

Oud-Beijerland, 23 April 2024

Südzucker International Finance B.V.

FINANCIAL REPORT

for the financial year
1 March 2023 to 29 February 2024

Statement – This copy of the annual financial reporting of Südzucker International Finance B.V. for the year ended 29 February 2024 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 2023/24

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 2023 up to and including 29 February 2024. 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 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.

At the annual General Meeting of the Company held on 24 May 2023 the general assembly has been decided upon the allocation of the results of the financial year 2022/23 to pay a dividend of EUR 1 million on 26 May 2023.

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 positive outlook (June 2023). The Moody's rating for the hybrid bond is B1. Standard & Poor's current rating for Südzucker AG is BBB-/A-3 with a positive outlook (June 2023). Standard & Poor's rating for the hybrid bond is B+.

Bonds

On 29 February 2024 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 29 February 2024 the interest rate was applied 7.025 % p.a. for the period from 29 December 2023 to 28 March 2024 exclusively (90 days).

The Company currently does not meet the requisite conditions for termination and repayment of the hybrid 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 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).
- On 24 October 2022 a 5.125% **sustainability-linked bond** was issued and paid on 31 October 2022 to an amount of EUR 400 million for a 5-years period. The Notes shall be redeemed at their principal amount on 31 October 2027 (maturity date) plus 0.50% of the principal amount in case of an adjustment event.

During financial year 2023/24, the Company has redeemed the 1.25% bond to an amount of EUR 300 million at maturity date 29 November 2023.

Results

The net result after tax for the year ended at 29 February 2024 amounts to EUR 2,189 thousand (2022/23: EUR 1,448 thousand). The increase is mainly resulting from the increased results from the financing activities of the Company which is partly offset by increased corporate tax. The improved profit from financing is partly coming from the higher financing volumes during the first 9 months of the year, and partly from the increasing interest rates and thereof margin.

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 loans 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. In cooperation with Südzucker AG headquarters, assessments of credit risk are made. 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. Credit ratings have a positive 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. The interest rates and interest conditions on the loans to affiliated companies are aligned with these on the issued bonds. Therefore, the Company is not exposed to variability of cash flows due to market developments in interest rates.

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 (Deputy chairman), Ulrich Gruber, Mustafa Öz, Dr Claudia Süssenbacher and Rolf Wiederhold; the Audit Committee meeting to review the financial statements and management report of SZIF 2022/23 took place on 15 May 2023; the Audit Committee meeting to review the half year 2023/24 interim financial statements of SZIF took place on 10 October 2023.

Outlook for the financial year 2024/25

The Company's management expects for the fiscal year 2024/25 a minor decrease in profit compared to the fiscal year 2023/24 upon stable interests on the financial markets. Whilst uncertain, management does not believe, that the Russian war against the 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 29 February

There are no events which have occurred after 29 February 2024, which are considered as material and need to be disclosed in these financial statements.

Oud-Beijerland, 23 April 2024

The Managing Directors:

G.P. Nota

S. Moll

Financial statements

Balance sheet as at 29 February 2024

(Before profit appropriation of the year)

Assets (in € thousand)	Notes	29 February 2024	28 February 2023
Fixed assets			
Tangible fixed assets		1	2
Financial fixed assets			
Receivables from the shareholder	4	27,170	225,590
Receivables from affiliated companies	5	1,605,834	1,702,837
		1,633,005	1,928,429
Current assets			
Receivables			
Receivables from affiliated companies		-	22
Receivables from tax authorities	6	-	-
Prepaid expenses		6	7
Cash at banks	7	20	(8)
		26	21
Total assets		1,633,031	1,928,450

Equity and liabilities (in € thousand)	Notes	29 February 2024	28 February 2023
Shareholder's equity	<i>8</i>		
Share capital		10,000	10,000
Retained earnings			
Retained earnings previous years		8,170	7,722
Result of the financial year		2,189	1,448
		20,359	19,170
Non-current liabilities			
Bonds			
Bond € 500 million	<i>9+10</i>	498,858	498,202
Bond € 400 million	<i>9+10</i>	396,838	395,975
Hybrid bond € 700 million	<i>9+10</i>	700,000	700,000
		1,595,696	1,594,177
Current liabilities			
Bond € 300 million	<i>9+10</i>	-	299,750
Liabilities to affiliated companies		5	10
Payable to tax authorities	<i>11</i>	341	122
Other payables	<i>12</i>	113	100
Accrued expenses	<i>12</i>	16,517	15,121
		16,976	315,103
Total equity and liabilities		1,633,031	1,928,450

