CONSOLIDATED FINANCIAL STATEMENTS

Roquette Group
Year ended 31 December 2022


ROQUETTE

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Year ended 31 December 2022

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ROQUETTE GROUP

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INCOME STATEMENT, COMPREHENSIVE INCOME, BALANCE SHEET, STATEMENT OF CASH FLOW AND CHANGE IN EQUITY

Income statement

(in thousands of euros)	Notes	2021	2022
Turnover	**7.1**	**3,886,504**	**5,125,975**
Cost of goods sold and external charges	7.2	(2,798,956)	(3,778,942)
Personnel costs	7.3	(573,699)	(659,354)
Taxes		(22,179)	(25,836)
Amortization and depreciation		(212,756)	(273,257)
Other operating income	7.4	18,341	20,624
Other operating expenses	7.4	(12,731)	(18,261)
Current operating income		**284,524**	**390,950**
Non-recurring items	8	(23,832)	(277,141)
Operating income		**260,692**	**113,809**
Cost of net financial debt	9.1	(13,349)	(16,001)
Other financial result and expenses	9.2	23,538	(27,866)
Financial result		**10,189**	**(43,867)**
Income from companies accounted for by the equity method	15	(3,219)	(3,478)
Pre-tax profit		**267,661**	**66,464**
Income tax	10	(56,736)	(66,147)
Net income		**210,926**	**317**
Profit or loss, Group share		**209,274**	**(9,431)**
Net income from non-controlling interests		**1,652**	**9,748**
Profit or loss (Group share) per share		**71.24**	**(3.21)**

Comprehensive income statement

Comprehensive income comprises all components of "profit or loss" and of "other comprehensive income".

(in thousands of euros)	Notes	2021	2022
Net income		**210,926**	**317**
Change in translation adjustments		112,924	43,334
Gains and losses on hedging derivatives		(6,414)	(48,310)
Tax impact		2,354	10,001
Items that may be reclassified subsequently to P&L		**108,863**	**5,025**
Revaluation of net liabilities (assets) of defined benefit plans	21	9,457	29,977
Tax impact		(1,931)	(6,931)
Items that may not be reclassified subsequently to P&L		**7,527**	**23,045**
Other comprehensive income, net of tax		**116,390**	**28,070**
Total		**327,316**	**28,387**
of which Group share		**324,634**	**19,504**
of which non-controlling interests		**2,682**	**8,883**

Balance Sheet

(in thousands of euros)	Notes	2021	2022
Goodwill	11	132,843	139,956
Intangible fixed assets	12	212,261	223,237
Tangible fixed assets	13	2,570,836	2,258,652
Investments in associates	15	9,805	8,794
Non-current financial assets	16	193,512	201,264
Other non-current assets	19	69,562	27,476
Deferred taxes	10.3	50,979	92,524
Non-current assets		**3,239,798**	**2,951,904**
Inventories	17	649,533	861,597
Accounts receivable and similar accounts	18	621,354	744,682
Tax assets		5,270	266
Current financial assets	16	2,484	2,834
Other current assets	19	184,107	300,558
Cash and cash equivalents	22.1	224,407	237,259
Current assets		**1,687,156**	**2,147,196**
Total assets		**4,926,954**	**5,099,100**

	Notes	2021	2022
Share capital		8,813	8,813
Reserves		2,451,560	2,600,883
Net income		209,274	(9,431)
Own shares		(4,152)	(5,526)
Equity, Group Share		**2,665,494**	**2,594,739**
Equity, Non-controlling interests		**5,026**	**5,355**
Equity		**2,670,520**	**2,600,094**
Non-current financial debt	22	674,116	785,910
Non-current provisions	20	14,167	2,100
Non-current employee benefits	21	78,526	50,173
Other non-current liabilities	23	32,984	27,939
Deferred taxes	10.3	104,901	115,199
Non-current liabilities		**904,695**	**981,322**
Current financial debt	22	464,006	322,160
Current provisions	20	24,245	15,395
Current employee benefits	21	3,405	3,734
Accounts payable and similar accounts		418,459	520,559
Tax liability		12,420	34,845
Other current liabilities	23	429,205	620,992
Current liabilities		**1,351,739**	**1,517,684**
Total liabilities		**4,926,954**	**5,099,100**

Cash flow statement

(in thousands of euros)	Notes	2021	2022
Net income		**210,926**	**317**
Amortization and depreciation (excluding current assets)		209,466	265,051
Impairment recognized in non-recurring items		(29,533)	285,235
Other items		96,402	66,079
Gross cash flow		**487,261**	**616,681**
Change in net working capital requirement		(29,599)	(140,114)
Income tax paid		(40,020)	(72,261)
Net cash flow from operating activities		**417,642**	**404,306**
Acquisition of consolidated companies, acquired cash flow deducted		-	-
Purchase of tangible and intangible assets		(334,284)	(242,596)
Sales of fixed assets		1,058	11,271
Change in fixed assets suppliers		(120,583)	(14,289)
Financial investments		(14,929)	(16,054)
Net cash flow from investment activities		**(468,738)**	**(261,669)**
Dividends paid to shareholders of the Group		(57,792)	(58,989)
Dividends paid to minority interests		-	-
Dividends received from equity affiliates		-	-
Capital received from minority interests		-	-
Proceeds from borrowings		368,417	445,066
Repayment of borrowings		(269,548)	(330,745)
Net change in other debts		(8,577)	(178,842)
Net cash flow from financing activities		**32,500**	**(123,510)**
Impact of foreign currency exchange rate fluctuations		(2,322)	(5,194)
Cash flow variation		**(20,918)**	**13,934**
Cash flow variation		**(20,918)**	**13,934**
Opening cash balance	**4.9**	**243,581**	**222,664**
Closing cash balance	**4.9**	**222,664**	**236,598**
of which bank loans		*(1,743)*	*(661)*
of which cash and cash equivalents		*224,407*	*237,259*

Statement of changes in equity

(in thousands of euros)	Capital	Premiums	Reserves	Comprehensive income items	Net income (Group share)	Own shares	Equity, Group Share	Minority interests	Equity
December 31, 2020	**8,813**	**3,209**	**2,479,044**	**(87,158)**	**25,524**	**(4,212)**	**2,425,220**	**4,875**	**2,430,094**
Result for the financial year	-	-	-	-	209,274	-	209,274	1,652	210,926
Allocation of the result	-	-	25,524	-	(25,524)	-	-	-	-
Items recognized in other comprehensive income	-	-	-	115,360	-	-	115,360	1,030	116,390
Distributed dividends	-	-	(86,965)	-	-	-	(86,965)	-	(86,964)
Purchase options on non-controlling interests	-	-	9,042	-	-	-	9,042	-	9,042
Other changes	-	-	(6,497)	-	-	60	(6,437)	(2,532)	(8,969)
December 31, 2021	**8,813**	**3,209**	**2,420,149**	**28,202**	**209,274**	**(4,152)**	**2,665,494**	**5,026**	**2,670,520**
Result for the financial year	-	-	-	-	(9,431)	-	(9,431)	9,748	317
Allocation of the result	-	-	209,274	-	(209,274)	-	-	-	-
Items recognized in other comprehensive income	-	-	-	28,935	-	-	28,935	(865)	28,070
Distributed dividends	-	-	(58,836)	-	-	-	(58,836)	-	(58,836)
Purchase options on non-controlling interests	-	-	(27,010)	-	-	-	(27,010)	-	(27,010)
Other changes	-	-	(3,040)	-	-	(1,373)	(4,413)	(8,553)	(12,966)
December 31, 2022	**8,813**	**3,209**	**2,540,537**	**57,137**	**(9,431)**	**(5,526)**	**2,594,739**	**5,355**	**2,600,094**

As of December 31, 2022, the share capital stood at 8,812,908 euros, comprised of 2,937,636 fully paid-up shares without nominal value, a par value of three euros each.

NOTE 1

GENERAL PRINCIPLES

1. General principles and statement of compliance

The parent company of the Roquette Group (or "the Group") is a public limited company governed by French law whose registered office is located in Lestrem, France. The accounting period ended December 31, 2022 contains twelve months, as well as the comparative accounting period ended December 31, 2021.

The Group is a global leader in plant-based ingredients and a pioneer of new plant proteins. In collaboration with its customers and partners, the Group is addressing current and future societal challenges as the world leader in plant-based ingredients (mainly corn, wheat, potato and pea), a pioneer in plant-based proteins and a major supplier of pharmaceutical excipients. Each of these ingredients responds to unique and essential needs and they contribute to healthier lifestyles in the Food, Nutrition, and Health markets.

In accordance with European Regulation 1606/2002 of July 19, 2002 on international accounting standards, the Group's consolidated financial statements are drawn up in accordance with the IFRS standards and interpretations published by the IASB applicable for the year 2022, as approved by the European Union. The comparative financial information was drawn up according to the same standards and interpretations.

All of the texts adopted by the European Union are available on the website of the European Commission.

These statements were approved by the Board of Directors on March 1, 2023.

2. Texts applicable as of January 1, 2022

The following amendments, which are applicable starting from 2022, have no impact on the financial statements. This in particular entails amendments to:

- IFRS 3 (References to the Conceptual framework).
- IAS 37 (loss-making contracts).
- IAS 16 (Revenue recognition before an asset is available for use).
- Annual improvements 2018--2020 cycle (amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16).

3. Non-mandatory application texts as of December 31, 2022

The Group has not anticipated any standards or interpretations mentioned hereinafter for which application is not mandatory as of December 31, 2022:

- IFRS 17 (insurance contracts).
- IFRS 17 and IFRS 9 (initial application and comparative information).
- Amendments to IAS 1 (Disclosure of significant accounting policies).
- Amendments to IAS 8 (defining accounting estimates).
- Amendments to IAS 12 (Deferred taxes on assets and liabilities resulting from a single transaction).

NOTE 2

HIGHLIGHTS

Impairment of Roquette Canada's assets

While the long-term outlook remains optimistic, a slowdown in the growth of the alternative protein market has been observed, particularly in the plant-based meat substitutes segment which constitutes the majority of the Group's outlets.

The macroeconomic climate partly explains this trend and has led the Group to revise its assumptions (high generalized inflation and rising risk-free rates) for the impairment test of its investment in pea protein production in Portage, Canada.

As a result, the Group has re-estimated the value of this asset. This resulted in an impairment of 287 million euros as of December 31, 2022 (393 million Canadian dollars) in the financial statements for the year.

This impairment is recognized in the income statement under "Non-recurring items" (see Note 8).

The potential of the pea and vegetable protein market nevertheless remains strategic for the Group.

Continued deployment of the "Symphony" SAP ERP project

The deployment of the SAP "Symphony" ERP continued during the financial year 2022: starting in January 2022, with the phased deployment at the Roquette Frères sites, the Group's largest entity, which mobilized the teams throughout the year, and culminating in the deployment at the Lestrem, France site in January 2023.

Economic environment and conflict in the Ukraine

In 2022, the imbalances resulting from the health crisis triggered a long-lasting inflationary mechanism, especially on the prices of energy and agricultural raw materials, which was intensified by the exogenous shock of the war in the Ukraine.

It should be recalled that the group has no industrial facilities in Russia, Belarus, or the Ukraine. In addition, activities with Russia have historically been very limited and sales have been restricted to essential products (powdered baby formula and excipients).

The financial impacts of this conflict on the 2022 income statements are not quantifiable; however, the direct impacts are estimated to be immaterial.

NOTE 3

CONSOLIDATION METHODS

1. Consolidation methods

The subsidiaries consolidated by the Group are all entities controlled by the Group. Control is the power to directly or indirectly govern the financial and operational policy of the entity with a view to obtaining economic benefits from its activities. This situation is generally accompanied by the holding, directly or indirectly, of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity. Subsidiaries are consolidated from the date of the acquisition of control.

The companies over which the Group exerts a significant influence (generally between 20% and 50% control; significant influence is presumed to exist, unless it can be clearly demonstrated that this is not the case, when the parent company directly or indirectly holds 20% or more of the voting rights in the company held) and joint ventures are accounted for using the equity method.

Transactions as well as reciprocal assets and liabilities between the consolidated companies are eliminated. The results on internal transactions with the jointly-controlled entities are also eliminated.

The financial statements of subsidiaries are restated prior to consolidation under IFRS, where appropriate, in order to ensure consistency of their treatment at the Group level.

2. Functional currency and reporting currency

The euro is the Group’s reporting currency and the consolidated financial statements are presented in thousands of euros. The financial statements of subsidiaries are established in their functional currency, i.e. the currency that most represents their economic environment.

All of the financial data is rounded to the nearest thousand euros.

3. Foreign currency transactions

Transactions conducted in currencies other that the functional currency of the entity are converted at the exchange rate in effect on the dates of the transactions.

At each closing date, monetary items (receivables and payables) are converted at the closing rates and the resulting exchange difference is recognized in the income statement for the period.

All differences are recognized in the income statement under "Financial income" and "Financial expenses" items, except for certain differences on foreign currency borrowings that constitute a hedge of the net investment in a foreign entity, which are recognized in other comprehensive income.

4. Translation of the financial statements of foreign companies

Asset and liability items for companies for which the functional currency is not the euro are converted into euros at the exchange rate in effect on the closing date of the period.

The resulting conversion differences are recognized (in the "Change in translation adjustments" item of "Other comprehensive income") until the disposal of the investment.

Income statement items are translated at the average rate for the year, which is an approximation of the exchange rate on the transaction date if there are no significant fluctuations. However, if the exchange rates have fluctuated substantially, a calculation other than the arithmetical average annual rate can be used, in liaison with the seasonality of the activity.

The "cash flow statement" items are translated at the average rate for the year.

5. Net investment in a foreign operation

The exchange rate differences on the conversion of a net investment of a foreign entity are recognized in the consolidated financial statements (under "Change in translation adjustments" in "Other comprehensive income") until the disposal of the net investment (at which time they are recognized in the income statement). This treatment was applied starting in mid-2020 to a portion of the loans that the Group granted to Roquette India, following analyses of that subsidiary's financial situation that led to the recognition of an impairment of assets.

The changes in values concerning financial instruments used to hedge foreign currency investments and on permanent advances to subsidiaries are also recognized in other items of the result for the effective portion of the hedge, within the "Gains and losses on hedging derivatives" items, and are recognized on the income statement when the net investment is disposed of.

