

Oud-Beijerland, 21 April 2022

Südzucker International Finance B.V.

FINANCIAL REPORT for the financial year 1 March 2021 to 28 February 2022

Statement – This copy of the annual financial reporting of Südzucker International Finance B.V. for the year ended 28 February 2022 is not presented in the ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF annual financial reporting is available on our website www.suedzucker.nl and included in the ZIP file.

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Directors' report for the financial year 2021/22

We have the pleasure in presenting the Financial Report of Südzucker International Finance B.V. ('SZIF', or 'the Company') for the financial year 1 March 2021 up to and including 28 February 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.

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 this 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 markets by SZIF. The costs related to the bonds (i.e. guarantee fee, the annualized bank costs, annualized discount and the required spread for the Company's financing activities) are added to the weighted average yield.

At the annual General Meeting of the Company held on 12 May 2021 the general assembly has been decided upon the allocation of the results of the financial year 2020/21 to pay a dividend of EUR 1 million on 21 May 2021.

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 2021). 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 28 February 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 28 February 2022 the interest rate was applied 2.529 % p.a. for the period from 31 December 2021 to 31 March 2022 exclusively (90 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 after tax for the year ended at 28 February 2022 amounts to EUR 1,112 thousand (2020/21: EUR 1,147 thousand). It slightly declined by EUR 35 thousand. The covid-19 and recently the Ukraine crisis had no material impact on the result of the year for SZIF. The net result after tax for the fiscal year 2021/22 is in line with the tax ruling obtained from the Dutch tax authorities about the application of Dutch tax law for its activities in the Netherlands (APA).

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. As part of the applicable tax ruling (APA) 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 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 year-end has a short-term A-3 rating by Standard & Poor's and a P-3 rating by Moody's. 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 taking the APA agreement into account. 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 has agreed an Advance Pricing Agreement with the Dutch tax authorities (APA) till 28 February 2022. Due to changes in the legal framework, the APA will not be extended. However, the currently valid transfer pricing methodology of SZIF B.V. is to be retained, subject to updated 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 Helmut Friedl (chairman), Dr. Hans-Jörg Gebhard, Ulrich Gruber, Veronika Haslinger, Franz-Josef Möllenber and Rolf Wiederhold; the Audit Committee meeting to review the financial statements and management report of SZIF 2020/21 took place on 6 May 2021; the Audit Committee meeting to review the half year 2021/22 interim financial statements of SZIF took place on 12 October 2021.

Outlook for the financial year 2022/23

The Company's management expects for the fiscal year 2022/23 a small improvement in profit compared to FY 2021/22 resulting from an increased spread for the finance activities. Whilst uncertain, management does not believe, that the Russian invasion in Ukraine 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 financial statements which have been prepared on a going concern basis 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 5:25c of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Events after 28 February 2022

There are no events which have occurred after 28 February 2022, which are considered as material and need to be disclosed in these financial statements. The Russian invasion in Ukraine and its impact on the financial markets has, as of date of this report, limited impact on the activities of SZIF.

Oud-Beijerland, 21 April 2022

The Managing Directors:

G.P. Nota

S. Moll

Financial statements

Balance sheet as at 28 February 2022

(Before profit appropriation of the year)

Assets (in € thousand)	Notes	28 February 2022	28 February 2021
Non-current assets			
Non current tangible assets		3	2
Non current financial assets			
Receivables from the shareholder	4	134,507	74,770
Receivables from affiliated companies	5	1,386,422	1,444,966
		1,520,932	1,519,738
Current assets			
Receivables			
Receivables from affiliated companies		-	-
Receivables from tax authorities	6	5	52
Prepaid expenses		5	5
Cash at banks	7	8	45
		18	102
Total assets		1,520,950	1,519,840

Equity and liabilities (in € thousand)	Notes	28 February 2022	28 February 2021
Shareholder's equity	8		
Share capital		10,000	10,000
Retained earnings			
Retained earnings previous years		7,610	7,463
Result of the financial year		1,112	1,147
		18,722	18,610
Long-term liabilities			
Bonds			
Bond € 300 million	9+10	299,416	299,082
Bond € 500 million	9+10	497,547	496,893
Hybrid bond € 700 million	9+10	700,000	700,000
		1,496,963	1,495,975
Short-term liabilities			
Liabilities to affiliated companies		34	2
Payable to tax authorities	11	8	2
Other payables	12	126	117
Accrued expenses	12	5,097	5,134
		5,265	5,255
Total equity and liabilities		1,520,950	1,519,840

