*	*(4)*	*(1)*	***(3)***	–	–	*(1)*	***(1)***
Cash and cash equivalents held for sale, at year-end	**2**	**–**	**–**	**2**	**7**	**1**	**–**	**8**

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. The Dairy business, formerly part of the Merchandizing Segment, was classified as discontinued operations (refer to Note 1.4) and therefore is no longer included in the segment operating results.

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

Segment information on the income statement for the years ended December 31, 2020 and December 31, 2019 is detailed as follows:

	2020		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Net sales	23,003	10,561	**33,564**
Depreciation	(285)	(90)	**(375)**
Share of profit (loss) in investments in associates and joint ventures	14	(7)	**7**
Segment operating results	1,003	556	**1,559**
Commercial and administrative expenses			**(638)**
Net finance costs			**(233)**
Others			**(68)**
Income taxes			**(237)**
Non-controlling interests			**(1)**
Net income attributable to owners of the company - continuing operations			**382**

	2019		
(in millions of US$)	Value Chain	Merchandizing	**Total**
Net sales	**23,229**	**10,414**	**33,643**
Depreciation	(267)	(56)	**(323)**
Share of profit (loss) in investments in associates and joint ventures	3	(2)	**1**
Segment operating results	**569**	**387**	**956**
Commercial and administrative expenses			**(621)**
Net finance costs			**(259)**
Others			**219**
Income taxes			**(68)**
Non-controlling interests			**2**
Net income attributable to owners of the company - continuing operations			**229**

Balance sheet segment information as of December 31, 2020 and December 31, 2019 is as follows:

	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 agreements	(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**

(in millions of US$)	2019 Value Chain	Merchandizing	Total
Fixed assets (intangible assets and property, plant and equipment)	3,469	596	**4,065**
Investments in associates and joint ventures	158	69	**227**
Inventories	2,352	2,791	**5,143**
Biological assets	54	–	**54**
Trade and other receivables	3,304	1,432	**4,736**
Derivative assets	904	331	**1,235**
Margin deposits	653	232	**885**
Marketable securities held for trading	89	–	**89**
Assets classified as held for sale	14	85	**99**
Segment assets	**10,997**	**5,536**	**16,533**
Trade and other payables	(3,135)	(1,657)	**(4,792)**
Derivative liabilities	(1,033)	(275)	**(1,308)**
Repurchase agreements	(38)	–	**(38)**
Liabilities associated with assets classified as held for sale	–	(79)	**(79)**
Segment liabilities	**(4,206)**	**(2,011)**	**(6,217)**
Other assets			**3,005**
Other liabilities			**(8,523)**
Total net assets	**6,791**	**3,525**	**4,798**
Capital expenditure	**300**	**113**	**413**

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 December 31, 2020, US$92 million of trade and other payables were not segmented (US$49 million as of December 31, 2019).

Net sales for continuing operations by geographical areas, based on the country of incorporation of the counterparty, were broken down as follows for the years ended December 31, 2020 and December 31, 2019:

(in millions of US$)	**2020**	2019
North Asia	7,555	7,802
South & Southeast Asia	7,332	7,227
North Latin America	1,285	1,313
South & West Latin America	2,216	2,050
North America	5,159	5,790
Europe, Middle East & Africa	10,017	9,461
Of which Europe & Black Sea	*5,788*	*5,873*
Of which Middle East & Africa	*4,229*	*3,588*
Net sales	**33,564**	**33,643**

Net sales to the Netherlands are not material.

The Group's fixed assets were located in the following geographic regions as of December 31, 2020 and December 31, 2019:

(in millions of US$)	2020	2019
North Asia	182	185
South & Southeast Asia	205	181
North Latin America	1,202	1,236
South & West Latin America	609	623
North America	1,018	1,297
Europe, Middle East & Africa	561	543
Fixed assets	**3,777**	**4,065**

Fixed assets in the Netherlands are not material.

2.2 Net Sales

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

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

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

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

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

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

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

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

Net sales for the years ended December 31, 2020 and December 31, 2019 consist of the following:

	2020			2019		
(in millions of US$)	Value Chain	Merchandizing	Total	Value Chain	Merchandizing	Total
Sale of commodities and consumable products	22,170	10,492	**32,662**	22,486	10,320	**32,806**
Freight, storage and other services	650	64	**714**	698	88	**786**
Others	183	5	**188**	45	6	**51**
	23,003	**10,561**	**33,564**	**23,229**	**10,414**	**33,643**

2.3 Net Finance Costs

Net finance costs for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Interest income	78	82
Interest expense	(299)	(358)
Other financial income and expense	(12)	17
Net finance costs on leases	*(8)*	*(16)*
Foreign exchange	*(199)*	*24*
Net gain (loss) on derivatives	*175*	*(34)*
Other (mainly related to commercial transactions)	*20*	*43*
	(233)	**(259)**

Net finance costs on leases include interest expense on leases for US$(17) million for the years ended December 31, 2020 and December 31, 2019 and foreign exchange on leases for US$9 million for the year ended December 31, 2020, mainly related to the lease contracts denominated in Brazilian Reais (US$1 million for the year ended December 31, 2019).

The "Foreign exchange" and "Net gain (loss) on derivatives" lines need to be read jointly. The foreign exchange is mainly attributable to Brazilian Real depreciation and Euro appreciation for the year ended December 31, 2020, impacting the Brazilian Real-denominated cash and the 2020 and 2025 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 in the consolidated income statement is detailed as follows:

(in millions of US$)	**2020**	2019
Gain (loss) on sale of consolidated companies	(1)	–
Gain (loss) on sale of investments in associates and joint ventures	(2)	–
Gain (loss) on other financial assets at fair value through profit and loss	(61)	62
Gain (loss) on sale of fixed assets	(1)	156
	(65)	**218**

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

In 2020, the loss derived mainly from the *Luckin Coffee* investment. During the first quarter of the year, the Group sold part of its *Luckin Coffee* shares for a selling price of US$37 million resulting in a US$(3) million loss in the period. An additional US$(59) million fair value loss was booked on the remaining shares, reflecting the decrease in *Luckin Coffee's* share price during the year. *Luckin Coffee* is now delisted from *Nasdaq* and valued based on prices from the Over The Counter (OTC) market. The Group also recognized a US$2 million fair value gain on the investments held by *LDC Food Innovation B.V.*
In 2019, the US$62 million gain derived mainly from the fair value adjustment of *Luckin Coffee* and *Leong Hup International* shares.

Gain (Loss) on Sale of Fixed Assets

In 2020, the US$(1) million loss relates mainly to the sale of two Ukrainian silos.
In 2019, the Group sold ten Canadian grain elevators for US$173 million, which led to a US$151 million gain on sale. The Group also recognized a US$7 million gain on the sale and lease back of a cotton warehouse located in Memphis, Tennessee, US. Those gains were partially offset by the US$(3) million loss on the sale of network facilities located in Portland, Oregon, US, used for grains transportation (refer to Note 3.2).

2.5 Income Taxes

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

Deferred taxes arise from temporary differences between the carrying amounts of certain assets and liabilities and their tax basis. The Group accounts for deferred income tax in accordance with the balance sheet liability method using the most recent established tax rates or substantively enacted income tax rates which are expected to be effective at the time of the reversal of the underlying temporary difference.
The Group recognizes future tax benefits to the extent that the realization of such benefits is probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date.
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities.

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

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

Incomes taxes in the income statement for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Current year income taxes	(158)	(135)
Adjustments with respect to prior year income taxes	(3)	2
Current income taxes	**(161)**	**(133)**
Current year deferred income taxes	(65)	84
Valuation allowance for deferred tax assets	(10)	(55)
Adjustments with respect to prior year deferred income taxes	1	3
Change in tax rate	(2)	33
Deferred income taxes	**(76)**	**65**
Income taxes	**(237)**	**(68)**

The reported tax expense differs from the computed theoretical income tax provision using the Netherlands' income tax rate of 25% during the years ended December 31, 2020 and December 31, 2019 for the following reasons:

(in millions of US$)	**2020**	2019
Theoretical income tax	**(155)**	**(74)**
Differences in income tax rates	28	24
Effect of change in tax rate	(2)	33
Difference between local currency and functional currency	(85)	(29)
Change in valuation of tax assets and net operating losses	(10)	(55)
Permanent differences on share of profit (loss) in investments in associates and joint ventures	4	1
Adjustments on prior years	(2)	5
Other permanent differences	(15)	27
Reported income tax	**(237)**	**(68)**

The differences in income tax rates relate to subsidiaries taxed at different rates than the Netherlands' rate.
In 2019, the change in tax rate mainly related to the Federal Act on Tax Reform on corporate taxation in Switzerland, with an increase in the corporate income tax rate from 10% to 13.99%. The new income tax rate has been applicable since January 1, 2020.

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. Such impact mainly regarded Group entities in Brazil and, to a lesser extent, in Argentina. As of December 31, 2020, this line includes US$(62) million which relate to revaluation in respect of movements in currency values of deferred tax assets and liabilities, excluding the non-monetary balance sheet items (US$(2) million as of December 31, 2019).

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 2020 and in Switzerland in 2019.

The consolidated deferred income tax assets (liabilities) as of December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Deferred income tax assets	184	232
Deferred income tax liabilities	(170)	(170)
Deferred tax net	**14**	**62**

Changes in net deferred income tax assets (liabilities) for the years ended December 31, 2020 and December 31, 2019 are as follows:

	2020					
(in millions of US$)	**Opening balance**	Recognized in net income - continuing operations	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**

	2019					
(in millions of US$)	**Opening balance**	Recognized in net income - continuing operations	Recognized in equity	Foreign currency translation adjustment	Other	**Closing balance**
Net tax benefits from carry forward losses	**240**	60	–	–	(3)	**297**
Tax benefits from carry forward losses	***294***	*101*	–	–	*(2)*	***393***
Valuation allowance on carry forward losses	***(54)***	*(41)*	–	–	*(1)*	***(96)***
Unrealized exchange gains and losses	**131**	(9)	–	–	–	**122**
Non-monetary balance sheet items - difference between tax and functional currencies	**(219)**	9	–	–	–	**(210)**
Fixed assets (other temporary differences)	**(212)**	12	–	–	1	**(199)**
Other temporary differences	**70**	(5)	(10)	(1)	–	**54**
Valuation allowance for other deferred tax assets	**–**	(2)	–	–	–	**(2)**
Deferred tax net	**10**	**65**	**(10)**	**(1)**	**(2)**	**62**

Other changes in deferred tax are mainly related to the reclassification of tax positions of *LDC (Fujian) Refined Sugar Co. Ltd.* to assets classified as held for sale amounting to US$(3) million (refer to Note 1.4).

The recognized and unrecognized tax benefits from carry forward losses for the years ended December 31, 2020 and December 31, 2019 expire as follows:

	2020			2019		
(in millions of US$)	Recognized	Unrecognized	**Total**	Recognized	Unrecognized	**Total**
Losses expiring in less than 1 year	1	3	**4**	1	3	**4**
Losses expiring in 2-3 years	7	8	**15**	31	3	**34**
Losses expiring in 4-5 years	55	33	**88**	62	37	**99**
Losses expiring in more than 5 years	96	19	**115**	85	15	**100**
Losses which do not expire	79	38	**117**	118	38	**156**
Tax benefits from carry forward losses	**238**	**101**	**339**	**297**	**96**	**393**

3. Operating Balance Sheet Items

3.1 Intangible Assets

Goodwill

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

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

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

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

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

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

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

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

Other Intangible Assets

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

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

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

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

As of December 31, 2020 and December 31, 2019, intangible assets consist of the following:

	2020			2019		
(in millions of US$)	Gross value	Accumulated amortization/ impairment	**Net value**	Gross value	Accumulated amortization/ impairment	**Net value**
Goodwill	61	(21)	**40**	72	(31)	**41**
Trademarks and customer relationships	64	(24)	**40**	87	(33)	**54**
Other intangible assets	556	(327)	**229**	480	(272)	**208**
	681	**(372)**	**309**	**639**	**(336)**	**303**

As of December 31, 2020, the Group tested the value of goodwill allocated to its cash-generating units as described in Note 1.2, using a perpetual growth rate of 2% and an annual discount rate (weighted average cost of capital of the Group before tax) of 6.6%. A 1% increase in the discount rate and a 0.5% decrease in the perpetual growth rate would jointly not cause the recoverable amount of the cash-generating units to fall below their carrying value, despite the context of the Covid-19 pandemic (refer to the Covid-19 paragraph within the introduction to the notes section).

Changes in the net value of intangible assets for the years ended December 31, 2020 and December 31, 2019 are as follows:

		2020				2019
(in millions of US$)	**Notes**	Goodwill	Trademarks and customer relationships	Other intangible assets	**Total**	**Total**
Balance as of January 1		41	54	208	**303**	**329**
Acquisitions and additions		–	–	65	**65**	70
Acquisitions through business combinations	1.3	–	–	–	**–**	2
Amortization		–	(1)	(52)	**(53)**	(55)
Impairment losses		(1)	(2)	–	**(3)**	–
Foreign currency translation adjustment		–	–	7	**7**	(1)
Reclassification to held for sale assets	1.4		(11)	–	**(11)**	–
Other reclassifications		–	–	1	**1**	(42)
Closing balance		**40**	**40**	**229**	**309**	**303**

Acquisitions and Additions

During the years ended December 31, 2020 and December 31, 2019, acquisitions and additions mainly consisted of the ongoing upgrade of the Group's existing main front office system, alongside capital expenditure related to the new global back-office enterprise resource planning (ERP) system.

Acquisitions Through Business Combinations

In December 2019, the Group acquired 51% of the shares of *Louis Dreyfus (Jinzhou) Warehousing Co., Ltd.*, generating a US$2 million goodwill.

Foreign Currency Translation Adjustment

In 2020, the foreign currency translation adjustment is mainly related to the appreciation of the Euro against the US Dollar.

Impairment Losses and 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 are 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).

Other Reclassifications

In 2019, the US$(42) million related mainly to right-of-use of land in China and Indonesia, reclassified into right-of-use assets.

3.2 Property, Plant and Equipment

Property, Plant and Equipment (Except Bearer Plants)

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

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

Depreciation and Impairment

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

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

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

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

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

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

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

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

Bearer Plants

Orange trees are bearer plants recorded at cost less accumulated depreciation and accumulated impairment losses, and measured using the cost model.

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

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

As of December 31, 2020 and December 31, 2019, property, plant and equipment consist of the following:

(in millions of US$)	Notes	2020 Gross value	2020 Accumulated depreciation	2020 Net value	2019 Gross value	2019 Accumulated depreciation	2019 Net value
Owned assets		5,414	(2,275)	**3,139**	5,662	(2,252)	**3,410**
Right-of-use assets	7.1	477	(148)	**329**	447	(95)	**352**
		5,891	**(2,423)**	**3,468**	**6,109**	**(2,347)**	**3,762**

The following tables provide information on owned assets only.

As of December 31, 2020 and December 31, 2019, consolidated owned assets consist of the following:

(in millions of US$)	2020 Gross value	2020 Accumulated depreciation	2020 Net value	2019 Gross value	2019 Accumulated depreciation	2019 Net value
Land	208	–	**208**	220	–	**220**
Buildings	2,032	(720)	**1,312**	1,984	(668)	**1,316**
Machinery and equipment	2,631	(1,333)	**1,298**	2,858	(1,381)	**1,477**
Bearer plants	210	(71)	**139**	211	(58)	**153**
Other tangible assets	199	(151)	**48**	198	(145)	**53**
Tangible assets under construction	134	–	**134**	191	–	**191**
	5,414	**(2,275)**	**3,139**	**5,662**	**(2,252)**	**3,410**

Changes in net value of property, plant and equipment for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	Notes	2020 Land	2020 Buildings	2020 Machinery and equipment	2020 Bearer plants	2020 Other tangible assets	2020 Tangible assets under construction	2020 Total	2019 Total
Balance as of January 1		220	1,316	1,477	153	53	191	**3,410**	**3,463**
Additions		–	3	8	3	4	186	**204**	241
Disposals	2.4	–	(1)	(2)	–	–	(1)	**(4)**	(31)
Acquisitions through business combinations	1.3	–	–	–	–	–	–	**–**	16
Depreciation		–	(85)	(140)	(16)	(16)	–	**(257)**	(248)
Impairment losses		(3)	(27)	(17)	(1)	–	(1)	**(49)**	(3)
Foreign currency translation adjustment		–	4	9	–	1	–	**14**	1
Reclassification to held for sale assets	1.4	(18)	(66)	(88)	–	–	(6)	**(178)**	(28)
Other reclassifications		9	168	51	–	6	(235)	**(1)**	(1)
Closing balance		**208**	**1,312**	**1,298**	**139**	**48**	**134**	**3,139**	**3,410**

Additions

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 (NFC) and frozen concentrate orange juice (FCOJ). 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.
During the year ended December 31, 2019, the Group continued to invest in an anchoring system in Brazil as part of a wider transshipment hub construction project and in a railcar fleet for grain transportation in Ukraine. It also started to build soybean sheds and truck dumps in Claypool, Indiana, US, and orange juice tanks in Ghent, Belgium (both in order to increase storage capacity), acquired a previously leased cotton warehouse in Eloy, Arizona, US, and invested in new sugar refining machinery for its sugar refining plant in Port Wentworth, Texas, US. The Group improved its existing assets, such as its grains and oilseeds crushing plants in Argentina, its orange juice processing plants in Brazil, its soybean crushing plants and refineries in Brazil and Germany, its refinery in Tianjin, China, and its elevators and grains and oilseeds storage facilities in Port Allen, Louisiana, US.

Disposals

During the year ended December 31, 2020, the Group sold two Ukrainian silos.
During the year ended December 31, 2019, the Group sold ten grain elevators in Canada with a net book value of US$22 million. It also sold and leased back a cotton warehouse in Memphis, Tennessee, US, with a net book value of US$4 million.

Acquisitions Through Business Combinations

In December 2019, the Group acquired a grains warehouse located in Jinzhou, China, through the acquisition of 51% of the shares of *Louis Dreyfus (Jinzhou) Warehousing Co., Ltd.*

Impairment Losses

During the year ended December 31, 2020, the Group recognized a US$(30) million impairment on its sugarcane refinery in Port Wentworth, Texas, US, that is part of the Imperial transaction (Sugar business) (refer to Note 1.4). Additionally, a US$(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

In 2020, the foreign currency translation adjustment is 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 is part of the Imperial transaction (Sugar business) for a net book value of US$172 million (refer to Note 1.4).
As of December 31, 2019, the Group classified as held for sale its sugar refinery located in Fujian, China for a net book value of US$26 million following the decision to sell the entity *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business).

3.3 Investments in Associates and Joint Ventures

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

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

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

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

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

Changes in investments in associates and joint ventures for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Balance as of January 1	**227**	**197**
Acquisitions and additional investments	18	34
Reclassification to held for sale assets	(16)	–
Share of profit (loss)	9	1
Impairment	(2)	–
Dividends	(15)	(5)
Change in other reserves	(5)	–
Closing balance	**216**	**227**
Of which:		
Investments in associates	*13*	*17*
Investments in joint ventures	*203*	*210*

Acquisitions and Additional Investments

In 2020, the Group 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*. Additionally, the Group performed a US$4 million capital injection into *Tianjin Rongchuan Feed Co., Ltd.* (aquatic feed facilities). The Group also performed a US$10 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$17 million capital injection was also made in 2019.
In 2019, the Group also acquired a 40% stake in *Luckin Roastery Technology (Xiamen) Co. Ltd.* (coffee roasting plant) for US$12 million and contributed a right-of-use of land into *Tianjin Rongchuan Feed Co., Ltd.* (aquatic feed facilities) for US$5 million, representing a 30% stake.

Reclassification to Held for Sale Assets and Impairment

In 2020, the Group reclassified to held for sale its investment 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 (refer to Note 1.4).

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.*
In 2019, the Group received US$3 million as dividends from *Calyx Agro Ltd.* and US$2 million from *TEG - Terminal Exportador Do Guarujá Ltda.*

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:

Investment	Country	Activity	2020 Ownership	2020 Net value	2019 Ownership	2019 Net value
All Asian Countertrade Inc.	Philippines	Sugar merchandizing	18%	8	18%	8
Covantis S.A.	Switzerland	Digitizing international trade technology	17%	3	–	–
Riddoch Holdings Pty. Ltd.[1]	Australia	Dairy processing plant	30%	–	30%	7
Total main associates				**11**		**15**
Amaggi Louis Dreyfus Zen-Noh Grãos S.A.	Brazil	Grain and soy storage and processing	33%	22	33%	17
Amaggi Louis Dreyfus Zen-Noh Terminais Portuários S.A.	Brazil	Logistic facilities	33%	14	33%	15
Calyx Agro Ltd.	Cayman Islands	Land fund	29%	7	29%	9
Cisagri Holland Cooperatief U.A.[2]	Netherlands	Logistic facilities	10%	16	10%	16
Complejo Agro Industrial Angostura S.A.	Paraguay	Soy crushing plant and facilities	33%	37	33%	36
Epko Oil Seed Crushing Pty. Ltd.	South Africa	Sunflower seed and maize germ crushing plant	50%	8	50%	8
LDC - GB Terminais Portuários e Participações Ltda.	Brazil	Logistic facilities	50%	4	50%	5
Luckin Roastery Technology (Xiamen) Co. Ltd.[1]	China	Coffee roasting plant	40%	–	40%	12
Namoi Cotton Alliance	Australia	Cotton packing and marketing	49%	20	49%	25
Orient Rice Co. Ltd.	Vietnam	Rice procurement and processing	33%	4	33%	4
TEG - Terminal Exportador Do Guarujá Ltda.	Brazil	Logistic facilities	40%	27	40%	31
TES - Terminal Exportador De Santos S.A.[3]	Brazil	Logistic facilities	60%	30	60%	19
Tianjin Rongchuan Feed Co. Ltd.	China	Aquatic feed facilities	30%	9	30%	5
Total main joint ventures				**198**		**202**
Total main associates and joint ventures				**209**		**217**
Other associates				2		2
Other joint ventures				5		8
				216		**227**

1. In 2020, the Group reclassified to held for sale its investment in *Riddoch Holdings Pty. Ltd.* (dairy processing plant) and in *Luckin Roastery Technology (Xiamen) Co. Ltd.* (coffee roasting plant) (refer to Note 1.4).
2. The Group's percentage of control in *Cisagri Holland Cooperatief U.A.* ("Cisagri") is 25% and the percentage of ownership is 10%.
3. 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 December 31, 2020 and US$3 million as of December 31, 2019.