6. Business combinations

Goodwill corresponds to the difference between the acquisition cost (i.e. the sum of the consideration transferred for non-controlling interests and, where applicable, the fair value of the previously held equity interest, minus the net amount recognized (generally at fair value) for identifiable assets acquired and liabilities assumed) and the fair value valuation of the assets and liabilities identified on the date of acquisition.

The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred on the date of acquisition.

For each business combination, the Group can choose to measure non-controlling interests at fair value. In this case, the Group recognizes goodwill over the entire amount of the identifiable assets and liabilities (full goodwill method). Any subsequent acquisition of non-controlling interests does not result in the recognition of additional goodwill. Acquisitions and disposals of non-controlling interests are recognized directly in the Group's equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquired subsidiary measured at fair value, this difference (badwill) is recognized in the results for the period on the "Non-recurring items" line if the amount is significant.

Goodwill is determined on the date of acquisition of the entity and no subsequent adjustments will be made beyond the evaluation period. In accordance with IFRS 3 "Business combinations", goodwill is not amortized but is subject to annual impairment tests.

The recognition of a business combination must be completed within a period of twelve months after the date of acquisition. This period applies to the assessment of identifiable assets and liabilities, consideration transferred and non-controlling interests.

The costs directly attributable to the acquisition are recognized as expense.

NOTE 4

RULES AND EVALUATION METHODS

1. Evaluation criteria

The consolidated financial statements are drawn up on a historical cost basis, except for:

- Some financial assets and liabilities evaluated at fair value.
- Non-current assets held for sale, valued and recognized at the lower of their net book value and their fair value minus disposal costs as soon as their sale is deemed highly probable. These assets cease to be depreciated as soon as they are classified as assets (or groups of assets) held for sale.

2. "Current" vs. "non-current" classification

On the balance sheet, the assets and liabilities are classified as current and non-current.

An asset is classed as a current asset if:

- The Group expects to realize the asset within twelve months after the reporting period.
- The Group expects to realize the asset or intends to sell or consume it within its normal operating cycle; the Group holds the asset primarily for trading purposes; or
- If the asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current assets. A liability is classed as a current liability if:

- The liability is due to be settled within twelve months after the reporting period.
- The Group expects to settle the liability during its normal operating cycle.
- The Group holds the liability primarily for trading purposes; or
- If the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets or deferred tax liabilities are classified as non-current assets and liabilities.

3. Tangible and intangible assets

Intangible fixed assets

Intangible assets are carried at purchase price or production cost less accumulated amortization and impairment losses.

Research costs are recognized in expenses when they are incurred. Development expenditures, are capitalized when they meet the following criteria:

- Demonstration of the technical feasibility of the project and the availability of the necessary resources to complete the development.
- Ability of the fixed asset to generate probable future economic benefits.
- Reliable evaluation of the cost of the asset.
- The Group's capacity and intention to complete the fixed asset and to put it into service or sell it.

The intangible fixed assets that were acquired by the Group, in particular customer relations and patents, have a finite useful life. They are recognized at cost less accumulated amortization and impairment losses.

The amortization is calculated according to the straight-line method based on the cost of acquisition, over the following durations:

	Useful life
Development costs	not more than 20 years
Software	2 to 5 years 10 years for projects linked to SAP
Patents and similar rights	10 to 15 years except for different useful life
Customer relations	10 to 15 years except for different useful life
Other intangible fixed assets	According tot the useful life

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Acquired brands are analyzed with regard to their future use. Brands which the Group does not expect to cease to be used and which are actively maintained are treated as intangible fixed assets with an indefinite useful life: they are therefore not amortized and are subject to annual impairment tests. If an end-of-use and maintenance period for the brand is defined, the value of the brand is amortized over the remaining useful life.

Tangible fixed assets

Tangible assets are carried at purchase price or production cost less accumulated amortization and impairment losses.

The cost of acquisition of a fixed asset includes the expenses that can be attributed directly to the acquisition of this fixed asset. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset for which preparation prior to use requires a substantial period of time are incorporated at the cost of this asset.

Subsequent costs are included in the net book value of the asset or recognized separately, where applicable, if it is likely that the future economic benefits associated with this element will go to the Group and the cost of this asset can be evaluated reliably. All other repairs and maintenance are recognized as expense during the financial period in which they are incurred.

Investment properties are initially valued at acquisition cost, including transaction costs. Subsequently, these properties are valued using the cost method, i.e. at their initial cost minus accumulated depreciation and any impairment losses.

Depreciation of property, plant and equipment

The amortization is calculated according to the straight-line method based on the cost of acquisition, over the following durations:

	Useful life
Buildings	15 to 33 years
Infrastructure and facilities	*20 years*
Specialized complex installations	*15 to 20 years*
Administrative buildings	*33 years*
Plant, machinery and equipment	5 to 20 years
Other	5 to 10 years

4. Investment grants

Investment grants received for fixed asset purchases are recorded as liabilities on the balance sheet under "Other liabilities" (current or non-current depending on their maturity) and are recognized in the income statement under "Other operating income" at the same rate as the depreciation of the assets they are associated with.

5. Rental agreements

Under IFRS 16, a rental agreement is a contract, or part of a contract, that grants the right to use an asset for a specified period of time in return for consideration.

On the effective date of the rental agreement in which the Group acts as lessee, the rental agreement is recognized:

- On the asset side of the balance sheet as a right-of-use asset for an amount equal to the current value of the amount of rent still to be paid under the lease. The right-to-use assets are amortized using the straight line method over the duration of the agreement. Any gratuity or franchise included in the agreement is also spread out over the duration of the agreement.
- As financial debt for the discounted amount of the remaining rent to be paid over the term of the lease.

The durations retained for valuing the agreements are the contractual durations as well as any renewal option that the Group is reasonably certain to exercise. The durations retained for assessing rental agreement commitments are in accordance with the decision of November 26, 2019 of the IFRIC.

The discount rates applied correspond to the borrowing rates determined for each of the Group's companies according to their financial risk profile and according to the duration of the contracts.

The Group applies the exemptions that are authorized by the standard concerning rental agreements for which the duration is less than twelve months and agreements concerning assets with a low unit value. These agreements are however mentioned in the off-balance sheet commitments for an amount equal to the expenses of the fiscal years during which they will be incurred.

The Group recognizes a deferred tax asset for any timing difference generated by the treatment of rental agreements.

In the consolidated cash flow statements, payments of rent liabilities are presented in the cash flows from financing activities in the category "Other liabilities" in accordance with IFRS 16 "Rental Agreements".

The same accounting treatment applies to agreements which, although not in the legal form of a rental contract, meet the definition of a rental contract by granting the Group the right to use a particular item of property, plant and equipment in exchange for a payment or series of payments (see Note 5 "Judgment" concerning the assets of ECOGI). The identified rental contracts primarily concern rental contracts of freight cars, logistics warehouses, offices and company cars.

6. Inventories

Inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs for general administration and financial charges are excluded from the cost price of inventories.

Inventories are valued at their lowest cost (essentially the "weighted average cost" method or the "first in first out" method, depending on the type of inventory) and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less costs to be incurred for completion and selling.

The Group may need to record depreciation on inventories based on the perspective for clearing them, if they are damaged, partially or entirely obsolete, or if a sales prices less than the cost price is anticipated.

CO_2 emission rights

Where there are no IFRS standards or interpretations relating to the accounting for CO_2 emission rights, the following provisions are applied:

The quotas are managed as a production cost and as such are recognized in inventories:

- Emission quotas issued free of charge are accounted for nil.
- Emission quotas acquired in return for payment are recorded at their acquisition cost.

- The annual sales or restitutions of quotas are considered as leaving the inventories, recognized on a weighted average unit cost basis.

CO_2 emissions quotas are traded for certified emissions reductions under the Kyoto protocol (CER: Carbon Emission Reduction and ERU: Emission Reduction Unit). These certified emissions reductions will be accounted for using the method applied to CO_2 emissions quotas.

In the case where the obligations to remit at term are greater than the available quotas available in inventories, a provision is booked at market value.

Forward market transactions are recorded at market value on the balance sheet in accordance with the rules applicable to financial instruments.

7. Impairment of fixed assets

Fixed assets, including goodwill, intangible fixed assets and property, plant and equipment (including rights-of-use) are subjected to an annual impairment test. In addition, whenever events or changes in the economic environment indicate a risk of depreciation (i.e. the appearance of indications of impairment) of goodwill, intangible assets or property, plant and equipment (including rights-of-use), the Group reviews their value. Impairment tests consist of comparing the carrying amount of an asset, of a cash-generating unit ("CGU") or of a group of CGUs to its net book value.

The recoverable amount of fixed assets corresponds to the higher value between the useful value and the net fair value less costs to sell. The unit value corresponds to the expected discounted future cash flows (excluding payment of rents for rights-to use, following application of IFRS 16). The net fair value of the costs to sell is determined, in particular, on the basis of multiples of operating results or comparable references available on the market.

The CGUs correspond to subsidiaries or to combinations of subsidiaries that belong to the same geographic area and that generate cash flows that are independent of those generated by other CGUs. The cash flows used to calculate the useful values come from the medium-term plan of the CGUs generally covering the next five financial periods and are extrapolated beyond this period by applying a perpetual growth rate that is specific to each CGU. The cash flow are subject to discounting by application of a weighted average cost of capital determined according to the countries in which the CGU being studies operates.

When the recoverable value of the asset of the CGU or group of CGUs is less than its net book value, impairment for the asset or group of assets is recognized in the "Non-recurring items" line if the amount is significant.

Depreciation is first allocated to goodwill, definitively, without any subsequent reversal possible.

Depreciation recognized in relation to intangible and tangible assets may be subsequently reversed, for the impairment that was initially recognized, when the recoverable value becomes higher than the net book value.

8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, application of IFRS 9 "Financial instruments".

Financial assets

Financial assets are classified in one of the following three categories:

- Financial assets at fair value through the income statement.
- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income (debt or equity instruments).

The classification determines the accounting treatment for these instruments. It is determined on the date of the initial recognition, on the basis of the Group's objective in acquiring the asset and contractual characteristics of cash flows. Purchases and sales of financial assets are recognized at the date of transaction on which the Group is committed to the purchase or sale of the assets. A financial asset is derecognized if the contractual rights to the cash flows from the financial asset expire or if the asset has been transferred including the transfer of substantially all the risks and rewards.

Financial assets at fair value through the income statement

All of the financial assets that are not classed as being at amortized cost or at fair value through other elements of comprehensive income as described hereinabove are evaluated at fair value through the income statement.

These are financial assets classified as held for trading that the Group has acquired principally for the purpose of selling in the near term, or any financial assets voluntarily classified in this category in the case where this designation significantly reduces an accounting mismatch that would have occurred otherwise. These assets are measured at their fair value, and all changes are recognized in the income statement for the period.

This category mainly comprises unconsolidated securities, investment securities and cash and cash equivalents, as well as derivative asset instruments.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets, which are not designated at fair value through the income statement, for which all the following conditions are met:

- Its holding is part of a business model whose objective is to hold assets in order to collect contractual cash flows.
- Its contractual terms result in cash flows on specified dates that correspond solely to principal repayments and interest payments on the outstanding principal.

This category mainly comprises long-term investments, deposits and bonds and trade receivables.

Financial assets at fair value through Other comprehensive income (equity)

A debt instrument is evaluated at fair value through other elements of comprehensive income if all of the following conditions are met and if it is not designated at fair value through the income statement:

- Its holding is part of a business model whose objective is achieved both through collecting contractual cash flows and through selling financial assets.
- Its contractual conditions give rise to specified dates, to cash flows that correspond solely to reimbursements of the principal and to interest payments on the outstanding principal.

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During the initial recognition of an equity security which is not held for the purposes of transactions, the Group can irrevocably decide to present in the other elements of comprehensive income the later variations of the fair value of the security. This choice is made for each investment.

Financial liabilities

The evaluation of financial liabilities depends on their classification in one of the following categories:

Borrowings and financial debts, trade accounts payable and other liabilities

Borrowings and financial debts, trade accounts payable and other liabilities are initially recognized at fair value then measured at amortized cost using the effective interest method.

Financial liabilities at fair value through the income statement

Financial liabilities designated at fair value by option, other than derivative liabilities, are evaluated at fair value. Changes in fair value are recognized in the income statement. The transaction costs linked to setting up these financial liabilities are recognized immediately as expense.

This category mainly includes passive derivative instruments. It should be noted that the Group does not hold any financial liabilities designated at fair value option.

Depreciation of financial assets

The IFRS 9 model for depreciating expected credit losses applies to financial assets valued at amortized cost and to contract assets.

The corrections in value for losses in terms of expected credit losses correspond either:

- To expected credit losses for the next twelve months, which correspond to possible defaults during the twelve months after the closing date.

- To expected credit losses over the life of the financial instruments, which correspond to all possible defaults over the expected life of the financial instruments.

Roquette uses the simplified model to write down trade receivables, determined by valuation of expected losses based on historical loss rates, taking into account current market conditions.

Hedge accounting

The Group uses various financial instruments in order to reduce its exposure to the risks of foreign exchange, the interest rate and changes in the price of cereals, energy and certain industrial purchases.

Methodology

IFRS 9 "Financial Instruments" defines a more qualitative and prospective approach for assessing the effectiveness of these hedges. Thus, the Group has designated more risk management strategies in for hedging relationships, in particular those that involve the hedging of a risk component (other than the exchange rate risk) of a non-financial asset.

The Group uses derivative foreign exchange contracts in order to hedge the variability in cash flows that can be attributed to variations in the exchange rates. The group designates only the variation in fair value of the spot element of the exchange contract as the hedging instrument in the hedging relationship of cash flows.

The effective portion of the change in fair value of the hedging instrument is recorded in the cash flow hedge reserve as a separate item in other comprehensive income.

Type of strategy and recognition

All of the derivative instruments are recognized on the balance sheet in other current and non-current assets and liabilities according to their maturity and the accounting qualification and evaluated at fair value on the date of transaction. Changes in the fair value of derivative instruments are recorded in the income statement, except in the case of cash flow hedges and net investment hedges.