Profit and loss account for the year

(in € thousand)	Notes	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Interest income from:			
the shareholder	4	1,402	1,214
affiliated companies	5	29,762	30,710
Financial income		31,164	31,924
Interest expenses from bonds	9	26,881	27,654
Amortisation bonds discount	10	988	986
Other financing expenses	13	1,666	1,669
Financial expenses		(29,535)	(30,309)
Net financial result		1,629	1,615
Other operating income	14	25	17
Wages and salaries	15	126	146
Social security and pension expenses		24	28
Depreciation		1	1
Other operating expenses	16	125	66
Other operating expenses		(276)	(241)
Profit before taxation		1,378	1,391
Taxation	17	(266)	(244)
Profit after taxation		1,112	1,147

Cash flow statement

(in € thousand)	Notes	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Cash flow from operating activities			
Result before taxation		1,378	1,391
Adjustment for:			
Amortisation discount on bonds issued	10	988	986
Other		94	26
Net cash (used in)/from operating activities		2,460	2,403
Changes in working capital:			
Movements interest payable	12	(37)	(241)
Cash flow generated from operating activities			
Income tax paid	17	(266)	(244)
Net cash generated from operating activities		2,157	1,918
Cash flows used in investment activities			
Decrease/(increase) in tangible assets		(1)	1
Decrease/(increase) in loans to affiliated companies long term	4+5	(1,193)	(928)
Net cash used in investment activities		(1,194)	(927)
Cash flows generated from financing activities			
Issuance/(redemption) of long-term bond	9	-	-
Dividend payment for prior year	8	(1,000)	(1,000)
Net cash generated from financing activities		(1,000)	(1,000)
Change in cash		(37)	(9)
Cash as at 1 March	7	45	54
Cash as at 28/29 February		8	45

Notes

General

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 financial statements have been prepared on a going concern basis in accordance with the provisions of the Dutch Civil Code, Book 2, Part 9 and the accounting principles generally accepted in the Netherlands.

The financial statements are expressed in thousand Euro, unless otherwise stated.

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 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 the 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 tax ruling obtained from the local tax authorities (APA).

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 recognised, the previously recognised 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.

3.8 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.

3.9 Short-term liabilities

Short-term liabilities include under the accrued expenses the unpaid interest on the bonds. These are stated at amortised cost.

Accounting policies for the profit and loss account

3.10 General

Results on transactions are recognised in the year 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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 recognised in the cash flow statements.

3.15 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 (2020/21: 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, the risk is limited at 1% of the outstanding amount with a maximum of EUR 10 million. Südzucker AG, Mannheim, which has issued an unconditional and irrevocable guarantee in relation to every single bond, at year-end has a short-term A-3 rating by Standard & Poor's and a P-3 rating by Moody's. The associated expenses are charged on to the lending companies through an additional risk 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. The Company has various possibilities for liquidity facilities. A concentration of liquidity risk has not been identified.

- *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)	28 February 2022	28 February 2021
Loans	134,507	74,770
	134,507	74,770

The loan to the shareholder is a long-term loan with no scaled maturity which bears interest at 2.01% since 31 December 2021 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.

5. Receivables from affiliated companies

(in € thousand)	28 February 2022	28 February 2021
Loans to affiliated companies	1,386,422	1,444,966
	1,386,422	1,444,966

The loans to affiliated companies consist of:

- EUR 30,200,000 long-term loan to Südzucker Moldova S.A. which bears interest at 2.11% since 31 December 2021 in accordance with the loan policy. This includes an additional spread for withholding tax.
- EUR 1,356,222,000 long-term loans to other affiliated companies which bear interest at 2.01% since 31 December 2021 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 prepayments to the Dutch tax authorities are higher than the tax calculated for FY 2021/22.

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 28 February 2022.

8. Shareholder's equity

(in € thousand)	Paid-up and issued capital	Retained earnings	Profit financial year	Total
Shareholder's equity as at 1 March 2020	10,000	7,430	1,033	18,463
Appropriation of net result 2019/20	-	33	(33)	-
Dividend payment	-	-	(1,000)	(1,000)
Net result for the year 1 March 2020- 28 February 2021	-	-	1,147	1,147
Shareholder's equity as at 28 February 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 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

As at 28 February 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.

