



Oud-Beijerland, 30 September 2022

## **Südzucker International Finance B.V.**

INTERIM FINANCIAL REPORT  
(unaudited)

for the six-month period  
1 March 2022 to 31 August 2022

## Table of contents

|  |    |
|--|----|
| Interim report of the directors                  | 2  |
| Interim financial statements                     | 7  |
| Balance sheet as at 31 August 2022               | 8  |
| Profit and loss account for the six-month period | 10 |
| Cash flow statement                              | 11 |
| Notes  | 12 |

## Interim report of the directors

We have the pleasure in presenting the Financial Report of Südzucker International Finance B.V. ('SZIF', or 'the Company') for the six-month period from 1 March 2022 up to and including 31 August 2022.

The home member state of SZIF is the Netherlands.

### **Group structure**

SZIF was incorporated on 13 January 1994. The Company is a wholly-owned subsidiary of Südzucker AG, Mannheim, Germany ("Südzucker").

The Company's purpose is to finance affiliated companies, within the Südzucker AG group structure, through, among others, the issuance of bonds listed on public markets. The loans currently issued are listed on the Frankfurt Stock Exchange and the Luxembourg Stock Exchange.

### **Business review and activities during the first half of the financial year**

SZIF continued to be an important liquidity provider within the Südzucker Group.

The interest rate for the loans to affiliated companies is disclosed in the Loan Pricing Policy of the Company. The interest rate on the credit facilities is based on the weighted average yield of all funds drawn from the financial market by SZIF. The costs related to the bonds (i.e. guarantee fee, the annualized arrangement and placement costs, annualized discount (disagio), required spread for the Company's financing activities and other costs) are added to the weighted average yield of the debt financing instruments issued in the market.

In the first half year, the Loan Pricing Policy has been updated following the expiration of the Advance Pricing Agreement (APA) with the Dutch tax authorities per 28 February 2022. The transfer pricing methodology is retained unchanged and supported by up-to-date benchmark studies relating to the required spread for the financing activities for the Company and to the guarantee fee.

At the annual General Meeting of the Company held on 17 May 2022 the general assembly has been decided upon the allocation of the results of the financial year 2021/22 to pay a dividend of EUR 1 million on 20 May 2022.

As all bonds are issued by the Company and are guaranteed by Südzucker AG, the credit ratings of Südzucker AG continue to be a significant support of the bond business of SZIF. Credit ratings provide an opinion for the debt capital markets as to the issuer's ability to meet its financial obligations to security holders when due. Credit ratings represent an independent and current assessment of a company's credit standing. Creditworthiness checks by rating agencies have a substantial effect on a company's options for raising external funding. The better the rating, the easier the access to international credit markets and the more affordable the borrowings.

Südzucker AG continues to have credit ratings assigned from both Moody's Investors Service and Standard & Poor's Global Ratings.

Moody's current rating for Südzucker AG is Baa3/P-3 with a stable outlook (January 2022). The Moody's rating for the hybrid bond is B1 (January 2022).

Standard & Poor's current rating for Südzucker AG is BBB-/A-3 with a stable outlook (October 2021). Standard & Poor's rating for the hybrid bond is B+ (October 2021).

### *Bonds*

On 31 August 2022 the Company has the following bonds at its disposal:

- On 30 June and 15 August 2005 a fixed-rate coupon of 5.25% perpetual **hybrid bond** was issued to a total amount of EUR 700 million. Since 30 June 2015 the subordinated bond has a variable coupon of the 3 month Euribor interest rate plus 3.10 % p.a.

On 31 August 2022 the interest rate was applied 2.889% p.a. for the period from 30 June 2022 to 30 September 2022 exclusively (92 days).

The Company currently does not meet the requisite conditions for termination and repayment of the bond. Neither does Südzucker AG currently intend to take any action, such as increase capital for cash or issue a new hybrid bond to fulfil the conditions for termination nor make a public offer to buy back any bonds by way of meeting a capital market compliant procedure, since this could negatively impact the rating agencies' assessment of the company's equity credit.

- On 22 November 2016 a 1.25% **bond** was issued and paid on 29 November 2016 to an amount of EUR 300 million for a 7-years period. The Notes shall be redeemed at their principal amount on 29 November 2023 (maturity date).
- On 21 November 2017 a 1.00% **bond** was issued and paid on 28 November 2017 to an amount of EUR 500 million for an 8-years period. The Notes shall be redeemed at their principal amount on 28 November 2025 (maturity date).