Share of profit (loss) in investments in associates and joint ventures for the years ended December 31, 2020 and December 31, 2019 is as follows:

Income statement (in millions of US$)	**2020**	2019
Main associates and joint ventures	9	1
Others	(2)	–
Share of profit (loss) in investments in associates and joint ventures	**7**	**1**

A summary of the aggregated financial information of the companies listed above is as follows as of and for the years ended December 31, 2020 and December 31, 2019:

	2020				
Balance sheet (in millions of US$)	Main associates	Logistic facilities	Others	Main joint ventures	**Total main associates and joint ventures**
Non-current assets	31	596	296	892	**923**
Current assets	167	84	697	781	**948**
Total assets	**198**	**680**	**993**	**1,673**	**1,871**
Non-current liabilities	3	279	56	335	**338**
Current liabilities	131	69	637	706	**837**
Total liabilities	**134**	**348**	**693**	**1,041**	**1,175**
Net equity	**64**	**332**	**300**	**632**	**696**
Equity - owners of the company share	**11**	**91**	**107**	**198**	**209**

	2019				
Balance sheet (in millions of US$)	Main associates	Logistic facilities	Others	Main joint ventures	**Total main associates and joint ventures**
Non-current assets	73	595	293	888	**961**
Current assets	148	82	303	385	**533**
Total assets	**221**	**677**	**596**	**1,273**	**1,494**
Non-current liabilities	30	310	72	382	**412**
Current liabilities	127	45	202	247	**374**
Total liabilities	**157**	**355**	**274**	**629**	**786**
Net equity	**64**	**322**	**322**	**644**	**708**
Equity - owners of the company share	**15**	**86**	**116**	**202**	**217**

	2020				
Income statement (in millions of US$)	Main associates	Logistic facilities	Others	Main joint ventures	**Total main associates and joint ventures**
Revenue	318	88	1,537	1,625	**1,943**
Net income	(11)	20	12	32	**21**
Share of profit (loss) in investments in associates and joint ventures	**(2)**	**9**	**2**	**11**	**9**

Income statement (in millions of US$)	2019				
	Main associates	Logistic facilities	Others	Main joint ventures	Total main associates and joint ventures
Revenue	389	88	1,509	1,597	**1,986**
Net income	5	(3)	11	8	**13**
Share of profit (loss) in investments in associates and joint ventures	**1**	**(2)**	**2**	**–**	**1**

3.4 Other Non-Current Assets

As of December 31, 2020 and December 31, 2019, other non-current assets consist of the following:

(in millions of US$)	**2020**	2019
Tax credits	240	302
Long-term advances to suppliers	9	6
Others	5	6
	254	**314**

Tax credits mainly include income tax and VAT credits in Brazil. The decrease in 2020 is mostly attributable to the depreciation of the Brazilian Real.

3.5 Other Non-Current Liabilities

As of December 31, 2020 and December 31, 2019, other non-current liabilities consist of the following:

(in millions of US$)	**2020**	2019
Debts associated to business combinations and put options	60	57
Others	11	9
Non-current financial liabilities	71	66
Staff and tax payables	23	24
Others	1	3
Non-current non-financial liabilities	24	27
Other non-current liabilities	**95**	**93**

As of 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

Provisions are recognized when:

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

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

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

As of December 31, 2020 and December 31, 2019, provisions consist of the following:

(in millions of US$)	**2020**	2019
Current provisions	9	8
Non-current provisions	69	60
	78	**68**

Changes in provisions for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)			**2020**			2019
Provisions for:	Tax risks	Social risks	Litigations	Other	**Total**	**Total**
Balance as of January 1	11	22	7	28	**68**	**40**
Allowance	–	6	13	11	**30**	22
Reversal of used portion	–	(3)	(1)	(1)	**(5)**	(9)
Reversal of unused portion	(2)	(5)	(1)	–	**(8)**	(5)
Reclassification to held for sale liabilities	–	–	–	(10)	**(10)**	–
Others	–	–	–	3	**3**	20
Closing balance	**9**	**20**	**18**	**31**	**78**	**68**

Tax and social provisions consist of various claims and lawsuits against the Group, primarily related to employment terminations, labor accidents and allegations of non-compliance with tax regulations mainly linked to VAT. These claims are subject to court decisions or tax interpretations within multiple jurisdictions and timing and amounts are uncertain; however the recognized provision reflects management's best estimate of the most likely outcome. Regarding certain legal claims in Brazil, the Group was required to establish escrow deposits which, as of December 31, 2020, amounted to US$34 million (US$42 million as of December 31, 2019) 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.

Other provisions include a US$26 million provision for decommissioning leased land and US$1 million for environmental provisions in Brazil. The Group recognized a US$10 million provision for onerous contracts that was reclassified to held for sale liabilities as it was part of the Imperial transaction (Sugar business) (refer to Note 1.4).

3.7 Inventories

Trading Inventories

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

Other Inventories

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

As of December 31, 2020 and December 31, 2019, inventories consist of the following:

(in millions of US$)	**2020**	2019
Trading inventories	5,501	4,395
Finished goods	454	511
Raw materials	153	240
Inventories (gross value)	**6,108**	**5,146**
Depreciation of non-trading inventories	(7)	(3)
Inventories (net value)	**6,101**	**5,143**

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

- The raw materials and finished goods that are part of the Imperial transaction (Sugar business) amounting to US$86 million as of December 31, 2020;
- The trading inventories and raw materials held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) amounting to US$30 million as of December 31, 2019.

3.8 Biological Assets

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

The Group owns biological assets located in Brazil consisting of oranges growing until point of harvest. As of December 31, 2020 and December 31, 2019, the Group owns 38 mature orange groves, which generally sustain around 17 years of orange production.

Changes in biological assets for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Balance as of January 1	**54**	**56**
Acquisitions and capitalized expenditure	53	62
Decrease due to harvest	(63)	(55)
Change in fair value	(1)	(9)
Closing balance	**43**	**54**

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 4.10.

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:

	2020	2019
Number of trees (in thousands)	12,756	12,153
Expected yields (in number of boxes)	16,953	18,810
Price of a box of oranges (in US$)	5.88	6.95
Discount rate	5.63%	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

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

As of December 31, 2020 and December 31, 2019, trade and other receivables consist of the following:

(in millions of US$)	2020 Gross value	2020 Provision	2020 Net value	2019 Gross value	2019 Provision	2019 Net value
Trade receivables	2,205	(207)	**1,998**	2,162	(127)	**2,035**
Accrued receivables	1,049	–	**1,049**	945	–	**945**
Prepayments	368	(3)	**365**	555	–	**555**
Other receivables	140	(4)	**136**	83	(5)	**78**
Financial assets at amortized cost	3,762	(214)	**3,548**	3,745	(132)	**3,613**
Advances to suppliers	275	(7)	**268**	379	(5)	**374**
Staff and tax receivables	402	(14)	**388**	710	(20)	**690**
Prepaid expenses	52	–	**52**	59	–	**59**
Non-financial assets	729	(21)	**708**	1,148	(25)	**1,123**
Trade and other receivables	**4,491**	**(235)**	**4,256**	**4,893**	**(157)**	**4,736**

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$40 million and the US$3 million prepaid expenses that are part of the Imperial transaction (Sugar business) 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 trade and other receivables amounting to US$4 million and the US$1 million staff and tax receivables held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) as of December 31, 2019.

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

(in millions of US$)	**2020**	2019
Balance as of January 1	**(157)**	(100)
Increase in provision	(87)	(82)
Receivables written off as uncollectable	15	12
Unused amount reversed	21	12
Reclassification from provision on derivative assets	(27)	–
Foreign currency translation adjustment	–	1
Closing balance	**(235)**	**(157)**

Increase in Provision

During the year ended December 31, 2020, the increase in provision mainly corresponded to default risk on various customers for US$79 million (US$66 million as of December 31, 2019) for their estimated non-recoverable portions, particularly in the Cotton Platform due to the Covid-19 pandemic's consequences (refer to the Covid-19 paragraph within the introduction to the notes section), and to provisions on VAT for US$4 million (US$13 million as of December 31, 2019).

Receivables Written Off as Uncollectable

During the year ended December 31, 2020, the amount of receivables written off mainly corresponded to provisions for trade receivables for US$14 million. During the year ended December 31, 2019, the amount of receivables written off mainly corresponded to provisions for trade receivables for US$11 million and to provisions on VAT for US$1 million.

Unused Amount Reversed

The unused amount of provisions recovered during the year ended December 31, 2020 mainly consisted of provisions on trade receivables for US$12 million and to provisions on VAT for US$9 million. During the year ended December 31, 2019, the amount of receivables recovered mainly corresponded to provisions for trade receivables reversed for US$5 million and to provisions on VAT for US$7 million.

Reclassification from Provision on Derivative Assets

As of December 31, 2020, the US$27 million reclassification is related to contracts on cotton that were washed out during the period and invoiced to customers. 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 December 31, 2020 and December 31, 2019:

	2020			2019		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Not due	5,619	(36)	**5,583**	4,100	(28)	**4,072**
Due since < 3 months	386	(7)	**379**	413	(7)	**406**
Due since 3-6 months	43	(19)	**24**	50	(24)	**26**
Due since 6 months-1 year	96	(53)	**43**	48	(7)	**41**
Due since > 1 year	167	(120)	**47**	168	(91)	**77**
Closing balance	**6,311**	**(235)**	**6,076**	**4,779**	**(157)**	**4,622**
Including:						
Trade receivables	*2,205*	*(207)*	***1,998***	*2,162*	*(127)*	***2,035***
Prepayments	*368*	*(3)*	***365***	*555*	*–*	***555***
Advances to suppliers	*275*	*(7)*	***268***	*379*	*(5)*	***374***
Staff and tax receivables	*402*	*(14)*	***388***	*710*	*(20)*	***690***
Other receivables	*140*	*(4)*	***136***	*83*	*(5)*	***78***
Margin deposits	*2,117*	*–*	***2,117***	*885*	*–*	***885***
Financial advances to related parties	*804*	*–*	***804***	*5*	*–*	***5***

3.10 Trade and Other Payables

As of December 31, 2020 and December 31, 2019, trade and other payables consist of the following:

(in millions of US$)	**2020**	2019
Trade payables	1,843	2,099
Accrued payables	1,965	1,870
Prepayments received	295	477
Margin deposits	172	42
Payables on purchase of fixed assets and investments	10	11
Other payables	137	81
Financial liabilities at amortized cost	4,422	4,580
Advances received	30	18
Staff and tax payables	264	210
Deferred income	48	33
Non-financial liabilities	342	261
Trade and other payables	**4,764**	**4,841**

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

- The trade and other financial payables amounting to US$35 million and the US$2 million staff and tax payables that are part of the Imperial transaction (Sugar business) as of December 31, 2020;
- The prepayments received and other financial payables amounting to US$2 million and the US$1 million staff and tax payables held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) as of December 31, 2019.

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.

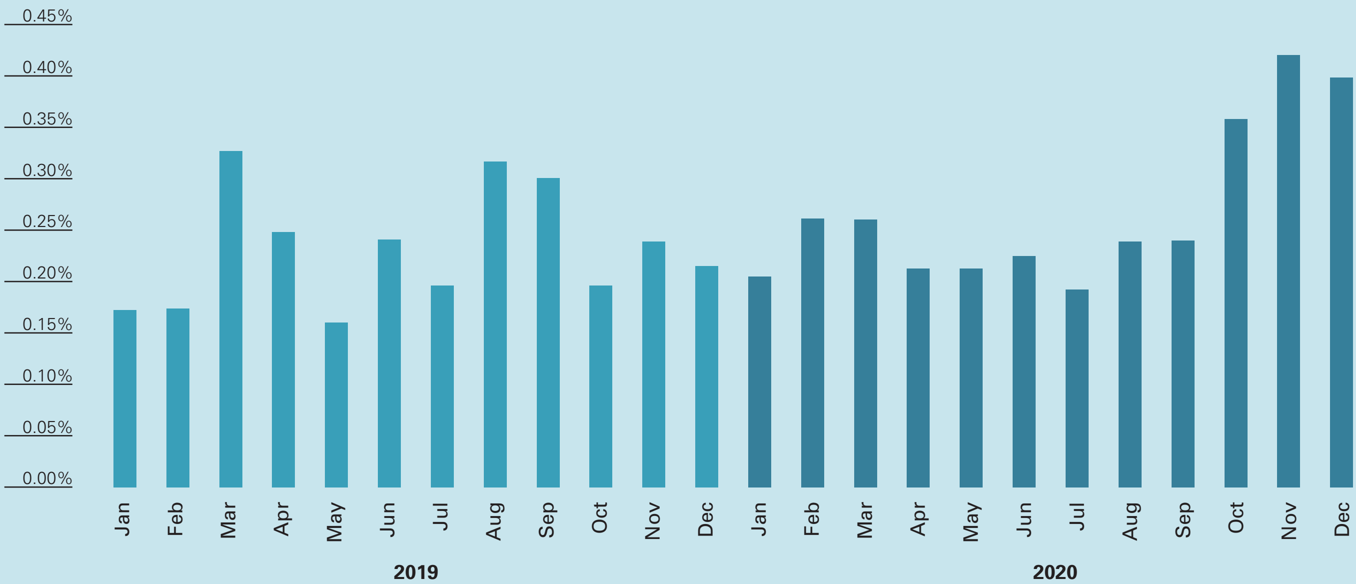
Limits are based on a daily measure of market risk exposure referred to as value at risk (VaR). The VaR that the Group measures is a model-based estimate grounded upon various assumptions such as that the log-normality of price returns, and on conventions such as the use of exponentially weighted historical 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 years ended December 31, 2020 and December 31, 2019, the monthly average Group VaR for trading activities was less than 1% of stockholders' equity. The yearly average VaR for the Group reached 0.26% in 2020, compared to 0.23% in 2019.

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 December 31, 2020 and December 31, 2019, the net exposure to foreign currency transactions before hedge for current monetary items (excluding the current portion of long-term debt) represents 4% and 3% of net equity position, respectively, and is denominated in the following currencies:

(in millions of US$)	**2020**	2019
Brazilian Real	140	101
Euro	317	19
Indian Rupee	(198)	(19)
US Dollar	(42)	76
Argentine Peso	(21)	41
Other currencies	21	(56)
Net exposure	**217**	**162**

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 December 31, 2020 and December 31, 2019.

	2020				2019			
(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	5,246	254	1	**5,501**	4,293	101	1	**4,395**
Derivative assets	2,188	530	305	**3,023**	1,048	77	110	**1,235**
Trade and other receivables	3,621	428	207	**4,256**	3,705	803	228	**4,736**
Derivative liabilities	(3,010)	(87)	(101)	**(3,198)**	(1,231)	(31)	(46)	**(1,308)**
Trade and other payables	(4,578)	(137)	(49)	**(4,764)**	(4,214)	(584)	(43)	**(4,841)**
Total assets net of liabilities	**3,467**	**988**	**363**	**4,818**	**3,601**	**366**	**250**	**4,217**

The schedule below analyzes the Group's financial interests (excluding those related to lease liabilities under IFRS 16) that will be settled on future periods based on short-term debt (excluding repurchase agreements and bank overdrafts) and long-term financing as of December 31, 2020 and December 31, 2019. Such interests are grouped by maturity based on the contractual maturity date of the interests.

(in millions of US$)	**2020**	2019
Maturity < 1 year	178	191
Maturity 1-2 years	110	120
Maturity 2-3 years	69	85
Maturity 3-4 years	52	59
Maturity 4-5 years	44	45
Maturity > 5 years[1]	34	116
Interests future cash outflows related to short-term debt and long-term financing existing at closing date	**487**	**616**
of which:		
Fixed rate	376	408
Floating rate	111	208

1. It includes 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 December 31, 2020 and December 31, 2019, the allocation of Group financing between fixed and floating interest rates is as follows:

(in millions of US$)	**2020**	2019
Fixed rate	4,435	3,888
Floating rate	4,931	3,600
Total short-term debt and long-term financing	**9,366**	**7,488**

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

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

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

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

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

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

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

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

As of December 31, 2020, 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	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**

As of December 31, 2019, 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	178	–	1,139	**1,317**
Total non-current financial assets		178	–	1,139	1,317
Financial advances to related parties	7.3	–	–	5	**5**
Trade and other receivables	3.9	–	–	3,613	**3,613**
Derivative assets	4.8	1,227	8	–	**1,235**
Margin deposits		–	–	885	**885**
Other financial assets at fair value through profit and loss	5.5	414	–	–	**414**
Cash and cash equivalents	5.6	417	–	333	**750**
Total current financial assets		2,058	8	4,836	6,902
Total financial assets		**2,236**	**8**	**5,975**	**8,219**

(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	–	–	3,269	**3,269**
Other non-current financial liabilities	3.5	–	–	66	**66**
Total non-current financial liabilities		–	–	3,335	3,335
Short-term debt	5.3	–	–	3,889	**3,889**
Current portion of long-term debt	5.2	–	–	637	**637**
Financial advances from related parties	7.3	–	–	184	**184**
Trade and other payables (excluding margin deposit liabilities)	3.10	–	–	4,538	**4,538**
Margin deposit liabilities	3.10	–	–	42	**42**
Derivative liabilities	4.8	1,276	32	–	**1,308**
Total current financial liabilities		1,276	32	9,290	10,598
Total financial liabilities		**1,276**	**32**	**12,625**	**13,933**

4.8 Classification of Derivative Financial Instruments

Derivatives

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

Hedge Accounting

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

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

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

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

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

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

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

Fair Value Hedges

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

Cash Flow Hedges

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

Net Investment Hedges

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves while any ineffective portion is recognized immediately in the consolidated income statement. Amounts taken to equity are transferred to the consolidated income statement when the investment in foreign operations is sold or liquidated.

As of December 31, 2020 and December 31, 2019, derivative financial instruments are as follows:

	2020		2019	
(in millions of US$)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	2,294	1,453	690	488
Forward foreign exchange contracts	308	434	359	298
Futures	303	1,214	172	334
Options	100	35	46	29
Swaps	1	1	5	127
Provision on derivative assets	(29)	–	(45)	–
Derivatives at fair value through profit and loss	**2,977**	**3,137**	**1,227**	**1,276**
Forward foreign exchange contracts	24	14	8	12
Swaps	22	47	–	20
Derivatives at fair value through OCI - cash flow hedges	**46**	**61**	**8**	**32**
Total derivatives	**3,023**	**3,198**	**1,235**	**1,308**

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 December 31, 2020, the Group recognized a provision on derivative assets of US$29 million on performance risk to offset unrealized gains on counterparties identified as being at risk. As of December 31, 2019, this provision was US$45 million.

Derivatives at Fair Value Through 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 December 31, 2020, contracts in Brazilian Reais represent a total US$493 million nominal value and are effective until 2035 with an average fixed exchange rate of 5.20 Brazilian Reais to the US Dollar (a total US$564 million nominal value effective until 2035 with an average fixed exchange rate of 4.04, as of December 31, 2019).

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 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 (a total US$1,205 million nominal value effective until 2024 with an average three-month LIBOR rate fixed at 2.28% per year, as of December 31, 2019). 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 and the €600 million rated senior bond issued in November 2020. 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 swap is effective until 2025.

4.9 Offsetting of Financial Assets and Liabilities

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

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

The following table sets out the carrying amounts of recognized financial instruments that are subject to the above agreements as of December 31, 2020:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets	346	(97)	**249**	130	2,644	**3,023**	401	**3,424**
Derivative liabilities	(1,121)	2,222	**1,101**	130	1,967	**3,198**	(1,306)	**1,892**
Margin deposit assets				2,117		**2,117**	(1,875)	**242**
Margin deposit liabilities				172		**172**	(168)	**4**
	1,467	**(2,319)**	**(852)**	**1,945**	**677**	**1,770**	**–**	**1,770**

As of December 31, 2019, the offsetting of financial assets and liabilities was as follows:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets	90	(43)	**47**	198	990	**1,235**	277	**1,512**
Derivative liabilities	(352)	563	**211**	188	909	**1,308**	(466)	**842**
Margin deposit assets				885		**885**	(782)	**103**
Margin deposit liabilities				42		**42**	(39)	**3**
	442	**(606)**	**(164)**	**853**	**81**	**770**	**–**	**770**

4.10 Fair Value Hierarchy

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

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

As of December 31, 2020 and December 31, 2019, the following table shows an analysis of financial assets and liabilities recorded at fair value, by level of the fair value hierarchy:

	2020				2019			
(in millions of US$)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Trading inventories	3	5,426	72	**5,501**	1	4,280	114	**4,395**
Derivative assets	253	2,739	31	**3,023**	194	1,032	9	**1,235**
Forward purchase and sale agreements	*–*	*2,263*	*31*	***2,294***	*–*	*681*	*9*	***690***
Forward foreign exchange contracts	*–*	*332*	*–*	***332***	*2*	*365*	*–*	***367***
Futures	*179*	*124*	*–*	***303***	*172*	*–*	*–*	***172***
Options	*74*	*26*	*–*	***100***	*20*	*26*	*–*	***46***
Swaps	*–*	*23*	*–*	***23***	*–*	*5*	*–*	***5***
Provision on derivative assets	*–*	*(29)*	*–*	***(29)***	*–*	*(45)*	*–*	***(45)***
Other financial assets at fair value through profit and loss (current and non-current)	140	68	211	**419**	389	2	201	**592**
Cash equivalents	–	317	–	**317**	–	417	–	**417**
Total assets	**396**	**8,550**	**314**	**9,260**	**584**	**5,731**	**324**	**6,639**
Derivative liabilities	1,231	1,962	5	**3,198**	339	964	5	**1,308**
Forward purchase and sale agreements	*–*	*1,448*	*5*	***1,453***	*–*	*483*	*5*	***488***
Forward foreign exchange contracts	*–*	*448*	*–*	***448***	*–*	*310*	*–*	***310***
Futures	*1,214*	*–*	*–*	***1,214***	*334*	*–*	*–*	***334***
Options	*17*	*18*	*–*	***35***	*5*	*24*	*–*	***29***
Swaps	*–*	*48*	*–*	***48***	*–*	*147*	*–*	***147***
Total liabilities	**1,231**	**1,962**	**5**	**3,198**	**339**	**964**	**5**	**1,308**

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

In 2020, the investment in *Luckin Coffee* was transferred from Level 1 to Level 2 as it is now delisted from *Nasdaq* and valued based on market prices from the OTC market (refer to Note 2.4).

5. Equity and Financing

5.1 Equity

(in millions of US$)	**2020**	2019
Issued capital	1	1
Share premium	1,586	1,586
Retained earnings	3,409	3,318
Other reserves	(138)	(119)
Equity attributable to owners of the company	**4,858**	**4,786**
Non-controlling interests	12	12
Total stockholders' equity and non-controlling interests	**4,870**	**4,798**

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 December 31, 2020 and December 31, 2019, the capital of LDC is composed of 100,000,000 shares with a €0.01 nominal value each, that are issued and fully paid.