Derivative instruments that are designated as hedging instruments are classified by hedging category according to the nature of the risked hedged:

- The cash flow hedge enables to hedge the risk on future cash flow changes related to recognized assets or liabilities or a highly probable anticipated future transaction that will affect the consolidated income statement.

- The fair value hedge makes it possible to hedge the risk in the change in fair value of a recognized asset or liability or unrecognized firm commitment that could affect consolidated net income.

- The net investment hedge makes it possible in particular to hedge the risk of a change in activities abroad.

Hedge accounting can only be applied if all the following conditions are met:

- There is a clearly identified, formalized and documented hedging relationship as of the date of inception.

- The effectiveness of the hedging relationship is demonstrated retrospectively and prospectively. The results obtained as such must fall within a confidence interval between 80% and 125% as defined by the Group in terms of risk management.

The accounting treatment of financial instruments qualified as hedging instruments and their impact on the income statement and balance sheet is differentiated according to the type of hedging relationship:

For cash flow and net investment hedges:

- The effective portion of the change in the fair value of the hedging instrument is directly recognized in other comprehensive income. These amounts are reclassed in the income statement symmetrically to the method for recognizing the hedged items, i.e. primarily as gross margin for commercial hedging operations and in financial result for financial operation hedges.

- The ineffective portion of the hedge is recorded in the income statement when the hedges are not settled. When the hedges are settled, the ineffective portion is presented in the income statement on the same line as the hedged item.

For fair value hedges:

- The hedged component of these items is valued in the balance sheet at its fair value. The change in this fair value is recorded on the financial result statement and is offset, to the extent effective, by matching fair value gains and losses on the hedging instrument.

The variation in the fair value of points of exchange derivative term contracts (discount/premium elements) are recognized separately as "hedging costs". They are recorded in other elements of comprehensive income.

9. Cash and cash equivalents

The "Cash and cash equivalents" items corresponds to short-term investments that are liquid and easy to convert into a known amount of cash and which are subjected to a negligible risk in terms of a change in value.

For the cash flow statement, cash and cash equivalents include cash flow and cash flow equivalents as defined hereinabove, less outstanding bank overdrafts.

10. Income tax

The tax expense for the period includes payable tax and the deferred tax for the period. Tax expense is recognized in the income statement, unless it relates to items recognized in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current income taxes

The tax currently payable is based on taxable profit for the year.

The tax debt on companies corresponds to the tax to be paid for the period, according to the rates adopted or quasi-adopted on the closing date, to any prior period tax adjustments and to any uncertainties as to the tax to be paid.

Deferred income taxes

In application of IAS 12, the group recognizes deferred taxes over all of the temporary differences between the values of the assets and liabilities in the consolidated financial statements and their tax values in the accounts of the consolidated entities.

Deferred tax assets are recognized for all deductible timing differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference timing differences, unused tax losses and unused tax credits could be utilized. Deferred tax liabilities are recognized for all of the taxable timing differences.

Deferred taxes are not recognized when the deferred tax liability is the result of the initial recognition of goodwill or the initial booking of an asset or a liability in a transaction which is not a business combination and which affects neither accounting income nor taxable income or loss.

Concerning deductible timing differences associated with investments in subsidiaries, branches and associates, deferred tax assets are only recognized to the extent that it is probable that the timing difference will be reversed in the foreseeable future and that taxable profit will be available against which the timing difference can be utilized.

Concerning taxable temporary differences associated with investments in subsidiaries, branches and associates, deferred tax liabilities are recognized only when the date on which the timing difference will reverse can be controlled and when it is probable that the timing difference will not be reversed in the foreseeable future.

The carrying value of the deferred tax assets is reviewed at each closing date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a portion of this deferred tax asset to be utilized. Non-recognized deferred tax assets are revalued at each closing date and are recognized insofar as the probability exists that a future taxable benefit will allow their recovery.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates (and tax regulations) in force or substantially in force on the closing date. The effects of the changes in rates are recorded in the tax expense for the period in which they are known. The evaluation of the amount of deferred taxes takes account of the uncertainties concerning the amount of income tax.

Deferred tax assets and liabilities are offset if a legally enforceable right to offset current tax assets and liabilities exists and provided that these deferred taxes concern the same taxable entity and the same tax authority.

11. Own shares

When the Group buys back its own shares, they are recognized at cost and are deducted from equity. No gain or loss is recognized in net profit/loss during the purchase, sale, issue or cancellation of the Group's shares. Dividends paid on these own shares are canceled. Any difference between the carrying amount of the associated liability and the consideration given or received is recognized in equity.

12. Provisions

Provisions are recorded when there is a present obligation resulting from a past event, that will probably result in an outflow of resources embodying economic benefits and for which the amount can be reliably estimated.

The amount of the provisions retained is based on the Group's assessment of the risk level on a case-by-case basis and depends in particular on the assessment of the merits of the claims, the progress of the proceedings and/or litigation and the arguments put forward in defense, on the understanding that the occurrence of events during the course of the proceedings may result in a reassessment of the risk at any time.

When the effect of the time value of money is significant, provisions with maturities of over one year are calculated at a discounted value that corresponds to the best estimate of the expense required to extinguish the current obligation on the closing date. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to this liability.

A restructuring provision is recognized when there is a formal and detailed restructuring plan and the plan has begun to be implemented or has been announced before the end of the reporting period. The restructuring costs for which a provision is recognized correspond primarily to social costs (redundancy payments, early-retirement payments, costs of notice periods not served, etc.), to branch closures and to indemnities for the termination of agreements with third parties.

The other provisions correspond to the risks and expenses identified specifically. They are primarily linked to disputes and litigation.

13. Post-employment and other long-term employee benefits

The French companies and certain Group subsidiaries participate in providing various types of employee benefits in accordance with the laws and practices of each country.

Certain subsidiaries grant their employees the benefit of retirement plans with defined services or with defined contributions.

Defined contribution plans
As part of defined contribution plans, the Group has no obligation to make additional payments over and above the agreed contribution payments.

For these plans, the contributions are expensed when incurred.

Defined allowances plans
As part of defined allowances plans, the Group agrees to pay a defined benefit after the employee's employment. These plans include for example post-employment contract benefits paid when the employee retires (in particular at the subsidiaries in France, Italy, and Great Britain) or coverage of medical costs that the Roquette America subsidiary grants to its retirees which is directly funded by the company.

These plans generate a provision that corresponds to the commitment for the payment of the service. The balance sheet provision corresponds to the discounted value of the commitments, adjusted for the fair value of plan assets.

These commitments are valued based on the projected credit unit method based on basis conventions or agreements in force at each company. Under this method, each period of service gives rise to an additional unit in terms of benefit entitlement and each unit is assessed separately to calculate the final commitment. The existence of intermediate levels is taken into account in the analysis of the benefit that will ultimately be awarded, based on the best estimate of the level that will be reached by the employee at the date of the post-employment benefit. This commitment is then discounted.

These plans are subject to an actuarial evaluation by independent actuaries every year. The actuarial assumptions used to determine these commitments vary according to the economic conditions of the country in which the plan is located (in particular concerning the level of future compensation, the probable remaining working life of employees, life expectancy and staff turnover). Actuarial gains and losses arising from modifications in assumptions and from the difference between the results estimated according to actuarial assumptions and actual results are recognized immediately as other elements of comprehensive income.

Past service cost, which is the increase in an obligation following the introduction of a new plan or the modification of an existing plan, is immediately recognized as an expense if the benefits have already been earned.

The expenses concerning this type of plan are recognized in current operating income (cost of past services) and in financial result (financial costs and expected return on the assets).

The reductions, settlements or modification of plans are recognized in current operating income or in financial result according to their nature.

14. Non-current assets held for sale

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", significant non-current assets and groups of significant assets held for sale, classified as held for sale, are measured at the lower of their carrying amount and fair value minus selling costs. They are classes as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Tangible and intangible fixed assets, once classed as held for sale, are no longer amortized. Assets and liabilities that have been classified as held for sale are reported as separate line in the current items of the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations.
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively for resale.

In the income statement, the net income coming from discontinued operations is reported separately from the net income from continuing operations. In addition, the income statement is restated for the comparative period.

- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

In the income statement, the net income coming from discontinued operations is reported separately from the net income from continuing operations. In addition, the income statement is restated for the comparative period.

15. Turnover

Turnover consists mainly of sales of products and services by the Group.

IFRS 15 imposes a single recognition model for sales in 5 steps, based on the transfer of the control of the goods and services identified in the contracts with the customers:

- Existence of a contract.
- Existence of performance obligations.
- Determination of the transaction price.
- Allocating the transaction price.
- Recognition of the sales figures.

Sales of goods are recognized when the Group has transferred the control of the good to the purchaser (in practice, this corresponds to considering each shipment or delivery of merchandise as a performance obligation), when the amount of the sale can be measured reliably and when collection is reasonably assured. Sales of finished products and merchandise are primarily carried out with industrial customers. The sales contracts are generally for a period of one year. The performance obligation, in terms of IFRS 15 (see Note 4.15 "Rules and evaluation methods") is deemed to be satisfied at the time of shipment or delivery of the good in the required specifications.

In the vast majority of cases, the Group is the producer of the goods sold and therefore acts as the principal in control of the good or service prior to its transfer to the customer. Consequently, the Group recognizes turnover for the full amount of the transaction. Otherwise, when the Group acts as an agent, which is rare, the turnover recognized corresponds to the margin generated or the commission received.

Services are recognized over the period in which they are rendered.

Sales are measured at the fair value of the consideration received in exchange for the goods and services sold, excluding tax, net of any rebates and discounts.

In case of significant marginal costs required to obtain a sales contract with a customer, these costs are booked as assets and amortized over the duration of the contract. For the Group, these costs are not significant.

The group does not have any long-term delivery commitments.

16. Current operating income and non-recurring items

In order to facilitate analyzing the Group's performance, a "current operating income" indicator was introduced in the income statement.

This indicator excludes the unusual income and expenses which are isolated on a line called "Non-recurring items".

These non-recurring items can include, for example, significant items such as:

- Reorganization and restructuring costs, including certain personnel expenses relating to the personnel concerned by these plans over the entire financial period.
- The impairment losses recognized on tangible and intangible assets or the associated reversals.
- Subsidiary acquisition and integration costs.
- The impact of significant disputes.
- Badwill.

NOTE 5

JUDGMENTS, ESTIMATES AND SIGNIFICANT ASSUMPTIONS

Drawing up financial statements according to IFRS implies that the Group makes a certain number of estimates and retains certain assumptions that are deemed to be realistic and reasonable.

These estimates are based on an assumption of continuity of business and are established according to the information available at the time the consolidated financial statements are drawn up. The estimates can be revised if the circumstances on which they were founded change or subsequent to new information. The actual results can be different from these estimates. The current situation is not such as to call into question the Group's going concern assumption, as proven by the resilience of business in 2022.

According to the changes in the economic context, certain facts and circumstances could therefore result in changing these estimates or assumptions, which would affect the financial situation, the income statement, and the Group's cash flow.

The valuation of certain assets and liabilities when preparing these consolidated financial statements is based on certain assumptions, in particular for the following items

Evaluations retained for impairment tests

The assumptions and estimates are made for determining the recoverable value of goodwill, of intangible and tangible fixed assets in particular on the market perspectives required for assessing the cash flow and the discount rates retained. Any modification made to these assumptions can significantly affect the amount of the recoverable value. The main assumptions retained by the Group are described in Note 14 “Impairment tests on goodwill and other non-financial assets”.

The sensitivity to these assumptions and estimates is even greater this year given the economic volatility in 2022 and the macroeconomic forecasts for 2023. In particular, economic performance was down in 2022 for the CGUs in the Americas (notably Brazil and Canada), India, and China. However, the business plans expect a rebound in 2023. The Group feels that the assumptions used are appropriate and justified. However, changes in market trends in relation to the business assumptions used by the Group could have a significant adverse impact on impairment tests during the next financial year.

Evaluations of pension liabilities

The Group offers benefits through defined contribution plans or defined allowances regimes. The commitments related to these plans are calculated based on actuarial calculations. The main assumption refers to the discount rate (the assumption that has the greatest impact on the valuation of commitments). Other assumptions are taken into account, such as future salary increases, the return on investments dedicated to these plans, the employee turnover rate, and mortality tables. Most of these assumptions are updated on an annual basis. Details on the assumptions retained and the methods for determining them are provided in Note 21 “Employee benefits”. The Group feels that the actuarial assumptions retained are appropriate and justified under the current conditions. However, these commitments can change in the event the assumptions change.

Recognition of deferred tax assets on tax-loss carry forwards

Deferred tax assets primarily concern unrealized tax loss carry-forwards and deductible timing differences between the values booked and the tax bases for assets and liabilities. Assets concerning tax loss

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carry-forwards are recognized if it is probable that the Group will subsequently record taxable profit whereon these tax deficits could be allocated. An in-depth review is required to assess the capacity of the tax entities concerned to use the deferrable tax losses in the near future. Past events, as well as the negative and positive items of certain economic factors that can bear down on the Group's business in the near future are analyzed in order to calculate the probability of a future use of the deferrable tax losses. Cf. Note 10 "Income tax".

Valuation of financial instruments at fair value

The measurement of fair value is determined using three models or levels which are:

- Level 1: prices listed on an active market: when quoted prices on an active market are available, they are retained with priority in determining fair value. Investment securities and certain listed bonds are valued as such.

- Level 2: internal model with parameters that can be observed using internal valuation techniques: these techniques makes use of the usual mathematical calculation methods that integrate data that can be observed in the markets (forward price, rate curve, etc.). The determination of the fair value of most of the derivative financial instruments traded on the markets is carried out based on models commonly used by those intervening to evaluate these financial instruments. The valuation of derivative instruments calculated internally are subject to regular coherency controls with the valuations sent by the counterparties.

- Level 3: internal model with parameters that cannot be observed.

This model applies in particular:

- In the context of certain contractual clauses linked to external growth operations. The fair value of the counterparty transferred and of certain purchase or sales options depends on the realization of future results. In 2022, this was applied in particular to the valuation of the contractualized sales options as part of the acquisition of additional shares in Roquette Amilina.

- For unlisted securities, which are valued at their purchase cost plus transaction costs, in the absence of an active market. These assets may be maintained at cost if it can be demonstrated that cost is a reasonable approximation of fair value.