### *Results*

The net result for the first half of the financial year ended at 31 August 2022, amounts to EUR 642 thousand (31 August 2021 : EUR 543 thousand). The net result has increased mainly resulting from the increased spread for the Company's financing activities following the new benchmark studies. The covid-19 and the Russian war against the Ukraine had no material impact on the half-year results for SZIF.

### *Composition of the board*

The size and composition of the Board of Management and the combined experience and expertise should reflect the best fit for the profile and strategy of the Company. Currently the Board consists of two male board members.

## Financial risk management

The risk appetite of the Company is limited. This is also embedded in the structure of the Company, in which external financing is applied only for internal financing purposes with limited risks. Reference is also made to disclosures below on separate risks. Additionally, a fixed spread is set on the interest expenses resulting in a higher interest income on the intercompany loan receivable. The Company has designed and implemented control measures in order to mitigate risks. These control measures are both automated and manual. Amongst others the control measures are monitoring, reviewing, 4-eye principles and authorization matrices within Südzucker group.

SZIF's financing needs are directly related to funding requests of other Südzucker Group companies. The Company's activities might expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The risk profile is not significantly changed in comparison with the last fiscal years.

### Market risk

Market risk is defined as the risk of a loss due to a change of market prices. The Company's market risk is limited to the bonds issued by the Company. These amounts are secured by Südzucker AG and on-lent within the Südzucker Group. There is a difference in maturity of the bonds and the amounts lent. This mismatch is managed and monitored by a mid-term strategic planning, revolving financial and liquidity planning and analysis and an early refinancing of these bonds.

### Credit risk

Credit risk is the risk of loss due to a counterparty's non-payment of a loan or other receivable. Following the purpose of the Company, its counterparties for loans and receivables are all related parties and hence members of the Südzucker Group. These companies have a long and proven track record of being reliable creditors and their suitability for future credit is monitored on an ongoing basis. Therefore, the company's exposure to credit risk is influenced mainly by the characteristics of Südzucker Group related default risk. In case of a non-payment of a loan or other receivable of an affiliated company, SZIF has limited the risk at 1% of the outstanding amount with a maximum of EUR 10 million through an agreement with Südzucker AG. Südzucker AG, Mannheim, which has issued an unconditional and irrevocable guarantee in relation to every single bond, at 31 August 2022 has a short-term A-3 rating by Standard & Poor's and a P-3 rating by Moody's. Credit ratings have a stable outlook. The expenses associated to the bonds are charged on to the lending companies through an additional premium on top of the base rate.

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash in order to ensure payment of short-term liabilities. Liquidity risk is the risk that liabilities cannot be met when they fall due. Also a substantial and / or a simultaneous withdrawal of loans fall into such risks. The Company addresses such risk by matching the cash flows resulting from assets and liabilities wherever economically viable but also by maintaining a range of financing possibilities. As such the Company has the option on a short term deposit available with Südzucker AG. Overall, the Company believes that adequate financing instruments are available to ensure sufficient liquidity at all times.

#### Interest rate risk

The Company's interest rate risk arises from assets and liabilities having either a different interest rate base (fixed vs. variable) or different tenures (short term vs. long term). The Company's external borrowings are at a fixed interest rate until the maturity for the bonds and at quarter based variable interest rate for the subordinated hybrid bond. The loans are lent to the parent company and affiliated companies. Interest rates applied for intercompany loans under the SZIF Loan Pricing Policy are continuously adopted to the actual interest cost situation of the Company. These intercompany interest rates are based on the average interest expenses for the Company, including a spread. As such, the Company's cash flow interest rate risk is limited.

#### Taxation

SZIF had an Advance Pricing Agreement with the Dutch tax authorities (APA) till 28 February 2022. Due to changes in the legal framework, the APA was not extended. However, the previously agreed transfer pricing methodology of SZIF B.V. is retained unchanged, subject to up-to-date benchmark studies.

#### Governance

Based on Article 1, par. I, sub 1 in the Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties*) the Company is considered as a public interest entity (*Organisatie van openbaar belang*) and following the Royal Decree of 26 July 2008, concerning the implementation of Article 41 of EC directive 2006/43 the Management of the Company assigned the Audit Committee tasks to the Audit Committee of Südzucker AG on 10 September 2012.

