

Louis Dreyfus Holding B.V.

Annual
Report

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Consolidated Financial Statements

Consolidated Income Statement

Year ended December 31

(in millions of US\$)	Notes	2023	2022
Net sales	2.1	50,625	59,931
Cost of sales		(48,046)	(57,335)
Gross margin		2,579	2,596
Commercial and administrative expenses		(1,053)	(972)
Interest income	2.2	47	32
Interest expense	2.2	(325)	(341)
Other financial income and expense	2.2	28	(6)
Share of profit (loss) in investments in associates and joint ventures	3.3	26	6
Gain (loss) on investments and sale of fixed assets	2.3	(67)	(156)
Other gains and losses	2.4	(61)	(156)
Income before tax		1,174	1,003
Income taxes	2.5	(164)	(218)
Net income - continuing operations		1,010	785
Attributable to:			
Owners of the company		559	333
Non-controlling interests		451	452
Net income - discontinued operations	1.4	—	(15)
Attributable to:			
Owners of the company		—	(15)
Non-controlling interests		—	—
Net income		1,010	770
Attributable to:			
Owners of the company		559	318
Non-controlling interests		451	452

Consolidated Statement of Comprehensive Income

Year ended December 31

(in millions of US\$)	2023	2022
Net income	1,010	770
Items reclassified from other comprehensive income (OCI) to net income during the year		
Gain (loss) on cash flow and net investment hedges	(46)	5
Related tax impact	16	3
Exchange differences recycled upon sale/liquidation of investments	35	6
Investments in associates and joint ventures - share of other comprehensive income	3	(1)
Total	8	13
Items that may be reclassified subsequently from OCI to net income		
Cash flow and net investment hedges - change in fair value, gross	48	115
Related tax impact	(25)	(30)
Exchange differences arising on translation of foreign operations	(25)	(71)
Investments in associates and joint ventures - share of other comprehensive income	4	—
Total	2	14
Items that will not be reclassified subsequently from OCI to net income		
Pensions, gross	1	18
Related tax impact	—	(3)
Total	1	15
Changes in OCI	11	42
Total comprehensive income	1,021	812
Attributable to:		
Owners of the company	560	339
Non-controlling interests	461	473

Consolidated Balance Sheet

As of December 31

(in millions of US\$)	Notes	2023	2022
Non-current assets			
Intangible assets	3.1	273	268
Property, plant and equipment	3.2	4,003	3,695
Investments in associates and joint ventures	3.3	288	251
Non-current financial assets ¹	5.5	311	732
Deferred income tax assets	2.5	339	217
Other non-current assets	3.4	254	285
Total non-current assets		5,468	5,448
Current assets			
Inventories	3.7	6,430	6,066
Biological assets	3.8	45	65
Trade and other receivables	3.9	6,096	6,426
Derivative assets ¹	4.8	1,673	1,571
Margin deposits ¹	4	528	779
Current tax assets		59	68
Financial advances to related parties	7.3	50	—
Other financial assets at fair value through profit and loss	5.6	522	356
Cash and cash equivalents	5.7	1,505	1,203
Total current assets		16,908	16,534
Assets classified as held for sale	1.5	32	16
Total assets		22,408	21,998

¹ Change in presentation performed - refer to Notes 3.5 and 5.5.

Consolidated Balance Sheet (continued)

As of December 31

(in millions of US\$)	Notes	2023	2022
Equity			
Issued capital and share premium		949	949
Retained earnings		3,667	3,166
Other reserves		(648)	(647)
Equity attributable to owners of the company		3,968	3,468
Equity attributable to non-controlling interests	5.2	3,054	2,812
Total stockholders' equity and non-controlling interests	5.1	7,022	6,280
Non-current liabilities			
Long-term debt	5.3	4,688	4,368
Retirement benefit obligations	6.1	65	68
Provisions	3.6	85	80
Deferred income tax liabilities	2.5	193	163
Other non-current liabilities ¹	3.5	343	372
Total non-current liabilities		5,374	5,051
Current liabilities			
Short-term debt	5.4	1,906	2,145
Current portion of long-term debt	5.3	308	716
Financial advances from related parties	7.3	4	4
Trade and other payables	3.10	6,174	6,399
Derivative liabilities ¹	4.8	1,399	1,215
Provisions	3.6	41	43
Current tax liabilities		180	145
Total current liabilities		10,012	10,667
Total liabilities		15,386	15,718
Total equity and liabilities		22,408	21,998

¹ Change in presentation performed - refer to Notes 3.5 and 5.5.

Consolidated Statement of Cash Flows

Year ended December 31

(in millions of US\$)	Notes	2023	2022
Net income		1,010	770
Adjustments for items not affecting cash			
Depreciation and amortization		631	660
Biological assets' change in fair value	3.8	24	1
Income taxes	2.5	164	218
Net finance costs		268	325
Other provisions, net		80	161
Share of (profit) loss in investments in associates and joint ventures, net of dividends	3.3	(24)	(6)
(Gain) loss on investments and sale of fixed assets	2.3	67	156
Non-cash items from discontinued operations		—	15
		2,220	2,300
Changes in operating assets and liabilities			
Inventories and biological assets		(354)	1,429
Derivatives		(364)	(303)
Margin deposits net of margin deposit liabilities		297	530
Trade and other receivables		525	(715)
Trade and other payables		(46)	476
Interests paid		(363)	(424)
Interests received		75	43
Income tax received (paid)		(169)	(213)
Net cash from (used in) operating activities		1,821	3,123
Investing activities			
Purchase of fixed assets		(597)	(427)
Additional investments, net of cash acquired		(25)	(122)
Change in short-term securities		—	56
Proceeds from sale of fixed assets		5	80
Proceeds from sale of investments, net		198	286
Change in loans and advances made		—	(9)
Net cash from (used in) investing activities		(419)	(136)
Financing activities			
Net proceeds from (repayment of) short-term debt and related parties loans and advances	5.4	(30)	(1,839)
Proceeds from long-term financing	5.3	540	730
Repayment of long-term financing	5.3	(864)	(965)
Repayment of lease liabilities	7.1	(261)	(252)
Transactions with non-controlling interests ¹		(7)	(49)
Dividends paid to equity owners of the company	5.1	(247)	(55)
Dividends paid to non-controlling interests		(226)	(47)
Net cash from (used in) financing activities		(1,095)	(2,477)
Exchange difference on cash		(5)	(29)
Net increase (decrease) in cash and cash equivalents		302	481
Cash and cash equivalents, at beginning of the year	5.7	1,203	722
Cash and cash equivalents, at year-end	5.7	1,505	1,203

1. Including Biosev former non-controlling interests in 2022.

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, 2021		949	2,772	(642)	3,079	2,492	5,571
Net income			318		318	452	770
Other comprehensive income, net of tax				21	21	21	42
Total comprehensive income	5.1		318	21	339	473	812
Dividends	5.1		(55)		(55)	(47)	(102)
Change in the list of consolidated companies			24	(24)	—	2	2
Transactions with non-controlling interests			105	—	105	(108)	(3)
Others			2	(2)	—	—	—
Balance as of December 31, 2022		949	3,166	(647)	3,468	2,812	6,280
Net income			559		559	451	1,010
Other comprehensive income, net of tax				1	1	10	11
Total comprehensive income	5.1		559	1	560	461	1,021
Dividends	5.1		(247)		(247)	(226)	(473)
Transactions with non-controlling interests			190	(2)	188	6	194
Others			(1)	—	(1)	1	—
Balance as of December 31, 2023		949	3,667	(648)	3,968	3,054	7,022

Notes to the Consolidated Financial Statements

Louis Dreyfus Holding B.V. ("LDH" or the "company") is a privately owned company incorporated in the Netherlands on 18 May 2007, registered at the Chamber of Commerce under registration number 34274127. The address of its registered office is World Trade Center, Zuidplein 208, 1077 XV Amsterdam - Netherlands. The majority shareholder is *Akira B.V.*

LDH and its subsidiaries (the "Group") have expanded their expertise to a wide variety of commodities and participate in various diversified businesses.

Effective December 4, 2012, *Louis Dreyfus Company Holdings B.V.* (LDCH), a direct subsidiary of *Louis Dreyfus Company and Energy Holdings B.V.* (LDCEHBV), and an indirect subsidiary of LDH, contributed all its shares and voting rights in *Louis Dreyfus Company B.V.* (LDC) to the intermediate holding company *Louis Dreyfus Company Netherlands Holding B.V.* (LDCNH).

On September 10, 2021, a legal reorganization was performed and as of this date, LDC became a direct subsidiary of LDCH, which in turn is held by *Louis Dreyfus Company International Holding B.V.* (LDCIH), the holding company indirectly owned at 55% by LDH and at 45% by *Abu Dhabi Developmental Holding Company*. LDCIH and its subsidiaries are hereafter referred to as "LDCIH subgroup".

Subsequent to such reorganization, LDCEHBV is the direct shareholder of LDCNH and the indirect shareholder of LDC through 55% of LDCIH.

LDC and its subsidiaries ("LDC subgroup") is a global merchant and processor of agricultural goods, operating a significant network of assets around the world. The Group's activities span the entire value chain from farm to fork, across a broad range of business lines (platforms). Since its inception in 1851, the Group's portfolio has grown and, as of December 31, 2023, included Grains & Oilseeds, Coffee, Cotton, Juice, Rice, Sugar, Freight, Global Markets, Carbon Solutions and the newly created Food & Feed Solutions Platform.

In June 2017, LDC completed the issuance of an unrated senior bond for US\$300 million (six-year, 5.25% coupon), which was reimbursed in June 2023. In November 2020, LDC completed the issuance of a rated senior bond for €600 million (five-year, 2.375% coupon), completed in February 2021 by an additional €50 million through a reverse inquiry. In April 2021, LDC completed the issuance of a rated senior bond for €500 million (seven-year, 1.625% coupon). These bonds are listed on the *Luxembourg Stock Exchange* (refer to Note 5.3).

1. Accounting Policies and Consolidation Scope

1.1 Accounting Policies

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

The consolidated financial statements of LDH as of and for the year ended December 31, 2023 (the "Financial Statements") were approved by the Board of Directors of LDH on March 19, 2024.

The Financial Statements were prepared in accordance with *International Financial Reporting Standards* (IFRS) adopted by the European Union as of December 31, 2023 and IFRS as issued by the *International Accounting Standards Board* (IASB). The Group has not adopted IFRS 8 "Operating Segments" and IAS 33 "Earnings per Share" since these standards are not mandatory for companies whose ordinary shares are not publicly traded.

Accounting policies used to prepare these Financial Statements are the same as those used to prepare the consolidated financial statements as of and for the year ended December 31, 2022, except for the adoption of new amendments, standards and interpretations as of January 1, 2023, as detailed below.

New and Amended Accounting Standards and Interpretations Effective in 2023

The following amendments, applied starting from 2023 have had no material effect on the balance sheet or performance of the Group:

- IFRS 17 "Insurance Contracts" and related amendments
- Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
- Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative information"
- Amendments to IAS 12 "Income taxes: International Tax Reform - Pillar Two Model Rules". The amendments introduce a mandatory temporary exception to the recognition of deferred tax assets and liabilities arising from the jurisdictional implementation of the Pillar Two model rules and require specific disclosures that are detailed in Note 2.5.

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 16 "Lease liability in a Sale and Leaseback".
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants".

The amendments will come into effect as of January 1, 2024 and are not expected to have any material impact on the Group's financial statements.

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

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

- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements". The amendments will come into effect as of January 1, 2024 with early application permitted.
- Amendments to IAS 21 "Lack of Exchangeability". The amendments will come into effect as of January 1, 2025 with early application permitted.

1.2 Basis of Consolidation and Use of Estimates

Basis of Consolidation

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

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

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

All consolidated subsidiaries and companies carried at equity prepared their accounts as of December 31, 2023 in accordance with the accounting policies and methods applied by the Group.

Intercompany transactions and balances are eliminated in consolidation.

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

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

Use of Estimates

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

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

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

Cash-generating units are defined at the lowest level of independent cash flows generated by the corresponding assets measured. Applying this methodology, the Group identified ten main independent cash-generating units corresponding to its commodity platforms. The value in use calculations are based on pre-tax cash flow projections set on business plans prepared by the management and approved by the Board of Directors, covering a seven-year period and potentially an extrapolation of the cash flows beyond the seven-year plan to

Notes to the Consolidated Financial Statements

cover a full life cycle, and a terminal value using a perpetual growth rate. The recoverable amount is the sum of the discounted cash flows and the discounted terminal residual value. The discount rate used is based on the weighted average cost of capital of the Group before tax.

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

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

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

Foreign Currencies

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

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

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

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

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

Consolidated Financial Statements

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

Assets and liabilities are presented separately between current and non-current. For each asset and liability, this classification is based on the expected recoverability or settlement date, respectively before or after 12 months from the balance sheet date.

Cash flows from operating activities are reported using the indirect method: net income is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

1.3 Russia-Ukraine Crisis

The Group is closely monitoring the complex situation of the Russia-Ukraine crisis, operating in compliance with international sanctions, laws and regulations.

As of December 31, 2023, the Financial Statements were prepared considering the ability of LDC's subsidiaries in Ukraine to continue as a going concern. Management considers that control over current and non-current assets located in Ukraine is maintained.

In Ukraine, all property, plant and equipment held are in condition to run, and management has no intention to discontinue the business in the foreseeable future. Additionally, subsidiaries in Ukraine can access financing to meet their short-term financial obligations, and cash is not restricted.

As of December 31, 2023, in relation to its operations in Ukraine, the Group held total assets of US\$211 million and total liabilities of US\$126 million, including US\$(58) million impairment and provisions. Estimates and assumptions made by management take into account the consequences of the crisis, notably logistics constraints and associated costs, as well as performance risks.