In accordance with Article 18 of the Articles of Association, the net result for the year is at the disposal of the General Meeting of the Shareholders.

The proposal to the General Meeting of the Shareholders will be:

- to pay a dividend for FY 2021/22 of EUR 1 million on 20 May 2022;
- to add the remaining amount to the retained earnings.

9. Long-term liabilities

SZIF has issued the following bonds under the law of the Federal Republic Germany outstanding per 28 February 2022:

- 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 2.529% p.a. for the period from 31 December 2021 to 31 March 2022 exclusively.

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 bond as at 28 February 2022 amounts to 84.11% (28 February 2021: 78.90%) at the Frankfurt Stock Exchange for a total amount of EUR 588.77 million.

- On 22 November 2016 the Company issued 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 also guaranteed by Südzucker AG, Mannheim.

The fair value of this bond as at 28 February 2022 amounts to 101.355% (28 February 2021: 102.445%) at the Frankfurt Stock Exchange for a total amount of EUR 304.065 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 also guaranteed by Südzucker AG, Mannheim.

The fair value of this bond as at 28 February 2022 amounts to 100.25% (28 February 2021: 102.3%) at the Frankfurt Stock Exchange for a total amount of EUR 501.25 million.

The fair values of these loans are determined by market quotations of these bonds on 28 February 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	Balance end FY	Bond discount book value	
				long-term	short-term
1 March 2020	7,571	(2,560)	5,011	5,011	-
Movements FY 2020/21:					
Amortisation		(986)	(986)		
28 February 2021	7,571	(3,546)	4,025	4,025	-
Movements FY 2021/22:					
Amortisation		(988)	(988)		
28 February 2022	7,571	(4,534)	3,037	3,037	-

11. Payable to tax authorities

(in € thousand)	28 February 2022	28 February 2021
Other tax	1	1
VAT	7	1
	8	2

12. Other payables / Accrued expenses

(in € thousand)	28 February 2022	28 February 2021
Interest accrual on bonds	5,097	5,134
Other payables	126	117
	5,223	5,251

The remaining term of the interest accrual and other payables is less than one year.

Profit and loss account

13. Other financing expenses

(in € thousand)	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Guarantee fee paid to Südzucker AG	1,521	1,521
Withholding tax Poland and Moldova	37	46
Other financial expenses	108	102
	1,666	1,669

14. 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.

15. Wages and salaries

(in € thousand)	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Wages (incl. holiday pay)	92	106
Bonus	34	40
	126	146

Early 2020, a new controller has been appointed. The wages decreased as the former controller retired in October 2020.

16. Other operating expenses

The operating expenses can be split in:

(in € thousand)	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Independent audit of the financial statements	55	34
Tax advice	27	13
Legal advice	(9)	1
Group support services	35	-
Building rental	6	6
IT	4	5
Website	2	2
Other expenses	5	5
	125	66

All audit services are provided by Ernst & Young Accountants LLP, Amsterdam. The tax advices are provided by KPMG Meijburg & Co, Belastingadviseurs, Rotterdam. The audit services increased due to increased compliance requirements for Public Interest Organisations and additional work for the ESEF reporting as of current financial year. The tax advice costs have increased in view of the expiration of the APA end of February 2022. Provisions have been released for legal advice costs. As of FY 2020/21, SZIF obtains support services from the SZ Group Treasury department in line with the function split described in the Transfer Pricing documentation.

17. Taxation

(in € thousand)	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Taxable amount	1,420	1,442
Income tax current year	329	342
Nominal tax rate	23.2%	23.7%
Restitution withholding tax	(37)	(46)
	292	296
Income tax previous year	(26)	(52)
	266	244
	=====	=====
Profit before tax	1,378	1,391
Effective tax rate	19.3%	17.5%

18. Related parties

Südzucker International Finance BV is a 100% subsidiary of Südzucker AG, Mannheim, Germany. SZIF supplies financing facilities exclusively to Südzucker AG and other companies within the Südzucker AG group. During the year the Company concluded several financing transactions with its parent and affiliated companies. The interest and other conditions are determined on arm's length basis.

19. Employees

The Company employed 2 persons during FY 2021/22 with an average of 0.65 FTE (2020/21: 1.03 FTE) in the Netherlands. There are no employees abroad. One person of the management has a bonus contract (not included in FTE).