The members of Südzucker AG Audit Committee are Susanne Kunschert (Chairwoman), Helmut Friedl, Ulrich Gruber, Veronika Haslinger, Mustafa Öz and Rol Wiederhold; the Audit Committee meeting to review the financial statements and management report of SZIF 2021/22 took place on 10 May 2022.

#### Outlook for the second half of the financial year 2022/23

The Company's management expects for the fiscal year 2022/23 an improvement in profit compared to FY 2021/22 resulting from the increased spread for the finance activities of the Company. The Russian war of aggression against Ukraine has at least indirect effects on the currently rising interest rates in the euro area, higher credit margins and higher new issue premiums. Whilst uncertain, management does not believe that this circumstance will have a material impact on the financial condition or liquidity of SZIF.

## **Directors' responsibility statement**

All directors confirm that, to the best of their knowledge:

- the interim financial statements which have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties they face as required pursuant to section 5:25d of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Oud-Beijerland, 30 September 2022

The Managing Directors:

G.P. Nota

S. Moll

## Interim financial statements



## Balance sheet as at 31 August 2022

(Before profit appropriation)

| <b>Assets</b>                         |       |                |                  |
|---------------------------------------|-------|----------------|------------------|
| <b>(in € thousand)</b>                | Notes | 31 August 2022 | 28 February 2022 |
| <b>Non-current assets</b>             |       |                |                  |
| Non current tangible assets           |       | 2              | 3                |
| Non current financial assets          |       |                |                  |
| Receivables from the shareholder      | 4     | 28,430         | 134,507          |
| Receivables from affiliated companies | 5     | 1,498,224      | 1,386,422        |
|                                       |       | 1,526,656      | 1,520,932        |
| <b>Current assets</b>                 |       |                |                  |
| Receivables                           |       |                |                  |
| Receivables from affiliated companies |       | -              | -                |
| Receivables from tax authorities      | 6     | -              | 5                |
| Prepaid expenses                      |       | 2              | 5                |
| Cash at banks                         | 7     | 6              | 8                |
|                                       |       | 8              | 18               |
| <b>Total assets</b>                   |       | 1,526,664      | 1,520,950        |

| <b>Equity and liabilities<br/>(in € thousand)</b> | Notes | 31 August 2022 | 28 February 2022 |
|---|-------|----------------|------------------|
| <b>Shareholder's equity</b>                       | 8     |                |                  |
| Share capital                                     |       | 10,000         | 10,000           |
| Retained earnings                                 |       |                |                  |
| Retained earnings previous years                  |       | 7,722          | 7,610            |
| Result of the financial period                    |       | 642            | 1,112            |
|   |       | 18,364         | 18,722           |
| <b>Long-term liabilities</b>                      |       |                |                  |
| Bonds   |       |                |                  |
| Bond € 300 million                                | 9+10  | 299,584        | 299,416          |
| Bond € 500 million                                | 9+10  | 497,877        | 497,547          |
| Hybrid bond € 700 million                         | 9+10  | 700,000        | 700,000          |
|   |       | 1,497,461      | 1,496,963        |
| <b>Short-term liabilities</b>                     |       |                |                  |
| Liabilities to the shareholder                    | 11    | 646            | 29               |
| Liabilities to affiliated companies               |       | 2              | 5                |
| Payable to tax authorities                        | 12    | 12             | 8                |
| Other payables                                    | 13    | 90             | 126              |
| Accrued expenses                                  | 13    | 10,089         | 5,097            |
|   |       | 10,839         | 5,265            |
| <b>Total equity and liabilities</b>               |       | 1,526,664      | 1,520,950        |