Assets of the ECOGI entity

In 2011, Roquette Frères and ECOGI signed a contract for the supply of superheated water through the construction of an asset making it possible to draw from the geothermal heat in Alsace.

The analysis of this contract leads the Group to consider that it meets the criteria defined by IFRS 16 (IFRIC Interpretation 4 prior to the year 2019), unchanged with the introduction of IFRS 16 in 2019. This asset is therefore presented under the usage rights on the asset side and under rent debt on the liabilities side.

On this basis, the assets of ECOGI (a 40% owned company by Roquette Frères) were recognized for 100% in the Group's accounts for a gross amount of 35.9 million euros. The asset was put into service during the year 2016. As of December 31, 2022, after amortization, the net amount of the fixed asset amounts to 24.7 million euros (compared to 26.5 million as of December 31, 2021).

NOTE 6
CONSOLIDATION SCOPE

The consolidated financial statements for Roquette drawn up as of December 31, 2022 include the financial statements of the companies listed in Note 30 “List of consolidated subsidiaries”.

There were no significant changes in the scope of consolidation in 2022 or in the comparative year 2021.

NOTE 7

CURRENT OPERATING INCOME

1. Turnover

(in thousands of euros)	2021	2022
Sales of finished products and merchandise	3,706,436	4,806,366
Services	3,576	493
Other sales	176,492	319,116
Turnover	**3,886,504**	**5,125,975**

The other sales are primarily comprised of sales of energy produced by the cogeneration units of the Group's industrial sites.

The Group's sales by geographical zone can be broken down as follows:

(in thousands of euros)	2021	%	2022	%
Europe	2,358,209	61%	3,185,985	62%
Americas	699,106	18%	921,173	18%
China	263,013	7%	324,735	6%
Greater Asia	566,177	14%	694,082	14%
Turnover	**3,886,504**	**100%**	**5,125,975**	**100%**

2. Cost of goods sold and external charges

(in thousands of euros)	2021	2022
Raw Materials	(1,528,789)	(1,843,828)
Energy	(331,316)	(602,820)
Chemicals	(130,673)	(188,782)
Other external purchases and expenses	(808,178)	(1,143,513)
Cost of goods sold and external charges	**(2,798,956)**	**(3,778,942)**

The increase in the "Raw materials", "Energy" and "Chemicals" items is significantly explained by price factors, following the increase seen in global markets during the 2022 financial year, particularly in Europe. The item "Other external purchases and expenses" was impacted by inflation (shipping, logistics, packaging, etc.).

3. Personnel costs

(in thousands of euros)	2021	2022
Wages	(368,196)	(419,286)
Social security charges and contributions linked to personnel	(179,729)	(199,567)
Profit-sharing and incentive agreements	(25,774)	(40,502)
Personnel costs	**(573,699)**	**(659,354)**

Personnel expenses include gross remuneration as well as related social security costs, temporary staff costs and all other personnel-related contributions (training courses, service charges relating to post-employment benefits (IAS19), profit-sharing and incentive agreements, etc.).

Over the year, the impact of inflation and the Group's good operating performance led to a significant increase in compensation expenses.

4. Amortization and depreciation

(in thousands of euros)	2021	2022
Amortizations	(203,323)	(261,690)
Depreciation	(9,433)	(11,567)
Amortization and depreciation	**(212,756)**	**(273,257)**

During the year, “Depreciation and Amortization” increased mainly due to the commissioning of the plant in Canada at the beginning of the year.

5. Other operating income and expenses

(in thousands of euros)	2021	2022
Subsidies	10,048	10,177
Other income and expenses	(4,438)	(7,814)
Other operating income and expenses	**5,610**	**2,363**
of which other operating income	*18,341*	*20,624*
of which other operating expenses	*(12,731)*	*(18,261)*

Subsidies include in particular an amount of 7.2 million euros in terms of the research tax credit in France, compared to 7.7 million euros in 2021.

NOTE 8

NON-RECURRING ITEMS

Over the financial period 2022, non-recurring items stood at -277 million euros.

In 2021, non-recurring items amounted to -24 million euros.

Impairment of Roquette Canada's assets: -287 million euros

The origin and impact of this impairment are described in Note 2 "Highlights" and Note 14 relating to impairment tests.

Roquette Frères Transformation Plan: +10 million euros

In September 2021, Roquette Frères' transformation plan was formalized by signing a Collective Termination Agreement ("RCC") and an agreement relating to the Management of Jobs and Professional Careers ("GEPP").

For this purpose, the Group had set aside provisions for future costs related to this plan amounting to 25 million euros.

Expenditures incurred in 2022 amounted to 6 million euros for severance pay, retirement benefits, end-of-career part-time work, and other support costs.

At the closing of 2022, the Group evaluated the remaining commitments under this plan, which run until the end of 2023. The assessment of these impacts required the Group to make a number of estimates that were considered realistic and prudent. The Group has updated its assumptions considering that some planned job cuts will not be made.

As a result, the remaining provision at year-end amounts to 9 million euros.

Other impacts in 2022

- The IFRIC 04/21 interpretation specifies the processing of configuration and customization costs for software used as part of a Software as a Service (SaaS) contract and requires them to be recognized as expenses. As a result, the Group reviewed the intangible assets recognized on the balance sheet relating to the development of these SaaS software products and wrote them off, resulting in an expense of 4 million euros.

- In January 2022, the Group announced plans to close the offices of Roquette CH (Switzerland). This project will be carried out during the 2022 financial year and has resulted in restructuring costs (severance pay, recruitment costs in France, expenses and fees, etc.) and various other expenses for a net amount of 2 million euros. The Roquette CH subsidiary is now being liquidated.

- Follow-up on the closure of the Corby site: +6 million euros. During the 2022 financial year, the Group sold a second plot of land, generating a capital gain of 5 million euros. In addition, the Group reassessed the remaining commitments related to this closure, generating a reversal of a provision of 1 million euros that is not applicable.

NOTE 9

FINANCIAL RESULT

1. Cost of net financial debt

The cost of net financial debt corresponds to the difference between all financial income relating to investments made by the Group, regardless of their nature, and all financial expenses relating to financing used by the Group, regardless of their nature.

The cost of financial debt relating to rental agreements (application of IFRS 16) amounts to 3.6 million euros for the year 2022, compared to 3.7 million euros for the year 2021.

There was a 2.7 million euros increase in the cost of net financial debt during the 2022 financial year, due to higher financing costs (general rise in interest rates) and the issue of the new USPP (see Note 22 "Financial Debt").

The average financing rate is 1.6% in 2022 compared to 1.1% in 2021.

The average interest rate on investments is 0.9% which is stable compared to 2021.

(in thousands of euros)	2021	2022
Income from cash and cash equivalents and long-term investments	3,304	5,591
Cost of gross financial debt	(16,653)	(21,593)
Cost of net financial debt	**(13,349)**	**(16,001)**
Other financial result	119	194
Other financial expenses	(2,078)	(3,309)
Financial provisions	(850)	2,090
Other financial result and expenses	**(2,809)**	**(1,026)**
Foreign exchange results and financial instruments	**26,347**	**(26,840)**
Financial result	**10,189**	**(43,867)**

2. Other financial result and expenses

Other financial expense includes in particular the financial expenses concerning employee benefits as well as the commissions paid to brokers. In addition, the liquidation of IFMAS generated a loss on the disposal of the company's shares and a reversal of a provision amounting to 2 million euros.

"Foreign exchange results and financial instruments" includes the net impact of the translation of items denominated in foreign currencies, the change in value of derivative instruments not qualifying as hedges (notably gas and cereals). As a reminder, in 2021, this item benefited from the increase in certain non-qualified hedges on cereals and energy, the increase in capitalized interest, and the termination of a number of cross currency swap instruments whose value change was negative in 2020. During the 2022 financial year, this item is affected by the decline of certain non-qualified hedges on cereals and energy in connection with the bearish markets at the end of 2022.

NOTE 10

INCOME TAX

1. Analysis of the net tax expense

(in thousands of euros)	2021	2022
Taxes payable	(43,843)	(94,012)
Deferred taxes	(12,893)	27,864
Income tax	**(56,736)**	**(66,147)**

The French entities Roquette Frères, Roquette Malause, Siladour, Roquette 4, and Roquette Ventures benefit from the tax consolidation system.

Current taxes correspond to the amounts of tax owed to tax authorities for the period, according to the rules and tax rates in effect in the various countries, as well as provisions for tax.

The current tax expense for the period 2022 can be broken down between:

- A tax expense of 40 million euros for the French subsidiaries.
- A tax expense of 54 million euros for foreign subsidiaries.

2. Effective tax rate

The effective tax rate, based on pre-tax income and income from companies accounted for using the equity method, excluding impairment of assets in Canada presented under non-recurring items, is 18.5% for the 2022 financial year (20.9% in 2021). In 2022, the base rate for tax on companies in France is 25.83% (including the additional contribution).

(in thousands of euros)	2021	%	2022	%
Net income	210,926	-	317	-
- Income tax	56,736	-	66,147	-
- Income from companies accounted for by the equity method	3,219	-	3,478	-
Income before tax and companies accounted for by the equity method	**270,880**	**100.0%**	**69,942**	**100.0%**
Theoretical tax rate in effect in France	28.4%	-	25.8%	-
Theoretical tax	**(76,950)**	**(28.4%)**	**(18,066)**	**(25.8%)**
Tax rate differences	15,626	5.8%	19,294	27.6%
Permanent differences	3,587	1.3%	(62,573)	(89.5%)
Use / (Generation) of unrecognized tax losses	6,081	2.2%	2,746	3.9%
Losses activated during the period	-	0.0%	-	-
Tax credits	5,267	1.9%	3,634	5.2%
Other items	(10,348)	(3.8%)	(11,182)	(16.0%)
Income tax	**(56,736)**	**(20.9%)**	**(66,147)**	**(94.6%)**

The various permanent differences relate in particular, for the 2022 financial year, to the impairment of the asset in Canada (see Note 2 "Highlights").

The unrecognized tax losses, used during the financial year, are essentially linked to Roquette India (as was the case in 2021).

3. Analysis of deferred tax assets and liabilities

(in thousands of euros)	2021	2022
Employee benefits	14,380	8,638
Financial instruments	(3,810)	12,088
Deferrable losses	88,172	115,942
Margin on inventories	8,631	9,278
Other	24,355	36,040
Amortization periods	(191,749)	(203,553)
Provisions	6,098	(1,108)
Deferred taxes	**(53,922)**	**(22,675)**
of which deferred tax assets	50,979	92,524
of which deferred tax liabilities	(104,901)	(115,199)

The accounting rules and methods that apply to deferred taxes are described in Note 4.10.

The activated deferrable losses primarily concern the subsidiaries Roquette America and Roquette Canada. An in-depth analysis was conducted in order to document the effective use within a reasonable period of time of these tax losses, taking account of the economic context.

The category "Amortization periods" relates to temporary differences arising from depreciation periods for tax purposes that differ from those used in the consolidated financial statements.

The category "Other" includes deferred tax assets related to the revaluation of fixed assets in Italy.

4. Tax losses

Based on historical analyses and/or market uncertainties, the Group has chosen to not recognize the deferred tax income concerning certain entities with a tax loss.

According to the tax laws in the countries involved, these unrecognized deferred taxes can be deferred until the following years:

(in thousands of euros)	< 1 year	2 to 5 years	> 6 years	Total 2022
Unrecognized deferred tax assets linked to tax losses	852	3,864	4,326	**9,042**

NOTE 11
GOODWILL

(in thousands of euros)	2021	Effects of the change in scope	Other effects	Translation adjustments	Impairment	2022
Europe	39,099	-	-	-	-	39,099
Americas	83,372	-	-	6,621	-	89,994
China	-	-	-	-	-	-
Greater Asia	10,371	-	-	492	-	10,863
Goodwill	**132,843**	**-**	**-**	**7,114**	**-**	**139,956**

Goodwill is allocated to cash-generating units (CGUs) corresponding to the regions (see note 14 "Impairment tests on goodwill and other non-financial assets").

NOTE 12
INTANGIBLE FIXED ASSETS

(in thousands of euros)	2021	Increase	Decrease	Changes in scope	Translation and other adjustments	2022
Development costs	12,141	-	(4,105)	-	-	8,036
Software	307,183	17,057	(4,197)	-	18,650	338,693
Patents, trademarks and customer relations	90,725	-	-	-	4,815	95,540
Other intangible fixed assets	37,619	5	-	-	(279)	37,345
Intangible assets in progress	14,838	1,843	-	-	(863)	15,817
Gross values	**462,506**	**18,905**	**(8,302)**	**-**	**22,323**	**495,431**
Development costs	(4,788)	(381)	1,356	-	-	(3,813)
Software	(178,280)	(24,756)	6,085	-	(54)	(197,006)
Patents, trademarks and customer relations	(34,779)	(4,092)	-	-	(62)	(38,933)
Other intangible fixed assets	(30,330)	(658)	-	-	566	(30,422)
Intangible assets in progress	-	-	-	-	-	-
Amortizations	**(248,177)**	**(29,888)**	**7,441**	**-**	**450**	**(270,173)**
Depreciation	**(2,068)**	**-**	**-**	**-**	**48**	**(2,020)**
Net intangible fixed assets	**212,261**	**(10,983)**	**(861)**	**-**	**22,821**	**223,237**

NOTE 13
TANGIBLE FIXED ASSETS

Tangible fixed assets are comprised of fixed assets held as capital and rights-to-use on tangible fixed assets.