During the year ended December 31, 2020, LDC distributed US$302 million as dividends to LDCNH, corresponding to a dividend payment of US$3.02 per share. During the year ended December 31, 2019, LDC distributed US$428 million as dividends to LDCNH, corresponding to a dividend payment of US$4.28 per share.

Other Reserves

Other reserves as of December 31, 2020 and December 31, 2019 relate to:

	2020				2019			
(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	(182)	14	(6)	**(162)**	(145)	(9)	(5)	**(149)**
Deferred compensation	24	–	–	**24**	30	–	–	**30**
Other reserves	**(158)**	**14**	**(6)**	**(138)**	**(115)**	**(9)**	**(5)**	**(119)**

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, fixed assets revaluation reserves, 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 of 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 adjustments are used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from the US Dollar.

Changes in OCI for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	Cash flow and net investment hedges	Fixed assets revaluation reserves	Pensions reserves	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 year gains (losses)	(132)	–	(3)	39	**(96)**
Reclassification to profit and loss	81	–	–	2	**83**
Others	–	(6)	–	6	**–**
OCI for the year - owners of the company share	**(51)**	**(6)**	**(3)**	**47**	**(13)**
of which:					
Pre-tax	(71)	(7)	(6)	47	**(37)**
Tax	20	–	3	–	**23**
Non-controlling share	–	(1)	–	–	**(1)**
Balance as of December 31, 2020 - 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)**

(in millions of US$)	Cash flow and net investment hedges	Fixed assets revaluation reserves	Pensions reserves	Foreign currency translation adjustment	**Total**
Balance as of January 1, 2019 - owners of the company share	**(21)**	**6**	**19**	**(154)**	**(150)**
of which:					
Pre-tax	(28)	7	25	(161)	**(157)**
Tax	7	–	(6)	–	**1**
Non-controlling share	–	1	–	(7)	**(6)**
Current year gains (losses)	(40)	–	(2)	(3)	**(45)**
Reclassification to profit and loss	41	–	–	2	**43**
Others	–	–	–	3	**3**
OCI for the year - owners of the company share	1	–	**(2)**	**2**	**1**
of which:					
Pre-tax	10	–	(1)	3	**12**
Tax	(9)	–	(1)	–	**(10)**
Non-controlling share	–	–	–	1	**1**
Balance as of December 31, 2019 - 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)**

5.2 Long-Term Debt

As of December 31, 2020 and December 31, 2019, long-term debt consists of the following:

(in millions of US$)	Notes	2020	2019
Non-current portion of long-term financing		3,471	3,027
Non-current portion of lease liabilities	7.1	219	242
Non-current portion of long-term debt		**3,690**	**3,269**
Current portion of long-term financing		130	572
Current portion of lease liabilities	7.1	68	65
Current portion of long-term debt		**198**	**637**
Total long-term debt		**3,888**	**3,906**

The tables below only refer to long-term financing.

Long-term financing as of December 31, 2020 and December 31, 2019 is analyzed as follows:

(in millions of US$)	2020	2019
Debt capital markets	1,522	1,307
Revolving credit facilities	15	296
Term loans from banks	2,064	1,996
Total long-term financing	**3,601**	**3,599**

Maturity of long-term financing as of December 31, 2020 and December 31, 2019 is analyzed as follows:

(in millions of US$)	2020	2019
Maturity 1-2 years[1]	1,007	245
Maturity 2-3 years[2]	520	1,173
Maturity 3-4 years	264	447
Maturity 4-5 years[3]	1,048	263
Maturity > 5 years	632	899
Non-current portion of long-term financing	**3,471**	**3,027**
Current portion of long-term financing	**130**	**572**
Total long-term financing	**3,601**	**3,599**
of which:		
Fixed rate	2,807	2,576
Floating rate	794	1,023

1. As of December 31 2020, 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 senior bond is partially used as a hedging instrument to hedge the net investments in the Euro subsidiaries of the Group.
2. As of December 31, 2020, 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.
3. As of December 31, 2020, this amount includes a €600 million, 5-year, 2.375% coupon rated senior bond listed on the *Luxembourg Stock Exchange* issued by LDC on November 27, 2020 (swapped to US Dollars, refer to Note 4.8).

Certain portions of this financing, aggregating US$143 million as of December 31, 2020 and US$96 million as of December 31, 2019 are secured by mortgages on assets.

Certain senior debt and bank loans contain covenants that require maintenance of levels of working capital, net worth, debt to equity ratios, dividend restrictions and limit of indebtedness. As of December 31, 2020, the Group complied with all the covenants included in its loan agreements with banks.

As of December 31, 2020 and December 31, 2019, outstanding long-term financing after hedge is denominated in the following currencies:

(in millions of US$)	**2020**	2019
US Dollar	3,055	3,148
Euro	545	450
Other currencies	1	1
Total long-term financing	**3,601**	**3,599**

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

(in millions of US$)	**2020**	2019
Bank loans, from 0.9% to 3.0% over LIBOR due through 2022	37	392
Bank loans, from 0.8% to 1.7% over LIBOR due through 2023	68	–
Bank loans, from 0.8% to 3.5% over LIBOR due through 2027	641	570
Bank loans, from 3.1% to 5.0% over TJLP due through 2035	47	59
Other variable rates through 2022	1	2
Fixed rate through 2028	2,807	2,576
Total long-term financing	**3,601**	**3,599**

As of December 31, 2020, the main difference between the fair value of long-term financing and its historical value amounts to US$72 million and relates to the senior bonds for which fair value is US$1,594 million compared to US$1,522 million net book value.

Changes in long-term financing for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Balance as of January 1	3,599	3,007
Proceeds from long-term financing	856	1,175
Repayment of long-term financing	(1,048)	(562)
Foreign exchange	95	(20)
Change in other reserves	21	(4)
Others	78	3
Closing balance	**3,601**	**3,599**

5.3 Short-Term Debt

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

As of December 31, 2020 and December 31, 2019, short-term debt consists of the following:

(in millions of US$)	**2020**	2019
Commercial paper	536	63
Bank loans	5,085	3,406
Bank overdrafts	138	382
Repurchase agreements	6	38
Total short-term debt	**5,765**	**3,889**
of which:		
Fixed rate	1,628	1,312
Floating rate	4,137	2,577

As of December 31, 2019, the table does not include the bank loans held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) amounting to US$73 million as they were reclassified to held for sale liabilities (refer to Note 1.4).

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 December 31, 2020 and December 31, 2019, there is no significant difference between the historical value of the short-term debt and its fair value.

As of December 31, 2020 and December 31, 2019, the outstanding short-term debt is denominated in the following currencies:

(in millions of US$)	**2020**	2019
US Dollar	4,820	3,176
Chinese Yuan	589	309
Indonesian Rupiah	124	87
Euro	79	63
Ukrainian Hryvnia	72	97
Argentine Peso	–	68
Russian Ruble	1	12
Other currencies	80	77
Total short-term debt	**5,765**	**3,889**

Changes in short-term debt for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Balance as of January 1	3,889	4,704
Net proceeds from (repayment of) short-term debt	1,795	(741)
Foreign exchange	17	(4)
Reclassification to held for sale liabilities	64	(70)
Closing balance	**5,765**	**3,889**

Net Proceeds From (Repayments of) Short-Term Debt

This line included changes in repurchase agreements (US$(32) million in 2020 and US$12 million in 2019) which are reported as changes in derivatives in the consolidated statement of cash flows. This line excluded changes in related parties' advances (US$(34) million in 2020 and US$(17) million in 2019) and US$(17) million of cash contribution made to a life insurance program in the US which are reported as "Net proceeds from (repayments of) short-term debt and related parties' loans and advances" in the consolidated statement of cash flows.

Reclassification to Held for Sale Liabilities

As of December 31, 2020, US$64 million of bank loans held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business reclassified to held for sale liabilities as of December 31, 2019) were repaid (refer to Note 1.4).
As of December 31, 2019, the US$(70) million amount corresponds to the net of the US$(73) million bank loan held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) reclassified to held for sale liabilities and the US$3 million bank overdraft held by *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) no longer classified as held for sale (refer to Note 1.4).

5.4 Non-Current Financial Assets

Non-current financial assets mainly include:

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

As of December 31, 2020 and December 31, 2019, non-current financial assets consist of the following:

(in millions of US$)	**2020**	2019
Non-current financial assets at amortized cost	358	1,139
Long-term loans to related parties	*260*	*1,059*
Deposits and others	*98*	*80*
Non-current financial assets at fair value through profit and loss	196	178
Non-current financial assets	**554**	**1,317**

As of 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 (US$1,051 million as of December 31, 2019). 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 ADQ, a large holding company based in Abu Dhabi. 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, expected in 2021. As a consequence, US$800 million of the loan were reclassified to current assets in the line "Financial advances to related parties".

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 December 31, 2020 and December 31, 2019, principal and accrued interests of the Loan total US$188 million and US$178 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 December 31, 2020 and December 31, 2019, 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 earlier of the terminal completion date or December 31, 2018.

As of March 23, 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

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

As of December 31, 2020 and December 31, 2019, other financial assets at fair value through profit and loss consist of the following:

(in millions of US$)	**2020**	2019
Marketable securities held for trading	122	89
Short-term securities	51	165
Investments in equity instruments	50	160
	223	**414**

Short-term securities include US$1 million of securities or cash deposits pledged as collaterals as of December 31, 2020 and December 31, 2019.

As of December 31, 2019, short-term securities also include US$75 million of US Treasury bills granted as collateral to *Bolsas y Mercados Argentinos S.A.*, which were sold in 2020.

The decrease in investments in equity instruments is mostly attributable to *Luckin Coffee* shares (refer to Note 2.4).

5.6 Cash and Cash Equivalents

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

As of December 31, 2020 and December 31, 2019, cash and cash equivalents are as follows:

(in millions of US$)	**2020**	2019
Cash equivalents	317	417
Cash	979	333
	1,296	**750**

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

- The US$2 million cash that is part of the Imperial transaction (Sugar business) as of December 31, 2020;
- The US$7 million cash held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) as of December 31, 2019.

Cash equivalents include US$17 million of securities pledged as collateral for exchange as of December 31, 2020 (US$1 million as of December 31, 2019).

As of December 31, 2020 and December 31, 2019, 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

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

Pensions and Post-Retirement Benefits

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

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

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

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

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

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

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

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

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

Other Long-Term Benefits

The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The value of the obligation is determined using the projected unit credit method.

Actuarial gains and losses are immediately recognized in the income statement as part of the commercial and administrative expenses.

Short-Term Employee Benefits

In 2020, personnel expenses related to continuing operations reached US$715 million (US$730 million in 2019).

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 December 31, 2020 and December 31, 2019, retirement benefit obligations are as follows:

	2020			2019		
(in millions of US$)	US	Other	**Total**	US	Other	**Total**
Long-term pension benefit	45	23	**68**	88	23	**111**
Post-retirement benefit	19	12	**31**	20	11	**31**
Other long-term employee benefits	–	–	**–**	5	–	**5**
Retirement benefit obligations	**64**	**35**	**99**	**113**	**34**	**147**
Net plan asset[1]	**–**	**(1)**	**(1)**	**–**	**(1)**	**(1)**

1. Reported in "Trade and other receivables".

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

US

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

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

As of December 31, 2020 and December 31, 2019, pension and post-retirement benefits liabilities recognized in the consolidated balance sheet are as follows:

	2020		2019	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	401	19	376	20
Fair value of plan assets	(315)	–	(288)	–
Liability before reclassification to held for sale liabilities	**86**	**19**	**88**	**20**
Reclassification to held for sale liabilities	(41)	–	–	–
Liability in the balance sheet	**45**	**19**	**88**	**20**

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

	2020		2019	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance as of January 1	88	20	91	21
Net expense	5	–	7	1
Remeasurements	5	1	(8)	–
Contributions	(12)	(2)	(2)	(2)
Closing balance	**86**	**19**	**88**	**20**

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

(in millions of US$)	2020 Pension benefit	2020 Post-retirement benefit	2019 Pension benefit	2019 Post-retirement benefit
Balance as of January 1	376	20	345	21
Interest cost	11	–	14	1
Remeasurements	34	1	37	–
Contributions	(20)	(2)	(20)	(2)
Closing balance	**401**	**19**	**376**	**20**

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

(in millions of US$)	2020	2019
Balance as of January 1	(288)	(254)
Interest income	(8)	(10)
Administrative expenses	2	3
Return on plan assets excluding interest income	(29)	(45)
Employer contributions	(12)	(2)
Benefit payments	20	20
Closing balance	**(315)**	**(288)**

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

(in millions of US$)	2020 Pension benefit	2019 Pension benefit	2019 Post-retirement benefit
Administrative expenses	2	3	–
Net interest expense	3	4	1
Total net expenses	**5**	**7**	**1**

The changes in other comprehensive income are as follows:

(in millions of US$)	2020 Pension benefit	2020 Post-retirement benefit	2019 Pension benefit	2019 Post-retirement benefit
Balance as of January 1	34	4	26	4
Return on plan assets excluding interest	29	–	45	–
Effect of change in financial assumptions	(35)	(1)	(37)	–
Other actuarial assumptions	1	–		
Closing balance	**29**	**3**	**34**	**4**

The plan assets are detailed as follows:

(in millions of US$)	2020	2019
Large US Equity	(100)	(107)
Small/Mid US Equity	(9)	(13)
International Equity	(19)	(19)
Bond	(187)	(149)
Total plan assets	**(315)**	**(288)**

The discount rate is 2.28% as of December 31, 2020 (3.10% as of December 31, 2019).

Other

Other long-term pension benefit plans are mainly in the United Kingdom and Switzerland. Pension benefits liabilities recognized in the consolidated balance sheet are as follows as of December 31, 2020 and December 31, 2019:

	2020		2019	
(in millions of US$)	United Kingdom	Switzerland	United Kingdom	Switzerland
Present value of obligations	87	59	77	53
Fair value of plan assets	(77)	(51)	(66)	(45)
Liability in the balance sheet	**10**	**8**	**11**	**8**

6.2 Share-Based Payment

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

In December 2006, the terms of a stock-based compensation arrangement referred to as the Equity Participation Plan (EPP), which 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 paid US$28 million in 2020 (US$20 million in 2019) to LDCH relating to reimbursement agreements, and recorded a liability of US$91 million as of December 31, 2020 (US$95 million as of December 31, 2019).

During 2020, awards granted to employees are of US$24 million while awards forfeited by employees represent US$3 million. During the 2020 transfer window period, LDCH purchased shares from employees corresponding to US$59 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to US$146 million. As of December 31, 2019, the attribution value of outstanding EPP awards granted to employees was US$184 million, of which US$54 million corresponded to awards granted in 2019, while awards forfeited by employees during 2019 amounted to US$9 million. During the 2019 transfer window period, LDCH purchased shares from employees corresponding to US$63 million in attribution value.

As of December 31, 2020, EPP awards fully vested represent US$65 million and awards vesting ratably over periods ranging from three months to three years are of US$81 million. As of December 31, 2019, they were respectively of US$89 million and US$95 million vesting ratably over periods ranging from three months to three years.

Compensation costs recognized in commercial and administrative expenses are of US$32 million in 2020 (US$39 million in 2019).

Unrecognized compensation costs expected to be recognized from 2021 to 2024 are of US$29 million as of December 31, 2020 and of US$39 million as of December 31, 2019.

6.3 Number of Employees

The average number of employees related to continuing operations is as follows:

	2020	2019
Managers and traders	1,585	1,669
Supervisors	1,385	1,358
Employees	4,058	4,126
Workers	7,326	7,706
Seasonal workers	2,708	3,299
	17,062	**18,158**

7. Leases and Other Information

7.1 Leases

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

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

Lessor

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

Lessee

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

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

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

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

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

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

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

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

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

Low value assets and short-term leases

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

Right-of-use assets are included within property, plant and equipment. Changes in the net value of right-of-use assets for the years ended December 31, 2020 and December 31, 2019 are as follows:

		2020						2019
(in millions of US$)	**Notes**	Land	Buildings and offices	Machinery and equipment	Vessels	Other tangible assets	**Total**	**Total**
Balance as of January 1		89	154	94	13	2	**352**	303
New leases and additions		7	16	20	27	1	**71**	86
Early terminations, disposals and decreases		(3)	(7)	(1)	(4)	–	**(15)**	(12)
Depreciation		(9)	(29)	(31)	(15)	(1)	**(85)**	(89)
Acquisitions through business combinations	1.3	–	–	–	–	–	**–**	4
Foreign currency translation adjustment		3	4	3	–	–	**10**	–
Reclassification to held for sale assets	1.4	(1)	–	(3)	–	–	**(4)**	(3)
Others		–	–	–	–	–	**–**	63
Closing balance		**86**	**138**	**82**	**21**	**2**	**329**	**352**

New Leases and Additions

In 2020, new leases and additions refer 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.
In 2019, new leases and additions refer mainly to new long-term time charter contracts on vessels, railcar contracts and cotton warehouses in the US.

Early Terminations, Disposals and Decreases

In 2020, the US$(4) million decrease in vessels relates to the remeasurement of contracts resulting from a change in index. The remaining decrease for other class of assets is mainly due to early terminations, notably an elevator contract in Beaumont, Texas, US, or reduction in maturity of different individual contracts.
In 2019, the Group contributed a right-of-use of land into *Tianjin Rongchuan Feed Co., Ltd.* for US$5 million (refer to Note 3.3). The Group also sold ten grain elevators in Canada, and early-terminated leases for machinery, equipment and other tangible assets used in the disposed facilities, decreasing both the right-of-use and lease liability by US$7 million.

Acquisitions Through Business Combinations

In December 2019, the Group became lessee of a right-of-use of land through the acquisition of *Louis Dreyfus (Jinzhou) Warehousing Co., Ltd.*

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.*
As of December 31, 2019, the Group classified as held for sale the right-of-use of land located in Fujian, China, for US$3 million following the decision to sell the entity *LDC (Fujian) Refined Sugar Co. Ltd.*

Others

In 2019, this line includes the reclassification of right-of-use of lands previously included within the Group's fixed assets for US$43 million. It also includes US$20 million of estimated costs in connection with a contingent constructive obligation for decommissioning leased land, which were recognized against a provision (refer to Note 3.6).

Lease liabilities are included within long-term debt and current portion of long-term debt. Changes in lease liabilities for the years ended December 31, 2020 and December 31, 2019 are as follows:

	2020			2019		
(in millions of US$)	Non-current portion	Current portion	**Total**	Non-current portion	Current portion	**Total**
Balance as of January 1	242	65	307	241	60	301
New leases and additions	38	33	**71**	54	36	**90**
Payments	–	(70)	**(70)**	–	(76)	**(76)**
Early terminations, disposals and decreases	(6)	(9)	**(15)**	–	(7)	**(7)**
Reclassification	(52)	52	**–**	(53)	53	**–**
Reclassification to held for sale	(1)	(2)	**(3)**	–	–	**–**
Foreign exchange	(7)	(2)	**(9)**	–	(1)	**(1)**
Foreign currency translation adjustment	5	1	**6**	–	–	**–**
Closing balance	**219**	**68**	**287**	**242**	**65**	**307**

As of December 31, 2020 and December 31, 2019, the maturity of non-current lease liabilities were as follows:

(in millions of US$)	**2020**	2019
Maturity 1-2 years	44	49
Maturity 2-3 years	29	34
Maturity 3-4 years	23	25
Maturity 4-5 years	16	19
Maturity > 5 years	107	115
Non-current portion of lease liabilities	**219**	**242**

The amounts recognized in the consolidated income statement for the years ended December 31, 2020 and December 31, 2019 are as follows:

(in millions of US$)	**2020**	2019
Variable lease expenses	(6)	(3)
Short-term lease expenses	(193)	(241)
Low-value asset lease expenses	(1)	(1)
Income from sub-leasing right-of-use assets	59	76

As of December 31, 2020, the total cash outflow for leases amounts to US$270 million (US$321 million as of December 31, 2019).

7.2 Commitments and Contingencies

Commitments

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

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

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

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

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

As of December 31, 2020 and December 31, 2019, the Group has commitments to purchase or sell non-trading commodities that consist of the following:

			2020		2019	
(in millions of US$)	Quantities' unit	Quantities	**Estimated amount**	Maturity	Quantities	Estimated amount
Commitments to purchase						
Raw sugar	Ktons	145	**89**	2022	68	38
Orange boxes[1]	Million boxes	78	**338**	2029	57	332
Fuel	MMBtus[2]	5	**15**	2022	7	17
Other	Ktons	–	**–**	–	1	4
			442			**391**
Commitments to sell						
Refined sugar	Ktons	469	**393**	2022	493	391
Hulls and glycerin	Ktons	52	**27**	2022	48	18
Frozen concentrate orange juice	Ktons	192	**278**	2023	144	241
Not-from-concentrate citrus juice	Ktons	443	**201**	2023	404	199
Juice by-products	Ktons	22	**48**	2023	20	45
Apple juice	Ktons	17	**21**	2022	26	30
		1,195	**968**		**1,135**	**924**

1. Of which US$136 million may fall in the following 12 months.
2. Million British thermal units.

In addition, the Group has the following non-trading commodities commitments:

(in millions of US$)	2020 Estimated amount	2019 Estimated amount
Commitments given		
Letters of credit	697	536
Bid and performance bonds	109	97
Capex commitments	81	83
Guarantees given	123	78
Other commitments	18	13
	1,028	**807**
Commitments received		
Guarantees and collaterals received	396	429
	396	**429**

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 December 31, 2020, these tax assessments amounted to US$43 million, compared to US$55 million as of December 31, 2019. *LDC Argentina S.A.* could receive additional tax notifications for subsequent years.
In 2020, *LDC Argentina S.A.* received a notification from the Supreme Court declaring null and void the tax assessments received in 2007 and 2008 in connection with differences in export taxes and which amounted to US$90 million as of December 31, 2019. The case is therefore closed.
In addition, *LDC Argentina S.A.* has received several tax assessments challenging certain custom duties related to Paraguayan soybean imports totaling US$81 million for the years from 2007 to 2009. Other large exporters and processors of cereal grains and other agricultural commodities have received similar tax assessments in this country.
As of December 31, 2020, *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. 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.

In October 2016, a subsidiary of LDC LLC brought an action in US federal court against Syngenta for damages arising out of Syngenta's marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the US. The action sought damages in excess of US$30 million. Syngenta moved to dismiss the action, which the court granted in part. This case and a related case brought by other LDC companies in Minnesota state court have been dismissed with prejudice pursuant to a confidential settlement agreement with Syngenta entered into in July 2019 by LDC LLC and other LDC companies that were plaintiffs in the two cases.