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

As announced on April 3, 2023, the Group ceased grain exports from Russia and has been engaged in a sale process of its existing business and assets in Russia ("Russian business") on terms that satisfy the requirements of the Russian authorities. As of December 31, 2023, the Group performed a reassessment of control as defined by IFRS 10, and considering facts and circumstances, the Group concluded on a loss of control and deconsolidated its Russian business. As a consequence, the Group recorded a US\$(61) million loss

Notes to the Consolidated Financial Statements

(including US\$(34) million foreign currency translation adjustment recycling from OCI) in the line "Other gains and losses" of the consolidated income statement (refer to Note 2.4).

1.4 Change in the List of Consolidated Companies

Apart from Russian business deconsolidation described in the Note 1.3, no other significant change to the list of consolidated companies occurred during the year ended December 31, 2023.

On November 27, 2022, the Group completed the sale of Imperial Sugar Company business to U.S. Sugar, one of the largest fully integrated sugarcane producers and refiners in the US. The final selling price of this transaction amounted to US\$287 million. The loss derived from the sale amounted to US\$(44) million recorded in prior years in accordance with IFRS 5.

On October 31, 2022, the Group acquired 100% of Emerald Grain Pty. Ltd. (Emerald Grain) from Longriver Farms Pty. Ltd. for a final purchase price of AUD163 million (US\$105 million equivalent). Emerald Grain is a leading grain handling business in Australia, with an integrated grain storage system across seven upcountry storage and handling facilities in the states of Victoria and New South Wales, and an export terminal at the Port of Melbourne. In accordance with IFRS 3 (revised), the Group recognized a US\$10 million goodwill. 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
Property, plant and equipment	62	69
Deferred income tax assets	—	3
Non-Current Assets	62	72
Current Assets	131	131
Total Assets	193	203
Long-term debt	17	17
Deferred income tax liabilities	6	—
Other non-current liabilities	1	1
Non-Current Liabilities	24	18
Current Liabilities	90	90
Total Liabilities	114	108
Net Equity	79	95
Consideration transferred		105
Goodwill		10

In February 2021, the Group reached an agreement with *Raizen S.A* to sell *Biosev S.A.* and its subsidiaries except *Crystalsev Comércio e Representação Ltda.*, *Biosev Terminas Portuários e Participações Ltda* and their subsidiaries including investment in TEAG, referred to as "Biosev subgroup". Since December 31, 2020, Biosev subgroup 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". On August 10, 2021, the Group finalized the sale of Biosev subgroup. As of December 31, 2021, the consideration received for this transaction, still subject to price adjustment, amounted to US\$1,165 million and included 3.2% of Raizen shares valued at US\$450 million. In 2022, following the agreement on final price adjustment between the parties, additional US\$(15) million were recognized in the line "Net income - discontinued operations" of the consolidated income statement.

On September 10, 2021, the Group completed the sale of an indirect 45% equity stake in LDCIH to Abu Dhabi-based ADQ, one of the region's largest holding companies. In compliance with IFRS 10, the impacts of the transaction were booked through equity in the line "Transactions with non-controlling interests" as the Group maintains control over LDCIH. Then, starting from the transaction closing date, 45% of LDCIH subgroup equity contribution is reported as non-controlling interests within the consolidated statement of equity of LDH. Furthermore, the agreement established that the dividends corresponding to the period up to the completion of the transaction (i.e. September 10, 2021) were for the full benefit of the seller, which generated a US\$108 million positive impact in equity attributable to owners of the company in 2022. The agreement included a price adjustment clause calculated based on LDCIH subgroup financial performance from 2020 to 2023. On December 31, 2023, the full earn out amount was recognized within equity attributable to owners of the company.

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

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

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

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

As of December 31, 2022, the US\$7 million investment in joint venture *Epko Oil Seed Crushing Pty. Ltd.* (sunflower seed and maize germ crushing plant in South Africa) was classified as held for sale (50% ownership). On May 2, 2023, the Group finalized the sale of its investment to *NWK Limited*.

As of December 31, 2023, assets classified as held for sale relate mainly to Kowalski corn processing assets in Brazil.

2. Income Statement

2.1 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".

Notes to the Consolidated Financial Statements

Net sales for the years ended December 31, 2023 and December 31, 2022 consist of the following:

(in millions of US\$)	2023	2022
Sale of commodities and consumable products	48,986	57,865
Freight, storage and other services	1,395	1,787
Others	244	279
Net sales	50,625	59,931

2.2 Net Finance Costs

Net finance costs for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Interest income	47	32
Interest expense	(325)	(341)
Other financial income and expense	28	(6)
Interest expense on leases	(29)	(24)
Foreign exchange	(1)	206
Net gain (loss) on derivatives	(1)	(219)
Other (mainly related to commercial transactions)	59	31
Net finance costs	(250)	(315)

The "Foreign exchange" and "Net gain (loss) on derivatives" lines need to be read jointly. For December 31, 2022, foreign exchange is mainly attributable to Euro and Japanese Yen depreciation, impacting Euro-denominated bonds and Japanese Yen-denominated debt, as well as Brazilian Real appreciation affecting the USD-denominated debt in Brazilian Real functional currency entities. 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).

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

Gain (loss) on investments and sale of fixed assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Gain (loss) on sale of consolidated companies	3	(9)
Gain (loss) on other financial assets at fair value through profit and loss	(69)	(170)
Gain (loss) on sale of fixed assets	(1)	23
Gain (loss) on investments and sale of fixed assets	(67)	(156)

Gain (Loss) on Sale of Consolidated Companies

In 2022, the Group recognized a US\$(4) million loss related to the completion of the sale of *Imperial Sugar Company* business, with an additional impact of US\$3 million recognized in 2023 (refer to Note 1.4).

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

In 2023, the Group sold its investment in *Raizen* shares for total US\$201 million consideration net of transaction costs generating a US\$(41) million loss recognized through fair value adjustment. Additionally, the Group recognized a US\$(28) million fair value loss on the investments held by *Louis Dreyfus Company Ventures B.V.*.

In 2022, the Group recognized US\$(162) million fair value loss on *Raizen* shares and US\$(1) million on the investments held by *Louis Dreyfus Company Ventures B.V.*, the remaining losses were mainly recognized on listed investments due to decrease in share price.

Gain (Loss) on Sale of Fixed Assets

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

2.4 Other Gains and Losses

In 2023, the US\$(61) million loss recognized in other gains and losses is related to the loss of control over the Russian business (refer to Note 1.3).

In 2022, the loss was linked to the development and construction of a deep-sea terminal for agricultural commodities in the Taman peninsula in southern Russia (the "Project") for which LDC entered into a joint venture agreement in 2012. LDC granted loans to the joint venture partner *Infracos Consortium B.V.*, whose rights and obligations had been transferred to *Infracis Group Limited*.

During 2022, the Russia-Ukraine crisis brought significant uncertainties on the Project's economics and the discount rate significantly increased in light of the business environment. As of December 31, 2022, an impairment test of the project was run based on financial projections over the lifetime of the terminal. Material assumptions included construction costs and timing, elevation fees, elevated volume, inflation, foreign exchange and discount rate. As a consequence, a US\$156 million impairment was recognized in the line "Other gains and losses" of the consolidated income statement for the year ended December 31, 2022.

2.5 Income Taxes

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end applied to the expected current year taxable income, and any adjustment to income taxes payable in respect of previous years.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset the amounts and when the entity intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Generally, the entity will have a legally enforceable right to offset the amounts when they relate to income taxes levied by the same taxation authority which permits the entity to make or receive a single net payment.

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable income using the most recent established tax rates or substantively enacted income tax rates which are expected to be effective at the time of the reversal of the underlying temporary difference.

The Group recognizes future tax benefits to the extent that the realization of such benefits is probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities.

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

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

Income taxes in the consolidated income statement for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Current year income taxes	(276)	(283)
Adjustments with respect to prior year income taxes	17	6
Current income taxes	(259)	(277)
Current year deferred income taxes	199	123
Change in valuation allowance for deferred tax assets	(94)	(57)
Adjustments with respect to prior year deferred income taxes	(14)	(7)
Change in tax rate	4	—
Deferred income taxes	95	59
Income taxes	(164)	(218)

The reported tax expense differs from the computed theoretical income tax provision using the Netherlands' income tax rate of 25.8% for the years ended December 31, 2023 and December 31, 2022, for the following reasons:

(in millions of US\$)	2023	2022
Theoretical income tax	(303)	(259)
Differences in income tax rates	69	122
Effect of change in tax rate	5	—
Difference between local currency and functional currency	(46)	14
Change in valuation allowance for deferred tax assets	20	(57)
Permanent differences on share of profit (loss) in investments in associates and joint ventures	8	3
Adjustments on prior years and tax reserves	6	(23)
Withholding tax on dividends	(8)	(6)
Other permanent differences	85	(12)
Income taxes	(164)	(218)

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

The difference between local currency and functional currency impact is booked in non-US entities whose functional currency is the US Dollar while being taxed based on their local respective currencies. In 2023 and 2022, such impact mainly regarded Group entities in Argentina. As of December 31, 2023, this line includes US\$1 million which relate to revaluation in respect of movements in currency values of deferred tax assets and liabilities, excluding non-monetary balance sheet items (US\$1 million as of December 31, 2022).

In 2023, the change in valuation allowance for deferred tax assets is mostly attributable to reversal of valuation allowance in the Netherlands. In 2022, the change in valuation allowance for deferred tax assets is mostly attributable to valuation allowance in Brazil partially offset by reversal of valuation allowance in Switzerland.

Notes to the Consolidated Financial Statements

In 2023, the other permanent differences are mostly attributable to non-taxable indirect tax incentives in Brazil and tax credits granted in Switzerland.

Consolidated deferred income tax assets (liabilities) as of December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Deferred income tax assets	339	217
Deferred income tax liabilities	(193)	(163)
Deferred tax net	146	54

Changes in net deferred income tax assets (liabilities) for the years ended December 31, 2023 and December 31, 2022 are as follows:

2023							
(in millions of US\$)	Opening balance	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Loss of control of subsidiaries	Other	Closing balance
Net tax benefits from carry forward losses	184	23	—	—	—	(4)	203
<i>Tax benefits from carry forward losses</i>	363	405	—	13	(3)	(4)	774
<i>Valuation allowance on carry forward losses</i>	(179)	(382)	—	(13)	3	—	(571)
Unrealized exchange gains and losses	91	(69)	—	—	—	—	22
Non-monetary balance sheet items - difference between tax and functional currencies	(177)	(6)	—	—	—	—	(183)
Owned fixed assets (other temporary differences)	(135)	(2)	—	—	—	(5)	(142)
Other temporary differences	337	54	(9)	8	—	3	393
Valuation allowance for other deferred tax assets	(246)	107	—	(8)	—	—	(147)
Deferred tax net	54	107	(9)	—	—	(6)	146

2022							
(in millions of US\$)	Opening balance	Recognized in net income	Recognized in equity	Foreign currency translation adjustment	Other		Closing balance
Net tax benefits from carry forward losses	246	(59)	—	(1)	(2)		184
<i>Tax benefits from carry forward losses</i>	412	(48)	—	1	(2)		363
<i>Valuation allowance on carry forward losses</i>	(166)	(11)	—	(2)	—		(179)
Unrealized exchange gains and losses	147	(57)	—	1	—		91
Non-monetary balance sheet items - difference between tax and functional currencies	(251)	74	—	—	—		(177)
Owned fixed assets (other temporary differences)	(166)	30	—	1	—		(135)
Other temporary differences	248	112	(30)	9	(2)		337
Valuation allowance for other deferred tax assets	(200)	(35)	—	(11)	—		(246)
Deferred tax net	24	65	(30)	(1)	(4)		54

Recognized and unrecognized tax benefits from carry forward losses for the years ended December 31, 2023 and December 31, 2022 expire as follows:

	2023			2022		
(in millions of US\$)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
Losses expiring in less than 1 year	—	1	1	—	1	1
Losses expiring in 2-3 years	28	15	43	11	4	15
Losses expiring in 4-5 years	27	6	33	44	1	45
Losses expiring in more than 5 years	11	10	21	27	3	30
Losses which do not expire	137	539	676	102	170	272
Tax benefits from carry forward losses	203	571	774	184	179	363

Notes to the Consolidated Financial Statements

As of December 31, 2023, the tax benefits from carry forward losses unrecognized which do not expire mainly related to *Hedera Investimentos e Participações Ltda* and were generated by the sale of *Biosev S.A.*

The Group applies the mandatory temporary exception to the recognition of deferred tax assets and liabilities arising from the jurisdictional implementation of the Pillar Two model rules, as provided in the amendments to IAS 12 issued in May 2023.

Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning January 1, 2024.

The Group has performed an assessment based on the most recent country-by-country reporting, to identify potential exposure to top up taxes for the year ending December 31, 2024. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is below 15%. The Group does not expect material impact linked to Pillar Two income taxes in those jurisdictions.

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.

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, 2023 and December 31, 2022, intangible assets consist of the following:

(in millions of US\$)	2023			2022		
	Gross value	Accumulated amortization/ impairment	Net value	Gross value	Accumulated amortization/ impairment	Net value
Goodwill	67	(36)	31	69	(36)	33
Trademarks and customer relationships	24	(17)	7	24	(16)	8
Other intangible assets	721	(486)	235	651	(424)	227
Intangible assets	812	(539)	273	744	(476)	268

As of December 31, 2023, the Group tested the value of goodwill allocated to its cash-generating units as described in Note 1.2, using a perpetual growth rate of 2% and an annual discount rate (weighted average cost of capital of the Group before tax) of 9.8%. A 1% increase in the discount rate and a 0.5% decrease in the perpetual growth rate would not, jointly, cause the recoverable amount of the cash-generating units to fall below their carrying value.