(in thousands of euros)	2021	2022
Tangible fixed assets held as capital	2,403,305	2,105,307
Rights-to-use on tangible fixed assets	167,531	153,345
Total tangible assets	**2,570,836**	**2,258,652**

1. Tangible fixed assets held as capital

(in thousands of euros)	2021	Increase	Decrease	Changes in scope	Translation and other adjustments	2022
Land and land improvements	119,361	436	(5,065)	-	37,405	152,137
Buildings	905,420	5,468	(6,668)	-	295,354	1,199,573
Inst. machinery and equipment	5,069,509	56,375	(35,958)	-	546,029	5,635,955
Investment property	25,805	15,437	(2,804)	-	-	38,437
Other	971,209	112,834	(4,652)	-	(846,273)	233,119
Gross values	**7,091,304**	**190,550**	**(55,148)**	**-**	**32,515**	**7,259,221**
Land and land improvements	(48,094)	(2,290)	381	-	(1,682)	(51,685)
Buildings	(580,583)	(38,131)	4,489	-	(6,549)	(620,774)
Inst. machinery and equipment	(3,845,075)	(145,922)	30,552	-	(33,935)	(3,994,380)
Investment property	(10,764)	(1,581)	2,804	-	-	(9,541)
Other	(79,156)	(8,929)	3,894	-	(479)	(84,671)
Amortizations	**(4,563,672)**	**(196,853)**	**42,119**	**-**	**(42,646)**	**(4,761,051)**
Depreciation	**(124,327)**	**(294,501)**	**4,387**	**-**	**21,577**	**(392,864)**
Tangible fixed assets	**2,403,305**	**(300,803)**	**(8,641)**	**-**	**11,446**	**2,105,307**

“Other" tangible fixed assets include current fixed assets for an amount of 113 million euros as of December 31, 2022 compared to 864 million euros as of December 31, 2021. The change is linked in particular to the commissioning of the plant in Canada in 2022, which explains the item-by-item reclassifications between fixed asset items.

The fair value of investment properties held by the Group amounts to 43 million euros, taking into account the acquisition of a new building during the year.

2. Rights-to-use (RTU) on tangible fixed assets

In application of IFRS16, rights-to-use (RTU) concerning assets taken as rentals are as follows:

(in thousands of euros)	2021	Increase	Decrease	Changes in scope	Translation and other adjustments	2022
RTU on land	23,471	119	(114)	-	(502)	22,975
RTU on buildings and layout	126,426	20,773	(4,285)	-	(58)	142,857
RTU on Inst. machinery, tools and vehicles	100,090	12,249	(3,624)	-	(8,452)	100,263
Gross values	**249,988**	**33,141**	**(8,023)**	**-**	**(9,011)**	**266,095**
RTU on land	(6,814)	(617)	114	-	173	(7,143)
RTU on buildings and layout	(39,305)	(18,481)	4,285	-	(537)	(54,038)
RTU on Inst. machinery, tools and vehicles	(35,838)	(18,601)	3,593	-	(721)	(51,568)
Amortizations	**(81,957)**	**(37,699)**	**7,991**	**-**	**(1,086)**	**(112,750)**
Depreciation	**(500)**	**-**	**500**	**-**	**-**	**-**
Tangible fixed assets	**167,531**	**(4,557)**	**469**	**-**	**(10,097)**	**153,345**

The rental agreements primarily concern rental agreements for freight cars, logistics warehouses, offices and company cars, of which the main characteristics and method for evaluation are as follows:

- Freight car rental: the French and American companies signed rental agreements for freight cars for conveying raw materials or the delivery of finished products. The duration of these agreements was estimated either by using the contractual duration for standard freight cars (duration between one and ten years) or the duration of the service life of the freight cars for those that have special features requested by the Group (duration up to twenty years).
- Logistic warehouses and administrative offices: the duration of these agreements was estimated taking into account the legal duration of the agreements. The Group felt that at the expiration of the lease agreement, the penalties or related costs were not significant enough to create an implicit obligation to remain in the premises. The duration of the agreements ranges from one year (renewable agreements) to over fifteen years (specific warehouse rental agreements).
- Company cars: the duration of the agreements was estimated based on the contractual durations (about three years).

Rights-to-use on land correspond to long-term leases, particularly in Lithuania and China.

Residual rental expenses relating to short term rental agreements, low value rental agreements, or variable payments are not material.

NOTE 14

IMPAIRMENT TESTS ON GOODWILL AND OTHER NON-FINANCIAL ASSETS

1. Testing principles

The cash-generating units (CGUs) are determined in accordance with operational reporting. They correspond to the regions.

The tests are performed in accordance with the methods described in the valuation rules and methods, and taking into account the assumptions and estimates required to perform these tests, as described in Note 5 "Judgments, estimates and significant assumptions".

In addition, the Group anticipates changes in the price of carbon. It estimates a CO_2 price of up to 100 euros per tonne in its long-term investment forecasts in Europe.

The Group conducts these impairment tests on three levels:

- Goodwill and fixed assets are subject to systematic annual testing at the regional level.
- If there is an indication of impairment (including goodwill), the assets of a country or entity are subject to a specific test.
- In the event of a strategic decision relating to certain assets or groups of assets (reallocation, proposed disposal, workshop closure, etc.), they are also subject to a specific test.

2. Test results

	Parameters of the model applied to cash flow projections				Impairment recognized	
	Perpetual growth rate		Discount rate			
(in million euros)	2021	2022	2021	2022	2021	2022
Europe	2.00%	2.00%	5.6%	6.6%	18.6	18.0
Americas	2.00%	2.50%	6.4%	8.0%	5.0	278.0
China	3.00%	3.00%	6.4%	7.8%	14.8	12.1
Greater Asia	3.00%	3.00%	10.0%	12.5%	191.7	185.4

Perpetual growth rates have been revised upwards by 0.5 percentage points for the Americas which is in line with the increase in the zone's long-term inflation assumptions.

Discount rates have risen sharply, notably due to the increase in risk-free rates.

The tests conducted in 2022 resulted in a significant impairment of the specific assets of the Portage plant in Canada (see Note 2 "Highlights").

Other tests did not lead to any significant change in impairments: the changes for the year are essentially linked to exchange rate variations and to reversals of impairments on individual assets against depreciation.

The impairment recognized in prior periods mostly concerns the following assets:

- Europe: Roquette Frères after decisions to close workshops and Roquette Amilina with regard to industrial equipment with no prospective use.
- China: Guangxi Nanning Chemical Pharmaceutical and Roquette Biotech Nutritionals. These companies retain a remainder in depreciation in terms of depreciation on specific.
- Greater Asia: assets of the company Roquette India.

3. Sensitivity of the tests of the retained assumptions

Over all of the tests conducted and for the entire Group:

- A 0.5-point increase in the discount rates would have an impact of -48 million euros on the tests.
- A 0.5-point decrease in the discount rates would have an impact of +57 million euros on the tests.
- A 0.5-point increase in the perpetual growth rate would have an impact of +35 million euros on the tests.
- A 0.5-point decrease in the perpetual growth rate would have an impact of -29 million euros on the tests.

As mentioned in Note 5 "Judgments, estimates and significant assumptions", the sensitivity of the tests is significant given the economic uncertainties and the increase in discount rates.

NOTE 15

INVESTMENTS IN ASSOCIATES

The amount of securities in the equity method changed from 9.8 million euros in 2021 to 8.8 million euros in 2022. The decrease in this item is mainly due to the results of the companies included in this aggregate, offset by a capital increase.

The amount of the share of the other comprehensive income of branches and associates booked according to the equity method is no significant.

Note 30 presents the entities that this aggregate is comprised of.

NOTE 16

CURRENT AND NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	2021	2022
Securities	9,765	16,283
Bonds	1,715	1,715
Long-term investments	180,453	181,905
Deposits and bonds	4,062	4,195
Financial assets	**195,996**	**204,098**
of which non-current financial assets	193,512	201,264
of which current financial assets	2,484	2,834

Securities

(in thousands of euros)	Net value 2021	Gross value	Depreciation	Net value 2022
Exeltium 1	992	8,321	(7,329)	992
Advanced Protein Technologies Corp.	5,862	5,862	-	5,862
The Protein Brewery	1,864	6,864	-	6,864
Rival Foods	-	1,200	-	1,200
Lipofabrik	582	-	-	-
Other	465	1,506	(141)	1,365
Securities	**9,765**	**23,753**	**(7,470)**	**16,283**

The securities correspond to the Group's non-consolidated entities. They are valued in accordance with the methods described in the rules and evaluation methods.

These entities are not consolidated because they do not meet the criteria for consolidation (if the Group does not control them) or using the equity method (if the Group exercises significant influence), or because they are not material.

Receivables from equity interests

These receivables correspond to loans to companies accounted for using the equity method and are consolidated, for their net amount, in the calculation of net debt. The Group no longer has any receivables related to investments.

Reminder, since the end of 2013, the receivables with regards to Solazyme Roquette Nutritionals have been covered by a provision.

Long-term investments

Long-term investments correspond to the cash investments that are not part of the "Cash and cash equivalents" qualification, due to their expected duration for subscription exceeding three months.

These investments are integrated into the net debt calculation.

As part of the diversification of its investment portfolio, the Group has subscribed to various investments with financial counterparties.

In line with the financial policy set up, these investments have the following characteristics:

- No risk of capital loss except in the case of default of the counterparty.
- Monitored and managed counterparty risk.
- Foreseeable compensation over a determined period of time.

NOTE 17

INVENTORIES

(in thousands of euros)	2021	2022
Raw materials and other supplies	309,198	375,373
In-process items	3,481	3,598
Finished products and merchandise	363,022	514,857
Depreciation	(26,167)	(32,231)
Inventories	**649,533**	**861,597**

NOTE 18

ACCOUNTS RECEIVABLE AND SIMILAR ACCOUNTS

(in thousands of euros)	2021	2022
Accounts receivable and similar accounts	632,316	757,807
Depreciation	(10,961)	(13,125)
Accounts receivable and similar accounts	**621,354**	**744,682**

Contract assets, consisting of invoices to be issued, amounted to 36 million euros as of December 31, 2022 compared to 26 million euros as of December 31, 2021 and include in particular invoices to be issued for energy sales.

A major portion of customer receivables is covered by credit insurance.

NOTE 19

OTHER CURRENT AND NON-CURRENT ASSETS

(in thousands of euros)	2021	2022
State and local authorities	45,569	62,339
Derivative instruments	90,895	163,333
Other accounts receivable	117,205	102,361
Other assets	**253,669**	**328,034**
of which other non-current assets	69,562	27,476
of which other current assets	184,107	300,558

Receivables from the government and local authorities are impacted by the rise in prices, leading to an increase in recoverable VAT, as well as by tax credits, particularly in Italy relating to energy.

Derivative instruments are primarily comprised of operations set up for the purposes of managing the exchange rate, interest rate and changes in the price of cereal and energy risks. The net position analysis is presented in Note 24.

Other accounts receivable decreased, in particular following the introduction of an off-balance sheet guarantee in place of variation margin deposits for market activities. This item also includes investment grants to be received.

NOTE 20

PROVISIONS

(in thousands of euros)	2021	2022
Provisions for disputes and litigation	11,357	7,425
Other provisions	27,054	10,070
Provisions	**38,412**	**17,495**
of which non-current provisions	14,167	2,100
of which current provisions	24,245	15,395

Provisions for the Roquette Frères transformation plan

The transformation plan leads to making a provision of 9.3 million euros as described in Note 8 "Non-recurring items". This provision is classified as non-current for an amount of 2.1 million euros.

NOTE 21

EMPLOYEE BENEFITS

According to the laws and customs of each country, the Group's personnel benefit from long-term or post-employment benefits in addition to short-term compensation. These additional benefits take the form either of defined contribution plans or defined allowances plans, as explained in Note 4.13 "Post-employment and other long-term employee benefits".

Defined allowances regimes give rise to an actuarial evaluation by independent experts. These policies mainly concern:

- Retirement plans and medical coverage in the United States, in the United Kingdom, and in Germany.
- End-of-career allowances in France, Italy, and India.

1. Main actuarial assumptions

		2021	2022
Discount rate			
	Europe	0.3% - 2.0%	3.6% - 5.2%
	Americas	2.1%	4.8%
	Greater Asia	6.3%	7.5%
Wage increase rate			
	Europe	0.8% - 2.3%	2.2% - 2.3%
	Americas	N/A (medical plan)	N/A (medical plan)
	Greater Asia	7.0%	8.5%

For 2022, the discount rates for Western countries are increasing. For example, for commitments relating to retirement benefits in France, which account for almost half of net commitments, the discount rate for 2022 is 3.74%, compared to 0.87% for 2021. The wage increase rate for France is consistent with the European Central Bank's long-term inflation assumptions and has been set at 2.20% for the 2022 commitments.

2. Changes in defined allowances regimes

(in thousands of euros)	2021	2022
Actuarial value of the rights accumulated at the beginning of the period	**150,552**	**148,458**
Cost of services	6,164	5,419
Financial cost	1,325	1,798
Actuarial (Gains) losses	(7,689)	(34,707)
Services paid	(5,808)	(8,153)
Other	355	(7,909)
Exchange rate effect	3,560	(848)
Actuarial value of the rights accumulated at the end of the period	**148,458**	**104,058**
Current value of the rights accumulated at the beginning of the period	**(61,228)**	**(66,528)**
Expected return on assets of the plan	(574)	(816)
Employer contributions	(4,431)	(823)
Services paid	3,951	6,411
Actuarial (Gains) losses	(1,768)	4,730
Other	(492)	5,983
Exchange rate effect	(1,986)	890
Current value of investments at the end of the period	**(66,528)**	**(50,152)**
(Surplus) Deficit of the investments on accumulated rights	**81,931**	**53,907**
Provisions retirement commitments and medical coverage	**81,931**	**53,907**
of which non-current employee benefits	**78,526**	**50,173**
of which current employee benefits	**3,405**	**3,734**
Charges for the financial year		
Costs of services rendered during the year	6,164	5,419
Other expenses	-	(2,127)
Financial cost	751	982
Net expense (income)	**6,915**	**4,274**
Variation in actuarial impacts		
Actuarial gains (losses) recognized at the beginning of the period	**(49,429)**	**(39,972)**
Actuarial Gains (losses)	9,457	29,977
Actuarial gains (losses) recognized at the end of the period	**(39,972)**	**(9,995)**

The amount of net actuarial gains recognized on the comprehensive income statement amounts to 30 million euros during 2022, due to an increase in the discount rates in Western countries, resulting in a decrease in the commitment.

Sensitivity to key hypotheses:

- An increase in the discount rate of +0.5 points would result in a drop in the provision of 5.2 million euros. The sensitivity of commitments in France to an increase of +0.5 percentage points is 3.2 million euros.

- A decrease in the discount rate of -0.5 point would result in an increase in the provision of 5.9 million euros. The sensitivity of commitments in France to a decrease of -0.5 percentage points is 3.5 million euros.