Profit and loss account for the year

(in € thousand)	Notes	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Interest income from:			
the shareholder	4	5,998	5,372
affiliated companies	5	76,041	40,326
Financial income		82,039	45,698
Interest expenses from bonds	9	75,213	40,612
Amortisation bonds discount	10	1,769	1,271
Other financing expenses	13	1,960	1,712
Financial expenses		(78,942)	(43,595)
Net financial result		3,097	2,103
Other operating income		-	2
Wages and salaries	14	118	110
Social security and pension expenses	14	24	22
Depreciation		1	1
Other operating expenses	15	169	160
Other operating expenses		(312)	(293)
Profit before taxation		2,785	1,812
Taxation	16	(596)	(364)
Profit after taxation		2,189	1,448

Cash flow statement

(in € thousand)	Notes	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Cash flow from operating activities			
Result before taxation		2,785	1,812
Adjustment for:			
Amortisation discount on bonds issued	10	1,769	1,271
Other		250	45
Net cash (used in)/from operating activities		4,804	3,128
Changes in working capital:			
Movements interest payable	12	1,396	10,024
Cash flow generated from operating activities			
Income tax paid	16	(596)	(364)
Net cash generated from operating activities		5,604	12,788
Cash flows used in investment activities			
Decrease/(increase) in tangible assets		1	1
Decrease/(increase) in loans to affiliated companies long term	4+5	295,423	(407,498)
Net cash (used in)/from investment activities		295,424	(407,497)
Cash flows generated from financing activities			
Issuance/(redemption) of long-term bond	9	(300,000)	395,693
Dividend payment for prior year	8	(1,000)	(1,000)
Net cash (used in)/generated from financing activities		(301,000)	394,693
Change in cash		28	(16)
Cash as at 1 March	7	(8)	8
Cash as at 28/29 February	7	20	(8)

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.

100% of the shares of the Company are held by Südzucker AG, Mannheim, Germany. The financial information of the Company is included in the consolidated financial statements of Südzucker AG and the consolidated financial statements can be obtained at cost at the office of the Company.

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 presented in euros ('EUR'), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

These financial statements cover the year 2023-24, which started per 1 March 2023 and ended at the balance sheet date of 29 February 2024 for the reporting period.

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 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 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.

3.7 Non-current liabilities

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

3.8 Current liabilities

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

The accrued expenses included in the current liabilities relate to the 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 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.

3.10 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.

SZIF and the parent company Südzucker AG fall within the scope of the second pillar ("Pillar 2") of the OECD model rules. The relevant "Pillar 2" legislation will be applied for the first time in the financial year beginning on 1 March 2024. Südzucker Group conducted an analysis as of the reporting date to determine the potential impact and the jurisdictions in which the Group is exposed in connection with Pillar 2 and does not expect any material additional tax expense from this. Südzucker Group applies the temporary, mandatory exemption regarding the recognition of deferred taxes resulting from the introduction of the global minimum tax. The global minimum tax is recognized as actual income tax at the time it is incurred.

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 recognised 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 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. Credit ratings have a positive 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 loans to affiliated companies are aligned with these on the issued bonds. 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)	29 February 2024	28 February 2023
Loan to shareholder	27,170	225,590
	27,170	225,590

The loan to the shareholder is a long-term loan with no scaled maturity which bears interest at 4.94% since 29 December 2023 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)	29 February 2024	28 February 2023
Loans to affiliated companies	1,605,834	1,702,837
	1,605,834	1,702,837

The loans to affiliated companies consist of:

- EUR 42,100,000 long-term loan with no scaled maturity to Südzucker Moldova S.A. which bears interest at 5.20% since 29 December 2023 in accordance with the loan policy. This includes an additional spread for withholding tax.
- EUR 1,563,734,000 long-term loans with no scaled maturity to other affiliated companies which bear interest at 4.94% since 29 December 2023 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

As at 29 February 2024, there is no receivable from tax authorities.

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 29 February 2024. Last year, the amount was negative due to a negative balance with Deutsche Bank AG.

8. Shareholder's equity

(in € thousand)	Paid-up and issued capital	Retained earnings	Profit financial year	Total
Shareholder's equity as at 1 March 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 year 1 March 2022 - 28 February 2023	-	-	1,448	1,448
Shareholder's equity as at 28 February 2023	10,000	7,722	1,448	19,170
Appropriation of net result 2022/23	-	448	(448)	-
Dividend payment	-	-	(1,000)	(1,000)
Net result for the year 1 March 2023 - 29 February 2024	-	-	2,189	2,189
Shareholder's equity as at 29 February 2024	10,000	8,170	2,189	20,359

As at 29 February 2024, 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 retain the net profit after tax of the year to the retained earnings.