Notes to the Consolidated Financial Statements

Changes in the net value of intangible assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023			2022	
(in millions of US\$)	Goodwill	Trademarks and customer relationships	Other intangible assets	Total	Total
Balance as of January 1	33	8	227	268	290
Acquisitions and additions	—	—	65	65	61
Acquisitions through business combinations	1	—	—	1	9
Loss of control of subsidiaries	(1)	—	(1)	(2)	—
Amortization	—	—	(62)	(62)	(58)
Impairment losses	—	(1)	—	(1)	(34)
Foreign currency translation adjustment	(2)	—	2	—	(5)
Other reclassifications	—	—	4	4	5
Closing balance	31	7	235	273	268

Acquisitions and Additions

During the years ended December 31, 2023 and December 31, 2022, acquisitions and additions mainly consisted of the ongoing upgrade of the Group's existing main front office system, alongside capital expenditure related to the new global back-office enterprise resource planning (ERP) system.

Acquisitions Through Business Combinations

As of December 31, 2022, the Group acquired Emerald Grain in Australia, generating a US\$9 million goodwill. In 2023, additional US\$1 million was recognized according final purchase price allocation (refer to Note 1.4).

Impairment Losses

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

Foreign Currency Translation Adjustment

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

3.2 Property, Plant and Equipment

Property, Plant and Equipment (Except Bearer Plants)

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

Tangible assets under construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

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

Depreciation and Impairment

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

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

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

Notes to the Consolidated Financial Statements

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

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

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

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

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

Bearer Plants

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

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

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

As of December 31, 2023 and December 31, 2022, property, plant and equipment consist of the following:

(in millions of US\$)	Notes	2023			2022		
		Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Owned assets		6,112	(2,795)	3,317	5,803	(2,667)	3,136
Right-of-use assets	7.1	1,366	(680)	686	1,054	(495)	559
Property, plant and equipment		7,478	(3,475)	4,003	6,857	(3,162)	3,695

The following tables provide information on owned assets only.

As of December 31, 2023 and December 31, 2022, consolidated owned assets consist of the following:

(in millions of US\$)	2023			2022		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Land	185	(1)	184	212	(19)	193
Buildings	2,170	(929)	1,241	2,111	(883)	1,228
Machinery and equipment	2,934	(1,575)	1,359	2,736	(1,495)	1,241
Bearer plants	226	(113)	113	213	(98)	115
Other tangible assets	233	(177)	56	220	(172)	48
Tangible assets under construction	364	—	364	311	—	311
Property, plant and equipment	6,112	(2,795)	3,317	5,803	(2,667)	3,136

Notes to the Consolidated Financial Statements

Changes in net value of property, plant and equipment for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023						2022	
(in millions of US\$)	Land	Buildings	Machinery and equipment	Bearer plants	Other tangible assets	Tangible assets under construction	Total	Total
Balance as of January 1	193	1,228	1,241	115	48	311	3,136	3,100
Additions	11	9	11	19	6	477	533	352
Disposals	(4)	(1)	(1)	—	—	—	(6)	(47)
Acquisitions through business combinations	—	—	2	—	—	—	2	51
Loss of control of subsidiaries	—	(14)	(3)	—	—	—	(17)	—
Depreciation	—	(85)	(139)	(20)	(18)	—	(262)	(249)
Impairment losses	(8)	(10)	(10)	(1)	—	—	(29)	(47)
Foreign currency translation adjustment	—	(5)	—	—	—	(1)	(6)	(16)
Reclassification to held for sale assets	(9)	(11)	(9)	—	—	—	(29)	(1)
Other reclassifications	1	130	267	—	20	(423)	(5)	(7)
Closing balance	184	1,241	1,359	113	56	364	3,317	3,136

Additions

During the year ended December 31, 2023, the Group completed the investment in its soybean processing facility as part of Fuling Food Industrial Park at the Port of Nansha, Guangzhou, China, and its joint venture freeze-dried instant coffee plant in Binh Duong, Vietnam, that were commissioned at the end of the year. The Group continued to invest in its oilseeds processing complex in Claypool, Indiana, US, its coffee mill in Varginha, Minas Gerais State, Brazil, its canola processing plant in Yorkton, Saskatchewan, Canada. Investments were also performed for the construction of a soybean processing plant in Upper Sandusky, Ohio, US, the expansion of its logistic assets at the port of Antwerp, Belgium and the construction of a pharmaceutical grade glycerin refining and edible oil packaging plant in Lampung, Indonesia, complementing existing local refining capabilities. Globally, the Group continued to improve its existing assets, such as its citrus farms and processing plants in Brazil, and its grains and oilseeds complex in General Lagos, Santa Fe, Argentina.

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

Disposals

During the year ended December 31, 2022, the Group sold its ethanol plant in Norfolk, Nebraska, US, with a net book value of US\$43 million (refer to Note 2.3).

Acquisitions Through Business Combinations

During the year ended December 31, 2022, the Group acquired a port facility in Melbourne, and various storage facilities in Coolamon, The Rock, Elmore, Ardlethan and Nullawil, through the acquisition of Emerald Grain in Australia. In 2023, additional US\$2 million were recognized according final purchase price allocation (refer to Note 1.4).

Loss of Control of Subsidiaries

As of December 31, 2023, following the loss of control over its Russian business, the Group deconsolidated its port facility in Azov, Russia, and silos in Russia for a net book value of US\$17 million (refer to Note 1.3).

Impairment Losses

During the year ended December 31, 2023, the Group recognized a US\$(27) million impairment on Kowalski corn processing assets in Brazil in accordance with IFRS 5.

Foreign Currency Translation Adjustment

During the year ended December 31, 2023, the foreign currency translation adjustment is mainly related to the depreciation of the Chinese Yuan against the US Dollar.

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

Reclassification to Held for Sale Assets

As of December 31, 2023, the Group classified as held for sale the Kowalski corn processing assets in Brazil.

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, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Balance as of January 1	251	254
Acquisitions and additional investments	8	8
Reclassification to held for sale assets	—	(7)
Share of profit (loss)	26	16
Impairment	—	(17)
Dividends	(2)	—
Change in other reserves	4	—
Reclassification	1	(3)
Closing balance	288	251
<i>Of which:</i>		
<i>Investments in associates</i>	<i>25</i>	<i>19</i>
<i>Investments in joint ventures</i>	<i>263</i>	<i>232</i>

Acquisitions and Additional Investments

In 2023, the Group performed a US\$6 million capital injection in the joint venture *TES - Terminal Exportador de Santos S.A.* (concession in Santos port terminal in Brazil), in which an investment of US\$6 million was also made in 2022. In 2022, the Group also performed an investment of US\$2 million in *Covantis S.A.*

Reclassification to Held for Sale Assets

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

Impairment

In 2022, US\$(7) million impairment was booked on *Cisagri Holland Cooperatief U.A.* joint venture in the line "Other gains and losses" of the consolidated income statement as part of the impairment recognized on Taman project as described in Note 2.4.

Notes to the Consolidated Financial Statements

Investments in associates and joint ventures are detailed as follows:

Investment	Country	Activity	2023		2022	
			Ownership	Net value	Ownership	Net value
Amaggi Louis Dreyfus Zen-Noh Grãos S.A.	Brazil	Grain and soy storage and processing	33 %	54	33%	29
Amaggi Louis Dreyfus Zen-Noh Terminais Portuários S.A.	Brazil	Logistic facilities	33 %	20	33%	18
Complejo Agro Industrial Angostura S.A.	Paraguay	Soy crushing plant and facilities	33 %	43	33%	40
Namoi Cotton Alliance	Australia	Cotton packing and marketing	49 %	20	49%	15
TEG - Terminal Exportador Do Guarujá Ltda.	Brazil	Logistic facilities	40 %	27	40%	28
TES - Terminal Exportador De Santos S.A. ¹	Brazil	Logistic facilities	60 %	48	60%	49
TEAG - Terminal de Exportação de Açúcar do Guarujá Ltda.	Brazil	Logistic facilities	50 %	21	50%	21
Total main joint ventures				233		200
Other joint ventures				30		32
Total joint ventures				263		232
Total associates				25		19
Investments in associates and joint ventures				288		251

1. The governance rules of TES - Terminal Exportador De Santos S.A. meet the definition of a joint control; this investment therefore qualifies as a joint venture.

Share of profit (loss) in investments in associates and joint ventures for the years ended December 31, 2023 and December 31, 2022 is as follows:

(in millions of US\$)	2023	2022
Main joint ventures	24	2
Others	2	4
Share of profit (loss) in investments in associates and joint ventures	26	6

A summary of the aggregated financial information of the companies listed above is as follows as of and for the years ended December 31, 2023 and December 31, 2022:

	2023		
	Logistic facilities	Others	Total main joint ventures
Balance sheet (in millions of US\$)			
Non-current assets	573	256	829
Current assets	93	775	868
Total assets	666	1,031	1,697
Non-current liabilities	337	43	380
Current liabilities	79	658	737
Total liabilities	416	701	1,117
Net equity	250	330	580
Equity - owners of the company share	116	117	233

	2022		
	Logistic facilities	Others	Total main joint ventures
Balance sheet (in millions of US\$)			
Non-current assets	551	232	783
Current assets	67	559	626
Total assets	618	791	1,409
Non-current liabilities	290	58	348
Current liabilities	81	495	576
Total liabilities	371	553	924
Net equity	247	238	485
Equity - owners of the company share	116	84	200

Notes to the Consolidated Financial Statements

	2023		
	Logistic facilities	Others	Total main joint ventures
Income statement (in millions of US\$)			
Revenue	128	2,197	2,325
Net income	(11)	92	81
Share of profit (loss) in investments in associates and joint ventures	(8)	32	24

	2022		
	Logistic facilities	Others	Total main joint ventures
Income statement (in millions of US\$)			
Revenue	133	1,788	1,921
Net income	(8)	18	10
Share of profit (loss) in investments in associates and joint ventures	(4)	6	2

3.4 Other Non-Current Assets

As of December 31, 2023 and December 31, 2022, other non-current assets consist of the following:

(in millions of US\$)	2023	2022
Tax credits	232	248
Long-term advances to suppliers	19	33
Others	3	4
Other non-current assets	254	285

Tax credits mainly include income tax and VAT credits in Brazil. The decrease in Other non-current assets in 2023 is mainly linked to the refund of income tax credits in Indonesia and Brazil and the reclassification to current assets of advances to suppliers, partially compensated by an increase in tax credits due to the appreciation of the Brazilian Real.

3.5 Other Non-Current Liabilities

As of December 31, 2023 and December 31, 2022, other non-current liabilities consist of the following:

(in millions of US\$)	2023	2022
Derivative liabilities at fair value through OCI	142	235
Others	16	31
Non-current financial liabilities	158	266
Staff and tax payables	182	103
Others	3	3
Non-current non-financial liabilities	185	106
Other non-current liabilities	343	372

Derivative liabilities at fair value through OCI correspond to non-current derivatives with maturities above 12 months, designated as hedging instrument in a hedge accounting relationship (refer to Note 4.8). The 2022 change in presentation consisted in reclassification from the line "Derivative liabilities".

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, 2023 and December 31, 2022, provisions consist of the following:

(in millions of US\$)	2023	2022
Current provisions	41	43
Non-current provisions	85	80
Provisions	126	123

Changes in provisions for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023					2022
Provisions for:	Tax risks	Social risks	Litigation	Other	Total	Total
Balance as of January 1	15	12	48	48	123	103
Allowance	6	5	12	6	29	49
Reversal of used portion	(3)	(4)	—	(6)	(13)	(22)
Reversal of unused portion	(1)	(2)	—	(9)	(12)	(5)
Others	(1)	—	(1)	1	(1)	(2)
Closing balance	16	11	59	40	126	123

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, 2023, amounted to US\$44 million (US\$41 million as of December 31, 2022) and are disclosed under the line "Deposits and Others" within non-current financial assets (refer to Note 5.5).

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

As of December 31, 2023, other provisions include a US\$31 million provision for decommissioning of leased land (US\$30 million as of December 31, 2022) and US\$2 million for onerous contracts (US\$5 million as of December 31, 2022).

3.7 Inventories

Trading Inventories

Trading inventories are valued at fair value less costs to sell according the commodity broker-trader defined in IAS 2. Changes in fair value are recognized in the consolidated income statement in "Cost of sales".

Other Inventories

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

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As of December 31, 2023 and December 31, 2022, inventories consist of the following:

(in millions of US\$)	2023	2022
Trading inventories	5,521	5,384
Finished goods	691	476
Raw materials	225	222
Inventories (gross value)	6,437	6,082
Depreciation of non-trading inventories	(7)	(16)
Inventories (net value)	6,430	6,066

Trading inventories with a liquidity horizon of less than three months amounted to US\$5,277 million as of December 31, 2023 (US\$5,175 million as of December 31, 2022).

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, 2023, the Group owns 38 mature orange groves (39 as of December 31, 2022), which generally sustain around 17 years of orange production.