The sensitivity of the provision to the salary increase assumption is relatively the same as for the discount rate.

NOTE 22

FINANCIAL DEBT

1. Net financial debt

(in thousands of euros)	2021	2022
Non-current financial debt	674,116	785,910
Current financial debt	464,006	322,160
Financial assets *	(180,453)	(181,905)
Cash and cash equivalents	(224,407)	(237,259)
Net financial debt / (net availability)	**733,262**	**688,907**

*Only long-term investments and any receivables from equity interests (see Note 16 “Current and non-current financial assets”)

Financing policy

The Group has established a policy limiting access to financing markets to Roquette Frères. Thus, all the Group's financing lines are contractualized by Roquette Frères. However, due to specific internal or regulatory constraints, certain Group companies may exceptionally be authorized by the Treasury and Financing Department to set up external financing lines. This authorization was granted to the following companies:

- Roquette India in order to cover the financing for its working capital requirements.
- Immoroc and RPI as part of the acquisition of real estate.
- Viadene as part of its activity as a buy-out fund for Roquette Frères shares.
- Roquette China to secure access to liquidity for companies participating in the local cash pooling mechanism.

There is no security interest granted as a guarantee for financial debts and borrowings except for certain categories of real estate loans. In this context, the security guarantees concern the property financed.

Cash flow and financial assets

The Group has decided to maintain liquidities on account with its first-rate banks. These funds are mainly denominated in euros and available on demand.

The group retains guaranteed capital investment products with a long-term face value but with contractual exit possibilities in the short term. Excess cash in euros is qualified as "Cash and cash equivalents" because:

- The management intention is a short-term investment whose outstanding amount may fluctuate according to the Group's change in cash flow.
- These investment instruments have an exit option with a maximum term of 45 days.

The characteristics of the non-current financial assets are described in Note 16 "Current and non-current financial assets".

2. Financial debt

(in thousands of euros)	2021	Var. with effect on the cash flow Increase	Decrease	Var. without effect on the cash flow Other	Reclassification	Translation adjustments	2022
Bond issues	78,998	300,000	(0)	-	(46,351)	4,824	337,470
Bank loans	405,896	143,800	(278,945)	-	(3,830)	2,332	269,253
Rent debt (IFRS 16)	125,938	17,449	(2,554)	(9,865)	(22,173)	1,215	110,011
Other financial debts	63,285	282	(1,264)	12,065	(5,252)	61	69,176
Non-current financial debt	**674,116**	**461,531**	**(282,763)**	**2,200**	**(77,606)**	**8,432**	**785,910**
Bond issues	41,580	-	(44,249)	-	46,351	2,155	45,837
Bank loans	66,023	1,266	(7,552)	-	3,830	1,803	65,371
Accrued interest	4,375	-	(735)	-	-	-	3,640
Current rent debt (IFRS 16)	30,675	15,325	(37,361)	2,428	22,173	361	33,602
Other financial debts	319,610	-	(169,984)	18,000	5,252	171	173,049
Current financial debt (excluding bank overdrafts)	**462,263**	**16,591**	**(259,881)**	**20,429**	**77,606**	**4,490**	**321,499**
Bank overdrafts	1,743	650	(1,731)	-	-	-	661
Current financial debt	**464,006**	**17,241**	**(261,612)**	**20,429**	**77,606**	**4,490**	**322,160**
Financial debt	**1,138,122**	**478,772**	**(544,376)**	**22,629**	**-**	**12,922**	**1,108,070**

The "Other" variations correspond to the debt linked to the sales option held by minority shareholders.

The currency translation differences linked to bond issues correspond primarily to the impact of the change on USPP, denominated in USD.

Bond issues

In 2012, the Group issued a private bond investment (USPP reserved for three US insurance companies). This issue was carried out for a nominal amount of 200 million USD. This financing is being depreciated on a straight-line basis from 2020 to 2024, with 80 million USD outstanding as of December 31, 2022.

In addition, the Group negotiated the issue of a second USPP in 2022 for 300 million euros, with repayments scheduled between 2029 and 2034. The nominal interest rate is 3.6%, and 2.8% after taking into account the interest rate hedges put in place pre-closing. This transaction enables the Group to reinforce the diversification of its financing sources, to increase its maturity, and to increase the fixed-rate portion. This transaction has enabled the Group to maintain a robust liquidity position.

As part of its wage policy, the Group in the past set up bond issues reserved for its employees. These issues are now no longer renewed and the cumulative nominal amount of the issues is 8.4 million euros at year-end. The next maturities are spread until July 2023.

Bank loans

The Group contracts financing lines with banking institutions in order to provide for its liquidity. These lines are confirmed and can be repaid in fine. For a portion of the portfolio, they can be used in euros or in foreign currency.

Outstanding bank overdrafts

The outstanding bank overdrafts include the bank overdrafts and unconfirmed financing lines.

Rent debt (IFRS 16)

Following the application of IFRS 16 on January 1, 2019 concerning rentals, rental commitments are now recognized as debt (see Note 4.5 "Rental agreements").

The main estimations and underlying assets for this rent debt are described in Note 13.2 "Rights-to-use (RTU) on tangible fixed assets"

Other financial debts

Other financial debt is primarily comprised:

- Short-term marketable securities issued for 144 million euros. This issuing stems from the setting up, in 2016, of a program for issuing short term marketable securities. The program’s budget is 300 million euros and the maximum drawing duration is one year renewable. The program was rated "A-2" by Standard & Poor’s and was validated by the Banque de France on February 23, 2016;

- Blocked current accounts for employee profit sharing for 18.4 million euros (compared to 27.9 million euros in 2021).

- Of the sales option concerning the minority shares of Roquette Amilina. The debt related to this sales option is valued according to the contractual terms and based on EBITDA multiples.

Maturity of financial debt

				2021				2022
(in thousands of euros)	< 1 year	2 to 5 years	> 6 years	Total	< 1 year	2 to 5 years	> 6 years	Total
Bond issues	41,580	78,997	-	120,577	45,837	37,470	300,000	383,307
Bank loans	66,023	405,129	767	471,919	65,371	259,653	9,600	334,624
Rent debt (IFRS 16)	30,675	66,920	59,018	156,613	33,602	62,648	47,362	143,612
Other financial debts	319,610	62,240	1,045	382,895	173,049	68,445	731	242,225
Accrued interest	4,375	-	-	4,375	3,640	-	-	3,640
Bank overdrafts	1,743	-	-	1,743	661	-	-	661
Financial debt	**464,006**	**613,286**	**60,830**	**1,138,122**	**322,160**	**428,216**	**357,693**	**1,108,070**

Breakdown by currency of financial debt

The outstanding debt by currency can be analyzed as follows (before setting up of hedging):

(in thousands of euros)	2021	2022
Euro	925,554	942,258
US dollar	181,556	141,542
Rupee	21,446	16,498
Other	9,566	7,772
Financial debt	**1,138,122**	**1,108,070**

The Group finances its companies in their local operating currency or the currency that minimizes the impact of exchange rates in their accounts. When a company needs cash in a currency that is not on the list of financing currencies or for needs that exceed the residual amount available in said currency, the Group uses:

- Its euro financing lines with an immediate conversion carried out in the currency of the borrowing subsidiary. This conversion is carried out via exchange swaps (USD) or cross currency swaps (INR, CNY);

- Excess cash in euros converted into the local currency of the borrowing company. This conversion is carried out via exchange swaps (USD) or cross currency swaps (INR, CNY).

The Group's portfolio of confirmed financing lines can be broken down as follows:

- Financing lines denominated in euros and that can be used partially in foreign currencies at Roquette Frères.

- Local financing lines denominated in the local currency of the borrowing company (INR).

3. Financial covenants

The USD bond issue put in place in 2012 includes two financial covenants. The first is based on the "net debt/EBITDA" ratio based on the current IFRS consolidated accounts, excluding long-term investments from net debt, and the second on a minimum amount of equity.

The same applies to the 2022 USPP issue in euros.

These covenants were met with a very significant margin. The Group expects to meet this covenant for the next twelve months.

The currently available bank financing lines do not support financial covenants.

NOTE 23

OTHER CURRENT AND NON-CURRENT LIABILITIES

(in thousands of euros)	2021	2022
Social debts	127,331	154,706
Tax debts	23,249	27,831
Fixed asset suppliers	80,561	53,636
Derivative instruments	104,263	222,677
Other accounts payable	126,784	190,080
Other liabilities	**462,189**	**648,931**
of which other non-current liabilities	32,984	27,939
of which other current liabilities	429,205	620,992

The decrease in the "Fixed asset suppliers" item is linked to the decrease in investments during the year.

Derivative instruments are primarily comprised of operations set up for the purposes of managing the exchange rate, interest rate and changes in the price of cereal and energy risks.

The "Other accounts payable" item consists in particular of passive margin calls and the debt relating to the payment of an interim dividend from Roquette Frères, decided by the Board of Directors in December 2022.

Contract liabilities, comprised of advances received from customers, represent 17 million euros at December 31, 2022 compared to 16 million euros at December 31, 2021.

NOTE 24

INFORMATION CONCERNING THE MANAGEMENT OF FINANCIAL RISKS

1. Foreign exchange risk management

As part of their activities, the Group's companies invoice the companies domiciled in their own country. The Group's production companies supply the marketing companies with the products sold locally. Excluding marketing in Asia, the intragroup billing currency is the local currency of the company billing the end customer or the currency that minimizes its exposure to the exchange risk. This results in that the exchange rate risk is housed at the level of the production companies. With regards to sales in Asia, the exchange rate risk is centralized within the Roquette Asia Pacific entity.

The Group has set up a hedge for Roquette Frères and Roquette Asia Pacific based on the budget and the progress of the contracting. A second hedge, known as systematic hedging, is implemented when foreign currency sales are actually realized.

The Group can also proceed with hedging the foreign exchange risk associated with certain borrowing or loans in foreign currency. The instruments used are primarily future contracts as well as foreign exchange options.

Details on currency derivatives

Currency derivative transactions carried out by the Group for the hedging of its commercial or financial operations can be analyzed as follows, in net position per currency:

December 31, 2022

(in thousands of euros)	< 1 year	1 to 5 years	> 5 years	Notional	2022 Fair value
Fair value hedge	-	-	-	-	-
Cash flow hedge	544,686	18,664	-	563,350	14,439
Net investment hedge	-	-	-	-	-
Not qualified for hedging*	417,966	34,254	6,795	459,014	11,773
Foreign-exchange derivatives	**962,652**	**52,918**	**6,795**	**1,022,364**	**26,212**

* including Cross Currency Swaps

A 10% appreciation in currencies compared to the euro would have an impact of -74 million euros on the fair value of the currency derivatives.

December 31, 2021

(in thousands of euros)	< 1 year	1 to 5 years	> 5 years	Notional	2021 Fair value
Fair value hedge	-	-	-	-	-
Cash flow hedge	414,949	13,974	-	428,923	(6,854)
Net investment hedge	-	-	-	-	-
Not qualified for hedging *	625,975	66,342	25,666	717,983	(18,741)
Foreign-exchange derivatives	**1,040,924**	**80,316**	**25,666**	**1,146,906**	**(25,595)**

*including Cross Currency Swaps

Analysis of the exposure of the turnover to the foreign exchange risk

As of December 31, 2022

(in thousands of euros)	USD	GBP	JPY
Closing rate	1.0675	0.88722	140.76
Exposure	451,522	146,525	103,012
Hedge	352,263	120,435	48,945
Net position	**99,259**	**26,090**	**54,067**

Exposure is calculated based on the budget for sales in foreign currencies.

A 10% depreciation in currencies compared to the euro would have an impact of -16 million euros on the net forecast position.

December 31, 2021

(in thousands of euros)	USD	GBP	JPY
Closing rate	1.13265	0.84014	130.41
Exposure	463,430	107,125	74,381
Hedge	237,208	95,647	54,690
Net position	**226,222**	**11,478**	**19,691**

2. Interest rate management

The Group uses derivative instruments for the purposes of managing the interest rate risk. This are primarily rate swaps and cross-currency rate swaps. The rate derivatives do not benefit from hedge accounting.

The tables hereinbelow show the breakdown of the financial debt between the fixed rate portion and the variable rate portions at year-end:

(in thousands of euros)	2021 Variable rate	2021 Fixed rate *	2022 Variable rate	2022 Fixed rate *
Financial debt with regards to financial institutions (inc. short term negotiable debt securities)	769,221	157,533	466,401	418,758
Share	83%	17%	53%	47%
Rate	(0.01%)	4.86%	2.30%	3.85%

*The fixed-rate debt contains nominals at revisable rates.

As the debt and the assets recognized (excluding derivatives) are not recognized at the fair value, it is not necessary to carry out an analysis of the sensitivity to the interest rate risk of these assets.

The interest rate derivative instrument portfolio is comprised of the following items:

December 31, 2022

(in thousands of euros)		< 1 year	1 to 5 years	> 5 years	Notional	2022 Fair value
Swaps	USD	-	-	-	-	-
	INR	-	-	-	-	-
	EUR	-	-	-	-	-
Options	USD	-	-	-	-	-
Cross Currency Swaps	EUR-INR	-	23,555	6,795	30,349	755
	USD-CNY	-	-	-	-	-
Total		**-**	**23,555**	**6,795**	**30,349**	**755**

A change in the rates of +1% would impact the fair value of the rate derivatives by 0.6 million euros.

December 31, 2021

(in thousands of euros)		< 1 year	1 to 5 years	> 5 years	Notional	2021 Fair value
Swaps	USD	44,144	-	-	44,144	565
	INR	-	-	-	-	-
	EUR	-	-	-	-	-
Options	USD	-	-	-	-	-
Cross Currency Swaps	EUR-INR	-	26,855	8,318	35,173	(905)
	USD-CNY	-	-	-	-	-
Total		**44,144**	**26,855**	**8,318**	**79,317**	**(340)**

3. Managing the risk of the change in the price of cereals

The Group's exposure to the risk of a change in the price of cereals is primarily the result of wheat and corn purchases, as well as the sale of products for which the price is highly correlated with the price of cereals.