## Profit and loss account for the six-month period

| <b>(in € thousand)</b>               | Notes | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|--------------------------------------|-------|----------------------------------|----------------------------------|
| Interest income from:                |       |                                  |                                  |
| the shareholder                      | 4     | 632                              | 653                              |
| affiliated companies                 | 5     | 15,523                           | 15,065                           |
| Other financing income               |       |                                  |                                  |
| <b>Financial income</b>              |       | 16,155                           | 15,718                           |
| Interest expenses from bonds         | 9     | 14,067                           | 13,575                           |
| Amortisation bonds discount          | 10    | 498                              | 498                              |
| Other financing expenses             | 14    | 664                              | 842                              |
| <b>Financial expenses</b>            |       | (15,229)                         | (14,915)                         |
| <b>Net financial result</b>          |       | 926                              | 803                              |
| <b>Other operating Income</b>        | 15    | 2                                | 9                                |
| Wages and salaries                   | 16    | 56                               | 63                               |
| Social security and pension expenses |       | 11                               | 10                               |
| Depreciation                         |       | 1                                | 1                                |
| Other operating expenses             | 17    | 78                               | 51                               |
| <b>Other operating expenses</b>      |       | (146)                            | (125)                            |
| <b>Profit before taxation</b>        |       | 782                              | 687                              |
| Taxation                             | 18    | (140)                            | (144)                            |
| <b>Profit after taxation</b>         |       | 642                              | 543                              |

## Cash flow statement

| <b>(in € thousand)</b>  | Notes | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|---|-------|----------------------------------|----------------------------------|
| <b>Cash flow from operating activities</b>                        |       |                                  |                                  |
| Result before taxation  |       | 782                              | 687                              |
| Adjustment for:   |       |                                  |                                  |
| Movements in liabilities to the shareholder                       | 11    | 614                              | 767                              |
| Amortisation discount on bonds issued                             | 10    | 498                              | 498                              |
| Other   |       | (24)                             | (26)                             |
| <b>Net cash (used in)/from operating activities</b>               |       | 1,870                            | 1,926                            |
| <b>Changes in working capital:</b>                                |       |                                  |                                  |
| Movements interest receivables                                    |       | -                                | -                                |
| Movements interest payable  | 13    | 4,992                            | 4,555                            |
| <b>Cash flow generated from operating activities</b>              |       | 4,992                            | 4,555                            |
| Income tax paid   | 18    | (140)                            | (144)                            |
| <b>Net cash generated from operating activities</b>               |       | 6,722                            | 6,337                            |
| <b>Cash flows used in investment activities</b>                   |       |                                  |                                  |
| Decrease/(increase) in tangible assets                            |       | 1                                | 1                                |
| Decrease/(increase) in loans<br>to affiliated companies long term | 4+5   | (5,725)                          | (5,369)                          |
| <b>Net cash used in investment activities</b>                     |       | (5,724)                          | (5,368)                          |
| <b>Cash flows generated from financing activities</b>             |       |                                  |                                  |
| Dividend payment for prior year                                   | 8     | (1,000)                          | (1,000)                          |
| <b>Net cash generated from financing activities</b>               |       | (1,000)                          | (1,000)                          |
| <b>Change in cash</b>   |       | (2)                              | (31)                             |
| Cash as at 1 March  | 7     | 8                                | 45                               |
| Cash as at 31 August  | 7     | 6                                | 14                               |

## Notes

### 1 Group affiliation and principal activity

Südzucker International Finance B.V. ('SZIF', or 'the Company'), a private company with limited liability incorporated under the laws of The Netherlands on 13 January 1994, having its corporate seat in Oud-Beijerland, the Netherlands and its registered office at Laurens Jzn. Costerstraat 12, 3261 LH Oud-Beijerland, the Netherlands and registered with the Dutch Chamber of Commerce under 33255988.

All shares were issued to Südzucker AG, Mannheim, Germany.

The principal activity of the Company is to facilitate financing of Südzucker AG and group companies.

### 2 Basis of presentation

These interim financial statements have been prepared in accordance with Standard 394 "Interim Financial Reporting" of the Dutch Accounting Standards. The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2021/22 Annual Report based on the provisions of the Dutch Civil Code, Book 2, Part 9 and the accounting principles generally accepted in the Netherlands.

The interim financial statements are prepared on a going-concern basis.

The interim financial statements are prepared in thousand Euro, unless otherwise stated (couple of amounts are in Euro).

### 3 Significant accounting policies

#### 3.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, if not specially stated otherwise. The balance sheet and profit and loss account include references to the notes.

#### 3.2 Estimates

The preparation of the interim financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. If necessary, the nature of these estimates and judgements, including the related assumptions, is disclosed in the applicable notes to the financial statement items in question.