In 2017, Syngenta filed claims in federal and state court in Illinois and in state court in Iowa against LDC companies and other grain companies seeking indemnification or contribution for any damages recovered by the plaintiffs in the underlying actions relating to Syngenta's marketing and distribution of genetically modified corn. The LDC defendants, along with other grain companies, moved to dismiss the actions. The claims by Syngenta have been dismissed with prejudice pursuant to the confidential settlement agreement described above.

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 are reflected as follows:

Income statement (in millions of US$)	**2020**	2019
Sales[1]	69	99
Cost of sales[1]	(697)	(653)
Commercial and administrative expenses	–	6
Finance costs, net	58	58

Balance sheet (in millions of US$)	**2020**	2019
Non-current financial assets at amortized cost	260	1,059
Financial advances to related parties	804	5
Trade and other receivables[1]	68	307
Derivative assets	134	19
Total assets	**1,266**	**1,390**
Financial advances from related parties	154	184
Trade and other payables[1]	172	293
Derivative liabilities	2	–
Total liabilities	**328**	**477**

1. Mainly correspond to transactions with associates and joint ventures and/or with *Biosev S.A.* (a Brazilian company, indirect subsidiary of LDCH and listed on the Brazilian stock exchange).

As of December 31, 2019, non-current financial assets at amortized cost comprise a loan granted by LDC to LDCNH in the amount of US$1,051 million with maturity in 2023. As of December 31, 2020, US$800 million have been reclassified to current assets in the line "Financial advances to related parties", 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).

Financial advances from related parties comprises financing from LDCH of US$153 million as of December 31, 2020 (US$184 million as of December 31, 2019), including a liability relating to reimbursement agreements with LDCH of US$91 million as of December 31, 2020 (US$95 million as of December 31, 2019) (refer to Note 6.2).

Key management personnel compensation during the years ended December 31, 2020 and December 31, 2019 was as follows:

(in millions of US$)	**2020**	2019
Short-term benefits	16	16
Post-employment benefits	1	1
Share-based payments - amount of vested shares	11	6
	28	**23**

7.4 Subsequent Events

On January 15, 2021, the Group finalized the sale of its investment in associates *Riddoch Holdings Pty. Ltd.* to the minority shareholder *Midfield Penola Pty Ltd ATF the Midfield Penola Trust*.

On February 3, 2021, the Group finalized the sale of 30% of its investment in joint ventures *Luckin Roastery Technology (Xiamen) Co. Ltd.* to *Luckin Coffee (China) Company Limited*.

7.5 List of Main Subsidiaries

As of December 31, 2020 and December 31, 2019, the main subsidiaries of LDC that are consolidated are the following:

		2020		2019	
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.	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Canada ULC	Canada	100.00	100.00	100.00	100.00
Louis Dreyfus Company Yorkton Trading LP	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 (Fujian) Refined Sugar Co. Ltd.[1]	China	0.00	0.00	67.00	67.00
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

Company	Country	2020		2019	
		% of control	% of ownership	% of control	% of ownership
Louis Dreyfus Company Africa Pty. Ltd.	South Africa	100.00	100.00	100.00	100.00
Louis Dreyfus Company España S.A.	Spain	100.00	100.00	100.00	100.00
Louis Dreyfus Company Juices Suisse S.A.	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	US	100.00	100.00	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. *LDC (Fujian) Refined Sugar Co. Ltd* was sold on August 7, 2020 (refer to Note 1.3).

INDEPENDENT AUDITOR'S REPORT

for the years ended December 31, 2019 and December 31, 2018

To the Shareholders of Louis Dreyfus Company B.V.

Opinion

We have audited the consolidated financial statements of Louis Dreyfus Company B.V. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2019 and December 31, 2018, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including the significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2019 and December 31, 2018, and of its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have communicated the key audit matters to the management board and those charged with governance. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value measurements of trading inventories and financial assets and liabilities

Description

Refer to Note 4.7 under the heading Categories of financial assets and liabilities and note 3.7 under the heading Inventories.

The Group holds significant positions in inventories and derivatives for trading purposes. The Group accounts for these activities using the mark-to-market method. This method can require the use of complex valuation methods and significant estimates from management. These estimates are based on key assumptions such as closing exchange and over-the-counter quotations, parity differences, time value, price volatility and counterparty performance and credit risks.

As the Group's inventories and derivatives are measured at fair value at each reporting date, these fair value measurements significantly impact the Group's result and therefore due to the significance of trading inventories and derivatives and the related estimation uncertainty, there is a risk that the related inventories, financial assets and liabilities are misstated.

How the key audit matter was addressed in the audit

Our audit procedures included, amongst others, evaluating management's controls in valuing trading inventories and derivatives. In addition we have performed substantive procedures on a sample basis of the related valuations. These procedures included challenging (i) the models used and (ii) the appropriateness of management's assumptions used in developing estimates, as well as agreeing market prices to exchange-quoted prices, broker quotes supported by trades executed close to period-end and to other, directly or indirectly observable inputs. Where necessary we have used the assistance of Deloitte Financial instruments and valuations specialists with industry experience, in particular for evaluating the adequacy of the most complex valuation models. The related disclosures have also been evaluated for adequacy.

Revenue Recognition and trade capturing

Description

Refer to Note 2.2 under the heading Net sales.

Revenue recognition has been identified as a risk primarily relating to the timely and accurate capture of trades within the trade books and the timing of revenue recognition for commodity sales with deliveries occurring on or around year-end.

How the key audit matter was addressed in the audit

We evaluated management's controls over revenue recognition and trade capturing. We also performed substantive testing for transactions occurring on or around year-end and agreed deliveries to supporting documentation, we also obtained third party confirmation where relevant to check completeness and accuracy of trade books. The related disclosures have also been evaluated for adequacy.

Infracis Group Limited loan and equity Investment

Description

Refer to Note 5.3 under the heading Non-current financial assets.

The long-term loans to commercial partners balance includes a US$178 million loan as of December 31, 2019 and US$165 million as of December 31, 2018, including capitalized interests, granted to the joint venture partner Infracis Group Limited for the development of a grain terminal on the Taman peninsula in Krasnodar, Russia. This project represents a total exposure of US$194 million for the Group at December 31, 2019, compared to US$181 million at December 31, 2018 considering the related associated equity investment.

Due to specific circumstances described in the note 5.3 to the financial statements, the project is delayed, resulting in uncertainties around its completion. Additionally, the partners have brought claims against each other. All combined, the current situation cast doubt as to whether this loan will be repaid or converted into equity. There is consequently a risk that the loan and the equity investment might be impaired if the construction of the deep sea terminal is not achieved or if the outcome of the arbitration is unfavorable.

How the key audit matter was addressed in the audit

Our auditing procedures included, amongst others, obtaining an update of the project status and changes compared to previous periods and analyzing underlying documentation substantiating the Group's assessment of the situation. The related disclosures provided in Note 5.3 to the financial statements have also been evaluated for adequacy.

Internal controls over financial reporting

Description

The Group has its businesses in a large number of countries and locations. The Group operates various IT systems, processes and procedures locally that are important for the continuity of its business operations and for the reliability of its financial reporting.

How the key audit matter was addressed in the audit

We have considered the Group's internal controls over financial reporting as a basis for designing and performing the audit activities that are deemed appropriate for our audit. We are however not required to perform an audit on internal controls over financial reporting and accordingly we do not express an opinion on the effectiveness of the Group's controls over financial reporting.

We have tailored our audit procedures to the diverse (local) IT landscapes and the implemented internal controls. We have included specialized IT auditors in our audit teams to test the reliability and continuity of the automated data processing, solely to the extent necessary within the scope of the financial statement audit. Where relevant for the audit we have tested the operating effectiveness of IT controls and performed additional audit procedures when deemed needed.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is François-Xavier Ameye.

Paris-La Défense, France, March 23, 2020

DELOITTE & ASSOCIES

François-Xavier AMEYE

Consolidated Income Statement

Year Ended December 31

(in millions of US$)	Notes	2019	2018 restated
Net sales	2.2	33,643	36,007
Cost of sales		(32,688)	(34,693)
Gross margin		**955**	**1,314**
Commercial and administrative expenses		(621)	(619)
Interest income	2.4	82	74
Interest expense	2.4	(358)	(397)
Other financial income and expense	2.4	17	41
Share of profit (loss) in investments in associates and joint ventures	3.3	1	–
Gain (loss) on investments and sale of fixed assets	2.3	218	(12)
Other gains and losses		1	1
Income before tax - continuing operations		**295**	**402**
Income taxes	2.5	(68)	(68)
Net income - continuing operations		**227**	**334**
Attributable to:			
Owners of the company		229	332
Non-controlling interests		(2)	2
Net income - discontinued operations	1.4	**1**	**32**
Attributable to:			
Owners of the company		1	32
Non-controlling interests		–	–
Net income		**228**	**366**
Attributable to:			
Owners of the company		**230**	**364**
Non-controlling interests		(2)	2

Consolidated Statement of Comprehensive Income

Year Ended December 31

	2019			2018 restated
(in millions of US$)	Pre-tax	Tax	Net	Net
Net income	**296**	**(68)**	**228**	**366**
Items reclassified from equity to net income during the year				
Cash flow and net investment hedges	53	(12)	41	44
Exchange differences recycled upon sale/liquidation of investments	2	–	2	1
Total	**55**	**(12)**	**43**	**45**
Items that may be reclassified subsequently from equity to net income				
Cash flow and net investment hedges - change in fair value	(43)	3	(40)	(51)
Exchange differences arising on translation of foreign operations	(2)	–	(2)	(36)
Investments in associates and joint ventures - share of other comprehensive income	–	–	–	(8)
Total	**(45)**	**3**	**(42)**	**(95)**
Items that will not be reclassified subsequently from equity to net income				
Pensions	(1)	(1)	(2)	(4)
Total	**(1)**	**(1)**	**(2)**	**(4)**
Changes in other comprehensive income	**9**	**(10)**	**(1)**	**(54)**
Total comprehensive income	**305**	**(78)**	**227**	**312**
Attributable to:				
Owners of the company			**228**	**311**
Non-controlling interests			(1)	1

Consolidated Balance Sheet

Year Ended December 31

(in millions of US$)	Notes	2019	2018 restated
Non-current assets			
Intangible assets	3.1	303	329
Property, plant and equipment	3.2	3,762	3,463
Investments in associates and joint ventures	3.3	227	197
Non-current financial assets	5.3	1,317	1,284
Deferred income tax assets	2.5	232	196
Other non-current assets	3.4	314	429
Total non-current assets		6,155	5,898
Current assets			
Inventories	3.7	5,143	4,940
Biological assets	3.8	54	56
Trade and other receivables	3.9	4,736	4,514
Derivative assets	4.8	1,235	1,484
Margin deposits	4	885	407
Current tax assets		62	71
Financial advances to related parties	7.3	5	1
Other financial assets at fair value through profit and loss	5.5	414	173
Cash and cash equivalents	5.6	750	790
Total current assets		13,284	12,436
Assets classified as held for sale	1.4	99	43
Total assets		**19,538**	**18,377**

Consolidated Balance Sheet Continued

Year Ended December 31

(in millions of US$)	Notes	2019	2018 restated
Equity			
Issued capital and share premium		1,587	1,587
Retained earnings		3,318	3,512
Other reserves		(119)	(125)
Equity attributable to owners of the company		***4,786***	***4,974***
Equity attributable to non-controlling interests		*12*	*8*
Total stockholders' equity and non-controlling interests	5.1	4,798	4,982
Non-current liabilities			
Long-term debt	5.2	3,269	2,777
Retirement benefit obligations	6.1	147	147
Provisions	3.6	60	38
Deferred income tax liabilities	2.5	170	186
Other non-current liabilities	3.5	93	78
Total non-current liabilities		3,739	3,226
Current liabilities			
Short-term debt	5.4	3,889	4,704
Current portion of long-term debt	5.2	637	230
Financial advances from related parties	7.3	184	202
Trade and other payables	3.10	4,841	3,845
Derivative liabilities	4.8	1,308	1,141
Provisions	3.6	8	2
Current tax liabilities		55	42
Total current liabilities		10,922	10,166
Liabilities associated with assets classified as held for sale	1.4	79	3
Total liabilities		14,740	13,395
Total equity and liabilities		**19,538**	**18,377**

Consolidated Statement of Cash Flows

Year Ended December 31

(in millions of US$)	Notes	2019	2018 restated
Net income		228	366
Adjustments for items not affecting cash			
Depreciation and amortization		395	328
Biological assets' change in fair value	3.8	9	(7)
Income taxes	2.5	68	68
Net finance costs		249	277
Other provisions, net		18	(21)
Share of (profit) loss in investments in associates and joint ventures, net of dividends	3.3	4	10
(Gain) loss on investments and sale of fixed assets	2.3	(218)	12
Net expense arising from share-based payments	6.2	39	39
Non-cash items from discontinued operations		–	10
		792	**1,082**
Changes in operating assets and liabilities			
Inventories and biological assets		(350)	(237)
Derivatives		425	(292)
Margin deposits net of margin deposit liabilities		(470)	273
Trade and other receivables		(344)	264
Trade and other payables		1,000	194
Interests paid		(380)	(411)
Interests received		127	82
Income tax received (paid)		58	(22)
Net cash from (used in) operating activities, discontinued operations		88	736
Net cash from (used in) operating activities		**946**	**1,669**
Investing activities			
Purchase of fixed assets		(306)	(283)
Additional investments, net of cash acquired		(107)	(46)
Change in short-term securities		(121)	172
Proceeds from sale of fixed assets		255	40
Proceeds from sale of investments, net		3	481
Change in loans and advances made		(16)	(10)
Net cash from (used in) investing activities, discontinued operations		–	(51)
Net cash from (used in) investing activities		**(292)**	**303**
Financing activities			
Net proceeds from (repayment of) short-term debt and related parties loans and advances	5.4	(770)	550
Proceeds from long-term financing	5.2	1,175	330
Repayment of long-term financing	5.2	(562)	(1,447)
Repayment of lease liabilities	7.1	(76)	–
Dividends paid to equity owners of the company	5.1	(428)	(411)
Dividends paid to non-controlling interests		–	(1)
Net cash from (used in) financing activities, discontinued operations		(24)	(766)
Net cash from (used in) financing activities		**(685)**	**(1,745)**
Exchange difference on cash		(2)	(11)
Net increase (decrease) in cash and cash equivalents		**(33)**	**216**
Cash and cash equivalents, at beginning of the year	5.6	790	541
Change in cash and cash equivalents reclassified to held for sale assets	1.4	(7)	33
Cash and cash equivalents, at year-end	5.6	**750**	**790**

Consolidated Statement of Changes in Equity

Year Ended December 31

(in millions of US$)	**Notes**	Issued capital and share premium	Retained earnings	Other reserves	**Equity attributable to owners of the company**	Equity attributable to non-controlling interests	**Total equity**
Balance as of December 31, 2017 published		**1,587**	**3,607**	**(67)**	**5,127**	**8**	**5,135**
Juice business - change in accounting policy	1.1		(61)	–	**(61)**	–	**(61)**
Balance as of December 31, 2017 restated		**1,587**	**3,546**	**(67)**	**5,066**	**8**	**5,074**
Net income restated			364		**364**	2	**366**
Other comprehensive income, net of tax				(53)	**(53)**	(1)	**(54)**
Available-for-sale financial assets - change in accounting policy	5.1		4	(4)	**–**		**–**
Total comprehensive income restated	5.1		368	(57)	**311**	1	**312**
Dividends	5.1		(411)		**(411)**	(1)	**(412)**
Deferred compensation plan, net of tax	5.1		9	(1)	**8**		**8**
Balance as of December 31, 2018 restated		**1,587**	**3,512**	**(125)**	**4,974**	**8**	**4,982**
Net income			230		**230**	(2)	**228**
Other comprehensive income, net of tax				(2)	**(2)**	1	**(1)**
Others			(3)	3	**–**	–	**–**
Total comprehensive income	5.1		227	1	**228**	(1)	**227**
Dividends	5.1		(428)		**(428)**	–	**(428)**
Deferred compensation plan, net of tax			6	5	**11**		**11**
Change in the list of consolidated companies			–		**–**	7	**7**
Transactions with non-controlling interests			1	–	**1**	(2)	**(1)**
Balance as of December 31, 2019		**1,587**	**3,318**	**(119)**	**4,786**	**12**	**4,798**

Notes to Consolidated Financial Statements

Louis Dreyfus Company B.V. ("LDC" or the "company") is a privately owned company incorporated in the Netherlands on December 28, 2004, registered at the *Chamber of Commerce* under registration number 24371219. The address of its registered office is Westblaak 92, 3012 KM Rotterdam, Netherlands. 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 has been taken by employees in the execution of the equity participation plan described in Note 6.2.

In 2013, LDC completed the issuance of two unrated senior bonds: one in July for €400 million (5-year, 3.875% coupon) and the other one in December for €500 million (7-year, 4% coupon), both listed on the *Luxembourg Stock Exchange.* In July 2018, the €400 million unrated senior bond was reimbursed.

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). Both instruments are listed on the *Luxembourg Stock Exchange.*

LDC and its subsidiaries (the "Group") is a global merchandizer of commodities 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 2017, the Group reached an agreement to sell its global Metals business to *NCCL Natural Resources Investment Fund*, managed by *New China Capital Legend* as general partner, with two limited partners of *AXAM Asset Management* and *China Molybdenum Co., Ltd.* The completion of the transaction occurred on May 11, 2018 (refer to Note 1.4).

In June 2019, the Group completed the exit of its Dairy business (refer to Note 1.4).

1. Accounting Policies and Consolidation Scope

1.1 Accounting Policies

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

The consolidated financial statements were approved by the Board of Directors of LDC on March 20, 2020.

The December 2019 consolidated financial statements of LDC were prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union as of December 31, 2019. The Group has not adopted IAS 33 "Earnings per Share". This standard is not mandatory for companies whose ordinary shares are not publicly traded.

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, 2018, except for the adoption of new amendments, standards and interpretations as of January 1, 2019 and the change in accounting policy applied to the Juice business.

New and Amended Accounting Standards and Interpretations in Effect Starting From 2019

- IFRS 16 "Leases". This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases that both parties to such a contract, i.e. the customer (lessee) and the supplier (lessor), shall apply to provide relevant information in a manner that faithfully represents those transactions. The terms and conditions of each contract shall be considered when applying the standard, along with all relevant facts and circumstances.

For initial application of IFRS 16 "Leases" on January 1, 2019, the Group has chosen to:

- – Apply the simplified retrospective transition method, by accounting for the cumulative effect of the initial application of the standard at the date of first application, without restating the comparative periods;
- – Measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application;
- – Use the following simplification measures provided by the standard in the transitional provisions:
  - Apply the standard to contracts that the Group had previously identified as containing a lease under IAS 17 and IFRIC 4 and to right-of-use of lands in Brazil in connection with agricultural partnership contracts;
  - Not take into account leases whose term ends within 12 months following the date of first application (treated as short-term leases under the scope of IFRS 16 - refer to Note 7.1);
  - Apply a single discount rate to a portfolio of leases with reasonably similar characteristics using the incremental borrowing rates determined mainly based on geographic region and the remaining lease term at transition.
- – Not apply IFRS 16 to other intangible assets.

The implementation of IFRS 16 corresponds to the recognition of the right-of-use assets and lease liabilities for contracts in which the Group is the lessee and has the following impact on the consolidated balance sheet as of January 1, 2019:

Balance sheet (in millions of US$)	2018 restated	**IFRS 16 application**	January 1, 2019
Property, plant and equipment	3,463	303	3,766
Trade and other receivables	4,514	(2)	4,512
Long-term debt	(2,777)	(241)	(3,018)
Current portion of long-term debt	(230)	(60)	(290)
Total stockholders' equity and non-controlling interests	**4,982**	**–**	**4,982**

The weighted average discount rate used at transition was 5.67%.

Deferred taxes have been recognized on the difference between right-of-use assets and lease liabilities in the countries where IFRS 16 is not applicable for tax purposes.

Accounting policies related to IFRS 16 are described in Note 7.1.

The following standards and interpretations in effect starting from 2019 have had no effect on the balance sheet or performance of the Group:

- Amendments to IFRS 9 "Prepayment features with negative compensation".
- IFRIC 23 "Uncertainty over Income Tax Treatments". In applying IFRIC 23, the Group extensively reviewed its tax risks included in the scope and concluded that no additional liability would have to be recognized.
- Amendments to IAS 28 "Long-term interests in associates and joint ventures".
- Annual improvements to IFRSs 2015-2017 including:
  - Amendments to IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements";
  - Amendments to IAS 12 "Income taxes";
  - Amendments to IAS 23 "Borrowing costs".
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement".

The Group has not adopted any standard, interpretation or amendment, which has been issued but is not yet effective.

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

- Amendments to IAS 1 and IAS 8 "Definition of Material". The amendments will come into effect as of January 1, 2020 and are not expected to have any material impact on the Group's financial statements.
- Amendments to the Conceptual Framework. The amendments will come into effect as of January 1, 2020.
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform", addressing issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate, the implications for specific hedge accounting requirements in IFRS 9 and IAS 39 that require forward-looking analysis, along with additional disclosures around uncertainty arising from the interest rate benchmark reform. The amendments will come into effect as of January 1, 2020 and an analysis of its impacts on the consolidated financial statements is underway.

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

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

- Amendments to IFRS 3 "Definition of a Business", which aimed to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. They mainly clarify that, to be considered as a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments will come into effect for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.
- IFRS 17 "Insurance Contracts". The standard will come into effect as of January 1, 2021 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, 2022 with early application permitted.

Change in Accounting Policy - Juice Business

Historically, the Juice Platform's core activities and business model were similar to other platforms of the Group. Recently, Juice activities have turned into a processing and distribution business. Therefore, the Group decided to adapt the valuation method of its Juice open commitments and inventories to provide reliable and more relevant information on the effects of those transactions in the consolidated financial statements:

- Open commitments on Juice products were valued at fair value and are now considered as off balance sheet commitments;
- Inventories, which were considered as "Trading inventories" and valued at fair value less costs to sell, are now recognized under "Finished goods" and valued at the lower of cost or net realizable value.

In accordance with IAS 8, this change in accounting policy was applied retrospectively and had the following impacts on the consolidated financial statements:

Income statement (in millions of US$)	2018 published	**Juice restatement**	2018 restated[1]
Cost of sales	(35,135)	(5)	(35,140)
Income taxes	(86)	14	(72)
Net income - continuing operations	**323**	**9**	**332**
Attributable to:			
Owners of the company	**321**	**9**	**330**
Non-controlling interests	2	–	2

1. Those figures do not include the impacts related to the reclassification of the Dairy business contribution to the discontinued operations (refer to Note 1.4).