Changes in biological assets for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Balance as of January 1	65	58
Acquisitions and capitalized expenditure	83	72
Decrease due to harvest	(79)	(64)
Change in fair value	(24)	(1)
Closing balance	45	65

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

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

	2023	2022
Number of trees (in thousands)	13,603	11,663
Expected yields (in number of boxes)	13,651	23,772
Price of a box of oranges (in US\$)	11.30	7.11
Discount rate	7.02%	7.04%

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

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

3.9 Trade and Other Receivables

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

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As of December 31, 2023 and December 31, 2022, trade and other receivables consist of the following:

(in millions of US\$)	2023			2022		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Trade receivables	3,406	(336)	3,070	3,807	(282)	3,525
Accrued receivables	1,502	—	1,502	1,521	—	1,521
Prepayments	304	(2)	302	303	(1)	302
Other receivables	254	(8)	246	67	(3)	64
Financial assets at amortized cost	5,466	(346)	5,120	5,698	(286)	5,412
Advances to suppliers	236	(9)	227	225	(12)	213
Staff and tax receivables	643	(16)	627	712	(20)	692
Prepaid expenses	95	—	95	86	—	86
Others	27	—	27	23	—	23
Non-financial assets	1,001	(25)	976	1,046	(32)	1,014
Trade and other receivables	6,467	(371)	6,096	6,744	(318)	6,426

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

(in millions of US\$)	2023	2022
Balance as of January 1	(318)	(284)
Increase in provision	(72)	(89)
Receivables written off as uncollectible	10	14
Unused amount reversed	37	37
Change in the list of consolidated companies	—	1
Reclassification from provision on derivative assets	(25)	—
Other reclassifications	(3)	2
Foreign currency translation adjustment	—	1
Closing balance	(371)	(318)

Increase in Provision

During the year ended December 31, 2023, the increase in provision mainly corresponded to default risk on various customers for US\$65 million (US\$78 million as of December 31, 2022) for their estimated non-recoverable portions, provisions on other receivables for US\$5 million (US\$2 million as of December 31, 2022) and to provisions on VAT for US\$1 million (US\$6 million as of December 31, 2022).

Receivables Written Off as Uncollectible

During the year ended December 31, 2023, the amount of receivables written off corresponded to provisions for trade receivables. During the year ended December 31, 2022 the amount of receivables written off corresponded to provisions for trade receivables for US\$11 million and to provisions on other receivables for US\$3 million.

Unused Amount Reversed

The unused amount of provisions recovered during the year ended December 31, 2023 mainly consisted of provisions on trade receivables for US\$27 million, provisions on advances to suppliers for US\$6 million and to provisions on VAT for US\$3 million (respectively US\$24 million, US\$2 million and US\$8 million during the year ended December 31, 2022).

Reclassification from Provision on Derivative Assets

As of December 31, 2023, the US\$25 million reclassification is related to contracts on cotton that were washed out during the year and invoiced to customers. The corresponding provisions were maintained, as the risk of default remains.

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The following table details the counterparty exposure broken down by past due date of receivables as of December 31, 2023 and December 31, 2022:

(in millions of US\$)	2023			2022		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Not due	4,799	(26)	4,773	5,008	(23)	4,985
Due since < 3 months	1,016	(22)	994	1,131	(25)	1,106
Due since 3-6 months	107	(25)	82	88	(25)	63
Due since 6 months-1 year	75	(26)	49	94	(25)	69
Due since > 1 year	348	(272)	76	314	(220)	94
Closing balance	6,345	(371)	5,974	6,635	(318)	6,317
<i>Including:</i>						
Trade receivables	3,406	(336)	3,070	3,807	(282)	3,525
Accrued receivables	1,502	—	1,502	1,521	—	1,521
Prepayments	304	(2)	302	303	(1)	302
Other receivables	254	(8)	246	67	(3)	64
Advances to suppliers	236	(9)	227	225	(12)	213
Staff and tax receivables	643	(16)	627	712	(20)	692

3.10 Trade and Other Payables

As of December 31, 2023 and December 31, 2022, trade and other payables consist of the following:

(in millions of US\$)	2023	2022
Trade payables	2,575	2,710
Accrued payables	2,419	2,478
Prepayments received	270	319
Margin deposits	36	67
Payables on purchase of fixed assets and investments	38	10
Other payables	99	119
Financial liabilities at amortized cost	5,437	5,703
Advances received	75	37
Staff and tax payables	606	596
Deferred income	54	22
Others	2	41
Non-financial liabilities	737	696
Trade and other payables	6,174	6,399

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

LDC subgroup:

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

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

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

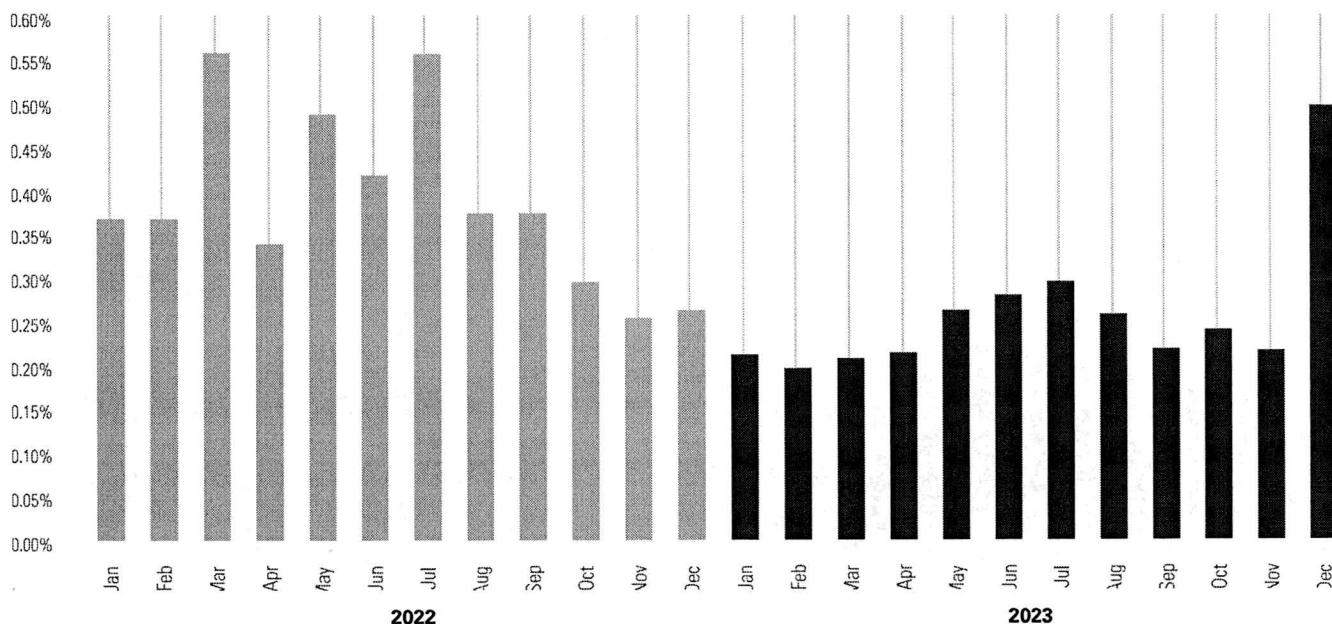
The VaR computed therefore represents an estimate, expressed at a statistical confidence level of 95%, of the potential loss that is not expected to be exceeded should the current market risk position remain unchanged for one day. The use of a 95% confidence level means that, within a one-day horizon,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

Notes to the Consolidated Financial Statements

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

The monthly average of value at risk (VaR) as a percentage of LDC subgroup 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 LDC subgroup Equity



During the years ended December 31, 2023 and December 31, 2022, the monthly average LDC subgroup VaR for trading activities was less than 1% of Group equity. Annual average VaR for the LDC subgroup reached 0.26% in 2023, compared to 0.39% in 2022.

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

4.2 Foreign Currency Risk

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

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

As of December 31, 2023 and December 31, 2022, the net exposure to foreign currency transactions before hedge for current monetary items (excluding the current portion of long-term debt) represents 11% and 2% of net equity position respectively, and is denominated in the following currencies:

(in millions of US\$)	2023	2022
Brazilian Real	143	(31)
Euro	130	161
Indian Rupee	(89)	(172)
US Dollar	470	337
Argentine Peso	199	(130)
Other currencies	(115)	(25)
Net exposure	738	140

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

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 users of those commodities and other commodity trading companies. Margin deposits generally consist of deposits

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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 minimize counterparty risk. These procedures include counterparty exposure limit approvals, and where appropriate, may require a combination of 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 political and country risks and endeavors to mitigate them via major financial institutions or reputable insurance companies where appropriate. The trade finance, insurance and credit risk departments work jointly in order to identify solutions to mitigate political and country risk.

4.5 Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting its payment obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the liquidity profile is designed to ensure that the Group has access to the funds necessary to cover maturing liabilities. The available liquidity for the Group includes cash and cash equivalents, other financial assets at fair value through P&L, financial advances to related parties, readily marketable inventories and undrawn committed bank lines. As of December 31, 2023, the Group had available undrawn committed bank lines amounting to US\$4.3 billion, all with maturities beyond one year (US\$4.2 billion as of December 31, 2022 with US\$4.0 billion maturity beyond one year).

The maturity analysis of the Group's financial liabilities based on the contractual terms as of December 31, 2023 and December 31, 2022 is as follows:

(in millions of US\$)	2023				
	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Long-term financing (current and non-current)	88	1,733	1,714	803	4,338
Short-term debt	1,906	—	—	—	1,906
Expected future interest payments on long-term financing and short-term debt	230	298	203	210	941
Lease liability (undiscounted)	246	259	103	203	811
Other non-current financial liabilities	—	12	4	—	16
Financial advances from related parties	4	—	—	—	4
Trade and other payables	6,174	—	—	—	6,174
Derivative liabilities (current and non-current)	1,399	79	63	—	1,541
	10,047	2,381	2,087	1,216	15,731

(in millions of US\$)	2022				
	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Long-term financing (current and non-current)	526	1,814	1,164	1,072	4,576
Short-term debt	2,145	—	—	—	2,145
Expected future interest payments on long-term financing and short-term debt	214	371	252	349	1,186
Lease liability (undiscounted)	208	192	78	158	636
Other non-current financial liabilities	—	16	13	2	31
Financial advances from related parties	4	—	—	—	4
Trade and other payables	6,399	—	—	—	6,399
Derivative liabilities (current and non-current)	1,215	130	9	96	1,450
	10,711	2,523	1,516	1,677	16,427

Non-current derivative liabilities are mostly covered by margin deposits assets.

4.6 Interest Rate Risk

The Group is exposed to fluctuation in interest rates on its long term financing and short term debt. Interest rate risk arising from floating rate on long-term financing is mainly managed using interest rate swaps with the same critical terms as the underlying interest rate

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exposures. Short-term debt, primarily based on Secured Overnight Financing Rate (SOFR) rates, is predominantly used to finance working capital needs. Consequently, prevailing market interest rates are continuously factored into transactional pricing and terms.

Based on the level of financial debt exposed to floating interest rate at the end of the period, an increase/decrease of 50 basis points in interest rates, all other variables being held constant, would decrease/increase the Group's interest expense as of December 31, 2023 by US\$17 million (US\$18 million as of December 31, 2022).

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 or net investment 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, 2023, 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 - hedge accounting	Assets at amortized cost	Total
Non-current financial assets	5.5	78	23	210	311
Total non-current financial assets		78	23	210	311
Financial advances to related parties	7.3	—	—	50	50
Trade and other receivables	3.9	—	—	5,120	5,120
Derivative assets	4.8	1,634	39	—	1,673
Margin deposits		—	—	528	528
Other financial assets at fair value through profit and loss	5.6	522	—	—	522
Cash and cash equivalents	5.7	903	—	602	1,505
Total current financial assets		3,059	39	6,300	9,398
Total financial assets		3,137	62	6,510	9,709

(in millions of US\$)	Notes	Liabilities at fair value through profit and loss	Derivatives at fair value through OCI - hedge accounting	Liabilities at amortized cost	Total
Long-term debt	5.3	—	—	4,688	4,688
Other non-current financial liabilities	3.5	—	142	16	158
Total non-current financial liabilities		—	142	4,704	4,846
Short-term debt	5.4	—	—	1,906	1,906
Current portion of long-term debt	5.3	—	—	308	308
Financial advances from related parties	7.3	—	—	4	4
Trade and other payables (excluding margin deposit liabilities)	3.10	—	—	5,401	5,401
Margin deposit liabilities	3.10	—	—	36	36
Derivative liabilities	4.8	1,298	101	—	1,399
Total current financial liabilities		1,298	101	7,655	9,054
Total financial liabilities		1,298	243	12,359	13,900

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As of December 31, 2022, 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 - hedge accounting	Assets at amortized cost	Total
Non-current financial assets	5.5	326	48	358	732
Total non-current financial assets		326	48	358	732
Trade and other receivables	3.9	—	—	5,412	5,412
Derivative assets	4.8	1,543	28	—	1,571
Margin deposits		—	—	779	779
Other financial assets at fair value through profit and loss	5.6	356	—	—	356
Cash and cash equivalents	5.7	504	—	699	1,203
Total current financial assets		2,403	28	6,890	9,321
Total financial assets		2,729	76	7,248	10,053

(in millions of US\$)	Notes	Liabilities at fair value through profit and loss	Derivatives at fair value through OCI - hedge accounting	Liabilities at amortized cost	Total
Long-term debt	5.3	—	—	4,368	4,368
Other non-current financial liabilities	3.5	—	235	31	266
Total non-current financial liabilities		—	235	4,399	4,634
Short-term debt	5.4	—	—	2,145	2,145
Current portion of long-term debt	5.3	—	—	716	716
Financial advances from related parties	7.3	—	—	4	4
Trade and other payables (excluding margin deposit liabilities)	3.10	—	—	5,636	5,636
Margin deposit liabilities	3.10	—	—	67	67
Derivative liabilities	4.8	1,206	9	—	1,215
Total current financial liabilities		1,206	9	8,568	9,783
Total financial liabilities		1,206	244	12,967	14,417

4.8 Classification of Derivative Financial Instruments

Derivatives

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

Hedge Accounting

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

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

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

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

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

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

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

Fair Value Hedges

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

Cash Flow Hedges

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

Net Investment Hedges

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

Notes to the Consolidated Financial Statements

As of December 31, 2023 and December 31, 2022, derivative financial instruments are as follows:

(in millions of US\$)	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	1,249	822	1,239	758
Forward foreign exchange contracts	190	301	206	254
Futures	218	151	132	180
Options	68	24	53	12
Swaps	1	—	—	2
Provision on derivative assets	(92)	—	(87)	—
Derivatives at fair value through profit and loss	1,634	1,298	1,543	1,206
Forward foreign exchange contracts	33	3	23	9
Swaps	29	240	53	235
Derivatives at fair value through OCI - hedge accounting	62	243	76	244
Total derivatives	1,696	1,541	1,619	1,450
<i>Of which:</i>				
<i>Current derivatives</i>	1,673	1,399	1,571	1,215
<i>Non-current derivatives</i>	23	142	48	235

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

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

As of December 31, 2023, the Group recognized a provision on derivative assets of US\$92 million on performance risk to offset unrealized gains on forward agreements identified as being at risk. As of December 31, 2022, this provision was US\$87 million.