#### 3.3 Loans to shareholder and loans to affiliated companies

Loans to group companies included in financial assets are initially measured at fair value, and subsequently carried at amortised cost.

The interest rate charged on loans to group companies has been set in conformity with the Loan Pricing Policy of the Company, using the methodology of the tax ruling obtained from the local tax authorities (APA) in the past.

The Company assesses at the reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the statement of financial position date, and that loss event has had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of expected future cash flows discounted at the assets original effective interest rate. The amount of the loss is included in the profit and loss statement. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the profit and loss statement.

### **3.4 Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost with use of the effective interest rate method. When a trade receivable is not collectible, it is written off against the allowance for trade receivables.

### **3.5 Cash**

Cash consist of cash at banks and deposits with a maturity of less than three months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities. Cash are stated at nominal value.

### **3.6 Equity**

The Company has no statutory or mandatory reserves.

### **3.7 Long-term liabilities**

Bonds included in long-term liabilities are initially measured at fair value net of transaction costs and subsequently valued at amortised costs.

### **3.8 Short-term liabilities**

The accrued expenses included in short-term liabilities relate to unpaid interest on the bonds. These are stated at amortised cost.

## **Accounting policies for the profit and loss account**

### **3.9 General**

Results on transactions are recognised in the period in which they are realised; losses are recognised in the period in which they pertain.

Income and expenses are recognised on an accrual basis in accordance with the relevant agreements.

Premiums and discounts on loans are amortised over the term of the loans in accordance with the effective interest method.

Interest paid and received is recognised on a time-weighted basis, applying the effective interest rate of the assets and liabilities concerned.

### **3.10 Employee related costs**

Short term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

### **3.11 Taxation**

Corporate income tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account tax-exempt items and non-deductible expenses, and using current tax rates.

### **3.12 Related-party transactions**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered a related party. In addition, statutory directors, other key management of SZIF or Südzucker AG and close relatives are regarded as related parties.

### **3.13 Cash flow statement**

The Cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash. Interest paid and received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow cash are not recognized in the cash flow statements.

### **3.14 Financial risk factors**

The Company's activities might expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The risk profile is not significantly changed in comparison with the last fiscal years.

- *Market risk*

Market risk is defined as the risk of a loss due to a change of market prices. The Company's market

risk is limited to the bonds issued by the Company. These amounts are secured by Südzucker AG and on-lent within the Südzucker Group. There is a difference in maturity of the bonds and the amounts lent. This mismatch is managed and monitored by a mid-term strategic planning, revolving financial and liquidity planning and analysis and an early refinancing of these bonds.

- *Credit risk*

Credit risk is the risk of loss due to a counterparty's non-payment of a loan or other receivable. Following the purpose of the Company, its main counterparties for loans and receivables are all related parties and hence members of the Südzucker Group. These companies have a long and proven track record of being reliable creditors and their suitability for future credit is monitored on an ongoing basis. In cooperation with Südzucker AG headquarters, assessments of credit risk are made. The maximum credit risk exposure is EUR 1.5 billion (2021/22: EUR 1.5 billion). The company's exposure to credit risk is influenced mainly by the characteristics of Südzucker Group related default risk. In case of a non-payment of a loan or other receivable of an affiliated company, SZIF has limited the risk at 1% of the outstanding amount with a maximum of EUR 10 million through an agreement with Südzucker AG. Südzucker AG, Mannheim, which has issued an unconditional and irrevocable guarantee in relation to every single bond, at 31 August 2022 has a short-term A-3 rating by Standard & Poor's and a P-3 rating by Moody's. Credit ratings have a stable outlook. The expenses associated to the bonds are charged on to the lending companies through an additional premium on top of the base rate.

- *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash in order to ensure payment of short-term liabilities. Liquidity risk is the risk that liabilities cannot be met when they fall due. Also a substantial and / or a simultaneous withdrawal of loans fall into such risks. The Company addresses such risk by matching the cash flows resulting from assets and liabilities wherever economically viable but also by maintaining a range of financing possibilities. As such the Company has the option on a short term deposit readily available with Südzucker AG. Overall, the Company believes that adequate financing instruments are available to ensure sufficient liquidity at all times.