20. Benefits management board

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

(in € thousand)	1 March 2021 - 28 February 2022	1 March 2020 - 28 February 2021
Wages and salaries		
Wages	34	28
Bonus	34	34
Social security and pension expenses	2	2
	70	64

One of the directors has a labour contract and provides also services to other affiliated companies. These services are being recharged (see note 13). Another director has a bonus contract.

21. Commitments and contingencies not included in the balance sheet

There are no commitments and contingencies, which are not included in the balance sheet.

22. Events after the balance sheet date

There are no events occurring after the balance sheet date. The Russian invasion in Ukraine as of the date of this report has limited impact on the activities of SZIF.

23. Profit appropriation

In accordance with Article 18 of the Articles of Association, the net result for the year is at the disposal of the General Meeting of the Shareholders.

The proposal to the General Meeting of the Shareholders will be:

- to pay a dividend of EUR 1 million on 20 May 2022;
- the remaining amount to the retained earnings.

Oud-Beijerland, 21 April 2022

The Managing Directors:

G.P. Nota

S. Moll

Other information

Independent auditor's report

The independent auditor's report is taken up on the following page.

Articles of association

In accordance with Article 18 of the Articles of Association, the net result for the year is at the disposal of the General Meeting of the Shareholders.

Independent auditor's report

To: the shareholder of Südzucker International Finance B.V.

Report on the audit of the financial statements included in the financial report for the financial year 1 March 2021 to 28 February 2022

Our opinion

We have audited the financial statements for the financial year ended 28 February 2022 of Südzucker International Finance B.V., based in Oud-Beijerland, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Südzucker International Finance B.V. as at 28 February 2022 and of its result and its cash flows for the financial year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 28 February 2022
- the profit and loss account for the year ended 28 February 2022
- 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 Südzucker International Finance B.V. (the company) 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 and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Südzucker International Finance B.V. is incorporated as a wholly-owned subsidiary of Südzucker AG. The purpose of Südzucker International Finance B.V. is to finance affiliated companies of the Südzucker AG group through, among others, the issuance of bonds listed on public markets. Holders of the listed bonds benefit from a guarantee by Südzucker AG. Südzucker AG produces sugar, special products, starch and fruit as well as ethanol. The main income of Südzucker International Finance B.V. is the interest income on the loans to Südzucker AG and affiliated companies. Südzucker International Finance B.V. applies a fixed spread on interest expenses resulting in a higher interest income on receivables from the shareholder and affiliated companies. There is a difference in maturity of the bonds and the receivables, which is managed and monitored, and the company has the option on a short term deposit with Südzucker AG. Credit risk is limited to 1% of the outstanding amounts with a maximum of €10 million through an agreement with Südzucker AG.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Materiality

Materiality	€7.6 million (28 February 2021: €7.6 million)
Benchmark applied	0.5% of total assets (28 February 2021: 0.5% of total assets)
Explanation	We determined materiality based on our understanding of the company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the bonds issued by the company.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the managing directors that misstatements in excess of €380 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed finance company. We made use of a specialist in the area of income taxes including transfer pricing.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identify and assess the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of managing directors' process for responding to the risks of fraud and monitoring the system of internal control, 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. We evaluated the design and the implementation 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 to fraud is present.

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.

As in all of our audits, we addressed the risks related to management override of controls. We have used data analysis to identify and address high-risk journal entries. We evaluated the business rationale of transactions with related parties and whether these were accounted for at-arm's length and in accordance with transfer pricing documentation. We have also performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates, including the measurement of receivables from the shareholder and affiliated companies, as disclosed in notes 4 and 5 to the financial statements.

We refer to our audit response in the key audit matter 'Measurement of the receivables from the shareholder and affiliated companies'.

We considered available information and made enquiries of relevant members of the board of managing directors as well as the group auditor of Südzucker AG.

The consideration of the potential risk of management override of controls or other inappropriate influence over the financial reporting process, enquiries and assessment of other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the managing directors, reading minutes, inspection of internal

audit and compliance reports from Südzucker AG, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities, enquired with the group auditor of Südzucker AG and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

The managing directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for at least the next 12 months.

We discussed and evaluated the specific assessment with the managing directors exercising professional judgment and maintaining professional skepticism. We considered whether the managing directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all events or conditions that may cast significant doubt on the company's ability to continue as a going concern, including considerations relating to the financial position of Südzucker AG in cooperation with the group auditor. 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.