Derivatives at Fair Value Through Other Comprehensive Income (OCI) - Hedge Accounting

Forward foreign exchange contracts mainly relate to the hedge of foreign currency risk of future capital expenditure, production costs and commercial and administrative expenses in Brazilian Reais, and to a lesser extent in Euros and Swiss Francs. The contracts also relate to the hedge of foreign currency risk of a long-term financing line (principal and interests) in Brazilian Reais.

As of December 31, 2023, contracts in Brazilian Reais represent a total US\$668 million nominal value and are effective until 2035, with an average fixed exchange rate of 5.26 Brazilian Reais to the US Dollar (a total US\$542 million nominal value effective until 2035, with an average fixed exchange rate of 5.55, as of December 31, 2022).

The Group entered into interest-rate swap contracts in North America to hedge against LIBOR (in 2022) or Secured Overnight Financing Rate (SOFR) fluctuations on the floating rate exposure of its debt. As of December 31, 2023, these operations represent a total US\$525 million nominal value effective until 2026, with an average three-month SOFR rate fixed at 0.91% per year (a total US\$800 million nominal value effective until 2026, with an average three-month LIBOR rate fixed at 1.84% or SOFR rate fixed at 0.76% per year, as of December 31, 2022).

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

- Japanese Yen-denominated debt: as of December 31, 2023, these operations represent a total US\$700 million nominal value effective until 2028, with an average Tokyo Overnight Average (TONA) rate fixed at 4.16% per year (a total US\$587 million nominal value effective until 2026, with an average TONA rate fixed at 2.11% per year, as of December 31, 2022).
- Japanese Yen-denominated private placements: as of December 31, 2023 and December 31, 2022, these operations represent a total US\$160 million nominal value effective until 2027.
- Chinese Yuan-denominated internal financing: as of December 31, 2023 and December 31, 2022, these operations represent a total US\$153 million nominal value effective until 2028.
- A €650 million rated senior bond issued in November 2020 and February 2021, and a €500 million rated senior bond issued in April 2021, effective respectively until 2025 and 2028.

The hedge on exposure linked to future interest payments on these long-term financing agreements is booked at fair value through OCI. The hedge on exposure related to the principal and accrued interests is booked in profit and loss, impacting "Other financial income and expense" and "Interest expenses" lines of the consolidated income statement (refer to Note 2.2).

4.9 Fair Value Hierarchy

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

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

As of December 31, 2023 and December 31, 2022, the following table shows an analysis of financial assets and liabilities recorded at fair value by level of the fair value hierarchy:

(in millions of US\$)	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading inventories	—	5,367	154	5,521	3	5,269	112	5,384
Derivative assets (current and non-current)	259	1,389	48	1,696	152	1,443	24	1,619
<i>Forward purchase and sale agreements</i>	—	1,201	48	1,249	—	1,215	24	1,239
<i>Forward foreign exchange contracts</i>	—	223	—	223	—	229	—	229
<i>Futures</i>	218	—	—	218	123	9	—	132
<i>Options</i>	41	27	—	68	29	24	—	53
<i>Swaps</i>	—	30	—	30	—	53	—	53
<i>Provision on derivative assets</i>	—	(92)	—	(92)	—	(87)	—	(87)
Other financial assets at fair value through profit and loss (current and non-current)	425	107	68	600	560	44	78	682
Cash equivalents	—	903	—	903	—	504	—	504
Total assets	684	7,766	270	8,720	715	7,260	214	8,189
Derivative liabilities (current and non-current)	144	1,367	30	1,541	181	1,262	7	1,450
<i>Forward purchase and sale agreements</i>	—	792	30	822	—	751	7	758
<i>Forward foreign exchange contracts</i>	—	304	—	304	—	263	—	263
<i>Futures</i>	143	8	—	151	180	—	—	180
<i>Options</i>	1	23	—	24	1	11	—	12
<i>Swaps</i>	—	240	—	240	—	237	—	237
Total liabilities	144	1,367	30	1,541	181	1,262	7	1,450

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.

There was no transfer between levels during the year ended December 31, 2023.

4.10 Offsetting of Financial Assets and Liabilities

The Group reports financial assets and liabilities on a net basis in the consolidated balance sheet when, and only when, there is a legally enforceable right to set off the recognized amounts and there is intention to either settle on a net basis or realize the asset and settle the liability simultaneously.

Master netting agreements enforceable only on the occurrence of future events such as a default on bank loans or other credit events do not provide a basis for offsetting.

The following tables disclose the carrying amounts of recognized financial instruments that are under master netting agreements and subject to offsetting, those that are under master netting agreements but not set off in the balance sheet, those that are not under any master netting agreements and not set off in the balance sheet, and lastly the theoretical set off resulting in deducting amounts under master netting agreement not set off and collaterals from amounts presented in the balance sheet.

As of December 31, 2023, the offsetting of financial assets and liabilities was as follows:

(in millions of US\$)	Amounts under netting agreements set off in the balance sheet			Amounts not set off in the balance sheet		Total presented in the balance sheet	Amounts under netting agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	Total net amount
	Gross amount of financial assets	Gross amount of financial liabilities	Net amount recognized in the balance sheet	Under netting agreements and margin deposit	Not under netting agreements			
Derivative assets (current and non-current)	584	(358)	226	107	1,363	1,696	(75)	1,621
Derivative liabilities (current and non-current)	(40)	68	28	105	1,408	1,541	(335)	1,206
Margin deposit assets (current and non-current)				663		663	(276)	387
Margin deposit liabilities				36		36	(16)	20
	624	(426)	198	629	(45)	782	—	782

As of December 31, 2022, the offsetting of financial assets and liabilities was as follows:

(in millions of US\$)	Amounts under netting agreements set off in the balance sheet			Amounts not set off in the balance sheet		Total presented in the balance sheet	Amounts under netting agreements not set off in the balance sheet and margin deposit - theoretical set off adjustment	Total net amount
	Gross amount of financial assets	Gross amount of financial liabilities	Net amount recognized in the balance sheet	Under netting agreements and margin deposit	Not under netting agreements			
Derivative assets (current and non-current)	312	(174)	138	72	1,409	1,619	197	1,816
Derivative liabilities (current and non-current)	(188)	281	93	24	1,333	1,450	(468)	982
Margin deposit assets (current and non-current)				1,012		1,012	(719)	293
Margin deposit liabilities				67		67	(54)	13
	500	(455)	45	993	76	1,114	—	1,114

5. Equity and Financing

5.1 Equity

(in millions of US\$)	2023	2022
Issued capital	15	15
Share premium	934	934
Retained earnings	3,667	3,166
Other reserves	(648)	(647)
Equity attributable to owners of the company	3,968	3,468
Non-controlling interests	3,054	2,812
Total stockholders' equity and non-controlling interests	7,022	6,280

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

Capital

When managing capital, the Group's objectives are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimize the structure of capital in order to reduce its cost. In 2023, the Group's overall strategy remains unchanged from 2022.

As of December 31, 2023 and December 31, 2022, the capital of the company is composed of 951,981 shares with a nominal value of €13.50 (equivalent \$14.40), that were issued and fully paid. No shares were purchased by the company and cancelled in 2023.

During the year ended December 31, 2023, the company distributed US\$222 million as dividends to its shareholders related to the 2022 results, corresponding to a dividend payment of US\$233.20 per share and US\$25 million interim dividends related to the 2023 results corresponding to a dividend payment of US\$26.26 per share.

During the year ended December 31, 2022, the company distributed US\$35 million as dividends to its shareholders related to the 2021 results, corresponding to a dividend payment of US\$36.77 per share and US\$20 million interim dividends related to the 2022 results corresponding to a dividend payment of US\$21.00 per share.

Other Reserves

As of December 31, 2023 and December 31, 2022, Other reserves relate to Other Comprehensive Income (OCI).

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

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

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

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

Notes to the Consolidated Financial Statements

Changes in OCI for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	Cash flow and net investment hedges	Pensions' reserves	Foreign currency translation adjustment	Total
Balance as of January 1, 2023 - owners of the company share	20	2	(669)	(647)
<i>of which:</i>				
Pre-tax	45	4	(755)	(706)
Tax	(7)	(1)	—	(8)
Non-controlling share	18	1	(86)	(67)
Current year gains (losses)	14	1	(18)	(3)
Reclassification to profit and loss	(17)	—	21	4
Transaction with non-controlling interests	—	—	(2)	(2)
OCI for the year - owners of the company share	(3)	1	1	(1)
<i>of which:</i>				
Pre-tax	3	1	19	23
Tax	(9)	—	—	(9)
Non-controlling share	(3)	—	18	15
Balance as of December 31, 2023 - owners of the company share	17	3	(668)	(648)
<i>of which:</i>				
Pre-tax	48	5	(736)	(683)
Tax	(16)	(1)	—	(17)
Non-controlling share	15	1	(68)	(52)

(in millions of US\$)	Cash flow and net investment hedges	Pensions' reserves	Foreign currency translation adjustment	Total
Balance as of January 1, 2022 - owners of the company share	(32)	18	(628)	(642)
<i>of which:</i>				
Pre-tax	(77)	42	(687)	(722)
Tax	20	(10)	—	10
Non-controlling share	(25)	14	(59)	(70)
Current year gains (losses)	47	8	(42)	13
Reclassification to profit and loss	5	—	3	8
Change in the list of consolidated companies	—	(24)	—	(24)
Others	—	—	(2)	(2)
OCI for the year - owners of the company share	52	(16)	(41)	(5)
<i>of which:</i>				
Pre-tax	122	(38)	(68)	16
Tax	(27)	9	—	(18)
Non-controlling share	43	(13)	(27)	3
Balance as of December 31, 2022 - owners of the company share	20	2	(669)	(647)
<i>of which:</i>				
Pre-tax	45	4	(755)	(706)
Tax	(7)	(1)	—	(8)
Non-controlling share	18	1	(86)	(67)

5.2 Principal subsidiaries with material non-controlling interests

Non-controlling interests are comprised of the following:

(in millions of US\$)	2023	2022
LDCIH subgroup	3,054	2,812
Equity attributable to non-controlling interests	3,054	2,812

In 2023, the LDCIH subgroup equity includes individually immaterial non-controlling interests for US\$34 million (US\$43 million in 2022).

Notes to the Consolidated Financial Statements

(in millions of US\$)	2023	2022
LDCIH subgroup	451	452
Net income attributable to non-controlling interests	451	452

In 2023, the LDCIH subgroup net income includes individually immaterial non-controlling interests for US\$(3) million (US\$1 million in 2022).

LDCIH Subgroup

LDCIH subgroup is indirectly owned at 55% by LDH and 45% by *Abu Dhabi Developmental Holding Company*.

The following is the summarized financial information for the LDCIH subgroup prepared in accordance with IFRS adopted by the European Union as of December 31, 2023 and IFRS as issued by the IASB. The information is before intercompany eliminations with other companies in the Group not part of LDCIH subgroup.

Summarized balance sheet (in millions of US\$)	2023	2022
Non-current assets	5,439	5,139
Current assets	16,653	16,512
Assets classified as held for sale	32	14
Total assets	22,124	21,665
Non-current liabilities	5,357	4,753
Current liabilities	10,046	10,716
Total liabilities	15,403	15,469
Net equity	6,721	6,196
Net equity attributable to non-controlling interests	3,054	2,812

Summarized income statement (in millions of US\$)	2023	2022
Net income	1,006	1,004
Net income attributable to non-controlling interests	451	452

Summarized statement of comprehensive income (in millions of US\$)	2023	2022
Net income	1,006	1,004
Other comprehensive income	25	51
Total recognized income	1,031	1,055
Total recognized income attributable to non-controlling interests	461	473

Summarized statement of cash flows (in millions of US\$)	2023	2022
Net cash from (used in) operating activities	1,840	3,135
Net cash from (used in) investing activities	(622)	(144)
Net cash from (used in) financing activities	(899)	(2,474)
Exchange difference on cash	(5)	(29)
Net increase (decrease) in cash and cash equivalents	314	488

During the year ended December 31, 2023, LDCIH subgroup distributed US\$499 million as dividends to its shareholders (US\$344 million during the year ended December 31, 2022), including US\$225 million to non-controlling shareholders (US\$47 million during the year ended December 31, 2022).

In 2023, LDCIH subgroup distributed additional US\$1 million as dividends to other individually immaterial shareholders.