- *Interest rate risk*

The Company's interest rate risk arises from assets and liabilities having either a different interest rate base (fixed vs. variable) or different tenures (short term vs. long term). The Company's external borrowings are at a fixed interest rate until the maturity for the bonds and at quarter based variable interest rate for the subordinated hybrid bond. The loans are lent to the parent company and affiliated companies. Interest rates applied for intercompany loans under the SZIF Loan Pricing Policy are continuously adopted to the actual interest cost situation of the Company. These intercompany interest rates are based on the average interest expenses for the Company, including a spread. The interest rates and interest conditions on the issued bonds are equal to these on the loans to affiliated companies. Therefore, the Company is not exposed to variability of cash flows due to market developments in interest rates.



## Balance sheet

### 4 Receivables from the shareholder

| (in € thousand)         | 31 August 2022 | 28 February 2022 |
|-------------------------|----------------|------------------|
| Loan to the shareholder | 28,430         | 134,507          |
|                         | 28,430         | 134,507          |

The loan to the shareholder is a long-term loan with no scaled maturity which bears interest at 2.19% since 30 June 2022 in accordance with the loan policy. The interest is variable and will change every calendar quarter end depending on the floating interest rate of the hybrid bond.

Due to the quarterly interest rates revisions the interest rate is assumed to be equal to the effective interest rate.

The fair value of the loans does not differ materially from the recorded amount in the balance sheet due to the variable interest on the loans.

### 5 Receivables from affiliated companies

| (in € thousand)               | 31 August 2022 | 28 February 2022 |
|-------------------------------|----------------|------------------|
| Loans to affiliated companies | 1,498,224      | 1,386,422        |
|                               | 1,498,224      | 1,386,422        |

The loans to affiliated companies consist of:

- EUR 28,300,000 long-term loan to Südzucker Moldova SRL. which bears interest at 2.30% since 30 June 2022 in accordance with the loan policy. This includes an additional spread for withholding tax.
- EUR 1,469,924,000 long-term loans to other affiliated companies which bear interest at 2.19% since 30 June 2022 in accordance with the loan policy.

The interest is variable and will change every calendar quarter end depending on the interest rate of the hybrid bond. Due to the quarterly interest rates revisions the interest rate is assumed to be equal to the effective interest rate.

The fair value of the loans does not differ materially from the recorded amount in the balance sheet due to the variable interest on the loans.

### 6 Receivables from tax authorities

The receivables from tax authorities mainly refers to previous year, where the prepayments to the Dutch tax authorities were higher than the calculated corporate tax.

## 7 Cash at banks

The current accounts are held with Deutsche Bank AG, Amsterdam and ING Bank N.V., Amsterdam. None of this cash is restricted as at 31 August 2022.

## 8 Shareholder's equity

| (in € thousand)  | Paid-up and<br>issued<br>capital | Retained<br>earnings | Profit<br>financial<br>year | Total   |
|--|----------------------------------|----------------------|-----------------------------|---------|
| Shareholder's equity as at 1 March 2021                    | 10,000                           | 7,463                | 1,147                       | 18,610  |
| Appropriation of net result 2020/21                        | -                                | 147                  | (147)                       | -       |
| Dividend payment   | -                                | -                    | (1,000)                     | (1,000) |
| Net result for the year<br>1 March 2021 - 28 February 2022 | -                                | -                    | 1,112                       | 1,112   |
| Shareholder's equity as at 28 February 2022                | 10,000                           | 7,610                | 1,112                       | 18,722  |
| Appropriation of net result 2021/22                        | -                                | 112                  | (112)                       | -       |
| Dividend payment   | -                                | -                    | (1,000)                     | (1,000) |
| Net result for the period<br>1 March 2022 - 31 August 2022 | -                                | -                    | 642                         | 642     |
| Shareholder's equity as at 31 August 2022                  | 10,000                           | 7,722                | 642                         | 18,364  |

As at 31 August 2022 220,365 ordinary shares have been issued and fully paid of EUR 45.38 each for a total of EUR 10,000,163.70.

The retained earnings represent the withheld profits of prior financial years.

## 9 Long-term liabilities

SZIF has issued the following bonds:

- On 30 June 2005 the Company issued a hybrid bond to an amount of EUR 500 million at a rate of 98.669%. This amount was increased on 15 August 2005 by an amount of EUR 200 million at a rate of 99.113%. The hybrid bond is divided into a nominal value of EUR 1,000 each. In the first ten years till 30 June 2015 the subordinated bond has a fixed coupon of 5.25%. Since 30 June 2015 the subordinated bond has a variable coupon of the 3 month Euribor interest rate plus 3.10% p.a. effective. The interest rate was set at 2.889% p.a. for the period from 30 June 2022 to 30 September 2022 exclusively (92 days).