The instruments used are primarily future purchases and options:

			2021			2022
(in thousands of euros)	Volume (MT)	Nominal	Fair value	Volume (MT)	Nominal	Fair value
Derivatives qualified for hedging						
Forward purchases	2,094,147	500,538	**14,848**	2,075,336	612,994	**(34,974)**
Forward sales	904,896	233,699	**(17,676)**	1,022,534	292,446	**16,163**
Derivatives not qualified for hedging						
Forward purchases	505,214	120,605	**7,358**	218,450	86,286	**2,831**
Forward sales	219,798	48,405	**(1,387)**	92,276	6,216	**896**
Options	1,311,523	301,458	**4,008**	780,223	189,620	**(7,671)**

4. Managing the risk of the change in the price of energy

The Group hedges the price component indexed on the rate for energy for a portion of its energy purchases (natural gas and electricity) and of its transport costs by using primarily swaps and options.

			2021			2022
(in thousands of euros)	Volume (MWh)	Nominal	Fair value	Volume (MWh)	Nominal	Fair value
Derivatives qualified for hedging						
Swaps	1,819,142	54,378	**144**	1,389,073	169,816	**(66,148)**
Derivatives not qualified for hedging						
Swaps	318,731	9,292	**405**	91,631	4,634	**(1,101)**
Options	1,540,300	30,091	**4,677**	574,736	12,012	**2,635**

5. Managing the risk of the change in the price of industrial purchases

The Group hedges the price component indexed on the price of metals for a part of its catalyst purchases, as well as polyethylene component of a portion of its container purchases, by using swaps.

Details on the nominal amounts are provided hereinbelow. They are converted into thousands of euros based on the price at the end of the period.

			2021			2022
(in thousands of euros)	Volume (MT)	Nominal	Fair value	Volume (MT)	Nominal	Fair value
Derivatives qualified for hedging	108	1,831	**138**	216	4,672	**1,051**
Derivatives not qualified for hedging	36	603	**53**	-	(6)	**7**

6. Effects of the hedging accounting on the financial situation and performance

The Cash-Flow Hedges (CFH) affect the consolidated financial statements in the following way:

(in thousands of euros) Except for notionals, presented in the unit related to the hedged items	Nature of the hedging instruments	Notional amount of the hedging instruments	Book value of the hedging instruments		Change in fair value of the hedging instruments used to recognize the ineffectiveness
			Active	Liabilities	
Exchange Rate Risk (KEUR)					
Hedging of future sales in currency	Exchange forwards	557,066	18,737	4,221	1,642
Hedging of future purchases in currency	Exchange forwards	6,285	70	147	45
Cereal Risk (MT)					
Hedging of future procurement	Futures / Forwards / Swaps	773,326	5,321	7,745	-
Hedging of future sales	Futures / Forwards / Swaps	1,183,731	17,475	33,863	-
Energy Risk (MWh)					
Hedging of future procurement	Futures / Forwards / Swaps	1,191,290	25,509	113,765	-
Hedging of future purchases	Futures / Forwards / Swaps	103,511	6,384	3,703	-
Logistics hedging	Futures / Forwards / Swaps	94,272	20,013	586	-
Industrial Purchases Risk (MT)					
Hedging of future procurement	Futures / Forwards / Swaps	216	1,051	-	-

The fair value of financial instruments are included in the items of the balance sheet "Other current and non-current assets" (when the value is an asset, see Note 19) or in "Other current and non-current liabilities" (when the value is a liability, see Note 23).

(in thousands of euros) Except for notionals, presented in the unit relative to the elements hedged	Reserves	
	CFH	Cost of hedging (discount/ premium)
Exchange rate risk	16,036	(1,597)
Cereal Risk	(18,812)	-
Energy Risk	(66,148)	-
Industrial Purchases Risk	1,051	-

In the income statement, the ineffectiveness is recognized in the "Financial result " item (cf. Note 9).

The amounts transferred from the CFH reserve in the income statement over the period affect the "Cost of goods sold and external charges" item.

Recognition of financial assets and liabilities (Amendment to IFRS 7)

The Group subscribes to over-the-counter derivatives with first-rate banks as part of agreements that provide for recognizing amounts owed and to be received in the event of default of one of the contracting parties. These conditional recognition agreements do not satisfy the criteria of IAS 32 in order to allow for the recognition of derivative asset and liability instruments in the balance sheet. They do fall however within the application scope of the information to be reported in terms of IFRS 7.13 on the recognition of financial assets and liabilities. As such, the effects of the recognition agreements are the following:

- Net amount of derivative financial instrument assets according to IFRS 7.13: 31.8 million euros.
- Net amount of derivative financial instrument liabilities according to IFRS 7.13: 91.1 million euros.

These hedging operations are distributed evenly over first-rate banking partners.

Fair value structure

All of the financial assets and liabilities recognized at fair value are classed in the category level 1 (cf. Note 5 "Judgments, estimates and significant assumptions") except for securities and derivative instruments.

Securities are classed in level 2.

- The share of derivative asset instruments classified in level 1 is 126.8 million euros and 36.1 million euros in level 2.
- The share of derivative liability instruments classified in level 1 is 213.4 million euros and 8.8 million euros in level 2.

7. Counterparty risk management

The Group has to support a counterparty risk with regards to its activity. This risk is primarily circumscribed to the level of customers, suppliers and financial institutions.

Customers

The Group outsources its customer credit risk. This outsourcing is done:

- primarily via recourse to credit insurance;
- Or by using alternative means of security (banks, parent company guarantees, etc.).

Marginally, when it is not possible to outsource, the Group can decide to retain the risk. In this case, the internalization process for the risk is governed by an internal procedure distributed to all of the Group's companies, for which each local Financial Department is the guarantor for application.

As part of its financing policy and in order to maintain a balanced balance sheet structure, the Group has made use of a program of sales of trade receivables amounting to 70 million euros. These are non-recourse sales: the risk is fully transferred to the institution that purchased the receivable. The Group retains no continuing involvement in the derecognized assets. The receivables are no longer recognized as assets on the balance sheet.

Suppliers

As part of its current activities, the Group negotiates deferred payment conditions in accordance with the local regulations. The credit risk is therefore borne by the supplier.

In the case of certain purchases (down payment with the order), the Group handles the credit risk by setting up:

- A bank guarantee generally of the first demand form issued to the Group.
- A parent company guarantee and even a property transfer if the supplier is not in a position to provide a bank guarantee.

In addition, as part of significant orders, guarantee withholdings are contractualized in order to protect the Group from any defect or malfunction that is not detected immediately when the equipment is received.

Financial institutions

The Group has recourse to financial institutions in the following areas:

The management of cash flow and financing

The management of the financial counterparty risk (banks) is governed by the procedure entitled "Management of bank relations". The Group's main banks are institutions that supply the financing lines confirmed to the Group.

The Group's financiers are local or international first-rate banks.

In 2012, the Group issued a bond loan in the form of private investment on the US market in order to raise funds in USD. This private bond loan (USPP) was subscribed to by three US insurance companies. The three investors are:

- New-York Life Insurance Company
- Prudential Insurance Company of America
- Guardian Life Insurance of America.

In 2022, the Group again issued a bond loan in the form of private investment on the US market in order to raise funds in euros. This private bond loan (USPP) was subscribed by 5 investors:

- New-York Life Insurance Company
- Prudential Insurance Company of America
- Alliance Bernstein
- MetLife
- Macquarie

Starting from the reception of the funds following the bond subscription, the counterparty risk is no longer supported by the Group.

Outsourcing the credit risk

As part of its credit risk management activity, the Group outsources the customer credit risk to an investment grade credit insurance company.

All the Group's companies have access to credit insurance. A framework agreement has been set up between Roquette Frères. This framework agreement is then adjusted, if necessary, according to the local regulations that apply within a local contract carried out with each credit insurer in the countries involved.

8. Liquidity risk management

The management of liquidity within the Group is based on centralizing the access to the financing market.

In order to cover its needs for global financing, the Group uses the following instruments:

- Equity injected by shareholders.
- cash flow generated by the operating cycle;
- Bonds issued to Roquette Frères employees (Obliroc) and US investors (USPP).
- Bilateral bank financing lines.
- The commercial paper program.

To date, the Group's net debt is comprised of:

- Debt primarily issued in euros, debt issued in currency and debt issued in euros and immediately converted into foreign currency.
- Gross investments primarily taken out in euros.

According to the roadmap set out by the Board of Directors, the Group's net debt cannot exceed 40% of equity.

NOTE 25

ACCOUNTING CLASSIFICATION AND MARKET VALUE OF THE FINANCIAL INSTRUMENTS

Accounting value on the balance sheet of the financial assets and liabilities by accounting category defined by IFRS 9, as well as their fair value:

	2022	Breakdown by accounting classification		
(in thousands of euros)	Net book value	Fair value	Fair value - Hedging instrument	Amortized cost (Assets / Liabilities)
Securities and Bonds	17,998	16,283	-	1,715
Receivables from equity interests	-	-	-	-
Long-term investments	181,905	-	-	181,905
Deposits and bonds	4,195	-	-	4,195
Current and non-current financial assets	**204,098**	**16,283**	**-**	**187,815**
Derivative instruments – assets	163,333	-	163,333	-
Accounts receivable and similar accounts	744,682	-	-	744,682
Cash equivalents	92,052	92,052	-	-
Cash	145,207	145,207	-	-
Total assets	**1,349,372**	**253,542**	**163,333**	**932,497**
Bond issues	383,307	-	-	383,307
Bank loans	334,624	-	-	334,624
Other financial debts, rent debt (IFRS 16), bank overdrafts and accrued interest	390,139	-	-	390,139
Current and non-current financial debt	**1,108,070**	**-**	**-**	**1,108,070**
Derivative instruments – liabilities	222,677	-	222,677	-
Accounts payable	520,559	-	-	520,559
Total liabilities	**1,851,306**	**-**	**222,677**	**1,628,629**

	2021	Breakdown by accounting classification		
(in thousands of euros)	Net book value	Fair value	Fair value - Hedging instrument	Amortized cost (Assets / Liabilities)
Securities and Bonds	11,480	9,765	-	1,715
Receivables from equity interests	-	-	-	-
Long-term investments	180,453	-	-	180,453
Deposits and bonds	4,062	-	-	4,062
Current and non-current financial assets	**195,996**	**9,765**	-	186,231
Derivative instruments – assets	90,895	-	90,895	-
Accounts receivable and similar accounts	621,354	-	-	621,354
Cash equivalents	71,393	71,393	-	-
Cash	153,014	153,014	-	-
Total assets	**1,132,653**	**234,172**	**90,895**	**807,585**
Bond issues	120,577	-	-	120,577
Bank loans	471,919	-	-	471,919
Other financial debts, rent debt (IFRS 16), bank overdrafts and accrued interest	545,626	-	-	545,626
Current and non-current financial debt	**1,138,121**	**-**	**-**	**1,138,121**
Derivative instruments – liabilities	104,263	-	104,263	-
Accounts payable	418,459	-	-	418,459
Total liabilities	**1,660,843**	**-**	**104,263**	**1,556,580**

NOTE 26

WORKFORCE

Roquette Group workforce as of December 31:

	2021	2022
Europe	4,799	4,910
Americas	1,089	1,124
Greater Asia	1,318	1,287
China	923	931
Count	**8,129**	**8,252**

The Group's workforce presented below includes 447 temporary workers (339 in 2021).

NOTE 27

POSSIBLE LIABILITIES, UNRECOGNIZED CONTRACTUAL COMMITMENTS, AND POSSIBLE RISKS

1. Contractual obligations

(in thousands of euros)	2021	2022
Various guarantees and other commitments	24,169	82,853
Bank remitted items that are not due	2,247	1,592
Rents to be paid	5,065	3,843
Commitments given	**31,482**	**88,288**
Various cautions	10,409	10,771
Rents to be received	2,009	10,521
Commitments received	**12,418**	**21,292**

Various guarantees and other commitments have increased following the introduction of a bank guarantee in place of variation margin deposits for market activities (previously recorded under other accounts receivable).

Rent commitments

The minimum future rents payable or receivable in terms of simple rental contracts as at December 31 are as follows:

	2022	< 1 year	2 to 5 years	> 6 years
Rents to be paid	3,843	1,318	2,445	80
Rents to be received	10,521	1,480	5,799	3,242

	2021	< 1 year	2 to 5 years	> 6 years
Rents to be paid	5,115	2,318	2,689	108
Rents to be received	2,009	1,083	654	272

Following the application of IFRS 16, rental commitments to be paid are now recognized on the Group's balance sheet, when these agreements meet the criteria for recognition (see Note 4.5 "Rental Agreements"). Thus, rental commitments to be paid mentioned as an off-balance sheet commitment at the end of 2022, primarily concern agreements with a low value or less than 12 months.

2. Other commitments given

Commitments linked to purchases of electrical power

Roquette Frères has agreed to take delivery of and to pay for all of the blocks of electrical power agreed with beforehand with Exeltium and in accordance with a supply program.

This program calls for the delivery of electrical power for a period of 15 years starting on May 1, 2010.

The unit price is set via an indexing formula.

As of December 31, 2022, the commitment given by Roquette Frères in terms of these purchases of electrical power is estimated to be 73.5 million euros.

3. Other commitments received

Commitments linked to CO_2 allowances
The order of the Ministry of the Ecological Transition dated December 10, 2021 sets the amount of emission quotas allocated for free for the period 2021-2025. Roquette Frères received emission quotas for 2,681,855 tons of CO_2 in terms of PNAQ IV.

An order dated August 4, 2022 amended the order dated December 10, 2021 setting the list of operators of facilities subject to authorization for greenhouse gas emissions as well as the amount of emission quotas allocated free of charge for the operators of facilities for which emission quotas are allocated free of charge for the period 2021-2025. The number of allowances allocated free of charge is now adapted to the annual change in the activity levels of the sites. In the event of a variation of +/-15% in the level of activity based on the heat used, the quotas allocated free of charge are revised upwards or downwards the following year.

Thus, for the Vecquemont and Vic-sur-Aisne establishments, an adjustment of the allocation was validated based on the declarations of activity levels.

For the PNAQ IV, the Vecquemont site saw its free allowances drop by 19% as a result of the shutdown of a workshop. Over the same period, the Vic-sur-Aisne site saw an increase in its free allowances due to the increase in activity linked to pea protein of around 40%.