Based on our procedures performed, we did not identify serious doubts on the company's ability to continue as a going concern for the next 12 months. 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 a company to cease to continue as a going concern.

Our key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the managing directors. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, our key audit matter did not change.

Measurement of receivables from the shareholder and affiliated companies

Key audit matter

The main activity of Südzucker International Finance B.V. is to finance affiliated companies through, among others, the issuance of bonds on public markets. The company runs the risk that the shareholder or affiliated companies default on meeting their obligations to Südzucker International Finance B.V. The receivables from the shareholder and affiliated companies (refer to notes 4 and 5) are significant to Südzucker International Finance B.V. as these represent approximately 100% of the total assets in the financial statements of the company and thus any impairment may have a material impact on the financial position and the result of the company and the available cash flows to fulfil obligations towards holders of the bonds issued by the company. We refer to note 3.3 to the financial statements.

Assessing whether there is any objective evidence that a financial asset is impaired, and, if any such evidence exists, determining the size of the impairment loss, requires

Measurement of receivables from the shareholder and affiliated companies	
	<p>significant judgment and we consider the potential risk of management override of controls or other inappropriate influence over the financial reporting process. Based on the above, we have identified the measurement of the receivables from the shareholder and affiliated companies as key audit matter.</p>
Our audit approach	<p>Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policy relating to the impairment of financial assets in accordance with Part 9 of the Book 2 of the Dutch Civil Code and Dutch Accounting Standard 290 'Financial instruments' and the criteria set to determine that there is objective evidence of an impairment loss and whether these have been applied consistently. We also evaluated the design of internal controls of the processes underlying the identification and assessment of objective evidence for impairment as part of the financial statement closing process.</p> <p>Furthermore, we have performed, among others, the following procedures:</p> <ul style="list-style-type: none"> • We have inspected the loan receivable agreements, including signed confirmations from Südzucker AG and the affiliated companies; • We inspected the agreement between Südzucker International Finance B.V. and Südzucker AG that limits the credit risks of Südzucker International Finance B.V. on affiliated companies; • We challenged the managing director's assessment that there is no objective evidence at 28 February 2022 that the receivables from the shareholder and affiliated companies were impaired. This included the following: <ul style="list-style-type: none"> - We inspected the financial position of Südzucker AG based on interim figures; - We obtained a confirmation from the group auditor of Südzucker AG, that there are no impairment triggers and no doubt on the Südzucker AG's ability to continue as a going concern, nor on its liquidity; - We evaluated the fair value developments of the bonds issued by the company and reviewed publicly observable data - We determined that the affiliated companies have met their financial obligations towards Südzucker International Finance B.V. throughout the year and up to the date of our report. <p>Finally, we evaluated the related disclosures in the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and whether the inherent uncertainty is conveyed through adequate disclosure.</p>
Key observations	<p>Based on our procedures performed we consider the measurement of the receivables from the shareholder and affiliated companies to be reasonable and concur with the related disclosures in the financial statements.</p>

Report on other information included in the financial report

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

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 the information as required by Part 9 of Book 2 of the Dutch Civil Code for 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.

The managing directors are responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of Südzucker International Finance B.V. on 14 January 2015, as of the audit for the year 2014/2015 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

Südzucker International Finance B.V. has prepared the financial report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the financial report, including the financial statements, prepared in XHTML format by Südzucker International Finance B.V., complies in all material respects with the RTS on ESEF.

The managing directors are responsible for preparing the financial report, including the financial statements, in accordance with the RTS on ESEF.

Our responsibility is to obtain reasonable assurance for our opinion whether the financial report complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the financial report in XHTML format
- obtaining the financial report in XHTML format and performing validations to determine whether the financial report in XHTML format has been prepared in accordance with the technical specifications as included in the RTS on ESEF.

Description of responsibilities for the financial statements

Responsibilities of the managing directors for the financial statements

The managing directors are responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the managing directors are responsible for such internal control as managing directors determine 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, the managing directors are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the managing directors should prepare the financial statements using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The managing directors 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion

- 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 the managing directors
- 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.

Communication

We communicate with the managing directors 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 identify during our audit. In this respect we also submit an additional report to the audit committee of Südzucker AG in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the managing directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 21 April 2022

Ernst & Young Accountants LLP

signed by P. Sira