9. Non-current liabilities

SZIF has issued the following bonds under the law of the Federal Republic Germany outstanding per 29 February 2024:

- 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 7.025% p.a. for the period from 29 December 2023 to 28 March 2024 exclusively (90 days).

The Company currently does not meet the requisite conditions for termination and repayment of the hybrid bond, such as increase of capital in cash or issuance of a new hybrid bond within the last 12 months.

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 29 February 2024 amounts to 97.801% (29 February 2023: 91.4%) at the Frankfurt Stock Exchange for a total amount of EUR 684.607 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 29 February 2024 amounts to 95.313% (28 February 2023: 93.5%) at the Frankfurt Stock Exchange for a total amount of EUR 476.565 million.

- On 24 October 2022 the Company issued a 5.125% sustainability-linked bond for an amount of EUR 400 million with a payment date of 31 October 2022 at the Luxembourg Stock Exchange. The bond has been issued against a rate of 99.471%. Redemption of the EUR 400 million takes place on 31 October 2027. With this sustainability-linked bond, the Company has undertaken to pay investors a redemption premium of 0.5% of the nominal value if, by the observation date of 31 December 2026, the sustainability target of reducing Südzucker Group's carbon dioxide emissions scope 1+2 (SPT) by 32% compared to the historical reference date of 31 December 2018 is not met.

This bond is also guaranteed by Südzucker AG, Mannheim.

The fair value of this bond as at 29 February 2024 amounts to 103.455% (28 February 2023: 102.165%) at the Frankfurt Stock Exchange for a total amount of EUR 413.82 million.

The fair values of these loans are determined by market quotations of these bonds on 29 February 2024.

10. Bond discount

All the bond discounts 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	Bond discount book value	
				long-term	short-term
Bond discount as at 1 March 2022	7,571	(4,534)	3,037	3,037	-
Movements FY 2022/23:					
New bond € 400 million	4,308		4,308		
Amortisation		(1,271)	(1,271)		
Bond discount as at 28 February 2023	11,879	(5,805)	6,074	5,823	251
Movements FY 2023/24:					
Redemption bond € 300 million	(2,335)	2,335			
Amortisation		(1,769)	(1,769)		
Bond discount as at 29 February 2024	9,544	(5,239)	4,305	4,305	-

11. Payable to tax authorities

(in € thousand)	29 February 2024	28 February 2023
Other tax	1	1
VAT	1	2
Corporate income tax	339	119
	341	122

As at 29 February 2024, the estimated corporate tax of FY2023/24 is higher than the prepayments made to the tax authorities.

12. Other payables / Accrued expenses

(in € thousand)	29 February 2024	28 February 2023
Interest accrual on bonds	16,517	15,121
Other payables	113	100
	<u>16,630</u>	<u>15,221</u>

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 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Guarantee fee paid to Südzucker AG	1,855	1,654
Withholding tax Moldova	94	49
Other financial expenses	11	9
	1,960	1,712

14. Wages and salaries / Social security and pension expenses

(in € thousand)	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Wages (incl. holiday pay)	84	76
Bonus	34	34
	118	110

The wages increased following the inflation in 2023 and 2024.

(in € thousand)	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Social security charges	24	22
Pension costs	-	-
	24	22

15. Other operating expenses

The operating expenses can be split in :

(in € thousand)	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Audit of the financial statements	76	64
Tax advice	20	29
Legal advice	1	-
Group support services	45	48
Building rental	6	6
IT	7	4
Website	2	2
Other expenses	12	7
	169	160

The audit services for financial year 2023/24 are provided by KPMG Accountants N.V., Rotterdam (last year provided by Mazars Accountants N.V., Rotterdam). The fees mentioned in the table above for the audit of the financial statements relate to the total fees for the audit, irrespective of whether the activities have been performed during the financial year. No other services, other than audit, are charged by KPMG during financial year 2023/24. The tax advices are provided by Ernst & Young Belastingadviseurs LLP, Rotterdam (last year provided by KPMG Meijburg & Co, Belastingadviseurs, Rotterdam).

SZIF also obtains support services from the Südzucker Group Treasury department in line with the function split described in the Transfer Pricing documentation.

16. Taxation

(in € thousand)	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Taxable amount	2,879	1,866
Income tax current year	729	443
Nominal tax rate	25.3%	23.7%
Restitution withholding tax	(94)	(49)
	635	394
Income tax previous year	(39)	(30)
	596	364
	=====	=====
Profit before tax	2,785	1,812
Effective tax rate	21.4%	20.1%

17. 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.