5.3 Long-Term Debt

As of December 31, 2023 and December 31, 2022, long-term debt consists of the following:

(in millions of US\$)		2023	2022
Non-current portion of long-term financing		4,250	4,050
Non-current portion of lease liabilities	7.1	438	318
Non-current portion of long-term debt		4,688	4,368
Current portion of long-term financing		88	526
Current portion of lease liabilities	7.1	220	190
Current portion of long-term debt		308	716
Total long-term debt		4,996	5,084

Notes to the Consolidated Financial Statements

The tables below only refer to long-term financing.

As of December 31, 2023 and December 31, 2022, long-term financing by currency after hedge is analyzed as follows:

(in millions of US\$)	2023				2022			
	Debt capital markets	Revolving credit facilities	Term loans from banks	Total	Debt capital markets	Revolving credit facilities	Term loans from banks	Total
US Dollar	1,267	(12)	2,639	3,894	1,522	(12)	2,425	3,935
Euro	—	—	341	341	—	—	315	315
Brazilian Real	—	—	—	—	—	—	141	141
Australian Dollar	—	—	—	—	—	—	132	132
Chinese Yuan	—	—	88	88	—	—	38	38
Other currencies	—	15	—	15	—	15	—	15
Total long-term financing	1,267	3	3,068	4,338	1,522	3	3,051	4,576

Certain portions of this financing, aggregating US\$171 million as of December 31, 2023 and US\$76 million as of December 31, 2022, 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, 2023, the Group complied with all the covenants included in its loan agreements with banks.

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

2023							
(in millions of US\$)	Nature of the rate after hedge	Interest rate after hedge	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Eurobond 25	Fixed rate	3.56%	—	717	—	—	717
Eurobond 28	Fixed rate	3.29%	—	—	550	—	550
Other LT financing	Fixed rate	2.03% ~ 6.00%	1	553	645	394	1,593
Other LT financing	Floating rate	Rate over SOFR	51	217	406	311	985
Other LT financing	Floating rate	Rate over EURIBOR	—	215	89	—	304
Other LT financing	Floating rate	Rate over TJLP	7	11	10	31	59
Other LT financing	Floating rate	Other variable rates	29	20	14	67	130
Total long-term financing			88	1,733	1,714	803	4,338

2022							
(in millions of US\$)	Nature of the rate after hedge	Interest rate after hedge N-1	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
USD RegS bond 23	Fixed rate	5.25%	300	—	—	—	300
Eurobond 25	Fixed rate	3.56%	—	692	—	—	692
Eurobond 28	Fixed rate	3.29%	—	—	—	530	530
Other LT financing	Fixed rate	0.11% ~ 6.25%	—	713	785	145	1,643
Other LT financing	Floating rate	Rate over LIBOR	76	226	5	133	440
Other LT financing	Floating rate	Rate over SOFR	—	127	118	63	308
Other LT financing	Floating rate	Rate over CDI	—	—	—	141	141
Other LT financing	Floating rate	Rate over EURIBOR	—	48	245	—	293
Other LT financing	Floating rate	Rate over TJLP	3	7	7	26	43
Other LT financing	Floating rate	Other variable rates	147	1	4	34	186
Total long-term financing			526	1,814	1,164	1,072	4,576

In 2023, the Group reimbursed the unrated senior bond issued in 2017 for US\$300 million (six-year maturity, 5.25% coupon) and the US\$266 million remaining debt related to Biosev's transaction.

As of December 31, 2023, the main difference between the fair value of long-term financing and its historical value amounts to US\$(51) million and relates to the listed senior bonds for which fair value is US\$1,216 million, compared to US\$1,267 million net book value.

Notes to the Consolidated Financial Statements

Changes in long-term financing for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Balance as of January 1	4,576	4,834
Proceeds from long-term financing	540	730
Repayment of long-term financing	(864)	(965)
Foreign exchange	22	(124)
Change in the list of consolidated companies	—	48
Capitalized interests	16	37
Others	48	16
Closing balance	4,338	4,576

Change in the List of Consolidated Companies

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

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, 2023 and December 31, 2022, short-term debt consists of the following:

2023					
(in millions of US\$)	Bank loans	Commercial paper	Bank overdrafts	Repurchase agreements	Total
US Dollar	1,034	103	129	3	1,269
Euro	7	134	29	—	170
Indonesian Rupiah	114	—	—	—	114
Pakistani Rupee	—	—	82	—	82
Chinese Yuan	80	—	—	—	80
Australian Dollar	66	—	—	—	66
Canadian Dollar	—	—	63	—	63
South African Rand	—	—	6	—	6
Other currencies	35	—	21	—	56
Total short-term debt	1,336	237	330	3	1,906

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

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

Certain portions of this financing, aggregating US\$8 million as of December 31, 2023, are secured by mortgages on assets.

As of December 31, 2023 and December 31, 2022, there is no significant difference between the historical value and fair value of short-term debt.

Notes to the Consolidated Financial Statements

Changes in short-term debt for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Balance as of January 1	2,145	3,922
Net proceeds from (repayment of) short-term debt	(236)	(1,753)
Foreign exchange	(7)	(12)
Change in the list of consolidated companies	—	(12)
Others	4	—
Closing balance	1,906	2,145

Net Proceeds From (Repayment of) Short-Term Debt

This line included changes in repurchase agreements and securities short positions (US\$(238) million in 2023 and US\$74 million in 2022), reported as changes in derivatives in the consolidated statement of cash flows. This line excluded changes in related parties' advances (US\$(32) million in 2023 and US\$(12) million in 2022), reported as "Net proceeds from (repayments of) short-term debt and related parties' loans and advances" in the consolidated statement of cash flows.

5.5 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;
- Non-current derivatives with maturity above 12 months designated as hedging instrument in a hedge accounting relationship measured at fair value through other comprehensive income (OCI); and
- Investments in equity instruments not held for trading purposes that the Group intends to keep during more than 12 months after the closing date of the period. Those investments 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, 2023 and December 31, 2022, non-current financial assets consist of the following:

(in millions of US\$)	2023	2022
Deposits and others at amortized cost	210	358
<i>Including margin deposits</i>	<i>135</i>	<i>233</i>
Derivative assets at fair value through OCI	23	48
Investments in equity instruments at fair value through profit and loss	78	326
Non-current financial assets	311	732

As of December 31, 2022, the line "Deposits and other at amortized cost" included a long-term loan granted by the Group to Akira B.V. in the amount of US\$50 million with maturity in 2024. Consequently, as of December 31, 2023, the amount was reclassified to "Financial advances to related parties".

Derivative assets at fair value through OCI correspond to non-current derivatives with maturity above 12 months designated as hedging instrument in a hedge accounting relationship (refer to Note 4.8). The 2022 change in presentation consisted in the following reclassifications:

- the above mentioned derivatives from the line "Derivative assets", and
- margin deposits related to non-current derivative liabilities from the line "Margin deposits".

The decrease in line "Investments in equity instruments at fair value through profit and loss" is mainly due to the sale of investment in Raizen shares (refer to Note 2.3).

5.6 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, 2023 and December 31, 2022, other financial assets at fair value through profit and loss consist of the following:

(in millions of US\$)	2023	2022
Marketable securities held for trading	462	297
Short-term securities	9	—
Reverse repurchase agreement loan	40	40
Investments in equity instruments	11	19
Other financial assets at fair value through profit and loss	522	356

Notes to the Consolidated Financial Statements

As of December 31, 2023, short-term securities relate to cash deposits pledged as collaterals.

In 2022, marketable securities held for trading are mainly related to Repurchase Agreements reported within "Short-term debt" (refer to Note 5.4).

5.7 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, 2023 and December 31, 2022, cash and cash equivalents are as follows:

(in millions of US\$)	2023	2022
Cash equivalents	903	504
Cash	602	699
Cash and cash equivalents	1,505	1,203

Cash equivalents include US\$91 million of securities or cash deposits pledged as collaterals as of December 31, 2023 (US\$16 million as of December 31, 2022).

As of December 31, 2023 and December 31, 2022, there is no material difference between the historical value and fair value of cash and cash equivalents.

6. Employees

6.1 Employee Benefits

Short-Term Employee Benefits

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

Pensions and Post-Retirement Benefits

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

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

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

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

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

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

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

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

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

Other Long-Term Benefits

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

Short-Term Employee Benefits

In 2023, personnel expenses reached US\$1,015 million (US\$948 million related to continuing operations in 2022).

Defined Benefit Plans

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

Notes to the Consolidated Financial Statements

As of December 31, 2023 and December 31, 2022, retirement benefit obligations are as follows:

(in millions of US\$)	2023			2022		
	US	Other	Total	US	Other	Total
Long-term pension benefit	32	12	44	35	12	47
Post-retirement benefit	11	10	21	13	8	21
Retirement benefit obligations	43	22	65	48	20	68
Net plan asset¹	—	(2)	(2)	—	(1)	(1)

1. Reported 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 also has unfunded post-retirement plans in the US that cover substantially all salaried employees. These plans provide medical, dental and life insurance benefits.

In 2022, the Group completed the sale of *Imperial Sugar Company* (ISC), which resulted in the settlement of certain defined benefit pension plans and other compensation plans. Post-retirement healthcare and life insurance benefits to former employees of ISC remain recognized as retirement benefit obligations in the consolidated balance sheet.

As of December 31, 2023 and December 31, 2022, movement in pension and post-retirement benefits liabilities recognized over the year is as follows:

(in millions of US\$)	2023			
	Defined benefit pension plans			
	Present value of defined benefit obligation	Fair value of plan assets	Net liability for defined benefit pension plans	Post-retirement benefit
Balance as of January 1	110	(75)	35	13
Administrative expenses	—	1	1	—
Interest cost/(income)	5	(4)	1	1
Total net expenses	5	(3)	2	1
Return on plan assets excluding interest income	—	(7)	(7)	—
Effect of change from participant experience	1	—	1	(1)
Effect of change in financial assumptions	2	—	2	—
Total actuarial (gains)/losses in OCI	3	(7)	(4)	(1)
Contributions	—	(1)	(1)	(2)
Benefit payments	(10)	10	—	—
Net cashflow (outflow)/inflow	(10)	9	(1)	(2)
Closing balance	108	(76)	32	11

(in millions of US\$)	2022				
	Defined benefit pension plans				
	Present value of defined benefit obligation	Fair value of plan assets	Reclass. to held for sale liabilities	Net liability for defined benefit pension plans - after HFS	Post-retirement benefit
Balance as of January 1	377	(322)	(19)	36	18
Administrative expenses	—	2	—	2	—
Interest cost/(income)	9	(8)	—	1	—
Settlement	2	—	—	2	—
Total net expenses	11	(6)	—	5	—
Return on plan assets excluding interest income	—	68	—	68	—
Effect of change in demographic assumptions	(1)	—	—	(1)	—
Effect of change from participant experience	1	—	—	1	—
Effect of change in financial assumptions	(74)	—	—	(74)	(2)
Total actuarial (gains)/losses in OCI	(74)	68	—	(6)	(2)
Contributions	—	(9)	—	(9)	(3)
Benefit payments	(19)	19	—	—	—
Annuity purchase	(16)	16	—	—	—
Net cashflow (outflow)/inflow	(35)	26	—	(9)	(3)
Change in the list of consolidated companies	(169)	159	19	9	—
Closing balance	110	(75)	—	35	13

The discount rate is 4.88% as of December 31, 2023 (4.99% as of December 31, 2022).

Notes to the Consolidated Financial Statements

The plan assets are detailed as follows:

(in millions of US\$)	2023	2022
Large US Equity	(29)	(21)
Small/Mid US Equity	(3)	(2)
International Equity	(10)	(8)
Bond	(34)	(44)
Total plan assets	(76)	(75)

All plan assets are stated at fair value and consist of pooled accounts valued at cumulative net asset value ("NAV") based on the closing market value of the units bought or sold as of the valuation date. Plan assets are classified under Level 2 of the valuation hierarchy.

The Group maintains a diversified investment portfolio principally invested in equities and fixed-income securities. The investment policy and objectives of these plans include providing a total return that exceeds inflation, while minimizing principal risk to meet or exceed the benefit obligations for its participants. Assets of these plans are reviewed on a periodic basis to ensure asset performance is within policy guidelines.

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, 2023 and December 31, 2022:

(in millions of US\$)	2023			
	United Kingdom	Switzerland	Others	Total
Present value of obligations	74	73	7	154
Fair value of plan assets	(69)	(73)	—	(142)
Liability in the balance sheet	5	—	7	12

(in millions of US\$)	2022			
	United Kingdom	Switzerland	Others	Total
Present value of obligations	72	57	5	134
Fair value of plan assets	(65)	(59)	—	(124)
Asset ceiling	—	2	—	2
Liability in the balance sheet	7	—	5	12

6.2 Number of Employees

The average number of employees for the years ended December 31, 2023 and December 31, 2022 (related to continuing operations) is as follows:

	2023	2022
Managers and traders	1,840	1,745
Supervisors	1,674	1,551
Employees	4,743	4,370
Workers	7,417	7,333
Seasonal workers	2,818	2,734
Number of employees	18,492	17,733

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

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.

Notes to the Consolidated Financial Statements

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, 2023 and December 31, 2022 are as follows:

	2023					2022	
(in millions of US\$)	Land	Buildings and offices	Machinery and equipment	Vessels	Other tangible assets	Total	Total
Balance as of January 1	124	130	93	210	2	559	599
New leases and additions	35	42	80	264	3	424	286
Early terminations, disposals and decreases	(9)	(5)	—	(5)	—	(19)	(71)
Acquisitions through business combinations	—	—	—	—	—	—	18
Depreciation and impairment	(12)	(33)	(36)	(194)	(2)	(277)	(264)
Foreign currency translation adjustment	(1)	—	—	—	—	(1)	(9)
Closing balance	137	134	137	275	3	686	559

New Leases and Additions

In 2023, new leases and additions include US\$37 million right-of-use of an oilseeds crushing plant in Zhangjiagang, Jiangsu, China, US\$21 million right-of-use of railroad cars, US\$34 million right-of-use linked to agricultural partnerships in Brazil, US\$18 million right-of-use of Cotton warehouses in the US and US\$264 million right-of-use of vessels, including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.