Balance sheet (in millions of US$)	2018 published	**Juice restatement**	2018 restated
Inventories	4,997	(57)	4,940
Derivative assets	1,490	(6)	1,484
Deferred income tax liabilities	(190)	4	(186)
Derivative liabilities	(1,148)	7	(1,141)
Total stockholders' equity and non-controlling interests	**5,034**	**(52)**	**4,982**
Attributable to:			
Owners of the company	**5,026**	**(52)**	**4,974**
Non-controlling interests	8	–	8

Statement of cash flows (in millions of US$)	2018 published	**Juice restatement**	2018 restated[1]
Net income	357	9	366
Income taxes	86	(14)	72
Net cash before changes in operating assets and liabilities	**1,087**	**(5)**	**1,082**
Inventories and biological assets	(234)	(13)	(247)
Derivatives	(310)	18	(292)
Net cash used in operating activities	**1,669**	**–**	**1,669**

1. Those figures do not include the impacts related to the reclassification of the Dairy business contribution to the discontinued operations (refer to Note 1.4).

As of December 31, 2018, the Group had commitments to sell 139 thousand tons of frozen concentrate orange juice until 2021, which represented a total amount of US$302 million, 338 thousand tons of not-from-concentrate juice until 2020, which represented a total amount of US$177 million, and 50 thousand tons of other juice by-products which represented a total amount of US$110 million.

1.2 Basis of Consolidation and Use of Estimates

Basis of Consolidation

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

Entities consolidated by the Group are referred to as ''subsidiaries''. Entities that the Group controls by means other than voting rights are referred to as ''consolidated structured entities''.

In accordance with IFRS 11 "Joint Arrangements", the Group classifies its joint arrangements (i.e. arrangements in which the Group exercises joint control with one or more other parties) either as a joint operation or a joint venture. In the case of a joint operation, the Group recognizes the assets and liabilities of the operation in proportion to its rights and obligations relating to those assets and liabilities. Joint ventures are accounted for using the equity method.

The Group exercises joint control over a joint arrangement when decisions relating to the relevant activities of the arrangement require the unanimous consent of the Group and the other parties with whom control is shared.

The Group exercises significant influence over an entity when it has the power to participate in the financial and operating policy decisions of that entity, but does not have the power to exercise control or joint control over those policies.

In accordance with IAS 28 "Investments in Associates and Joint Ventures", the equity method is used to account for joint ventures and for associates (i.e. entities over which the Group exercises significant influence).

All consolidated subsidiaries and companies carried at equity prepared their accounts as of December 31, 2019 in accordance with the accounting policies and methods applied by the Group.

Intercompany transactions and balances are eliminated in consolidation.

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

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

Use of Estimates

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

The Group engages in price risk management activities, principally for trading purposes. Activities for trading purposes are accounted for using the mark-to-market method. In the absence of quoted prices, the market prices used to value these transactions reflect management's best estimate considering various factors including the closing exchange and over-the-counter quotations, parity differentials, time value and price volatility underlying the commitments. The values are adjusted to reflect the potential impact of liquidating the Group's positions in an orderly manner over a reasonable period of time under present market conditions.

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

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

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

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

Foreign Currencies

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

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

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

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

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

Consolidated Financial Statements

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

Assets and liabilities are presented separately between current and non-current assets, and current and non-current liabilities. This classification is based for each asset and liability on the expected recoverability or settlement date, respectively before or after twelve months from the balance sheet date.

The cash flows from operating activities are reported using the indirect method: the net income is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

1.3 Change in the List of Consolidated Companies

On December 23, 2019, the Group acquired 51% of *Louis Dreyfus (Jinzhou) Warehousing Co., Ltd.*, which owns and operates a grain warehouse in the port of Jinzhou, for a total consideration of US$9 million. This acquisition aims to strengthen the Group's footprint in the largest grain production region in China and enhance the partnership with a top private origination and trading player in this region. The governance rules established in *Louis Dreyfus (Jinzhou) Warehousing 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. In accordance with IFRS 3 (revised), the Group recognized a US$2 million goodwill (not deductible for tax purposes).

On March 9, 2018, LDC finalized the sale of *Macrofertil Australia Pty. Ltd.* to *Landmark Operations Ltd.* The gain derived from the sale amounted to US$4 million (refer to Note 2.3).

In April 2018, the Group acquired 100% of *Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co. Ltd.*[1], which owns and operates oilseeds crushing and refining facilities in the Lingang Economic Area in Tianjin's Binghai New Area district, for a total purchase price of US$32 million. In accordance with IFRS 3 (revised), the Group recognized a US$12 million gain from bargain purchase which was recognized as a profit in the consolidated income statement within the line "Cost of sales". The final purchase price allocation is as follows:

(in millions of US$)	**Book value at date of acquisition under local GAAP**	**Fair value under IFRS**
Intangible assets	26	29
Property, plant and equipment	103	80
Deferred income tax assets	–	1
Non-current assets	**129**	**110**
Inventories	1	1
Trade and other receivables	8	8
Cash and cash equivalents	14	14
Current assets	**23**	**23**
Total assets	**152**	**133**
Other non-current liabilities	10	–
Non-current liabilities	**10**	–
Short-term debt	29	29
Trade and other payables	60	60
Current liabilities	**89**	**89**
Total liabilities	**99**	**89**
Net equity	**53**	**44**
Consideration transferred		32
Gain from bargain purchase		**12**

On May 11, 2018, LDC finalized the sale of its global Metals business to *NCCL Natural Resources Investment Fund,* managed by *New China Capital Legend* as general partner, with two limited partners of *AXAM Asset Management* and *China Molybdenum Co., Ltd.* The gain derived from the sale amounted to US$12 million. As of December 31, 2017, LDC's global Metals business was classified as held for sale and representing a major line of business, it was also classified as discontinued operations according to IFRS 5 "Non-current assets held for sale and discontinued operations" (refer to Note 1.4).

No other significant change in the list of consolidated companies occurred during the years ended December 31, 2019 and December 31, 2018.

1. The Group renamed this entity *LDC (Tianjin) Food Technology Limited Liability Company.*

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

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

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been abandoned and such a component represents a separate major line of business.
Non-current asset or disposal group that is to be abandoned is not reclassified as held for sale because its carrying amount will be recovered principally through continuing use.
Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as "Net income - discontinued operations" in the consolidated income statement for all periods presented. Net cash flows attributable to the operating, investing and financing activities of discontinued operations are also presented separately from other flows in the consolidated statement of cash flows.

In accordance with IFRS 5 - "Non-current assets held for sale and discontinued operations", as of December 31, 2017, the Group classified its global Metals business as held for sale, and representing a major line of business, it was also classified as discontinued operations. On May 11, 2018, the Group closed the sale to *NCCL Natural Resources Investment Fund*, managed by *New China Capital Legend* as general partner, with two limited partners of *AXAM Asset Management* and *China Molybdenum Co., Ltd.* The selling price of this transaction amounted to US$466 million.

Since June 30, 2018, *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) had been classified as held for sale. As of December 31, 2019, the Group decided to continue to run its business in Ghana, no longer intending to sell it. Therefore, its assets and liabilities were reclassified to the respective lines in the consolidated balance sheet.

As of December 31, 2019, *LDC (Fujian) Refined Sugar Co. Ltd.* (sugar refinery in China) and *LDC (Bazhou) Feedstuff Protein Company Ltd.* (oilseeds processing refinery based in China) have been classified as held for sale.

Assets classified as held for sale are summarized as follows:

(in millions of US$)	**2019**	2018
Fujian	78	–
Bazhou	9	7
Macrofertil Ghana	–	17
Others	12	19
Total assets classified as held for sale	**99**	**43**

As of December 31, 2018, the line "Others" included US$9 million related to network facilities in Portland, Oregon, US, used for grains transportation which sale was completed during the first semester of 2019.

The condensed assets and liabilities with third parties of *LDC (Fujian) Refined Sugar Co. Ltd.*, *LDC (Bazhou) Feedstuff Protein Company Ltd.* and *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) as of December 31, 2019 and December 31, 2018 are as follows:

	2019			2018		
(in millions of US$)	**Fujian**	**Bazhou**	**Total**	Bazhou	Macrofertil Ghana	**Total**
Property, plant and equipment	29	7	**36**	7	1	**8**
Other non-current assets	3	–	**3**	–	–	**–**
Non-current assets	**32**	**7**	**39**	**7**	**1**	**8**
Inventories	30	–	**30**	–	10	**10**
Other current assets	16	2	**18**	–	6	**6**
Current assets	**46**	**2**	**48**	**–**	**16**	**16**
Total assets classified as held for sale	**78**	**9**	**87**	**7**	**17**	**24**
Short-term debt	(73)	–	**(73)**	–	(3)	**(3)**
Other current liabilities	(6)	–	**(6)**	–	–	**–**
Current liabilities	**(79)**	**–**	**(79)**	**–**	**(3)**	**(3)**
Total liabilities associated with held for sale assets	**(79)**	**–**	**(79)**	**–**	**(3)**	**(3)**

In January 2019, the Group announced its decision to exit its Dairy business through a liquidation process. Therefore, the contribution of this Platform was classified as discontinued operations in the consolidated income statement and consolidated statement of cash flows and was not presented as held for sale in the consolidated balance sheet. This business' exit was completed in June 2019.

The contribution of the discontinued Dairy and Metals operations excluded from the results of continuing operations are the following:

	2019	2018 restated		
(in millions of US$)	**Dairy**	Metals	Dairy	**Total**
Net sales	143	4,106	458	**4,564**
Cost of sales	(136)	(4,048)	(447)	**(4,495)**
Gross margin	**7**	**58**	**11**	**69**
Commercial and administrative expenses	(5)	(17)	(8)	**(25)**
Finance costs, net	(1)	(15)	(1)	**(16)**
Income taxes	–	(4)	(4)	**(8)**
Subtotal net income - discontinued operations	**1**	**22**	**(2)**	**20**
Gain on disposal of Metals business	**–**	**12**	**–**	**12**
Net income - discontinued operations	**1**	**34**	**(2)**	**32**

In 2018, subtotal net income - discontinued operations amounting to US$22 million corresponded to the transactions of the global Metals business until May 11, 2018, when the sale was closed. No tax related to the US$12 million gain on disposal of Metals business was booked.

During the years ended December 31, 2019 and December 31, 2018, the change in cash and cash equivalents held for sale is as follows:

	2019				2018		
(in millions of US$)	**Fujian**	**Bazhou**	**Macrofertil Ghana**	**Total**	Metals	Macrofertil Ghana	**Total**
Cash and cash equivalents held for sale, at beginning of the year	**–**	**–**	**1**	**1**	**33**	**1**	**34**
Change in cash and cash equivalents held for sale	7	1	(1)	**7**	(33)	–	**(33)**
of which:							
Cash sold	–	–	–	**–**	*(37)*	–	***(37)***
Reclassification to cash and cash equivalents	–	–	*(1)*	***(1)***	–	–	–
Cash and cash equivalents held for sale, at end of the year	**7**	**1**	**–**	**8**	**–**	**1**	**1**

2. Segment Information and Income Statement

2.1 Segment Information

The Group operates its business worldwide 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 Coffee, Cotton, Rice and Sugar platforms.

The Group assesses the financial performance of its segments with reference to the segment operating results, which corresponds to the 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. The Dairy business, formerly part of the Merchandizing Segment, was classified as discontinued operations (refer to Note 1.4) and therefore is no longer included in the segment operating results.

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

Income statement segment information for the years ended December 31, 2019 and 31 December 31, 2018 is detailed as follows:

(in millions of US$)	2019 Value Chain	2019 Merchandizing	2019 **Total**
Net sales	23,229	10,414	**33,643**
Depreciation	(267)	(56)	**(323)**
Share of profit (loss) in investments in associates and joint ventures	3	(2)	**1**
Segment operating results	569	387	**956**
Commercial and administrative expenses			**(621)**
Finance costs, net			**(259)**
Others			**219**
Income taxes			**(68)**
Non-controlling interests			**2**
Net income attributable to owners of the company - continuing operations			**229**

(in millions of US$)	2018 restated Value Chain	2018 restated Merchandizing	2018 restated **Total**
Net sales	25,436	10,571	**36,007**
Depreciation	(224)	(47)	**(271)**
Share of profit (loss) in investments in associates and joint ventures	4	(4)	**–**
Segment operating results	825	489	**1,314**
Commercial and administrative expenses			**(619)**
Finance costs, net			**(282)**
Others			**(11)**
Income taxes			**(68)**
Non-controlling interests			**(2)**
Net income attributable to owners of the company - continuing operations			**332**

Balance sheet segment information as of December 31, 2019 and December 31, 2018 is as follows. Due to the exit from the Dairy business through a liquidation process, the contribution of this former Platform is kept within the Merchandizing segment assets and liabilities.

(in millions of US$)	Value Chain	Merchandizing	Total
		2019	
Fixed assets (Intangible assets and property, plant and equipment)	3,469	596	**4,065**
Investments in associates and joint ventures	158	69	**227**
Inventories	2,352	2,791	**5,143**
Biological assets	54	–	**54**
Trade and other receivables	3,304	1,432	**4,736**
Derivative assets	904	331	**1,235**
Margin deposits	653	232	**885**
Financial assets held for trading purpose	89	–	**89**
Assets classified as held for sale	14	85	**99**
Segment assets	**10,997**	**5,536**	**16,533**
Trade and other payables	(3,135)	(1,657)	**(4,792)**
Derivative liabilities	(1,033)	(275)	**(1,308)**
Repurchase agreement	(38)	–	**(38)**
Liabilities associated with assets classified as held for sale	–	(79)	**(79)**
Segment liabilities	**(4,206)**	**(2,011)**	**(6,217)**
Other assets			**3,005**
Other liabilities			**(8,523)**
Total net assets	**6,791**	**3,525**	**4,798**
Capital expenditure	**300**	**113**	**413**

(in millions of US$)	Value Chain	Merchandizing	Total
		2018 restated	
Fixed assets (Intangible assets and property, plant and equipment)	3,232	560	**3,792**
Investments in associates and joint ventures	134	63	**197**
Inventories	2,537	2,403	**4,940**
Biological assets	56	–	**56**
Trade and other receivables	3,209	1,305	**4,514**
Derivative assets	904	580	**1,484**
Margin deposits	334	73	**407**
Financial assets held for trading purpose	93	–	**93**
Assets classified as held for sale	34	9	**43**
Segment assets	**10,533**	**4,993**	**15,526**
Trade and other payables	(2,445)	(1,332)	**(3,777)**
Derivative liabilities	(898)	(243)	**(1,141)**
Repurchase agreement	(26)	–	**(26)**
Liabilities associated with assets classified as held for sale	(3)	–	**(3)**
Segment liabilities	**(3,372)**	**(1,575)**	**(4,947)**
Other assets			**2,851**
Other liabilities			**(8,448)**
Total net assets	**7,161**	**3,418**	**4,982**
Capital expenditure	**285**	**44**	**329**

Financial assets held for trading purpose 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 5.4). Capital expenditure corresponds to the sum of "Purchase of fixed assets" and "Additional investments, net of cash acquired" lines of the consolidated statement of cash flows.

As of December 31, 2019, US$49 million of trade and other payables were not segmented (US$68 million as of December 31, 2018).

Net sales for continuing operations by geographical destination, based on the country of incorporation of the counterparty, were broken down as follows for the years ended December 31, 2019 and December 31, 2018:

(in millions of US$)	**2019**	2018 restated
North Asia	7,802	8,198
South & Southeast Asia	7,943	8,610
North Latin America	1,313	1,522
South & West Latin America	2,050	2,625
Europe, Middle East & Africa	9,461	10,197
North America	5,074	4,855
	33,643	**36,007**

Net sales to Europe & Black Sea geographical area amounted to US$5,873 million for the year ended December 31, 2019 (US$5,979 million a year before). Net sales to Middle East & Africa geographical area amounted to US$3,588 million for the year ended December 31, 2019 (US$4,218 million a year before).
Net sales to the Netherlands are not material.

The Group's fixed assets were located in the following geographical areas as of December 31, 2019 and December 31, 2018:

(in millions of US$)	**2019**	2018
North Asia	185	148
South & Southeast Asia	181	172
North Latin America	1,236	1,221
South & West Latin America	623	623
Europe, Middle East & Africa	543	424
North America	1,297	1,204
	4,065	**3,792**

Fixed assets in the Netherlands are not material.

2.2 Net Sales

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

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

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

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

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

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

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

Net sales consist of the following:

	2019			2018 restated		
(in millions of US$)	Value Chain	Merchandizing	**Total**	Value Chain	Merchandizing	**Total**
Sale of commodities and consumable products	22,486	10,320	**32,806**	24,530	10,434	**34,964**
Freight, storage and other services	698	88	**786**	731	124	**855**
Others	45	6	**51**	175	13	**188**
	23,229	**10,414**	**33,643**	**25,436**	**10,571**	**36,007**

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

Gain (loss) on investments and sale of fixed assets in the consolidated income statement is detailed as follows:

(in millions of US$)	**2019**	2018 restated
Gain (loss) on sale of consolidated companies	–	9
Gain (loss) on sale of investments in associates and joint ventures	–	5
Gain (loss) on other financial assets at fair value through profit and loss	62	(12)
Gain (loss) on sale of fixed assets	156	(14)
	218	**(12)**

Gain (Loss) on Sale of Consolidated Companies

In 2018, the gain derived from the sale of *Macrofertil Australia Pty. Ltd.* for US$4 million and from the finalization of the sale of the Africa-based Fertilizers and Inputs operations, which led to a US$7 million adjustment of the gain on sale (US$2 million gain on sale were already recognized in 2017). This gain was partially offset by the US$(2) million loss derived from the sale of *LDC Mountain Industries Pty. Ltd.* (Australia).

Gain (Loss) on Sale of Investments in Associates and Joint Ventures

In 2018, the gain derived from the sale of *PT Andalan Furnindo Ltd.* for US$4 million and from the sale of *Kromdraai Best Milling Pty. Ltd.* for US$1 million.

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

In 2019, the US$62 million gain derived mainly from the fair value adjustment of *Luckin Coffee* and *Leong Hup International* (LHI) shares.

Gain (Loss) on Sale of Fixed Assets

In 2019, the Group sold ten Canadian grain elevators for US$173 million, which led to a US$151 million gain on sale. The Group recognized also a US$7 million gain on the sale and lease back of a cotton warehouse located in Memphis, Tennessee, US. Those gains were partially offset by the US$(3) million loss on the sale of the network facilities located in Portland, Oregon, US, used for grains transportation (refer to Note 3.2).

In 2018, the US$(14) million loss mainly related to the sale of Krishnapatnam oilseeds processing refinery in India.

2.4 Net Finance Costs

(in millions of US$)	**2019**	2018 restated
Interest income	82	74
Interest expense	(358)	(397)
Other financial income and expense	17	41
Interest expense on leases	*(16)*	–
Foreign exchange	*24*	*62*
Net gain (loss) on derivatives	*(34)*	*(68)*
Other	*43*	*47*
	(259)	**(282)**

"Foreign exchange" and "Net gain (loss) on derivatives" lines need to be read jointly, totaling the net amount US$(10) million in 2019 and US$(6) million in 2018. The foreign exchange result is mainly attributable to the Euro depreciation in 2019 and 2018, impacting the unrated 2020 Euro-denominated bond (and unrated 2018 Euro-denominated bond in 2018 which was reimbursed in July 2018); these impacts are offset in "Net gain (loss) on derivatives" line due to the Cross Currency Swaps in place (refer to Note 4.8).

2.5 Income Taxes

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

Deferred taxes arise from temporary differences between the carrying amounts of certain assets and liabilities and their tax basis. The Group accounts for deferred income tax in accordance with the balance sheet liability method using the most recent established tax rates or substantively enacted income tax rates which are expected to be effective at the time of the reversal of the underlying temporary difference.
The Group recognizes future tax benefits to the extent that the realization of such benefits is probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date.
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities.

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

Income taxes in the income statement are detailed as follows:

(in millions of US$)	**2019**	2018 restated
Current year income taxes	(135)	(77)
Adjustments in respect of prior year income taxes	2	–
Current income taxes	**(133)**	**(77)**
Current year deferred income taxes	29	22
Adjustments in respect of prior year deferred income taxes	3	(12)
Change in tax rate	33	(1)
Deferred income taxes	**65**	**9**
Income taxes	**(68)**	**(68)**

The reported tax expense differs from the computed theoretical income tax provision using the Netherlands' income tax rate of 25% during the years ended December 31, 2019 and December 31, 2018 for the following reasons:

(in millions of US$)	**2019**	2018 restated
Theoretical income tax	**(74)**	**(101)**
Differences in income tax rates	24	19
Effect of change in tax rate	33	(1)
Difference between local currency and functional currency	(29)	29
Change in valuation of tax assets and net operating losses	(55)	(20)
Permanent differences on share of profit (loss) in investments in associates and joint ventures	1	1
Adjustments on prior years	5	(12)
Other permanent differences	27	17
Reported income tax	**(68)**	**(68)**

Reported income tax amounted to US$(68) million in 2019 and 2018 (continuing operations).

The difference in income tax rate relates to subsidiaries being taxed at different rates than the Netherlands' rate.
The change in tax rate mainly relates to the Federal Act on Tax Reform on corporate taxation in Switzerland with an increase in the corporate income tax rate from 10% to 13.99%. The new income tax rate is applicable starting January 1, 2020. As of December 31, 2019, the carrying amounts of deferred tax assets and liabilities were adjusted accordingly.
The functional currency impact is booked in non-US entities whose functional currency is the US Dollar (US$) while being taxed based on their local respective currencies. Such impact mainly regarded the Group's Brazilian and Argentinian entities. In 2019, the negative impact was mainly attributable to Brazilian Real (R$) depreciation against the US$ and to the application of the inflation tax adjustment in Argentina. In 2018, the Brazilian negative functional currency impact was offset by a positive impact reported in Argentina following the tax reform enacted in December 2017.
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 Switzerland.

The consolidated deferred income tax assets (liabilities) as of December 31, 2019 and December 31, 2018 are as follows:

(in millions of US$)	**2019**	2018 restated
Deferred income tax assets	232	196
Deferred income tax liabilities	(170)	(186)
Deferred tax net	**62**	**10**

Changes in net deferred income tax assets (liabilities) for the year ended December 31, 2019 are as follows:

(in millions of US$)	**Opening balance**	Recognized in net income - continuing operations	Recognized in equity	Foreign currency translation adjustment	Other	**Closing balance**
Tax benefits from carry forward losses	**294**	101	–	–	(2)	**393**
Unrealized exchange gains and losses	**131**	(9)	–	–	–	**122**
Non-monetary balance sheet items - difference between tax and functional currencies	**(276)**	9	–	–	–	**(267)**
Fixed assets (other temporary differences)	**(155)**	12	–	–	1	**(142)**
Other temporary differences	**70**	(5)	(10)	(1)	–	**54**
Valuation allowance for deferred tax assets	**(54)**	(43)	–	–	(1)	**(98)**
Deferred tax net	**10**	**65**	**(10)**	**(1)**	**(2)**	**62**

As of December 31, 2019, the valuation allowance for deferred tax assets was ascribed to available loss carry forwards for US$96 million.