18. Employees

The Company employed 2 persons during FY 2023/24 with an average of 0.65 FTE (2022/23: 0.65 FTE) in the Netherlands. There are no employees abroad. One person of the management has a bonus contract (not included in FTE).

19. Benefits management board

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

(in € thousand)	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Wages and salaries		
Wages	17	15
Bonus	34	34
Social security and pension expenses	1	1
	52	50

One of the directors has a labour contract and the other director has a bonus contract.

20. Commitments and contingencies not included in the balance sheet

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

21. Events after the balance sheet date

No events occurred after the balance sheet date which should be disclosed in this report.

22. 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 retain the net profit after tax of the year to the retained earnings.

Oud-Beijerland, 23 April 2024

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 General Meeting of Shareholders of Südzucker International Finance B.V. and the Audit Committee of Südzucker AG

Report on the audit of the financial statements for the year ended 29 February 2024 included in the financial report

Our opinion

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 29 February 2024 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.

What we have audited

We have audited the financial statements for the financial year from 1 March 2023 to 29 February 2024 of Südzucker International Finance B.V. (the Company) based in Oud-Beijerland.

The financial statements comprise:

- 1 the balance sheet as 29 February 2024;
- 2 the profit and loss account for the financial year from 1 March 2023 to 29 February 2024;
- 3 the cash flow statement for the financial year from 1 March 2023 to 29 February 2024; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Südzucker International Finance B.V. in accordance with 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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and



non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 16 million
- 0.98% of total assets

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- Fraud risks: presumed risk of management override of controls identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no going concern risks identified

Key audit matters

- Recoverability of the intercompany loans

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 16 million (2022/2023: EUR 15 million). The materiality is determined as approximately 1% of total assets. We consider total assets, which mainly include accounts related to financing activities, as the most appropriate benchmark because the main activity of the Company is to attract funds through the issue of bonds and to use these funds to grant loans to its parent company and group companies. 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 Board of Management of Südzucker International Finance B.V. and the Audit Committee of the parent company, Südzucker AG, that misstatements identified during our audit in excess of EUR 0.5 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to the risk of fraud and non-compliance with laws and regulations

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures



included, among other things, assessing the Company's code of conduct, whistleblowing policy and its internal control environment. Furthermore, we performed relevant inquiries with management. We have also incorporated elements of unpredictability in our audit, such as: designing audit procedures to inspect the cash transactions throughout the period and involving forensic specialists in our audit procedures. As part of our audit procedures, we:

- assessed other positions held by members of Board of Management and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and we inquired with the Board of Management as to whether the Company is in compliance with such laws and regulations and inspected correspondence, if any, with relevant regulatory authorities. We identified the following area as those most likely to have a material effect on the financial statements: compliance with the covenants for the bonds listed on the Luxembourg Stock Exchange and Frankfurt Stock Exchange.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Further we assessed the presumed fraud risk on revenue recognition as irrelevant, since the Company's sole significant source of income is interest and similar income. Such interest and similar income is derived from long term loan agreements with group entities and the Company's shareholder including fixed terms and conditions in respect of interest. As a consequence, we did not identify an incentive nor pressure for the Board of Management to achieve certain results or specific interest and similar income targets as to meet the requirements of third parties and there appears to be limited perceived opportunity to commit a material fraud in this area.

Based on the above and on the auditing standards, we identified the following presumed fraud risk that is relevant to our audit, and responded as follows:

- **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.
- We performed a data analysis of journal entries to determine if there are any fraudulent journal entries by applying the identified high-risk criteria, such as whether there are any entries posted by management, material post-closing entries, entries with specific times and dates to the total population of journal entries. Where we identified instances of unexpected



journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Our evaluation of procedures performed related to fraud in respect of management override of controls did not result in an additional key audit matter.

We communicated our risk assessment, audit responses and results to Company's Board of Management and the Audit Committee of Südzucker AG.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit

Audit response to going concern

The Board of Management has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Management's assessment, we have performed, inter alia, the following procedures :

- We considered whether the Board of Management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit.
- We considered whether the market interest rate developments indicate a going concern risk.
- We inspected the (new) financing agreements in terms of conditions that could lead to significant going concern risks, including the terms of the agreements.
- We analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.
- Considering Südzucker AG is a guarantor for the bonds issued by the Company, we analysed the Parent Company's most recent financial statements in terms of indicators that could identify going concern risks.
- We inspected the cash inflows throughout the period to check if there are any defaults related to the intercompany loans in terms of indicators that could identify going concern risks.
- We considered whether the outcome of our audit procedures to determine the recoverability of the intercompany loans, as described in the key audit matter paragraph below, could indicate a significant going concern risk.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter



to the Board of Management and the Audit Committee of Südzucker AG. The key audit matters are not a comprehensive reflection of all matters discussed.