In 2022, new leases and additions include US\$26 million right-of-use of railroad cars, US\$10 million right-of-use of juice extractors and US\$192 million right-of-use of vessels, including new long-term time charter contracts and remeasurement of some contracts resulting from a change in index.

Early Terminations, Disposals and Decreases

In 2023, early terminations, disposals and decreases of vessels are mainly related to the remeasurement of contracts resulting from a change in index. The remaining decrease is mainly due to early terminations of agricultural partnerships in Brazil.

Acquisitions Through Business Combinations

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

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

Changes in lease liabilities for the years ended December 31, 2023 and December 31, 2022 are as follows:

	2023			2022		
(in millions of US\$)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Balance as of January 1	318	190	508	335	193	528
New leases and additions	245	179	424	129	157	286
Payments	—	(261)	(261)	—	(252)	(252)
Early terminations, disposals and decreases	(8)	(11)	(19)	(27)	(44)	(71)
Acquisitions through business combinations	—	—	—	17	1	18
Reclassification	(119)	119	—	(132)	132	—
Foreign exchange	2	1	3	—	2	2
Foreign currency translation adjustment	—	—	—	(4)	1	(3)
Others	—	3	3	—	—	—
Closing balance	438	220	658	318	190	508

The amounts recognized in the consolidated income statement for LDC subgroup for the years ended December 31, 2023 and December 31, 2022 are as follows:

(in millions of US\$)	2023	2022
Variable lease expenses	(5)	(9)
Short-term lease expenses	(464)	(794)
Low-value asset lease expenses	—	—
Income from sub-leasing	203	324

The decrease in short-term lease expenses and income from sub-leasing are related to freight activity in a context of decreasing prices.

For the year ended December 31, 2023, the total cash outflow for leases amounts to US\$(730) million (1,055) million as of December 31, 2022).

Notes to the Consolidated Financial Statements

The Group is committed to lease oilseeds refinery and bottle oil lines inside the crushing plant in Zhangjiagang, Jiangsu, China, for 10 years that was commissioned in the second half of 2023. The delivery of those lines is expected in the first half of 2024, and the estimated annual consideration is CNY18 million.

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 orange boxes and fuel. Sale contractual agreements are contracts to sell goods, including 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, 2023 and December 31, 2022, the Group has commitments to purchase or sell non-trading commodities that consist of the following:

(in millions of US\$)	Quantities' unit	2023			2022	
		Quantities	Estimated amount	Maturity	Quantities	Estimated amount
Commitments to purchase						
Orange boxes ¹	Million boxes	31	159	2029	40	198
Fuel	MMBtus ²	3	11	2024	1	5
Glycerin	Ktons	2	1	2024	—	—
			171			203
Commitments to sell						
Glycerin	Ktons	27	20	2025	22	45
Frozen concentrate orange juice	Ktons	110	451	2026	108	227
Not-from-concentrate citrus juice	KCmeters ³	293	167	2025	357	150
Juice by-products	Ktons	21	38	2025	19	32
Apple juice	Ktons	22	37	2025	20	35
Others	Ktons	23	9	2025	31	7
			722			496

1. Of which US\$15million may fall in the following year.

2. Million British thermal units.

3. Thousand cubic meters

Notes to the Consolidated Financial Statements

In addition, the Group has the following commitments:

	2023	2022
(in millions of US\$)	Estimated amount	Estimated amount
Commitments given		
Letters of credit	48	78
Bid and performance bonds	140	160
Capex commitments	288	147
Guarantees given	290	265
Other commitments	24	31
	790	681
Commitments received		
Guarantees and collaterals received	301	395
	301	395

As of December 31, 2023, capex commitments are mainly related to investments in export terminals, in the expansion of the canola processing plant and the construction of a pea protein isolate production plant, both in Yorkton, Saskatchewan, Canada and in the construction of a soybean processing plant in Upper Sandusky, Ohio, US, which are under construction.

Contingencies

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

During past years, *LDC Argentina S.A.* received several tax assessments challenging transfer prices used to price exports for different years between 2005 and 2012. As of December 31, 2023, these tax assessments amounted to US\$6 million, decreasing by US\$20 million compared to December 31, 2022, due to the Argentine peso depreciation. *LDC Argentina S.A.* could receive additional tax notifications for subsequent years.

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

As of December 31, 2023, *LDC Argentina S.A.* has reviewed the evaluation of all its tax positions. Based on Argentine tax law as well as advice from its legal counsel, *LDC Argentina S.A.* still considers that its tax positions are suitable but cannot predict the ultimate outcome of these ongoing or future examinations.

Louis Dreyfus Company LLC (LDC LLC) and certain of its affiliates (including LDC) were named as defendants in a consolidated action in US federal court in New York, alleging manipulation and artificial inflation of the ICE Cotton No. 2 futures contracts for May 2011 and July 2011 in violation of the US Commodity Exchange Act and antitrust laws (the Class Action"). The defendants filed an answer denying the claims in the Class Action. The court denied defendants' motions for summary judgment on the claims in the Class Action, as well as the major part of defendants' motions to exclude the testimony of certain of the plaintiffs' experts. The court granted the plaintiffs' motion for class certification in the Class Action. Subsequently, two class members who opted out of the Class Action filed a separate action against the same defendants and asserted individual claims substantially similar to those in the Class Action. The defendants filed an answer denying the claims in this separate action. No trial date has been scheduled in the actions. These matters are in pre-trial proceedings and the company cannot predict their 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 by the court. Plaintiffs in the Illinois state court cases appealed the dismissal of those cases to the Illinois appellate court, which affirmed the dismissal of the cases in June 2023. Plaintiffs failed to file for further review and the dismissal of the cases is final.

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.

Notes to the Consolidated Financial Statements

As of February 2022, the Russia-Ukraine crisis resulted in impossibility to export from Ukraine for several months. As a consequence, the Group incurred significant additional costs and damages. In the face of its insurers' refusal to admit cover under the relevant policies, the Group decided, in November 2023, to pursue its claim before the *Tribunal de Commerce of Paris*. Whilst the Group believes the claim is well founded, the outcome of this claim cannot be predicted at this stage.

7.3 Related Parties Transactions

Transactions with related parties for the years ended December 31, 2023 and December 31, 2022 are reflected as follows:

Income statement (in millions of US\$)	2023	2022
Sales	117	117
Cost of goods sold	(1,043)	(918)
Commercial and administrative expenses	(1)	(20)
Finance costs, net	3	3

As of December 31, 2023 and December 31, 2022, outstanding balances with related parties are as follows:

Balance sheet (in millions of US\$)	2023	2022
Non-current financial assets at amortized cost	—	50
Financial advances to related parties	50	—
Trade and other receivables	21	12
Margin deposits	9	—
Derivatives	16	14
Total assets	96	76
Other non-current liabilities	12	16
Financial advances from related parties	4	4
Trade and other payables	42	32
Derivatives	27	3
Total liabilities	85	55

Transactions with related parties mainly correspond to transactions with associates and joint ventures.

The company, together with two other Louis Dreyfus group companies, created a French corporate foundation with the name "Fondation d'Entreprise Louis Dreyfus" (the "Louis Dreyfus Foundation") which was formally established on January 5, 2013.

The Louis Dreyfus Foundation aims to promote projects in the areas of sustainable agriculture, food security and self-sufficiency, particularly through education and direct support to farmers, with a specific focus on emerging market economies. The object of the Louis Dreyfus Foundation is also to highlight the global issue of food insecurity and the challenge facing humanity to double global food production in a sustainable way.

In 2022, the company committed to a multiannual contribution to the Louis Dreyfus Foundation for a total amount of EUR18.5 million (equivalent to US\$20 million), which is expensed in the 2022 consolidated income statement. As of December 31, 2023, US\$12 million are included in "Other non-current liabilities" and US\$4 million in "Financial advances from related parties" as current liabilities. As of December 31, 2022, US\$4 million remaining obligation from the 2017 commitment was recognized as current liabilities.

The Executive Board total remuneration and the Supervisory Board total remuneration amount to US\$2 million in 2023 and in 2022.

7.4 Subsequent Events

There is no subsequent event that could affect the Financial Statements.

Notes to the Consolidated Financial Statements

7.5 List of Main Subsidiaries

As of December 31, 2023 and December 31, 2022, the main consolidated subsidiaries of LDH are the following:

Company	Country	2023		2022	
		% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A.	Argentina	100.00	55.00	100.00	55.00
Louis Dreyfus Company Emerald Australia Pty Ltd ¹	Australia	100.00	55.00	100.00	55.00
Louis Dreyfus Company Funding Australia Pty Ltd	Australia	100.00	55.00	—	—
Louis Dreyfus Company Grains Australia Pty Ltd ¹	Australia	100.00	55.00	100.00	55.00
LDC Enterprises Australia Pty. Ltd.	Australia	100.00	55.00	100.00	55.00
Namoi Cotton Marketing Alliance	Australia	85.00	46.75	85.00	46.75
Ilomar Holding N.V.	Belgium	100.00	55.00	100.00	55.00
Hedera Investimentos e Participações Ltda	Brazil	100.00	100.00	100.00	100.00
Louis Dreyfus Company Brasil S.A.	Brazil	100.00	55.00	100.00	55.00
Louis Dreyfus Company Sucos S.A.	Brazil	100.00	55.00	100.00	55.00
Louis Dreyfus Company Canada ULC	Canada	100.00	55.00	100.00	55.00
Dongguan LDC Feed Protein Company Ltd.	China	100.00	55.00	100.00	55.00
Guangzhou Fuling Food Technology Co., Ltd	China	51.00	28.05	51.00	28.05
LDC (China) Trading Company Ltd.	China	100.00	55.00	100.00	55.00
LDC (Tianjin) Food Technology Limited Liability Company	China	100.00	55.00	100.00	55.00
LDC (Tianjin) International Business Company Ltd.	China	100.00	55.00	100.00	55.00
Louis Dreyfus (Shanghai) Co. Ltd.	China	100.00	55.00	100.00	55.00
Louis Dreyfus (Zhangjiagang) Feed Protein Company Ltd.	China	100.00	55.00	100.00	55.00
Louis Dreyfus Company Distribution France S.A.S.	France	100.00	55.00	100.00	55.00
Louis Dreyfus Company Wittenberg GmbH	Germany	100.00	55.00	100.00	55.00
Louis Dreyfus Company India Pvt. Ltd.	India	100.00	55.00	100.00	55.00
PT LDC East Indonesia	Indonesia	100.00	55.00	100.00	55.00
PT LDC Indonesia	Indonesia	100.00	55.00	100.00	55.00
Louis Dreyfus Company Mexico S.A. de C.V.	Mexico	100.00	55.00	100.00	55.00
Louis Dreyfus Commodities and Energy Holdings B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company B.V.	Netherlands	100.00	55.00	100.00	55.00
Louis Dreyfus Company Finance B.V.	Netherlands	100.00	55.00	100.00	55.00
Louis Dreyfus Company Holdings B.V.	Netherlands	100.00	55.00	100.00	55.00
Louis Dreyfus Company International Holding B.V.	Netherlands	55.00	55.00	55.00	55.00
Louis Dreyfus Company Juices B.V.	Netherlands	100.00	55.00	100.00	55.00
Louis Dreyfus Company Netherlands Holding B.V.	Netherlands	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sugar B.V.	Netherlands	100.00	55.00	100.00	55.00
Louis Dreyfus Company Ventures B.V.	Netherlands	100.00	55.00	100.00	55.00
Louis Dreyfus Company Polska SP. z.o.o.	Poland	100.00	55.00	100.00	55.00
Louis Dreyfus Company Senegal	Senegal	100.00	55.00	100.00	55.00
Louis Dreyfus Company Asia Pte. Ltd.	Singapore	100.00	55.00	100.00	55.00
Louis Dreyfus Company Freight Asia Pte. Ltd.	Singapore	100.00	55.00	100.00	55.00
Louis Dreyfus Company Funding SSEA Pte. Ltd.	Singapore	100.00	55.00	100.00	55.00
Louis Dreyfus Company Africa Pty. Ltd.	South Africa	100.00	55.00	100.00	55.00
Louis Dreyfus Company España S.A.	Spain	100.00	55.00	100.00	55.00
Louis Dreyfus Company Suisse S.A.	Switzerland	100.00	55.00	100.00	55.00
Louis Dreyfus Holding Schweiz A.G.	Switzerland	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ukraine Ltd.	Ukraine	100.00	55.00	100.00	55.00
LDC Trading & Service Co. S.A.	Uruguay	100.00	55.00	100.00	55.00
LDC Uruguay S.A.	Uruguay	100.00	55.00	100.00	55.00
Louis Dreyfus Company Agricultural Industries LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Claypool Holdings LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Cotton LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Ethanol Merchandising LLC ²	US	—	—	100.00	55.00
Louis Dreyfus Company Grains Merchandising LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Grand Junction LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company NA Finance One LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Port Allen Elevator LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company River Elevators LLC	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Trading LP	US	100.00	55.00	100.00	55.00

Notes to the Consolidated Financial Statements

Company	Country	2023		2022	
		% of control	% of ownership	% of control	% of ownership
Term Commodities Inc.	US	100.00	55.00	100.00	55.00
Louis Dreyfus Company Vietnam Trading and Processing Co. Ltd.	Vietnam	100.00	55.00	100.00	55.00

1. Emerald Grain Australia Pty and Emerald Grain Pty Ltd were respectively renamed Louis Dreyfus Company Grains Australia Pty Ltd and Louis Dreyfus Company Emerald Australia Pty Ltd in 2023.