The other changes in deferred tax are mainly related to the reclassification of tax positions of *LDC (Fujian) Refined Sugar Co. Ltd.* to assets classified as held for sale amounting to US$(3) million (refer to Note 1.4).

Changes in net deferred income tax assets (liabilities) for the year ended December 31, 2018 are as follows:

(in millions of US$)	**Opening balance**	Recognized in net income - continuing operations	Recognized in net income - discontinued operations	Recognized in equity	Foreign currency translation adjustment	Other	**Closing balance**
Tax benefits from carry forward losses	**358**	(28)	(4)	–	(4)	(28)	**294**
Unrealized exchange gains and losses	**120**	11	–	–	–	–	**131**
Non-monetary balance sheet items - difference between tax and functional currencies	**(251)**	(25)	–	–	–	–	**(276)**
Fixed assets (other temporary differences)	**(232)**	77	–	–	1	(1)	**(155)**
Other temporary differences	**76**	(9)	–	2	–	1	**70**
Valuation allowance for deferred tax assets	**(39)**	(17)	–	–	1	1	**(54)**
Deferred tax net	**32**	**9**	**(4)**	**2**	**(2)**	**(27)**	**10**

As of December 31, 2018, the valuation allowance for deferred tax assets was fully ascribed to available loss carry forwards.

The other changes in deferred tax net were mainly related to the transfer of tax positions of entities belonging to the Dutch tax unity to the head legal entity for US$(28) million.

The recognized and unrecognized tax benefits from carry forward losses expire as follows:

(in millions of US$)	2019 Recognized	2019 Unrecognized	2019 **Total**
Losses expiring in 2020	1	3	**4**
Losses expiring between 2-3 years	31	3	**34**
Losses expiring between 4-5 years	66	37	**103**
Losses expiring in more than 5 years	81	15	**96**
Losses which do not expire	118	38	**156**
Tax benefits from carry forward losses	**297**	**96**	**393**

3. Operating Balance Sheet Items

3.1 Intangible Assets

Goodwill

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

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

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

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

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

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

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

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

Other Intangible Assets

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

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

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

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

As of December 31, 2019 and December 31, 2018, intangible assets consist of the following:

	2019			2018		
(in millions of US$)	Gross value	Accumulated amortization/ impairment	**Net value**	Gross value	Accumulated amortization/ impairment	**Net value**
Goodwill	72	(31)	**41**	74	(31)	**43**
Trademarks and customer relationships	87	(33)	**54**	87	(29)	**58**
Other intangible assets	480	(272)	**208**	465	(237)	**228**
	639	**(336)**	**303**	**626**	**(297)**	**329**

As of December 31, 2019, the Group tested the value of goodwill allocated to its cash generating units as described in Note 1.2, using a perpetual growth rate of 2% and an annual discount rate (weighted average cost of capital of the Group before tax) of 8.1%. A 1% increase in the discount rate and a 0.5% decrease in the perpetual growth rate would jointly not cause the recoverable amount of the cash generating units to fall below their carrying value.

Changes in the net value of intangible assets for the years ended December 31, 2019 and December 31, 2018 are as follows:

		2019				2018
(in millions of US$)	**Notes**	Goodwill	Trademarks and customer relationships	Other intangible assets	**Total**	**Total**
Balance as of January 1		43	58	228	**329**	**292**
Acquisitions and additions		–	–	70	**70**	71
Disposals	2.3	–	–	–	**–**	(6)
Acquisitions through business combinations	1.3	2	–	–	**2**	29
Amortization and impairment		–	(4)	(51)	**(55)**	(53)
Foreign currency translation adjustment		–	–	(1)	**(1)**	(5)
Reclassification to held for sale assets	1.4	–	–	–	**–**	(1)
Other reclassifications		(4)	–	(38)	**(42)**	2
Closing balance		**41**	**54**	**208**	**303**	**329**

Acquisitions and Additions

During the years ended December 31, 2019 and December 31, 2018, acquisitions and additions mainly consisted in the ongoing upgrade of the Group's existing front office, alongside with capital expenditure related to the new global back-office enterprise resource planning (ERP) system.

Acquisitions Through Business Combinations

In December 2019, the Group acquired 51% of the shares of *Louis Dreyfus (Jinzhou) Warehousing Co. Ltd.*, generating a US$2 million goodwill.
In April 2018, the Group acquired 100% of the shares of *Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co. Ltd.* (renamed *LDC (Tianjin) Food Technology Limited Liability Company*), a company based in China with a right-of-use of land for the amount of US$29 million.

Other Reclassifications

In 2019, the US$(42) million mainly relate to right-of-use of lands in China and Indonesia reclassified into right-of-use assets.

3.2 Property, Plant and Equipment

Property, Plant and Equipment (Except Bearer Plants)

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

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

Depreciation and Impairment

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

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

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

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

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

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

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

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

Bearer Plants

Orange trees are bearer plants recorded at cost less accumulated depreciation and accumulated impairment losses, and measured using the cost model.

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

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

As of December 31, 2019 and December 31, 2018, the property, plant and equipment, consist of the following:

		2019			2018		
(in millions of US$)	**Notes**	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Owned assets		5,662	(2,252)	**3,410**	5,641	(2,178)	**3,463**
Right-of-use assets	7.1	447	(95)	**352**	–	–	**–**
		6,109	**(2,347)**	**3,762**	**5,641**	**(2,178)**	**3,463**

The following tables provide information on owned assets only.

As of December 31, 2019 and December 31, 2018, the consolidated owned assets consist of the following:

	2019			2018		
(in millions of US$)	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Land	220	–	**220**	229	–	**229**
Buildings	1,984	(668)	**1,316**	1,976	(649)	**1,327**
Machinery and equipment	2,858	(1,381)	**1,477**	2,828	(1,330)	**1,498**
Bearer plants	211	(58)	**153**	211	(46)	**165**
Other tangible assets	198	(145)	**53**	209	(153)	**56**
Tangible assets in process	191	–	**191**	188	–	**188**
	5,662	**(2,252)**	**3,410**	**5,641**	**(2,178)**	**3,463**

Changes in net value of property, plant and equipment for the years ended December 31, 2019 and December 31, 2018 are as follows:

		2019							2018
(in millions of US$)	**Notes**	Land	Buildings	Machinery and equipment	Bearer plants	Other tangible assets	Tangible assets in process	**Total**	**Total**
Balance as of January 1		**229**	**1,327**	**1,498**	**165**	**56**	**188**	**3,463**	**3,559**
Additions		–	20	30	4	5	182	**241**	208
Disposals	2.3	(1)	(16)	(9)	(2)	(1)	(2)	**(31)**	(52)
Acquisitions through business combinations	1.3	–	13	2	–	1	–	**16**	86
Depreciation		–	(74)	(140)	(14)	(20)	–	**(248)**	(260)
Impairment losses		(1)	(2)	–	–	–	–	**(3)**	(26)
Foreign currency translation adjustment[1]		–	2	(1)	–	–	–	**1**	(29)
Reclassification to held for sale assets	1.4	(1)	(17)	(10)	–	–	–	**(28)**	(20)
Other reclassifications		(6)	63	107	–	12	(177)	**(1)**	(3)
Closing balance		**220**	**1,316**	**1,477**	**153**	**53**	**191**	**3,410**	**3,463**

1. In 2018, the foreign currency translation adjustment was related to the depreciation of the Chinese Yuan, the Russian Ruble and the Euro against the US Dollar.

Additions

During the year ended December 31, 2019, the Group carried on investing in an anchoring system in Brazil as part of a wider transshipment hub construction project and in a railcar fleet for grain transportation in Ukraine. It also started to build soybean sheds and truck dumps in Claypool, Indiana, US, and orange juice tanks in Belgium, both in order to increase storage capacity, acquired a previously leased cotton warehouse in Arizona, US, and invested in new sugar refining machinery in its US sugar refining plant.
The Group improved its existing assets, such as its grains and oilseeds crushing plants in Argentina, its orange juice processing plants in Brazil, its soybean crushing plants and refineries in Brazil and Germany, its refinery in Tianjin, China, and its elevators and storage facilities in Port Allen, Louisiana, US.
During the year ended December 31, 2018, the Group invested in an anchoring system in Brazil as part of a wider transshipment hub construction project that is expected to extend its logistic capacities in the country. In addition, a new project was initiated in Ukraine with a first step in the acquisition of a railcar fleet. The Group also invested in its coffee storage facilities in Brazil and its grains and oilseeds processing plants in Argentina, Brazil and US. Other investments included improvements in its acquired soybean crushing plant in Tianjin, China, in its installations at Port Wentworth, Georgia, US, in a new seed cleaning system and extended storage capacity in Wittenberg, Germany, and in a new irrigation system at Monte Belo citrus farm, in Brazil.

Disposals

During the year ended December 31, 2019, the Group sold ten Canadian grain elevators with a net book value of US$22 million. It also sold and leased back a cotton warehouse located in Memphis, Tennessee, US, with a net book value of US$4 million.
In 2018, disposals related mainly to the sale of Krishnapatnam oilseeds processing refinery in India with a net book value of US$31 million and grains storage facilities in Australia with a net book value of US$11 million.

Acquisitions Through Business Combinations

In December 2019, the Group acquired a grains warehouse located in Jinzhou, China, through the acquisition of 51% of the shares of *Louis Dreyfus (Jinzhou) Warehousing Co. Ltd.*
In April 2018, the Group acquired a soybean crushing plant and refining facilities in Tianjin, China, through the acquisition of 100% of the shares of *Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co. Ltd.*, renamed *LDC (Tianjin) Food Technology Limited Liability Company*.

Impairment Losses

A US$(23) million impairment was recognized as of December 31, 2018 on network facilities used for grains transportation, based in Portland, Oregon, US. The US$9 million residual value of these assets was reclassified to held for sale assets at the same date. Those assets were sold during the first semester of 2019.

Reclassification to Held for Sale Assets

As of December 31, 2019, the Group classified as held for sale its sugar refinery located in Fujian, China, for a net book value of US$26 million following the decision to sell the entity *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business).
As of December 31, 2018, the Group classified as held for sale assets the network facilities in Portland, Oregon, US, used for grains transportation for US$9 million, the Bazhou oilseeds processing refinery in China for US$7 million and other individually not material property, plant and equipment.

3.3 Investments in Associates and Joint Ventures

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

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

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

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

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

Changes in investments in associates and joint ventures for the years ended December 31, 2019 and December 31, 2018 are as follows:

(in millions of US$)	**2019**	2018
Balance as of January 1	197	210
Acquisitions and additional investments	34	11
Disposals	–	(10)
Reclassification	–	4
Share of profit (loss)	1	–
Dividends	(5)	(10)
Change in other reserves	–	(8)
Closing balance	**227**	**197**

Acquisitions and Additional Investments

In 2019, the Group acquired a 40% stake in *Luckin Roastery Technology (Xiamen) Co. Ltd.* (coffee roasting plant) for US$12 million and contributed a right-of-use of land into *Tianjin Rongchuan Feed Co., Ltd.* (aquatic feed facilities) for US$5 million, representing a 30% stake. The Group also made a new US$17 million capital injection in the joint venture *Terminal Exportador de Santos S.A.* (concession in the Santos port terminal in Brazil) in which a US$6 million capital injection was already made in 2018.
In 2018, the Group also acquired a 49% stake in *Noko Milling Ltd.* (grains business in South Africa) for US$4 million and took two minority stakes in investments that are located in the US and operate cotton warehouses.

Disposals

In 2018, the Group sold its 30% stake in *Kromdraai Best Milling Pty. Ltd.* (in South Africa) and its 25% stake in *PT Andalan Furnindo Ltd.*

Dividends

In 2019, the Group received US$3 million as dividends from *Calyx Agro Ltd.* and US$2 million from *TEG - Terminal Exportador Do Guarujá Ltda.* In 2018, it received US$6 million from *Calyx Agro Ltd.* and US$4 million from *Complejo Agro Industrial Angostura S.A.*

Change in Other Reserves

In 2018, the change in other reserves was mainly due to the depreciation of the Australian Dollar, the Brazilian Real and the South African Rand.

Investments in associates and joint ventures are detailed as follows:

			2019		2018	
Investment	**Country**	**Activity**	**Ownership**	**Net value**	Ownership	Net value
All Asian Countertrade Inc.	Philippines	Sugar merchandizing	18%	8	18%	7
Amaggi Louis Dreyfus Zen-Noh Grãos S.A.	Brazil	Grain and soya storage and processing	33%	17	33%	14
Amaggi Louis Dreyfus Zen-Noh Terminais Portuarios S.A.	Brazil	Logistic facilities	33%	15	33%	14
Calyx Agro Ltd.	Cayman Islands	Land fund	29%	9	29%	13
Cisagri Holland Cooperatief U.A.[1]	Netherlands	Logistic facilities	10%	16	10%	16
Complejo Agro Industrial Angostura S.A.	Paraguay	Soybean crushing plant and facilities	33%	36	33%	33
Epko Oil Seed Crushing Pty. Ltd.	South Africa	Sunflower seed and maize germ crushing lines	50%	8	50%	8
LDC - GB Terminais Portuários e Participações Ltda.	Brazil	Logistic facilities	50%	5	50%	5
Luckin Roastery Technology (Xiamen) Co. Ltd.	China	Coffee roasting plant	40%	12	N/A	–
Namoi Cotton Alliance	Australia	Cotton packing and marketing	49%	25	49%	30
Orient Rice Co. Ltd.	Vietnam	Rice procurement and processing	33%	4	33%	4
Riddoch Holdings Pty. Ltd.	Australia	Dairy processing plant	30%	7	30%	6
TEG - Terminal Exportador Do Guarujá Ltda.	Brazil	Logistic facilities	40%	31	40%	32
TES - Terminal Exportador De Santos S.A.[2]	Brazil	Logistic facilities	60%	19	60%	6
Tianjin Rongchuan Feed Co. Ltd.	China	Aquatic feed facilities	30%	5	N/A	–
Subtotal				217		188
Others				10		9
				227		**197**

1. The Group's percentage of control in *Cisagri Holland Cooperatief U.A* is 25% and the percentage of ownership is 10%.
2. The governance rules of *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$3 million as of December 31, 2019 and US$7 million as of December 31, 2018.

Income statement (in millions of US$)	**2019**	2018
Entities as listed above	1	4
Other entities	–	(4)
Share of profit (loss) in investments in associates and joint ventures	**1**	**–**

In 2018, the amount in the line "Other entities" mainly related to losses incurred in South African associates and joint ventures.

A summary of the aggregated financial information of the companies listed above is as follows:

Balance sheet (in millions of US$)	**2019**	2018
Non-current assets	961	780
Current assets	533	593
Total assets	**1,494**	**1,373**
Non-current liabilities	412	286
Current liabilities	374	451
Total liabilities	**786**	**737**
Net equity	**708**	**636**
Equity - owners of the company share	**217**	**188**

Income statement (in millions of US$)	**2019**	2018
Revenue	1,986	2,513
Net income	13	20
Share of profit (loss) in investments in associates and joint ventures	**1**	**4**

3.4 Other Non-Current Assets

As of December 31, 2019 and December 31, 2018, other non-current assets consist of the following:

(in millions of US$)	**2019**	2018
Tax credits	302	411
Long-term advances to suppliers	6	8
Others	6	10
	314	**429**

Tax credits mainly include income tax and VAT credits in Brazil. The decrease in 2019 is mostly attributable to payments received from tax authorities.

3.5 Other Non-Current Liabilities

Other non-current liabilities as of December 31, 2019 and December 31, 2018 consist of the following:

(in millions of US$)	**2019**	2018
Debts associated to business combinations and put options	57	58
Others	9	6
Non-current financial liabilities	**66**	**64**
Staff and tax payables	24	10
Others	3	4
Non-current non-financial liabilities	**27**	**14**
Other non-current liabilities	**93**	**78**

3.6 Provisions

Provisions are recognized when:

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

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

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

As of December 31, 2019 and December 31, 2018, provisions consist of the following:

(in millions of US$)	**2019**	2018
Current provisions	8	2
Non-current provisions	60	38
	68	**40**

Changes in provisions for the years ended December 31, 2019 and December 31, 2018 are as follows:

(in millions of US$)			**2019**			2018
Provisions for:	Tax risks	Social risks	Litigations	Other	**Total**	**Total**
Balance as of January 1	11	17	3	9	**40**	68
Allowance	–	10	12	–	**22**	12
Reversal of used portion	–	(1)	(8)	–	**(9)**	(23)
Reversal of unused portion	–	(4)	–	(1)	**(5)**	(17)
Others	–	–	–	20	**20**	–
Closing balance	**11**	**22**	**7**	**28**	**68**	**40**

Tax and social provisions consist of various claims and lawsuits against the Group, primarily related to employment terminations, labor accidents and allegations for non-compliance with tax regulations. These claims are subject to court decisions or tax interpretations within multiple jurisdictions and timing and amounts are uncertain, however the recognized provision reflects the management best estimate of the most likely outcome. In regards with some legal claims in Brazil, the Group was required to establish escrow deposits, which as of December 31, 2019, amounted to US$42 million (US$27 million as of December 31, 2018) and are disclosed under the line "Deposits and others" within the Non-current financial assets (refer to Note 5.3).

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

The US$20 million increase in other provisions relate to a contingent constructive obligation for decommissioning a leased land. This provision has been booked against a corresponding increase in the right-of-use of land (refer to Note 7.1). Furthermore, other provisions include environmental provisions in Brazil and other not individually material obligations.

3.7 Inventories

Trading Inventories

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

Other Inventories

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

As of December 31, 2019 and December 31, 2018, inventories consist of the following:

(in millions of US$)	**2019**	2018 restated
Trading inventories	4,395	4,086
Finished goods	511	613
Raw materials	240	244
Inventories (gross value)	**5,146**	**4,943**
Depreciation of non-trading inventories	(3)	(3)
Inventories (net value)	**5,143**	**4,940**

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

- The trading inventories and raw materials held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) amounting to US$30 million as of December 31, 2019;
- The finished goods held by *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) amounting to US$10 million as of December 31, 2018.

3.8 Biological Assets

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

The Group owns biological assets located in Brazil consisting of oranges growing until point of harvest. As of December 31, 2019 and December 31, 2018, the Group owns respectively 38 and 39 mature orange groves, which generally sustain around 17 years of orange production.

Changes in biological assets, for the years ended December 31, 2019 and December 31, 2018, are as follows:

(in millions of US$)	**2019**	2018
Balance as of January 1	56	60
Acquisitions and capitalized expenditure	62	62
Decrease due to harvest	(55)	(73)
Change in fair value	(9)	7
Closing balance	**54**	**56**

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 the Note 4.10.

The 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:

	2019	2018
Number of trees (in thousands)	12,153	13,076
Expected yields (in number of boxes)	18,810	23,145
Price of a box of oranges (in US$)	6.95	6.25
Discount rate	5.63%	7.38%

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

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

3.9 Trade and Other Receivables

"Trade receivables" are initially recognized at the fair value of the consideration receivable and carried at amortized cost, less provision for impairment. The Group applies IFRS 9's simplified approach to measure expected credit losses on trade receivables. This method allows the Group to recognize lifetime expected losses on receivables without the need to identify significant increases in credit risk. Significant financial difficulties of the debtor, default or delinquency in payments are considered in the historical data when determining the lifetime expected losses.

As of December 31, 2019 and December 31, 2018, trade and other receivables consisted of the following:

	2019			2018		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Trade receivables	2,162	(127)	**2,035**	2,345	(78)	**2,267**
Accrued receivables	945	–	**945**	888	–	**888**
Prepayments	555	–	**555**	212	–	**212**
Other receivables	83	(5)	**78**	108	(4)	**104**
Financial assets at amortized cost	3,745	(132)	3,613	3,553	(82)	3,471
Advances to suppliers	379	(5)	**374**	621	(3)	**618**
Staff and tax receivables	710	(20)	**690**	392	(15)	**377**
Prepaid expenses	59	–	**59**	48	–	**48**
Non-financial assets	1,148	(25)	1,123	1,061	(18)	1,043
Trade and other receivables	**4,893**	**(157)**	**4,736**	**4,614**	**(100)**	**4,514**

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$4 million and the US$1 million staff and tax receivables held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) as of December 31, 2019;
- The trade receivables held by *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) amounting to US$5 million as of December 31, 2018.

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

(in millions of US$)	**2019**	2018
Balance as of January 1	(100)	(128)
Increase in provision	(82)	(19)
Reversal of provision	24	46
Change in the list of consolidated companies	–	(1)
Foreign currency translation adjustment	1	2
Closing balance	**(157)**	**(100)**

Increase in Provision

In 2019, the increase in provision mainly corresponded to default risk on customers for US$66 million for their estimated non-recoverable portions (US$16 million in 2018) and to provisions on VAT for US$13 million (US$3 million in 2018).

Reversal of Provision

In 2019, the reversal of provision mainly corresponded to provisions for receivables reversed for US$16 million (US$25 million in 2018) and to provisions on VAT for US$8 million (US$15 million in 2018).

The following table details the risk profile of counterparty exposure broken down by past due date of receivables as of December 31, 2019 and December 31, 2018:

	2019			2018		
(in millions of US$)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Not due	4,100	(28)	**4,072**	3,537	(7)	**3,530**
Due since < 3 months	413	(7)	**406**	309	(6)	**303**
Due since 3-6 months	50	(24)	**26**	33	(3)	**30**
Due since 6 months-1 year	48	(7)	**41**	70	(8)	**62**
Due since > 1 year	168	(91)	**77**	137	(76)	**61**
Closing balance	**4,779**	**(157)**	**4,622**	**4,086**	**(100)**	**3,986**
Including:						
Trade receivables	*2,162*	*(127)*	***2,035***	*2,345*	*(78)*	***2,267***
Prepayments	*555*	–	***555***	*212*	–	***212***
Advances to suppliers	*379*	*(5)*	***374***	*621*	*(3)*	***618***
Staff and tax receivables	*710*	*(20)*	***690***	*392*	*(15)*	***377***
Other receivables	*83*	*(5)*	***78***	*108*	*(4)*	***104***
Margin deposits	*885*	–	***885***	*407*	–	***407***
Financial advances to related parties	*5*	–	***5***	*1*	–	***1***

3.10 Trade and Other Payables

Trade and other payables as of December 31, 2019 and December 31, 2018 consist of the following:

(in millions of US$)	**2019**	2018
Trade payables	2,099	1,840
Accrued payables	1,870	1,430
Prepayments	477	194
Margin deposits	42	26
Payable on purchase of fixed assets and investments	11	7
Other payables	81	74
Financial liabilities at amortized cost	4,580	3,571
Advances received	18	15
Staff and tax payables	210	229
Deferred income	33	30
Non-financial liabilities	261	274
Trade and other payables	**4,841**	**3,845**

As of December 31, 2019, the table does not include the prepayments and other financial payables amounting to US$2 million and the US$1 million staff and tax payables held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business), as they were reclassified to held for sale liabilities (refer to Note 1.4).