Recoverability of intercompany loans

Description

Südzucker International Finance B.V. issues bonds to attract funds and uses these funds to grant intercompany loans to its parent company Südzucker AG and other group entities. Through an agreement with Südzucker AG, the Company has limited its exposure of a non-payment of a loan by the other group entities to 1% of the total outstanding amount with a maximum of EUR 10 million.

As disclosed in Note 3 of the financial statements, loans to its parent company and other group entities are carried at amortised cost less any impairment. The valuation of a loan is dependent on the credit risk associated with the loan. Whenever there is an indication that a loan may not be recovered full in accordance with the contractual terms, the Company is required to perform an impairment test. Given the pervasive impact of the recoverability of these loans to its parent company and other group companies on the financial statements of the Company as a whole, we considered the recoverability of loans to its parent company and other group companies to be a key audit matter.

Our response

Our audit procedures included, amongst others:

- We evaluated the design and implementation of the controls regarding the valuation assessment by the Board of Management in respect to loans to its parent company and other group companies, including how the Board of Management identifies any objective evidence of impairment of the loans to group entities.
- We inspected the terms and conditions of the loan agreements between the Company and group entities.
- We inquired with the Board of Management of the Company about its assessment of the valuation of the loans, based upon its knowledge of the developments in the financial position and cash flows of Südzucker AG and/or the Südzucker group companies.
- Where applicable, we further evaluated the valuation of loans by analysing the financial position of the relevant group entity (including shareholder) to which the loans have been provided including an evaluation of the credit ratings of Südzucker AG as issued by Standard & Poor's and Moody's.
- We inspected the cash inflows related to the interest income and intercompany loans throughout the period.

In addition, we evaluated the appropriateness of the accounting principles applied and related disclosures included in the notes 3, 4 and 5 of the financial statements.



Our observation

The results of our procedures on the Board of Management's evaluation of the recoverability of the loans to the Company's parent company and other group companies were satisfactory and we consider the disclosures in the Notes 3, 4 and 5 to be adequate.

Report on the other information included in the financial report

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

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

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

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 less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were appointed by the General Meeting of Shareholders as auditor of Südzucker International Finance B.V. on 25 April 2023, as of the audit for the financial year ending 29 February 2024.

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 audits of public-interest entities.

European Single Electronic Format (ESEF)

Südzucker International Finance B.V. has prepared its 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 prepared in XHTML format, including the financial statements of Südzucker International Finance B.V., has been prepared in all material respects in accordance with the RTS on ESEF.

Südzucker International Finance B.V. is responsible for preparing the annual 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 annual financial report is in accordance with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report in XHTML- format;
- Identifying and assessing the risks that the financial report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including examining whether the annual financial report in XHTML-format is in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management of the Südzucker International Finance B.V. and the Audit Committee of Südzucker AG for the financial statements

The Board of Management of the Südzucker International Finance B.V. is 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 Board of Management of Südzucker International Finance B.V. is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect, the Board of Management of the Südzucker International Finance B.V., is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

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



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

The Audit Committee of Südzucker AG is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit 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.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at [eng_oob_01.pdf \(nba.nl\)](#). This description forms part of our auditor's report.

Rotterdam, 23 April 2024

KPMG Accountants N.V.

T.A. Kalmár RA

Addendum to the Financial Report of Südzucker International Finance B.V. for the financial year 2023-24

1. Cash flow statement

The Cash flow statement as included in the financial report has been prepared using the indirect method. Interest paid and received are included in the cash flow from operating activities as follows:

(in € thousand)	1 March 2023 - 29 February 2024	1 March 2022 - 28 February 2023
Interest Income received	82.039	45.698
Interest expenses paid	73.817	30.588

2. Receivable from the shareholder

The loan to the shareholder is a long-term loan with no scaled maturity. The movement of the loan / credit facility with the shareholder consists of following:

(in € thousand)	29 February 2024	28 February 2023
Loan to the shareholder beginning of the period	225.590	134.507
Loan increases	328.193	565.725
Loan repayments	(526.613)	(474.642)
end of the period	27.170	225.590

3. Receivable from the affiliated companies

The loans to the affiliated companies consist of long-term loans with no scaled maturity. The movement of the loans / credit facilities with the affiliated companies consists of following:

(in € thousand)	29 February 2024	28 February 2023
Loans to affiliated companies beginning of the period	1.702.837	1.386.422
Loan increases	457.505	674.500
Loan repayments	(554.508)	(358.085)
end of the period	1.605.834	1.702.837