2. Louis Dreyfus Company Ethanol Merchandising LLC. was merged into Louis Dreyfus Company Grand Junction LLC. in 2023.

7.6 Audit Fees

The fees paid to the auditor and its network who expressed an opinion on the accompanying financial statements amount to US\$9,129 thousand in 2023 (US\$8,586 thousand in 2022) and consist of the following:

(in thousands of US\$)	2023			2022		
	Deloitte Accountants B.V.	Other Deloitte network entities	TOTAL	Deloitte Accountants B.V.	Other Deloitte network entities	TOTAL
Audit fees	249	8,757	9,006	228	8,171	8,399
Audit-related fees	—	95	95	—	122	122
Tax fees	—	28	28	—	65	65
	249	8,880	9,129	228	8,358	8,586

Parent Company Financial Statements

Parent Company Income Statement

INCOME STATEMENT

YEAR ENDED 31 DECEMBER

In millions of US Dollars

	2023	2022
Share in result of subsidiaries and associates	528	335
Other income and expense after taxation from continuing operations	31	(17)
Gain	559	318

Parent Company Balance Sheet

BALANCE SHEET

YEAR ENDED 31 DECEMBER

(AFTER PROPOSED APPROPRIATION OF THE RESULT)

In millions of US Dollars

	Notes	2023	2022
NON- CURRENT ASSETS			
Financial fixed assets			
Investments in subsidiaries and associates	1	3,899	3,392
Loans issued to subsidiaries	2	—	50
Total Non-Current Assets		3,899	3,442
CURRENT ASSETS			
Deferred tax asset	5	30	—
Receivables from subsidiaries and associates	2	118	59
Total Current Assets		148	59
Total Assets		4,047	3,501
STOCKHOLDERS' EQUITY			
Share capital		14	14
Share premium		932	932
Retained earnings		3,530	2,944
Other reserves		3	3
Legal reserves		(648)	(647)
Proposed dividend		137	222
Total Stockholders' Equity	3	3,968	3,468
NON-CURRENT LIABILITIES			
Other non-current liabilities	4	12	16
Total Non-Current Liabilities		12	16
CURRENT LIABILITIES			
Payable to subsidiaries and associates		62	10
Accounts payable and accrued expenses		5	7
Total Current Liabilities		67	17
Total Equity and liabilities		4,047	3,501

Parent Company Statement Of Changes In Equity

STATEMENT OF CHANGES IN EQUITY

(in millions of US Dollars)	Share Capital	Share Premium	Retained Earnings	Other Reserves	Legal reserves	Proposed Dividend	Total Equity
Balance as at 31 December 2021	15	932	2,772	2	(642)	—	3,079
Net income	—	—	96	—	—	222	318
Dividend paid	—	—	(55)	—	—	—	(55)
Transaction with non-controlling interests	—	—	105	—	—	—	105
Cash flow hedges – change in fair value, net of tax	—	—	—	—	52	—	52
Foreign currency translation adjustment – change in fair value, net of tax	(1)	—	—	1	(39)	—	(39)
Pensions, net of tax	—	—	—	—	8	—	8
Other	—	—	26	—	(26)	—	—
Balance as at 31 December 2022	14	932	2,944	3	(647)	222	3,468
Net income	—	—	422	—	—	137	559
Dividend paid	—	—	(25)	—	—	(222)	(247)
Transaction with non-controlling interests	—	—	190	—	(2)	—	188
Cash flow hedges – change in fair value, net of tax	—	—	—	—	(3)	—	(3)
Foreign currency translation adjustment – change in fair value, net of tax	—	—	—	—	3	—	3
Pensions, net of tax	—	—	—	—	1	—	1
Other	—	—	(1)	—	—	—	(1)
Balance as at 31 December 2023	14	932	3,530	3	(648)	137	3,968

Notes to the Parent Company Financial Statements

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. In accordance with article 402 Book 2 of the Netherlands Civil Code, the statement of income as included in the parent company financial statements is presented in abbreviated form.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE COMPANY FINANCIAL STATEMENTS

The financial statements of Louis Dreyfus Holding B.V. ("the Company") have been prepared in accordance with article 362:8 of Book 2 of the Netherlands Civil Code, which means that the recognition and measurement principles applied in the parent company financial statements are the same as those applied in the consolidated financial statements.

The Company is registered with the Chamber of Commerce under registration number 34274127.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the consolidated financial statements, if not presented otherwise hereinafter.

Summary of significant accounting principles for the preparation of the parent company financial statements

Investments in group companies

Subsidiaries in which the Company exercises significant influence on their business and financial policy are valued under the equity method at net asset valuation based on IFRS-EU. The value will however not be lower than nil. If the Company fully or partly guarantees the liabilities of the subsidiary concerned, or has the effective obligation respectively, to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Revaluation reserves

The Company has made the following accounting policy choice with respect to presentation of equity movements in investments in subsidiaries which are accounted for in accordance with the net asset value method: A movement of the investment in a subsidiary caused by a revaluation of an asset at the subsidiary level is treated as a revaluation reserve in accordance with article 2:390 Netherlands Civil Code. This legal reserve cannot be distributed to the shareholders. Other direct equity movements at the level of the subsidiaries are accounted for under retained earnings.

1 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries and associates in which the Company exercises significant influence on their business and financial policy are valued under the equity method at net asset valuation but not lower than nil.

Changes in investments in subsidiaries and associates are as follows (in millions of US Dollars):

	2023	2022
Balance at 1 January	3,392	3,109
Dividends received	(200)	(115)
Share premium distribution	—	(61)
Liquidation subsidiaries	(8)	
Change in other and legal reserves	(1)	19
Change in retained earnings	188	105
Share of income	528	335
Balance at 31 December	3,899	3,392

Parent Company Financial Statements

Name	Place of business	Share in capital	
		2023	2022
Subsidiaries:			
Louis Dreyfus Immobilier France Sarl	Paris, France	100%	100%
Louis Dreyfus Trademarks B.V.	Amsterdam, The Netherlands	100%	100%
Edesia Asset Management Holdings B.V.*	Amsterdam, The Netherlands	—	100%
Louis Dreyfus Commodities and Energy Holdings B.V.	Amsterdam, The Netherlands	100%	100%
Louis Dreyfus Holding Schweiz AG	Luzern, Switzerland	100%	100%
Louis Dreyfus Holding Company US LLC	Wilton, Connecticut, United States of America	100%	100%

* Edesia Asset Management Holdings B.V. is liquidated in 2023

2 LOANS ISSUED TO SUBSIDIARIES

On 24 January 2019, an amount of US\$50,000,000 on the short-term intercompany account with subsidiary *LDH Schweiz AG* was converted into a long-term loan. The loan bears a fixed interest of 5.25% per annum. The loan will be repaid on or before 30 June 2024, unless otherwise agreed in writing. The loan agreement does not include securities. Accrued interest on the principal is due biannually at 30 June and 31 December. The expected credit losses, if any, are eliminated in the carrying amount of these receivables.

3 STOCKHOLDER'S EQUITY

The authorized share capital of the Company on 31 December 2023 is € 50,625,000 consisting of 1,875,000 A shares and 1,875,000 B shares with par value of € 13.50 each.

At 31 December 2023 and 31 December 2022 the issued and paid in capital is € 12,851,744 consisting of 757,896 A shares and 194,085 B shares. The currency exchange rate at 31 December 2023 is 1 € = 1.1050 US\$ (at 31 December 2022, 1 € = 1.0666 US\$). As at 31 December 2023 and 31 December 2022 the Company's recognized share capital ("fiscaal erkend kapitaal") for Dutch dividend withholding tax purposes amounts to EUR 684,389,941.47.

The Company has decided to align its Statement of Equity in the Parent Company Financial Statements with the Statement of Changes in Equity in the Consolidated Financial Statements. As such the Other Comprehensive Income, as presented in the consolidated financial statements comprises Other Reserves and Legal Reserves. The Legal Reserves are related to revaluation reserves (available-for-sale financial assets, cash flow hedges, deferred compensation plan, pensions and fixed assets) and a foreign currency translation reserve.

The balance of the legal reserve amounts to (in millions of US Dollars):

	31 December 2023	31 December 2022
Cash flows hedges	17	20
Pensions	3	2
Foreign currency translation adjustment	(668)	(669)
Total legal reserves	(648)	(647)

The legal reserves are non-distributable reserves.

Appropriation of result for the financial year 2022

The annual report 2022 was adopted at the general meeting of shareholders held on 21 March 2023. The General Meeting of Shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

In March 2023, a dividend of US\$233.00 per share was paid, totalling a dividend of US\$222 million from the profits of the Group relating to the financial year 2022.

In July 2023, an interim dividend of US\$26.00 per share was paid, totalling a dividend of US\$25 million from the profits of the Group relating to the financial year 2023.

Proposed appropriation of result for the period ended December 31, 2023

The board of directors proposes to distribute a dividend of US\$144 per share, totalling a dividend of US\$137 million and that the remaining gain for the financial year 2023, taking into account the interim dividend of US\$ 25 million (US\$ 26 per share), amounting to US\$397 million is added to retained earnings.

4 NON-CURRENT LIABILITIES

Other non-current liabilities

The Company, together with two other Louis Dreyfus group companies, created a French corporate foundation with the name "Fondation d'Entreprise Louis Dreyfus" (the "Louis Dreyfus Foundation") which was formally established on 5 January 2013. The Louis Dreyfus Foundation aims to promote projects in the areas of sustainable agriculture, food security and self-sufficiency, particularly through education and direct support to farmers, with a specific focus on emerging market economies. The object of the Louis Dreyfus Foundation is also to highlight the global issue of food insecurity and the challenge facing humanity to double global food production in a sustainable way.

In the balance sheet at 31 December 2023 US\$12 million of the obligation is recognized as non-current liabilities and the remaining part, US\$4 million, is recognized as current liabilities.

In the balance sheet at 31 December 2022 US\$16 million of the obligation is recognized as non-current liabilities and the remaining part, US\$4 million, is recognized as current liabilities.

5 INCOME TAXES

The Company has entered into a fiscal unity, headed by the Company, for Corporate Income Tax purposes between certain Dutch group entities. As such, every legal entity participating in the fiscal unity is liable for income taxes payable. The Corporate Income Tax is stated for each company according to the portion for which the company involved would be charged if it were an independent tax payer, taking into account tax relief facilities available to the company.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the potential future equivalent of current tax assets and liabilities.

The board expects to be able to offset tax benefits from carry forward losses, therefore a deferred tax asset of US\$30 million is recognized. No deferred income tax asset is recorded at 31 December 2023 relating to tax benefits from carry forward losses.

6 CONTINGENT LIABILITIES

Total commitments in connection with rental obligations, as of 31 December 2023 amount of approximately US\$403 thousand. The short-term portion of these commitments amounts to approximately US\$323 thousand. The portion that is due after 5 years amounts to nil.

7 REMUNERATION OF DIRECTORS AND SUPERVISORY BOARDS DIRECTORS

In 2023 the Group was charged with an amount of US\$0.7 million for the remuneration of Directors (US\$0.6 million in 2022). Total remuneration for the Supervisory Directors in 2023 amounts to US\$1.4 million (US\$1.2 million in 2022).

8 SUBSEQUENT EVENTS

Reference is made to note 7.4 of the Notes to the consolidated financial statements.

9 SIGNING OF THE FINANCIAL STATEMENTS

Amsterdam, March 20, 2024.

S.C. Alexander

Director

M. Kreft

Director

M.O. Louis-Dreyfus

Supervisory Director A

D. Belobokov

Supervisory Director A

J.C. Virchow

Supervisory Director A

Y. Levin

Supervisory Director A

S.C.A. Alberti

Supervisory Director A

M.R.T. Louis-Dreyfus

Supervisory Director A

P.M.C. Cerf

Supervisory Director A

F.X.P.M. Ameye

Supervisory Director A

L.R.C. Sudreau

Supervisory Director B

10 OTHER INFORMATION

Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

Statutory rules concerning appropriation of result

In accordance with article 22.1 of The Articles of Association, the appropriation of the net income for the year is decided upon at the Annual General Meeting of Shareholders.

INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Supervisory Board of Louis Dreyfus Holding B.V.

Report on the audit of the financial statements 2023 included in The annual report

Our opinion

We have audited the financial statements 2023 of Louis Dreyfus Holding B.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the parent company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Louis Dreyfus Holding B.V. as at December 31, 2023, and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying parent company financial statements give a true and fair view of the financial position of Louis Dreyfus Holding B.V. as at December 31, 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated Balance sheet as at December 31, 2023.
2. The following statements for 2023: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity.
3. The notes comprising a summary of accounting policy policies and other explanatory information.

The parent company financial statements comprise:

1. The parent company balance sheet as at December 31, 2023.
2. The parent company income statement for 2023.
3. The parent company statement of changes in Equity as at December 31, 2023.
4. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Louis Dreyfus Holding B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

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

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

We have assessed the inherent fraud risk related to management override of controls as specific to management override through journal entries. We have performed substantive analytical and test of details (where appropriate) as the assessment on the full population and journal entries for the current period. We have not identified any instances indicative of fraud.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives and the Supervisory Board.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment. Reference is made to the section 'Our key audit matters'.

For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with Management, reading minutes. As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Regarding the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.

Report on the other information included in The annual report

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

The other information consists of:

- Report of the Management.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of Management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Management Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Management Board and Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

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

Rotterdam, March 21, 2024

Deloitte Accountants B.V.

Signed on the original: H.C. Rebergen