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 that are 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.

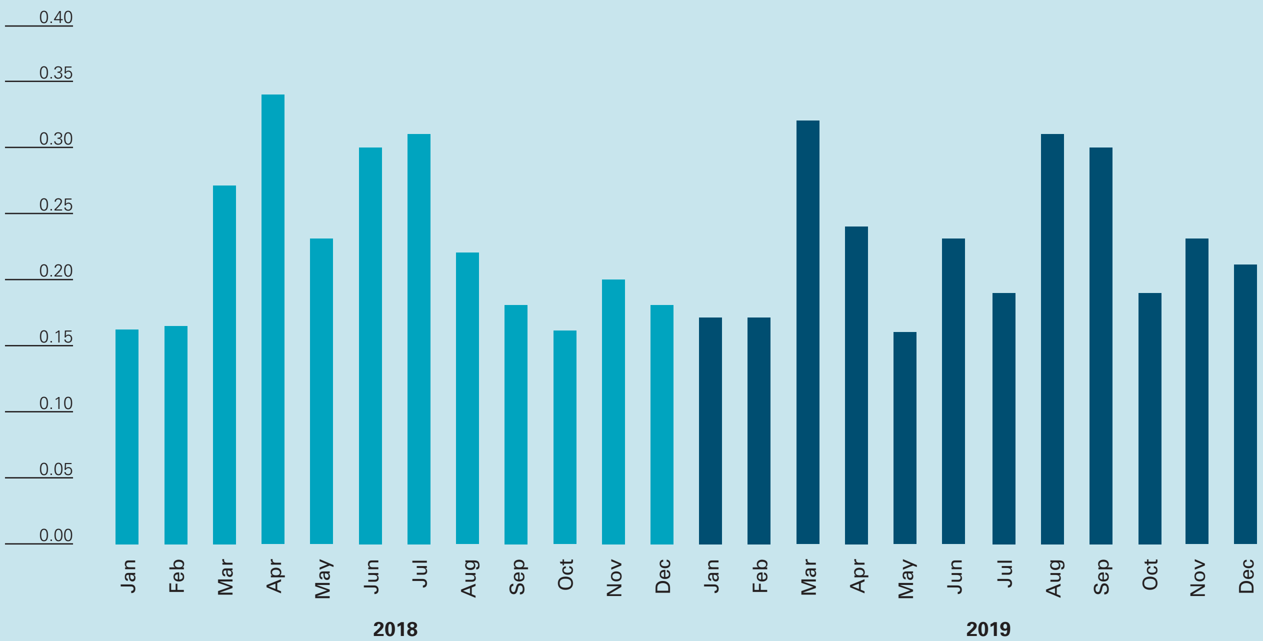
Limits are based on a daily measure of market risk exposure referred to as value at risk (VaR). The VaR that the Group measures is a model-based estimate grounded upon various assumptions such as that the log-normality of price returns; and on conventions such as the use of exponentially weighted historical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

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

Average VaR as a % of Group Equity



During the years ended December 31, 2019 and December 31, 2018, the monthly average Group VaR for trading activities has been less than 1% of stockholders’ equity. The yearly average VaR for the Group reached 0.23% in both 2019 and 2018.

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 internationally and is therefore exposed to changes in foreign currency exchange for its assets and liabilities denominated in a currency different from the functional currency of each entity. Each entity within the Group enters into foreign exchange derivative contracts to hedge its exposures back to its own functional currency.

The operating current assets and liabilities are denominated in the following currencies before hedge as of December 31, 2019 and December 31, 2018:

		2019					
(in millions of US$)	**Notes**	US Dollar	Chinese Yuan	Euro	Brazilian Real	Other currencies	**Total**
Inventories - gross value	3.7	3,935	908	110	10	183	**5,146**
Biological assets	3.8	54	–	–	–	–	**54**
Trade and other receivables - gross value	3.9	3,772	178	298	223	422	**4,893**
Derivative assets - gross value	4.8	1,202	60	–	–	18	**1,280**
Margin deposits		645	196	1	–	43	**885**
Current tax assets		–	–	4	–	58	**62**
Assets		**9,608**	**1,342**	**413**	**233**	**724**	**12,320**
Trade and other payables	3.10	3,676	330	153	405	277	**4,841**
Derivative liabilities	4.8	1,193	88	18	–	9	**1,308**
Current tax liabilities		–	8	5	1	41	**55**
Liabilities		**4,869**	**426**	**176**	**406**	**327**	**6,204**
Net current assets and liabilities		**4,739**	**916**	**237**	**(173)**	**397**	**6,116**

		2018 restated					
(in millions of US$)	**Notes**	US Dollar	Chinese Yuan	Euro	Brazilian Real	Other currencies	**Total**
Inventories - gross value	3.7	4,009	733	94	11	96	**4,943**
Biological assets	3.8	56	–	–	–	–	**56**
Trade and other receivables - gross value	3.9	3,436	164	324	227	463	**4,614**
Derivative assets - gross value	4.8	1,364	98	7	3	15	**1,487**
Margin deposits		247	138	6	–	16	**407**
Current tax assets		–	2	3	4	62	**71**
Assets		**9,112**	**1,135**	**434**	**245**	**652**	**11,578**
Trade and other payables	3.10	2,886	205	125	290	339	**3,845**
Derivative liabilities	4.8	1,094	22	11	3	11	**1,141**
Current income tax liabilities		2	5	5	4	26	**42**
Liabilities		**3,982**	**232**	**141**	**297**	**376**	**5,028**
Net current assets and liabilities		**5,130**	**903**	**293**	**(52)**	**276**	**6,550**

As of December 31, 2019, around 95% of the net current assets and liabilities are denominated in the same currency before hedge as the functional currency of the respective legal entity (90% as of December 31, 2018).

4.3 Counterparty Risk

The Group is engaged in the business of trading diversified commodities and commodity-related products. Accordingly, a substantial portion of the Group's trade receivables is towards 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.

The Group's trade receivables include debtors with a net carrying amount of US$550 million that are past due as of December 31, 2019 (refer to Note 3.9). The credit quality of financial assets is assessed by reference to credit ratings or to historical information about counterparty default rates.

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 a usual practice. The liquidity risk is consequently 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 December 31, 2019 and December 31, 2018.

	2019				2018 restated			
(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	4,293	101	1	**4,395**	3,860	222	4	**4,086**
Derivative assets	1,048	77	110	**1,235**	1,230	82	172	**1,484**
Trade and other receivables	3,705	803	228	**4,736**	3,792	402	320	**4,514**
Derivative liabilities	(1,231)	(31)	(46)	**(1,308)**	(989)	(61)	(91)	**(1,141)**
Trade and other payables	(4,214)	(584)	(43)	**(4,841)**	(3,671)	(122)	(52)	**(3,845)**
Total assets net of liabilities	**3,601**	**366**	**250**	**4,217**	**4,222**	**523**	**353**	**5,098**

The schedule below analyses the Group's financial interests (excluding those related to lease liabilities under IFRS 16) that will be settled on future periods based on the short-term debt (excluding repurchase agreements and bank overdrafts) and long-term financing as of December 31, 2019 and December 31, 2018. These interests are grouped into maturity based on the contractual maturity date of the interests.

(in millions of US$)	**2019**	2018
Maturity < 1 year	191	186
Maturity between 1-2 years	120	122
Maturity between 2-3 years	85	82
Maturity between 3-4 years	59	50
Maturity between 4-5 years	45	26
Maturity > 5 years[1]	116	73
Interests future cash outflows related to short-term debt and long-term financing existing at closing date	**616**	**539**
of which:		
Fixed rate	408	372
Floating rate	208	167

1. It includes future interests on a financial debt contracted in Brazil in 2018 and maturing up to 2035, and another one contracted in the US in 2019 and maturing up to 2028.

4.6 Interest Rate Risk

As of December 31, 2019 and December 31, 2018, the allocation of Group financing between fixed and floating interest rates is as follows:

(in millions of US$)	**2019**	2018
Fixed rate	3,888	3,714
Floating rate	3,600	3,997
Total short-term debt and long-term financing	**7,488**	**7,711**

For further details, refer to Notes 5.2 and 5.4.

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

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

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

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

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

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

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

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

As of December 31, 2019, 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	5.3	178	–	1,139	**1,317**
Total non-current financial assets		178	–	1,139	**1,317**
Financial advances to related parties	7.3	–	–	5	**5**
Trade and other receivables	3.9	–	–	3,613	**3,613**
Derivative assets	4.8	1,227	8	–	**1,235**
Margin deposits		–	–	885	**885**
Other financial assets at fair value through profit and loss	5.5	414	–	–	**414**
Cash and cash equivalents	5.6	417	–	333	**750**
Total current financial assets		2,058	8	4,836	**6,902**
Total financial assets		**2,236**	**8**	**5,975**	**8,219**

(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	–	–	3,269	**3,269**
Other non-current financial liabilities	3.5	–	–	66	**66**
Total non-current financial liabilities		–	–	**3,335**	**3,335**
Short-term debt	5.4	–	–	3,889	**3,889**
Current portion of long-term debt	5.2	–	–	637	**637**
Financial advances from related parties	7.3	–	–	184	**184**
Trade and other payables (excluding margin deposit liabilities)	3.10	–	–	4,538	**4,538**
Margin deposit liabilities	3.10	–	–	42	**42**
Derivative liabilities	4.8	1,276	32	–	**1,308**
Total current financial liabilities		**1,276**	**32**	**9,290**	**10,598**
Total financial liabilities		**1,276**	**32**	**12,625**	**13,933**

As of December 31, 2018, 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	5.3	171	–	1,113	**1,284**
Total non-current financial assets		**171**	–	**1,113**	**1,284**
Financial advances to related parties	7.3	–	–	1	**1**
Trade and other receivables	3.9	–	–	3,471	**3,471**
Derivative assets	4.8	1,475	9	–	**1,484**
Margin deposits		–	–	407	**407**
Other financial assets at fair value through profit and loss	5.5	173	–	–	**173**
Cash and cash equivalents	5.6	332	–	458	**790**
Total current financial assets		**1,980**	**9**	**4,337**	**6,326**
Total financial assets		**2,151**	**9**	**5,450**	**7,610**

(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	–	–	2,777	**2,777**
Other non-current financial liabilities	3.5	–	–	64	**64**
Total non-current financial liabilities		–	–	**2,841**	**2,841**
Short-term debt	5.4	–	–	4,704	**4,704**
Current portion of long-term debt	5.2	–	–	230	**230**
Financial advances from related parties	7.3	–	–	202	**202**
Trade and other payables (excluding margin deposit liabilities)	3.10	–	–	3,545	**3,545**
Margin deposit liabilities	3.10	–	–	26	**26**
Derivative liabilities	4.8	1,107	34	–	**1,141**
Total current financial liabilities		**1,107**	**34**	**8,707**	**9,848**
Total financial liabilities		**1,107**	**34**	**11,548**	**12,689**

4.8 Classification of Derivative Financial Instruments

Derivatives

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

Hedge Accounting

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

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

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

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

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

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

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

Fair Value Hedges

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

Cash Flow Hedges

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

Net Investment Hedges

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves while any ineffective portion is recognized immediately in the consolidated income statement. Amounts taken to equity are transferred to the consolidated income statement when the investment in foreign operations is sold or liquidated.

As of December 31, 2019 and December 31, 2018, derivative financial instruments are as follows:

	2019		2018 restated	
(in millions of US$)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	690	488	771	446
Forward foreign exchange contracts	359	298	432	441
Futures	172	334	231	85
Options	46	29	11	2
Swaps	5	127	33	133
Provision on derivative assets	(45)	–	(3)	–
Derivatives at fair value through profit and loss	**1,227**	**1,276**	**1,475**	**1,107**
Forward foreign exchange contracts	8	12	3	44
Swaps	–	20	6	(10)
Derivatives at fair value through OCI - cash flow hedges	**8**	**32**	**9**	**34**
Total derivatives	**1,235**	**1,308**	**1,484**	**1,141**

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

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

As of December 31, 2019, the Group recognized a provision on derivative assets of US$45 million on performance risk to offset unrealized gains on counterparties identified as being at risk. As of December 31, 2018, this provision was US$3 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 Real (R$). Since 2018, the contracts also relate to the hedge of foreign currency risk of a long-term financing line (principal and interests) in R$. Such contracts represent as of December 31, 2019 a total US$564 million nominal value and are effective until 2035 with an average fixed exchange rate of R$4.04 to US$.

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. These operations represent as of December 31, 2019 a total US$1,205 million nominal value effective until 2024 with an average three-month libor rate fixed at 2.28% per year.

In 2013, the Group entered into cross-currency swap contracts in order to hedge the currency and interest exposures of the two unrated senior bonds issued by LDC during the same year. The hedge on the exposure linked to future interest payments on these bonds is booked at fair value through OCI as a cash flow hedge. The hedge on currency exposure is booked at fair value through profit and loss impacting "Other financial income and expense" in the consolidated income statement (refer to Note 2.4). In July 2018, LDC repaid the €400 million unrated senior bond and settled the corresponding cross-currency swap representing a total repayment amount of US$528 million. As of December 31, 2019, the remaining cross-currency swap is effective until 2020 and is linked to the €500 million unrated senior bond.

4.9 Offsetting of Financial Assets and Liabilities

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

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

The following table sets out the carrying amounts of recognized financial instruments that are subject to the above agreements as of December 31, 2019:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets	90	(43)	**47**	198	990	**1,235**	277	**1,512**
Derivative liabilities	(352)	563	**211**	188	909	**1,308**	(466)	**842**
Margin deposit assets				885		**885**	(782)	**103**
Margin deposit liabilities				42		**42**	(39)	**3**
	442	**(606)**	**(164)**	**853**	**81**	**770**	**–**	**770**

As of December 31, 2018, the offsetting of financial assets and liabilities was as follows:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US$)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	**Total net amount**
Derivative assets	283	(117)	**166**	189	1,129	**1,484**	16	**1,500**
Derivative liabilities	(10)	37	**27**	216	898	**1,141**	(273)	**868**
Margin deposit assets				407		**407**	(314)	**93**
Margin deposit liabilities				26		**26**	(25)	**1**
	293	**(154)**	**139**	**354**	**231**	**724**	**–**	**724**

4.10 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;
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There was no transfer between levels during the year.

The following table shows an analysis of financial assets and liabilities recorded at fair value by level of the fair value hierarchy as of December 31, 2019 and December 31, 2018:

	2019				2018			
(in millions of US$)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Trading inventories	1	4,280	114	**4,395**	62	3,869	155	**4,086**
Derivative assets	194	1,032	9	**1,235**	244	1,204	36	**1,484**
Forward purchase and sale agreements	*–*	*681*	*9*	***690***	*–*	*735*	*36*	***771***
Forward foreign exchange contracts	*2*	*365*	*–*	***367***	*3*	*432*	*–*	***435***
Futures	*172*	*–*	*–*	***172***	*231*	*–*	*–*	***231***
Options	*20*	*26*	*–*	***46***	*10*	*1*	*–*	***11***
Swaps	*–*	*5*	*–*	***5***	*–*	*39*	*–*	***39***
Provision on derivative assets	*–*	*(45)*	*–*	***(45)***	*–*	*(3)*	*–*	***(3)***
Other financial assets at fair value through profit and loss (current and non-current)	389	2	201	**592**	138	8	198	**344**
Cash and cash equivalents	–	417	–	**417**	–	332	–	**332**
Total assets	**584**	**5,731**	**324**	**6,639**	**444**	**5,413**	**389**	**6,246**
Derivative liabilities	339	964	5	**1,308**	92	1,041	8	**1,141**
Forward purchase and sale agreements	*–*	*483*	*5*	***488***	*–*	*438*	*8*	***446***
Forward foreign exchange contracts	*–*	*310*	*–*	***310***	*5*	*480*	*–*	***485***
Futures	*334*	*–*	*–*	***334***	*85*	*–*	*–*	***85***
Options	*5*	*24*	*–*	***29***	*2*	*–*	*–*	***2***
Swaps	*–*	*147*	*–*	***147***	*–*	*123*	*–*	***123***
Total liabilities	**339**	**964**	**5**	**1,308**	**92**	**1,041**	**8**	**1,141**

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 over-the-counter (OTC) markets and adjusted for differences in local markets and quality since the exchange quoted-price represents contracts that have 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 and Level 3 if they are not. They also include investments in structured deposits, classified as Level 2, and loans to commercial partners that do not meet the SPPI (Solely Payments of Principal and Interests) requirements, classified as Level 3.

5. Equity and Financing

5.1 Equity

(in millions of US$)	**2019**	2018 restated
Issued capital	1	1
Share premium	1,586	1,586
Retained earnings	3,318	3,512
Other reserves	(119)	(125)
Equity attributable to owners of the company	**4,786**	**4,974**
Non-controlling interests	12	8
Total equity	**4,798**	**4,982**

The stockholder's 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 December 31, 2019 and December 31, 2018, the capital of LDC is composed of 100,000,000 shares, with a €0.01 nominal value each, that are issued and fully paid. During the year ended December 31, 2019, LDC distributed US$428 million as dividends to LDCNH, corresponding to a dividend payment of US$4.28 per share. These US$428 million dividends were distributed in relation to the results of the year 2018 as well as a remaining portion of the proceeds from the sale of the Metals business.

Other Reserves

Other reserves as of December 31, 2019 and December 31, 2018 relate to:

	2019				2018			
(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	(145)	(9)	(5)	**(149)**	(157)	1	(6)	**(150)**
Deferred compensation	30	–	–	**30**	25	–	–	**25**
Other reserves	**(115)**	**(9)**	**(5)**	**(119)**	**(132)**	**1**	**(6)**	**(125)**

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, fixed assets revaluation reserve, pensions 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.

Fixed assets revaluation reserves correspond to the revaluation surplus recorded over certain classes of property, plant and equipment for which the Group has elected to apply the revaluation model under IAS16.

Pensions' reserves correspond to the remeasurement gains and losses arising on defined benefit pension plans in accordance with IAS 19 Employee Benefits as described in Note 6.1.

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

Changes in OCI for the years ended December 31, 2019 and December 31, 2018 are as follows:

(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, 2019 - owners of the company share	**(21)**	**6**	**19**	**(154)**	**(150)**
of which :					
Pre-tax	(28)	7	25	(161)	**(157)**
Tax	7	–	(6)	–	**1**
Non-controlling share	–	1	–	(7)	**(6)**
Current year gains (losses)	(40)	–	(2)	(3)	**(45)**
Reclassification to profit and loss	41	–	–	2	**43**
Others	–	–	–	3	**3**
Other comprehensive income for the year - owners of the company share	**1**	**–**	**(2)**	**2**	**1**
of which :					
Pre-tax	10	–	(1)	3	**12**
Tax	(9)	–	(1)	–	**(10)**
Non-controlling share	–	–	–	1	**1**
Balance as of December 31, 2019 - 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)**

(in millions of US$)	Available-for-sale financial assets	Cash flow and net investment hedges	Fixed assets revaluation reserve	Pensions	Foreign currency translation adjustment	**Total**
Balance as of January 1, 2018 - owners of the company share	**4**	**(13)**	**6**	**23**	**(113)**	**(93)**
of which :						
Pre-tax	5	(16)	7	29	(119)	**(94)**
Tax	(1)	3	–	(6)	–	**(4)**
Non-controlling share	–	–	1	–	(6)	**(5)**
Current year gains (losses)	–	(52)	–	(4)	(42)	**(98)**
Reclassification to profit and loss	–	44	–	–	1	**45**
Change in accounting policies	(4)	–	–	–	–	**(4)**
Other comprehensive income for the year - owners of the company share	**(4)**	**(8)**	**–**	**(4)**	**(41)**	**(57)**
of which :						
Pre-tax	(5)	(12)	–	(4)	(42)	**(63)**
Tax	1	4	–	–	–	**5**
Non-controlling share	–	–	–	–	(1)	**(1)**
Balance as of December 31, 2018 - owners of the company share	**–**	**(21)**	**6**	**19**	**(154)**	**(150)**
of which :						
Pre-tax	–	(28)	7	25	(161)	**(157)**
Tax	–	7	–	(6)	–	**1**
Non-controlling share	–	–	1	–	(7)	**(6)**

5.2 Long-Term Debt

As of December 31, 2019 and December 31, 2018, long-term debt consists of the following:

(in millions of US$)	Notes	2019	2018
Non-current portion of long-term financing		3,027	2,777
Non-current portion of lease liabilities	7.1	242	–
Non-current portion of long-term debt		3,269	2,777
Current portion of long-term financing		572	230
Current portion of lease liabilities	7.1	65	–
Current portion of long-term debt		637	230
Total long-term debt		**3,906**	**3,007**

The tables below only refer to long-term financing.

The long-term financing as of December 31, 2019 and December 31, 2018 is analyzed as follows:

(in millions of US$)	2019	2018
Debt capital markets	1,307	1,302
Revolving credit facilities	296	450
Term loans from banks	1,996	1,255
Total long-term financing	**3,599**	**3,007**

The maturity of long-term financing as of December 31, 2019 and December 31, 2018 is analyzed as follows:

(in millions of US$)	2019	2018
Maturity between 1-2 years	245	770
Maturity between 2-3 years[1]	1,173	539
Maturity between 3-4 years[2]	447	795
Maturity between 4-5 years	263	505
Maturity > 5 years	899	168
Non-current portion of long-term financing	3,027	2,777
Current portion of long-term financing[3]	572	230
Total long-term financing	**3,599**	**3,007**
of which:		
Fixed rate	2,576	2,296
Floating rate	1,023	711

1. As of December 31, 2019, 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 senior bond is partially used as a hedging instrument to hedge the net investments in the Euro subsidiaries of the Group.
2. As of December 31, 2019, 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.
3. As of December 31, 2019, this amount includes a €500 million, 7-year, 4.00% coupon unrated senior bond listed on the *Luxembourg Stock Exchange* issued by LDC on December 4, 2013 (swapped to US Dollars, refer to Note 4.8).