The Company currently does not meet the requisite conditions for termination and repayment of the bond. Neither does Südzucker AG currently intend to take any action, such as increase capital for cash or issue a new hybrid bond to fulfil the conditions for termination nor make a public offer to buy back any bonds by way of meeting a capital market compliant procedure, since this could negatively impact the rating agencies' assessment of the company's equity credit. A limited buyback by

Südzucker AG has been performed in the past to a current maximum of around 4% of nominal face value.

Furthermore, the terms and conditions of the bond provide SZIF, in the event of a dividend event, with the option to defer the interest coupon payments. An optional (voluntary) coupon suspension may occur if no dividend was approved for shares of Südzucker AG at the last annual general meeting. In case of a Cash Flow-Event, SZIF is obliged to suspend remuneration payments. A Cash Flow-Event shall exist if the consolidated Cash Flow of the Guarantor Südzucker AG is less than 5 % of the consolidated Sales Revenues of the Guarantor Südzucker AG, in each case as shown in the annual report containing the audited financial statements of the Guarantor Südzucker AG.

This hybrid bond is guaranteed by Südzucker AG, Mannheim.

The fair value of this loan on 31 August 2022 is determined by market quotation to 79.75% (28 February 2022: 84.11%) at Frankfurt Stock Exchange for a total amount of EUR 558.25 million.

- On 22 November 2016 the Company placed a 1.25% bond for an amount of EUR 300 million with a payment date of 29 November 2016 at the Luxembourg Stock Exchange. The bond has been issued against a rate of 99.687%. Redemption of the EUR 300 million takes place on 29 November 2023.

This bond is guaranteed by Südzucker AG, Mannheim.

The fair value of this bond on 31 August 2022 is determined by market quotation to 98.655% (28 February 2022: 101.355%) at the Frankfurt Stock Exchange for a total amount of EUR 295.965 million.

- On 21 November 2017 the Company issued a 1.00% bond for an amount of EUR 500 million with a payment date of 28 November 2017 at the Luxembourg Stock Exchange. The bond has been issued against a rate of 99.367%. Redemption of the EUR 500 million takes place on 28 November 2025.

This bond is guaranteed by Südzucker AG, Mannheim.

The fair value of this bond on 31 August 2022 is determined by market quotation to 94.2% (28 February 2022: 100.25%) at the Frankfurt Stock Exchange for a total amount of EUR 471 million.

The fair values of these loans are determined by market quotations of these bonds on 31 August 2022.

**10 Bond discount**

All the bonds will be amortised over the term of these loans in accordance with the linear interest method.

| (in € thousand)                      | Bond discount at cost | Amortisation | Bond discount book value |
|--------------------------------------|-----------------------|--------------|--------------------------|
| 1 March 2021                         | 7,571                 | (3,546)      | 4,025                    |
| Movements FY 2021/22:                |                       |              |                          |
| Amortisation                         |                       | (988)        | (988)                    |
| Bond discount as at 28 February 2022 | 7,571                 | (4,534)      | 3,037                    |
| Period                               |                       |              |                          |
| 1 March - 31 August 2022             |                       | (498)        | (498)                    |
| 31 August 2022                       | 7,571                 | (5,032)      | 2,539                    |

**11 Liabilities to the shareholder**

| (in € thousand)       | 31 August 2022 | 28 February 2022 |
|-----------------------|----------------|------------------|
| Payables              | -              | 29               |
| Commitment fee to pay | 646            | -                |
|                       | 646            | 29               |

The commitment fee to pay is the pro rata guarantee fee paid to Südzucker AG of 0.1% p.a. on the total funding volume of EUR 1.5 billion.

**12 Payable to tax authorities**

| (in € thousand)      | 31 August 2022 | 28 February 2022 |
|----------------------|----------------|------------------|
| Other tax            |                | 1                |
| VAT                  |                | 7                |
| Corporate income tax |                | 10               |
|                      |                | 12               |
|                      |                | 8                |

### 13 Other payables / Accrued expenses

| (in € thousand)           | 31 August 2022 | 28 February 2022 |
|---------------------------|----------------|------------------|
| Interest accrual on bonds | 10,089         | 5,097            |
| Other payables            | 90             | 126              |
|                           | <u>10,179</u>  | <u>5,223</u>     |

The remaining term of all other payables is less than one year.