Taking these adjustments into account, the number of allowances still to be received from the State under the PNAQ IV is 1,608,996 tons.

Unused credit lines
The amount of unused credit lines amounts to 578 million euros at the end of the financial period.

4. Lawsuits and disputes

Shareholding dispute
In May 2012, Roquette Frères was sued by some of its shareholders before the Commercial Court of Arras. On the Roquette Frères side, also sued were former directors of the companies Sager, Gercap and Les Aulnes.

After initially soliciting the cancellation of the EGA of Sager on December 2, 2011 during which the merger-absorption of Sager by Roquette Frères was voted ("the EGA"), the requesters formulated requests for indemnities against the former directors.

On June 24, 2017, the requesters terminated their conclusions and solicited:

- In principal, the cancellation of the EGM due to various irregularities and the re-registration of Sager.
- On a subsidiary basis, the cancellation of the resolutions voted during the EGM for abuse of majority and the re-registration of Sager.
- On a very subsidiary basis, an order against the former directors and Roquette Frères (defending the rights of Gercap, Les Aulnes, and Saphir) to remit them with Roquette Frères shares as compensation for the damage that was incurred by the abuse of majority.
- On an infinitely subsidiary basis, an order against the former directors and Roquette Frères (defending the rights of Gercap, Les Aulnes, and Saphir) to pay them approximately 140 million euros as compensation for the damage that was incurred by the abuse of majority.

In a ruling dated January 26, 2018, the Commercial Court of Arras rejected the requesters of all of their requests, purposes and conclusion. On February 6, 2019, it rejected the plaintiffs' motion to correct clerical errors and omissions on the ruling before it.

The requesters appealed the two rulings of January 26, 2018 and of February 6, 2019. In their submissions on appeal, they increased their financial claims to approximately 190 million euros.

In a decision dated September 30, 2021, the Douai Court of Appeals rejected all of the above claims. However, it ruled that the transfer to the Extraordinary General Shareholders' Meeting of Roquette Frères on December 2, 2011, which also approved the mergers, of the opinion of the Roquette Frères central works council on October 21, 2011 in favor of the mergers, had not been formally demonstrated.

The Court invited Roquette Frères to rectify the situation within a period of six months, by calling a Roquette Frères shareholders' meeting to decide again - given the aforementioned favorable opinion of the Central Works Council - on the resolutions approved on December 2, 2011. It set a hearing for June 30, 2022 to examine the procedures completed and to rule on the invalidity of said meeting.

At the Extraordinary General Shareholders' Meeting called by Roquette Frères to proceed with this rectification, which was held on December 3, 2021, the two-thirds majority required for this purpose was not reached.

The regularization was proposed again to the shareholders at the General Shareholders' Meeting on April 8, 2022 and was adopted by the required majority at that meeting.

By a second ruling on October 6, 2022, the Court reopened the proceedings because of a procedural error related to the September 30, 2021 ruling without ruling on the merits.

The case was re-argued on December 15, 2022 and the Court is expected to issue its ruling on March 30, 2023.

At the same time as the appeal proceedings, by summonses dated September 29, 2022 and October 7, 2022, certain appellants filed a suit against Roquette Frères before the Commercial Court of Lille seeking to have the General Shareholders' Meeting of April 8, 2022 nullified. They asked the Court to rule only if the Court did not decide the matter of the meeting's validity. Pending its ruling, they requested a stay of proceedings.

It should also be noted that Roquette Frères filed a so-called "right of recourse" lawsuit against the former directors (or their successors) of the companies Saphir, Gercap, and Les Aulnes in order to obtain compensation for Roquette Frères if it has a ruling handed down against it. This lawsuit has been stayed pending the outcome of the proceedings pending before the Douai Court of Appeals.

5. Possible risks

Co-contractor claims Canada

The Group signed an agreement as part of the construction of the Portage La Prairie, Manitoba plant. As a result, Roquette is in dispute with its co-contractor which involves claims and demands between the parties. The Group's claims and defense against the co-contractor's claims are deemed to be reasonable.

These items have no impact on the financial statements.

The Group is not aware of any other significant risks to be disclosed.

NOTE 28

TRANSACTIONS WITH RELATED PARTIES

1. Subsidiaries and affiliates

The list of the Group's subsidiaries and affiliates is provided in Note 30. The transactions between the parent company and its subsidiaries as well as those between the subsidiaries are eliminated during the consolidation.

For companies accounted for using the equity method, the main transactions carried out, as well as the receivables and the debt with regards to the latter are as follows:

(in thousands of euros)	2021	2022
Balance Sheet		
Current accounts	10,199	7,384
Trade and other receivables	201	46
Accounts payable and similar accounts	-	206
Income statement		
Turnover	435	445
Cost of goods sold and external charges	(4,746)	(6,041)

In 2021 and 2022, the transactions with related parties primarily concern the Ecogi entity.

2. Compensation of the members of the Executive Committee and the Board of Directors

Compensation policy

The compensation for the Chairman and the General Manager is set by the Appointments and Remuneration Committee (CNR) of the Board of Directors.

The compensation of the other members of the Executive Committee is set by the General Manager with the opinion of the CNR.

Detail on compensation paid

(in thousands of euros)	2021	2022
Fixed remuneration	2,983	3,610
Variable remuneration	1,235	1,541
Termination benefits	-	-
Employer contributions	1,818	2,410
Compensation paid to directors	369	382
Total	**6,405**	**7,943**

- 2022 is the year in which the Executive Board is fully constituted, with in particular a twelve-month effect of all base compensation, as well as the payment of ITSs for members who were present in 2021.
- The members of the Executive Committee are provided with a company car.
- Each member of the Executive Committee working in France benefits from a supplementary retirement scheme (Article 83) for which the company pays 2.35% of the gross wages (fixed and variable), just as it does for executives.
- Variable compensation includes:
  - Short-term variable compensation: most of the amount is based on the Group's performance. The one for the year 2021 generated the payment in 2022 of amounts that were roughly similar to the previous year, but below the target amounts.
  - In 2022, the "long-term incentive plan" (LTI) covering the period from 2019 to 2022, matured. The performance conditions achieved resulted in lower payments to beneficiaries than in the previous year.
- Post-employment contract benefits are primarily comprised of indemnities paid upon termination of the employment contract and retirement benefits. There were no departures in 2022.

NOTE 29

EVENTS AFTER THE CLOSING

No significant event after the closing has been identified.

NOTE 30

LIST OF CONSOLIDATED SUBSIDIARIES

List of consolidated companies

		% of interest		
Entity	Country	2021	Variation	2022
Roquette Frères	France	100.0%	-	100.0%
ABR Foods	Great Britain	100.0%	-	100.0%
Alliance Gums & Industries (A.G.I.)	France	100.0%	-	100.0%
Crest Cellulose	India	74.0%	26.0%	100.0%
Guangxi Nanning Chemical Pharmaceutical	China	67.0%	23.5%	90.5%
Immoroc	France	100.0%	-	100.0%
Itacel Farmoquimica	Brazil	100.0%	-	100.0%
Lianyungang Jie Neng New Energy Co	China	100.0%	-	100.0%
PlantTec Medical	Germany	95.0%	-	95.0%
RGCA	France	100.0%	-	100.0%
Roquette Ventures	France	100.0%	-	100.0%
Roquette 4	France	100.0%	-	100.0%
Roquette America	United States	100.0%	-	100.0%
Roquette America Services	United States	100.0%	-	100.0%
Roquette Amilina	Lithuania	78.6%	-	78.6%
Roquette Asia Pacific	Singapore	100.0%	-	100.0%
Roquette Belgium	Belgium	100.0%	-	100.0%
Roquette Biotech Nutritionals	China	100.0%	-	100.0%
Roquette Canada	Canada	100.0%	-	100.0%
Roquette CH	Switzerland	100.0%	-	100.0%
Roquette China	China	100.0%	-	100.0%
Roquette Corby	United Kingdom	100.0%	-	100.0%
Roquette GmbH	Germany	100.0%	-	100.0%
Roquette Italia	Italy	100.0%	-	100.0%
Roquette Japan	Japan	100.0%	-	100.0%
Roquette Klötze	Germany	100.0%	-	100.0%

		% of interest		
Entity	Country	2021	Variation	2022
Roquette Korea	South Korea	100.0%	-	100.0%
Roquette Laisa	Spain	98.6%	-	98.6%
Roquette Malause	France	100.0%	-	100.0%
Roquette Malaysia	Malaysia	100.0%	-	100.0%
Roquette Management (Shanghai)	China	100.0%	-	100.0%
Roquette Mexico	Mexico	100.0%	-	100.0%
Roquette Netherlands	Netherlands	100.0%	-	100.0%
Roquette Nordica	Finland	100.0%	-	100.0%
Roquette Philippines	Philippines	100.0%	-	100.0%
Roquette Poland	Poland	100.0%	-	100.0%
Roquette Properties (R.P.I.)	United States	100.0%	-	100.0%
Roquette Re	Luxembourg	100.0%	-	100.0%
Roquette India	India	100.0%	-	100.0%
Roquette RUS	Russia	100.0%	-	100.0%
Roquette Sales Shanghai	China	100.0%	-	100.0%
Roquette Siladour	France	100.0%	-	100.0%
Roquette Singapore	Singapore	100.0%	-	100.0%
Roquette Taiwan	Taiwan	100.0%	-	100.0%
Roquette Thailand	Thailand	100.0%	-	100.0%
Roquette TPP B.V.	Netherlands	100.0%	-	100.0%
Roquette UK	Great Britain	100.0%	-	100.0%
Roquette Vietnam	Vietnam	100.0%	-	100.0%
Sethness Product Company	United States	100.0%	-	100.0%
Sethness Roquette India	India	100.0%	-	100.0%
Sethness Roquette	France	100.0%	-	100.0%
Sethness Roquette Food Ingredients	China	100.0%	-	100.0%
Viadene	France	100.0%	-	100.0%

List of companies consolidated using the equity method (EM)

		% of interest		
Entity	Country	2021	Variation	2022
Ecogi	France	40.0%	-	40.0%
IFMAS*	France	25.0%	(25.0%)	-
Clean Max Energy	India	-	26.0%	26.0%
NxtFood	France	50.0%	-	50.0%
Solazyme Roquette Nutritionals	United States	50.0%	-	50.0%

* IFMAS was liquidated during the year.


ROQUETTE

2 AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

ROQUETTE RESTRICTED

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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59705 Marcq-en-Barœul

Deloitte & Associés
Immeuble Ekla
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59800 Lille

Roquette Frères

A public limited company [Société Anonyme]
1, rue de la Haute Loge
62136 Lestrem

Auditors' Report on the Consolidated Financial Statements

Financial year ended December 31, 2022

To the General Shareholders' Meeting of Roquette Frères

Opinion

In performing the task entrusted to us by the General Shareholders' Meeting, we have audited the consolidated financial statements of Roquette Frères for the financial year ended December 31, 2022, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended December 31, 2007 and of the financial position and assets and liabilities of the Group as of that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for our opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities in the Audit of the Consolidated Financial Statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from January 1, 2022 to the date our report was issued.

Basis for our assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the basis for our assessments, we would like to draw your attention to the following assessments which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the year.

These assessments were made in the context of our audit of the consolidated annual financial statements taken as a whole and in forming the opinion expressed above. We did not express any opinion on individual items in these consolidated financial statements.

Note 4.7 *Impairment of fixed assets* and Note 5 *Judgments, estimates and significant assumptions* set out the accounting policies relating to the risk of impairment of goodwill and tangible and intangible fixed assets. Our work consisted in verifying the appropriateness of the accounting methods used, the data and assumptions made, the estimates made by management, as well as the documents provided and the resulting assessments.

In addition, we ensured that Note 14 *Impairment tests on goodwill and other non-financial assets* provides appropriate disclosure.

Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations on the disclosures relating to the Group as given in the Board of Director’s management report.

We have no matters to report as to the fair presentation and the consistency of these disclosures with the consolidated financial statements.

We hereby certify that the consolidated statement of extra-financial performance provided for in Article L.225-102-1 of the French Commercial Code is included in the Group's management report, and, in accordance with the provisions of Article L.823-10 of the said Code, the information contained in this statement has not been verified by us as to its fair presentation or consistency with the consolidated financial statements, and must be subject to a report by an independent third-party organization.

Responsibilities of management and those charged with corporate governance with respect to the consolidated annual financial statements

Management is responsible for preparing consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union, and for implementing the internal control procedures that it deems necessary for preparing consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When producing the consolidated financial statements, it is Management’s responsibility to assess the company's ability to continue operating as a going concern and to present in these accounts, where applicable, the necessary information relative to ongoing operations and to apply the accounting policy for a going concern, unless there are plans to liquidate the company or wind up its activities.

These statements were approved by the Board of Directors.

Statutory Auditors' responsibilities relating to auditing the consolidated financial statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain a reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with professional standards will always detect every material misstatement, when one exists. Misstatements may arise from fraud or error and are deemed material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions that users of the financial statements make based on them.

As specified by Article L 823-10-1 of the French Commercial Code, our certification does not consists of guaranteeing the viability or the quality of your company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition:

- They identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, devise and perform audit procedures to address those risks, and gather audit evidence that they deem sufficient and appropriate to provide a basis for their 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 circumvention of internal controls.

- They acquaint themselves with the internal controls relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- The auditor evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- The auditor assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of their audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, the auditor draws readers' attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, the auditor may certify the financial statements with reservations or may refuse to certify them.

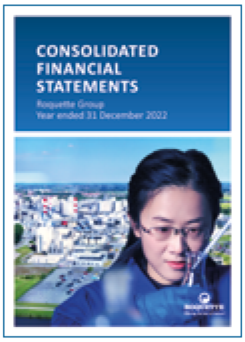
- The auditor evaluates the overall presentation of the consolidated financial statements and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

- Concerning financial disclosures of persons or entities included in the scope of the consolidation, the auditor gathers evidence they believe is sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for managing, supervising, and performing the audit on the consolidated financial statements as well as the opinion expressed on them.

In Marcq-en-Barœul and Lille, on March 30, 2023
The Statutory Auditors

French original signed by

KPMG Audit	Deloitte & Associés
Laurent Prevost	Édouard Lhomme



March 2023 - Roquette Group -
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