Certain portions of this financing, aggregating US$96 million as of December 31, 2019 and US$105 million as of December 31, 2018 are secured by mortgages on assets.

Certain senior debt and bank loans contain covenants that require maintenance of levels of working capital, net worth, ratios of debt to equity, dividend restrictions and limit of indebtedness.

The outstanding long-term financing is denominated in the following currencies as of December 31, 2019 and December 31, 2018:

(in millions of US$)	**2019**	2018
US Dollar	3,148	2,516
Euro	450	460
Canadian Dollar	–	29
Other currencies	1	2
Total long-term financing	**3,599**	**3,007**

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

(in millions of US$)	**2019**	2018
Bank loans, from 0.80% to 2.35% over LIBOR due through 2020	–	262
Bank loans, from 0.90% to 1.35% over LIBOR due through 2021	124	270
Bank loans, from 0.70% to 3.0% over LIBOR due through 2022	268	110
Bank loans, from 0.70% to 3.5% over LIBOR due through 2027	570	3
Bank loans, from 3.10% to 5.00% over TJLP due through 2035	59	63
Other variable rates through 2022	2	3
Fixed rate through 2028	2,576	2,296
Total long-term financing	**3,599**	**3,007**

As of December 31, 2019, the main difference between the fair value of long-term financing and its historical value amounts to US$57 million. It relates to the unrated senior bonds for which fair value is US$1,364 million compared to US$1,307 million net book value.

Changes in long-term financing for the years ended December 31, 2019 and December 31, 2018 are as follows:

(in millions of US$)	**2019**	2018
Balance as of January 1	3,007	4,144
Proceeds from long-term financing	1,175	330
Repayment of long-term financing	(562)	(1,447)
Foreign exchange	(20)	(12)
Change in other reserves	(4)	(12)
Others	3	4
Closing balance	**3,599**	**3,007**

5.3 Non-Current Financial Assets

Non-current financial assets mainly include:

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

As of December 31, 2019 and December 31, 2018, non-current financial assets consist of the following:

(in millions of US$)	**2019**	2018
Non-current financial assets at amortized cost	1,139	1,113
Long-term loans to related parties	*1,059*	*1,059*
Deposits and others	*80*	*54*
Non-current financial assets at fair value through profit and loss	178	171
Non-current financial assets	**1,317**	**1,284**

As of December 31, 2019 and December 31, 2018, the long-term loans to related parties mainly include a loan granted by LDC to LDCNH in the amount of US$1,051 million with maturity in 2023.

In 2012, LDC entered into a joint venture agreement for the development and construction for a deep sea terminal for agricultural commodities at 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 December 31, 2019 and December 31, 2018, principal and accrued interests of the Loan total US$178 million and US$165 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 December 31, 2019 and December 31, 2018, 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 earlier of the terminal completion date or December 31, 2018.

As of March 20, 2020, the Loan has not been repaid and the membership interests have not been transferred to LDC.

The Project is significantly delayed, mainly because land rezoning 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.

5.4 Short-Term Debt

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

As of December 31, 2019 and December 31, 2018, short-term debt consists of the following:

(in millions of US$)	**2019**	2018
Commercial paper	63	51
Bank loans	3,406	4,426
Bank overdrafts	382	201
Repurchase agreements	38	26
Total short-term debt	**3,889**	**4,704**
of which:		
Fixed rate	1,312	1,418
Floating rate	2,577	3,286

The table does not include the following short-term debt items as they were reclassified to held for sale liabilities (refer to Note 1.4).

- The bank loan held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) amounting to US$73 million as of December 31, 2019;
- The bank overdraft held by *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) amounting to US$3 million as of December 31, 2018.

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 December 31, 2019 and December 31, 2018, there is no significant difference between the historical value of the short-term debt and its fair value.

The outstanding short-term debt is denominated in the following currencies as of December 31, 2019 and December 31, 2018:

(in millions of US$)	**2019**	2018
US Dollar	3,176	4,328
Chinese Yuan	309	202
Ukrainian Hryvnia	97	32
Indonesian Rupiah	87	26
Argentinian Peso	68	–
Euro	63	14
Russian Ruble	12	60
Other currencies	77	42
Total short-term debt	**3,889**	**4,704**

Changes in short-term debt for the years ended December 31, 2019 and December 31, 2018 are as follows:

(in millions of US$)	**2019**	2018
Balance as of January 1	4,704	3,200
Net proceeds from (repayment of) short-term debt	(741)	1,482
Foreign exchange	(4)	(2)
Change in the list of consolidated companies	–	27
Reclassification to held for sale liabilities	(70)	(3)
Closing balance	**3,889**	**4,704**

Net Proceeds From (Repayments of) Short-Term Debt

This line included changes in repurchase agreements (US$12 million in 2019 and US$26 million in 2018) and changes in securities short position (nil in 2019 and US$(7) million in 2018) which are reported as changes in derivatives in the consolidated statement of cash flows. This line excluded changes in related parties advances (US$(17) million in 2019 and US$(913) million in 2018) which are reported as "Net proceeds from (repayments of) short-term debt and related parties loans and advances" in the consolidated statement of cash flows.

Change in the List of Consolidated Companies

As of December 31, 2018, this line included mainly US$29 million of short-term debt held by *LDC (Tianjin) Food Technology Limited Liability Company* at acquisition date (refer to Note 1.3).

Reclassification to Held for Sale Liabilities

As of December 31, 2019, the US$(70) million amount corresponds to the net of the US$(73) million bank loan held by *LDC Fujian Refined Sugar Co. Ltd.* (Sugar business) reclassified to held for sale liabilities and the US$3 million bank overdraft held by *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) no longer classified as held for sale (refer to Note 1.4).
As of December 31, 2018, the US$(3) million corresponded to the reclassification of *Macrofertil Ghana Ltd.* (Fertilizers & Inputs business) bank overdraft.

5.5 Other Financial Assets at Fair Value Through Profit and Loss

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

As of December 31, 2019 and December 31, 2018, other financial assets at fair value through profit and loss consist of the following:

(in millions of US$)	**2019**	2018
Financial assets held for trading purpose	89	93
Short-term securities (maturity > 3 months)	165	42
Investments in equity instruments	160	38
	414	**173**

Short-term securities include US$1 million of securities or cash deposits pledged as collaterals as of December 31, 2019 (US$6 million as of December 31, 2018) and US$75 million of US Treasury bills granted to *Bolsas y Mercados Argentinos S.A.* as collateral.

In 2019, the increase in investments in equity instruments is mostly attributable to *Luckin Coffee* and *Leong Hup International* (LHI) shares acquired during the year.

5.6 Cash and Cash Equivalents

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

Cash and cash equivalents as of December 31, 2019 and December 31, 2018 are as follows:

(in millions of US$)	**2019**	2018
Short-term securities (maturity < 3 months)[1]	417	332
Cash	333	458
	750	**790**

1. Including US$1 million of securities pledged as collaterals for exchange as of December 31, 2019 and December 31, 2018.

As of December 31, 2019 and December 31, 2018, 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

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

Pensions and Post-Retirement Benefits

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

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

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

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

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

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

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

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

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

Other Long-Term Benefits

The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The value of the obligation is determined using the projected unit credit method.

Actuarial gains and losses are immediately recognized in the income statement as part of the commercial and administrative expenses.

Short-Term Employee Benefits

In 2019, personnel expenses related to continuing operations reached US$773 million (US$819 million in 2018).

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 December 31, 2019 and December 31, 2018, retirement benefit obligations are as follows:

	2019			2018		
(in millions of US$)	US	Other	**Total**	US	Other	**Total**
Long-term pension benefit	88	23	**111**	91	19	**110**
Post-retirement benefit	20	11	**31**	21	11	**32**
Other long-term employee benefits	5	–	**5**	5	–	**5**
Retirement benefit obligations	**113**	**34**	**147**	**117**	**30**	**147**
Net plan asset[1]	**–**	**(1)**	**(1)**	**–**	**(1)**	**(1)**

1. Included in "Trade and other receivables".

US

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

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

Pension and post-retirement benefits liabilities recognized in the consolidated balance sheet are as follows as of December 31, 2019 and December 31, 2018:

	2019		2018	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	376	20	345	21
Fair value of plan assets	(288)	–	(254)	–
Liability in the balance sheet	**88**	**20**	**91**	**21**

The changes in the pension and post-retirement liabilities are as follows:

	2019		2018	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance as of January 1	91	21	89	23
Net expense	7	1	6	1
Remeasurements	(8)	–	–	(1)
Contributions	(2)	(2)	(4)	(2)
Closing balance	**88**	**20**	**91**	**21**

The changes in the present value of the obligation in respect of pension and post-retirement benefits are as follows:

	2019		2018	
(in millions of US$)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance as of January 1	345	21	376	23
Interest cost	14	1	13	1
Remeasurements	37	–	(24)	(1)
Contributions	(20)	(2)	(20)	(2)
Closing balance	**376**	**20**	**345**	**21**

The changes in fair value of the plan assets are as follows:

(in millions of US$)	**2019**	2018
Balance as of January 1	(254)	(287)
Interest income	(10)	(10)
Administrative expenses	3	3
Return on plan assets excluding interest income	(45)	24
Employer contributions	(2)	(4)
Benefit payments	20	20
Closing balance	**(288)**	**(254)**

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

(in millions of US$)	2019 Pension benefit	2019 Post-retirement benefit	2018 Pension benefit	2018 Post-retirement benefit
Administrative expenses	3	–	3	–
Net interest expense	4	1	3	1
Total net expenses	**7**	**1**	**6**	**1**

The changes in other comprehensive income are as follows:

(in millions of US$)	2019 Pension benefit	2019 Post-retirement benefit	2018 Pension benefit	2018 Post-retirement benefit
Balance as of January 1	**26**	**4**	**26**	**3**
Return on plan assets excluding interest income	45	–	(24)	–
Effect of change in financial assumptions	(37)	–	23	1
Other actuarial assumptions	–	–	1	–
Closing balance	**34**	**4**	**26**	**4**

The plan assets are detailed as follows:

(in millions of US$)	**2019**	2018
Large US equity	(107)	(105)
Small/Mid US equity	(13)	(12)
International equity	(19)	(16)
Bond	(149)	(121)
Total plan assets	**(288)**	**(254)**

The discount rate is 3.10% as of December 31, 2019 (4.05% as of December 31, 2018).

Other

The long term pension benefits plans are mainly in the United Kingdom and Switzerland. Pension benefits liabilities recognized in the consolidated balance sheet are as follows as of December 31, 2019 and December 31, 2018:

(in millions of US$)	2019 United Kingdom	2019 Switzerland	2018 United Kingdom	2018 Switzerland
Present value of obligations	77	53	71	45
Fair value of plan assets	(66)	(45)	(61)	(40)
Liability in the balance sheet	**11**	**8**	**10**	**5**

6.2 Share-Based Payment

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

In December 2006, the terms of a stock-based compensation arrangement referred to as the Equity Participation Plan (EPP), which 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 paid US$20 million in 2019 (US$24 million in 2018) to LDCH relating to reimbursement agreements, and recorded a liability of US$95 million as of December 31, 2019 (US$90 million as of December 31, 2018).

During 2019, awards granted to employees are of US$54 million while awards forfeited by employees represent US$9 million. During the 2019 transfer window period, LDCH purchased shares from employees corresponding to US$63 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to US$184 million. As of December 31, 2018, the attribution value of outstanding EPP awards granted to employees was US$202 million, of which US$42 million corresponded to awards granted in 2018, while awards forfeited by employees during 2018 amounted to US$10 million. During the 2018 transfer window period, LDCH purchased shares from employees corresponding to US$59 million in attribution value.

As of December 31, 2019, EPP awards fully vested represent US$89 million and awards vesting ratably over periods ranging from three months to three years are of US$95 million. As of December 31, 2018, they were respectively of US$114 million and US$88 million vesting ratably over periods ranging from three months to three years.

Compensation costs recognized in commercial and administrative expenses are of US$39 million in 2019 (same amount in 2018). US$1 million was booked in 2018 in the line "Net income - discontinued operations".

Unrecognized compensation costs expected to be recognized from 2020 to 2023 are of US$39 million as of December 31, 2019 and of US$33 million as of December 31, 2018.

6.3 Number of Employees

The average number of employees related to continuing operations is as follows:

	2019	2018 restated
Managers and traders	1,669	1,645
Supervisors	1,358	1,286
Employees	4,126	4,035
Workers	7,706	8,148
Seasonal workers	3,299	3,309
	18,158	**18,423**

7. Leases and Other Information

7.1 Leases

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

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

Lessor

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

Lessee

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

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

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

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

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

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

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

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

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

Low Value Assets and Short-Term Leases

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

The right-of-use assets are included within property, plant and equipment. Changes in the net value of the right-of-use assets for the year ended December 31, 2019 are as follows:

		2019					
(in millions of US$)	**Notes**	Land	Buildings and offices	Machinery and equipment	Vessels	Other tangible assets	**Total**
Balance as of January 1		42	143	114	–	4	303
New leases		1	39	20	24	2	**86**
Early terminations and disposals		(5)	–	(6)	–	(1)	**(12)**
Depreciation		(13)	(28)	(34)	(11)	(3)	**(89)**
Acquisitions through business combinations	1.3	4	–	–	–	–	**4**
Reclassification to held for sale assets	1.4	(3)	–	–	–	–	**(3)**
Others		63	–	–	–	–	**63**
Closing balance		**89**	**154**	**94**	**13**	**2**	**352**

Early Terminations and Disposals

The Group contributed a right-of-use of land into *Tianjin Rongchuan Feed Co., Ltd.* for US$5 million (refer to Note 3.3).
The Group sold ten Canadian grain elevators and early terminated leases for machinery and equipment and other tangible assets used in the disposed facilities, decreasing both the right-of-use and lease liability by US$7 million.

Acquisitions Through Business Combinations

In December 2019, the Group became lessee of a right-of-use of land through the acquisition of *Louis Dreyfus (Jinzhou) Warehousing Co. Ltd.*

Reclassification to Held for Sale Assets

As of December 31, 2019, the Group classified as held for sale the right-of-use of land located in Fujian, China, for US$3 million following the decision to sell the entity *LDC (Fujian) Refined Sugar Co. Ltd.*

Others

This line includes the reclassification of right-of-use of lands previously included within the Group's fixed assets for US$43 million.
It also includes US$20 million of estimated costs in connection with a contingent constructive obligation for decommissioning a leased land which were recognized against a provision (refer to Note 3.6).

The lease liabilities are included within long-term debt and current portion of long-term debt. Changes in the lease liabilities for the year ended December 31, 2019 are as follows:

	2019		
(in millions of US$)	Non-current portion	Current portion	**Total**
Balance as of January 1	241	60	301
New leases	54	36	**90**
Payments	–	(76)	**(76)**
Early terminations and disposals	–	(7)	**(7)**
Reclassification	(53)	53	**–**
Foreign exchange	–	(1)	**(1)**
Closing balance	**242**	**65**	**307**

The maturity of the non-current lease liabilities as of December 31, 2019 is analyzed as follows:

(in millions of US$)	2019
Maturity between 1-2 years	49
Maturity between 2-3 years	34
Maturity between 3-4 years	25
Maturity between 4-5 years	19
Maturity > 5 years	115
Non-current portion of lease liabilities	**242**

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

(in millions of US$)	2019
Variable lease expenses	(3)
Short-term lease expenses	(241)
Low-value asset lease expenses	(1)
Income from sub-leasing right-of-use assets	76

As of December 31, 2019, the total cash outflow for leases amounts to US$321 million.

At transition to IFRS 16, leases previously classified as operational leases under IAS 17 were considered when measuring the lease liabilities. As of December 31, 2018, the total leases and other commitments amounted to US$746 million, including US$346 million for operating leases. The reconciliation between this amount and the opening balance of leases liabilities as of January 1, 2019 is presented as follows:

(in millions of US$)	
Operating leases commitments as of December 31, 2018 - not discounted	346
Discount effect in accordance with IFRS 16	(97)
Adjustments	52
Lease liabilities recognized as of January 1, 2019	**301**

Adjustments include US$36 million of right-of-use of lands in Brazil in connection with agricultural partnership contracts, which were considered out of scope of IAS 17 and thus, not disclosed as operating lease commitments as of December 31, 2018. The remaining adjustments balance mainly related to the impact of the revision of assumptions for leases maturities.

7.2 Commitments and Contingencies

Commitments

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

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

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

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

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

The Group has commitments to purchase or sell commodities that consist of the following as of December 31, 2019 and December 31, 2018:

		2019			2018	
(in millions of US$)	Quantities' unit	Quantities	**Estimated amount**	Maturity	Quantities	Estimated amount
Commitments to purchase						
Raw sugar	Ktons	68	**38**	2020	1,152	671
Orange boxes[1]	Million boxes	57	**332**	2029	86	441
Fuel	MMbtus[2]	7	**17**	2021	9	28
Other	Ktons	1	**4**	2021	2	7
			391			**1,147**
Commitments to sell						
Refined sugar	Ktons	493	**391**	2021	398	307
Hulls and glycerin	Ktons	48	**18**	2021	54	22
Frozen concentrate orange juice	Ktons	144	**241**	2021	160	329
Not-from-concentrate citrus juice	Ktons	404	**199**	2021	338	177
Juice by-products	Ktons	20	**45**	2021	25	81
Apple juice	Ktons	26	**30**	2021	25	29
		1,135	**924**		**1,000**	**945**

1. Of which US$116 million may fall in the following 12 months.
2. Million British Thermal Units.

Amounts in US Dollars (US$) are determined using the market prices at the balance sheet date.

In addition, the Group has the following non-commodities commitments:

	2019	2018
(in millions of US$)	**Estimated amount**	Estimated amount
Commitments given		
Letters of credit	536	617
Bid and performance bonds	97	102
Capex commitments	83	77
Guarantees given	78	151
Other commitments	13	28
	807	**975**
Commitments received		
Guarantees and collaterals received	429	461
	429	**461**

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 December 31, 2019, these tax assessments amounted to US$55 million, compared to US$66 million as of December 31, 2018.
LDC Argentina S.A. could receive additional tax notifications for subsequent years.
LDC Argentina S.A. also received tax assessments in connection with differences in export taxes paid in 2007 and 2008, amounting to US$90 million (unchanged compared to December 31, 2018).
Other large exporters and processors of cereals and other agricultural commodities have received similar tax assessments in this country. *LDC Argentina S.A.* has appealed these tax assessments to the relevant jurisdictions, considering they are without merit and that *LDC Argentina S.A.* has complied with all the applicable regulations.
As of December 31, 2019, *LDC Argentina S.A.* has reviewed the evaluation of all its tax positions. Based upon Argentine tax law as well as advice from its legal counsel, *LDC Argentina S.A.* still considers that its tax positions are suitable. However, *LDC Argentina S.A.* 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. The plaintiffs have proposed to bring the action as a class action. The defendants have filed an answer denying the claims in the action. 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 pretrial 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. Plaintiffs have the right to appeal the dismissals of those actions.

In December 2018, approximately 170 new cases were filed 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 LDC defendants were dismissed. The plaintiffs have the right to appeal the dismissal of those cases.

In October 2016, a subsidiary of LDC LLC brought an action in US federal court against Syngenta for damages arising out of Syngenta's marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the US. The action sought damages in excess of US$30 million. Syngenta moved to dismiss the action, which the court granted in part. This case and a related case brought by other LDC companies in Minnesota state court have been dismissed with prejudice pursuant to a confidential settlement agreement with Syngenta entered into by LDC LLC and other LDC companies that were plaintiffs in the two cases.

In 2017, Syngenta filed claims in federal and state court in Illinois and in state court in Iowa against LDC companies and other grain companies seeking indemnification or contribution for any damages recovered by the plaintiffs in the underlying actions relating to Syngenta's marketing and distribution of genetically modified corn. The LDC defendants, along with other grain companies, moved to dismiss the actions. The claims by Syngenta have been dismissed with prejudice pursuant to the confidential settlement agreement described above.

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 are reflected as follows:

Income statement (in millions of US$)	**2019**	2018
Sales[1]	99	100
Cost of sales[1]	(653)	(1,086)
Commercial and administrative expenses	6	6
Finance costs, net	58	62

Balance sheet (in millions of US$)	**2019**	2018
Non-current financial assets at amortized cost	1,059	1,059
Financial advances to related parties	5	1
Trade and other receivables[1]	307	90
Derivative assets	19	11
Total assets	**1,390**	**1,161**
Financial advances from related parties	184	202
Trade and other payables[1]	293	73
Derivative liabilities	–	4
Total liabilities	**477**	**279**

1. Mainly correspond to transactions with associates and joint ventures and/or with *Biosev* (an indirect subsidiary of LDCH and a Brazilian company listed on the Brazilian stock exchange).

As of December 31, 2019 and December 31, 2018, other financial assets at fair value through profit and loss comprises a loan granted by LDC to LDCNH in the amount of US$1,051 million with maturity in 2023.

Financial advances from related parties comprises financing from LDCH of US$184 million as of December 31, 2019 (US$202 million as of December 31, 2018), including a liability relating to reimbursement agreements with LDCH of US$95 million as of December 31, 2019 (US$90 million as of December 31, 2018) (refer to Note 6.2).

Key management personnel compensation during the years ended December 31, 2019 and December 31, 2018 was as follows:

(in millions of US$)	**2019**	2018
Short-term benefits	8	7
Share-based payments – amount of vested shares	2	4
	10	**11**

7.4 Subsequent Events

As of March 20, 2020, the coronavirus (COVID-19) outbreak had not significantly affected the Group's operations and performance. At the stage prevailing on the approval date of these 2019 consolidated financial statements of LDC, it is too early to say what impact this outbreak may have on the Group's future performance.

7.5 List of Main Subsidiaries

The main subsidiaries of LDC that are consolidated as of December 31, 2019 and December 31, 2018 are the following:

		2019		2018	
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.	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Canada ULC	Canada	100.00	100.00	100.00	100.00
Louis Dreyfus Company Yorkton Trading LP	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 (Fujian) Refined Sugar Co. Ltd.	China	67.00	67.00	67.00	67.00
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 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
Jin Xing Mianhua Pte. Ltd.	Singapore	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

Company	Country	2019		2018	
		% of control	% of ownership	% of control	% of ownership
Louis Dreyfus Company Africa Pty. Ltd.	South Africa	100.00	100.00	100.00	100.00
Louis Dreyfus Company España S.A.	Spain	100.00	100.00	100.00	100.00
Louis Dreyfus Company Juices Suisse S.A.	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 G&O Holdings LLC[1]	US	0.00	0.00	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	US	100.00	100.00	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. *Louis Dreyfus Company G&O Holdings LLC* was merged into *Louis Dreyfus Company LLC* as of December 2019.

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