## Profit and loss account

### 14 Other financing expenses

| (in € thousand)                     | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|-------------------------------------|----------------------------------|----------------------------------|
| Commitment fee paid to Südzucker AG | 646                              | 767                              |
| Withholding tax Poland and Moldova  | 14                               | 21                               |
| Other financial expenses            | 4                                | 54                               |
|                                     | 664                              | 842                              |

### 15 Other income

Recharging other affiliated companies for labour and other costs paid by SZIF and made in order of the services provided for these affiliated companies.

### 16 Wages and salaries

| (in € thousand)           | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|---------------------------|----------------------------------|----------------------------------|
| Wages (incl. holiday pay) | 36                               | 43                               |
| Bonus                     | 20                               | 20                               |
|                           | 56                               | 63                               |

### 17 Other operating expenses

The operating expenses can be split in:

| (in € thousand)                               | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|---|----------------------------------|----------------------------------|
| Independent audit of the financial statements | 31                               | 30                               |
| Tax advice                                    | 12                               | 17                               |
| Legal advice                                  | 3                                | (3)                              |
| Group support services                        | 19                               | -                                |
| Building rental                               | 3                                | 3                                |
| IT  | 2                                | 2                                |
| Other expenses                                | 8                                | 2                                |
|   | 78                               | 51                               |

The audit services for the financial year 2022/23 will be provided by Mazars Accountants N.V., Rotterdam (last year provided by Ernst & Young Accountants LLP, Amsterdam). The tax advice services are provided by KPMG Meijburg & Co., Belastingadviseurs, Rotterdam.

## 18 Taxation

| (in € thousand)             | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|-----------------------------|----------------------------------|----------------------------------|
| Taxable amount              | 799                              | 710                              |
| Income tax current year     | 185                              | 165                              |
| Nominal tax rate            | 23.2%                            | 23.2%                            |
| Restitution withholding tax | (14)                             | (21)                             |
|                             | 171                              | 144                              |
| Income tax previous year    | (31)                             | -                                |
|                             | 140                              | 144                              |
| Profit before tax           | 782                              | 687                              |
| Effective tax rate          | 17.9%                            | 21.0%                            |

## 19 Related parties

SZIF is a 100% subsidiary of Südzucker AG, Mannheim, Germany. SZIF supplies financing facilities exclusively to Südzucker AG and other companies in the Südzucker AG group. During the period the

Company concluded several financing transactions with its parent and affiliated companies. The interest and other conditions are determined on arm's length basis.

## 20 Employees

The Company employed 2 persons with a total average of 0.65 FTE (2021/22: 0.65 FTE) in the Netherlands. One person of the management has a bonus contract (not included in FTE). There are no employees abroad.

## 21 Benefits management board

The total remuneration of the members of the management board of the Company is:

| (in € thousand)   | 1 March 2022 -<br>31 August 2022 | 1 March 2021 -<br>31 August 2021 |
|---|----------------------------------|----------------------------------|
| Wages and salaries  |                                  |                                  |
| Wages   | 7                                | 14                               |
| Bonus   | 17                               | 17                               |
| Social security and pension expenses                              | 1                                | 1                                |
|   | 25                               | 32                               |
| Thereof recharged to another affiliated company:<br>(see note 15) | -                                | 8                                |

One of the directors has a labour contract and provided last year services to other affiliated companies. Another director has a bonus contract.

## 22 Commitments and contingencies not included in the balance sheet

There are no commitments and contingencies.

## 23 Events after the balance sheet date

There are no events occurring after the balance sheet date. The Russian war of aggression against Ukraine has at least indirect effects on the currently rising interest rates in the euro area, higher credit margins and higher new issue premiums. Whilst uncertain, management does not believe that this circumstance will have a material impact on the financial condition or liquidity of SZIF.



Südzucker International Finance B.V., Oud-Beijerland

This interim financial report is unaudited.

Oud-Beijerland, 30 September 2022

The Managing Directors:

G.P. Nota

S. Moll