Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	914 992 990
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	CARGILL NORWAY HOLDING AS
Forretningsadresse:	Thormøhlens gate 51 5006 BERGEN

Regnskapsår

Årsregnskapets periode:	01.06.2022 - 31.05.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Giske Sørensen
Dato for fastsettelse av årsregnskapet:	28.11.2023

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.01.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Other expenses	2, 3	1 243 000	509 000
Sum kostnader		**1 243 000**	**509 000**
Driftsresultat		**-1 243 000**	**-509 000**
Finansinntekter og finanskostnader			
Other financial income from group company	3		669 000
Other financial income		125 000	-3 000
Sum finansinntekter		**125 000**	**666 000**
Rentekostnad til foretak i samme konsern	3	58 969 000	17 043 000
Other financial expenses	3	584 000	79 344 000
Sum finanskostnader		**59 553 000**	**96 387 000**
Netto finans		**-59 428 000**	**-95 721 000**
Ordinært resultat før skattekostnad		**-60 671 000**	**-96 229 000**
Income tax expense	4	-212 000	-21 318 000
Ordinært resultat etter skattekostnad		**-60 460 000**	**-74 912 000**
Årsresultat		**-60 460 000**	**-74 912 000**
Årsresultat etter minoritetsinteresser		**-60 460 000**	**-74 912 000**
Totalresultat		**-60 460 000**	**-74 912 000**
Overføringer og disponeringer			
Transferred from other equity	6	-60 460 000	-74 912 000
Sum overføringer og disponeringer		**-60 460 000**	**-74 912 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	34 594 000	34 382 000
Sum immaterielle eiendeler		**34 594 000**	**34 382 000**
Finansielle anleggsmidler			
Investering i datterselskap	5	11 749 704 000	11 749 704 000
Sum finansielle anleggsmidler		**11 749 704 000**	**11 749 704 000**
Sum anleggsmidler		**11 784 297 000**	**11 784 086 000**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	3		
Other short-term receivables	3	782 000	696 000
Sum fordringer		**782 000**	**696 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		5 000	5 000
Sum bankinnskudd, kontanter og lignende		**5 000**	**5 000**
Sum omløpsmidler		**787 000**	**701 000**
SUM EIENDELER		**11 785 084 000**	**11 784 787 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		1 530 000 000	1 500 000 000
Overkurs		12 618 673 000	10 919 078 000
Annen innskutt egenkapital	6		

Balanse

Beløp i: NOK	**Note**	**2023**	**2022**
Sum innskutt egenkapital		**14 148 673 000**	**12 419 078 000**
Opptjent egenkapital			
Other equity		-2 442 977 000	-2 382 518 000
Sum opptjent egenkapital		**-2 442 977 000**	**-2 382 518 000**
Sum egenkapital	6, 7	**11 705 696 000**	**10 036 560 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	3		1 538 100 000
Sum annen langsiktig gjeld			**1 538 100 000**
Sum langsiktig gjeld		**0**	**1 538 100 000**
Kortsiktig gjeld			
Tax payable	4		
Other current liabilities	3	79 387 000	210 126 000
Sum kortsiktig gjeld		**79 387 000**	**210 126 000**
Sum gjeld		**79 387 000**	**1 748 226 000**
SUM EGENKAPITAL OG GJELD		**11 785 084 000**	**11 784 787 000**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	16.12.2015	05.01.2016
Telefon	Deres referanse	Vår referanse
22078139		2016/3546

CARGILL NORWAY HOLDING AS
c/o Deloitte Advokatfirma AS
Postboks 221 Sentrum
0103 OSLO

Fritak for konsernregnskapsplikt for morselskap i underkonsern, Cargill Norway Holding AS, org. nr. 914 992 990

Vi viser til deres brev av 16. desember 2016 hvor dere søker om fritak for konsernregnskapsplikt for morselskap i underkonsern for Cargill Norway Holding AS.

Cargill Norway Holding AS er eid av Cargill Inc (USA). Cargill Inc utarbeider årlig konsernregnskap på engelsk basert på US GAAP. ~~Dette konsernregnskapet inkluderer ABG Scandinavia AS med datterselskaper.~~

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juli 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Cargill Norway Holding AS. Det forutsettes at Cargill Inc utarbeider konsernregnskap som omfatter det norske underkonsernet. Det legges til grunn at dette konsernregnskap er utarbeidet i samsvar med USGAAP og at kravene i regnskapsloven § 3-7 med forskrifter forøvrig følges. Bestemmelsene i regnskapsloven kapittel 8 med tilhørende forskrift gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 07.09.2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten å være på norsk, kan være på svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brevet at tillatelse er gitt.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

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Postboks 9200 Grønland
0134 Oslo

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Se www.skatteetaten.no
Org.nr: 996250318
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800 80 000
Telefaks
22 17 08 60

KPMG

CARGILL, INCORPORATED AND SUBSIDIARIES

Consolidated Financial Statements

For the years ended May 31, 2023 and 2022

KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Board of Directors
Cargill, Incorporated:

Opinion

We have audited the consolidated financial statements of Cargill, Incorporated and its subsidiaries (the Company), which comprise the consolidated balance sheets as of May 31, 2023 and May 31, 2022, and the related consolidated statements of earnings, comprehensive income, total equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of May 31, 2023 and May 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Minneapolis, Minnesota
July 27, 2023

Cargill, Incorporated and Subsidiaries

CONSOLIDATED BALANCE SHEETS

	At May 31, 2023	At May 31, 2022
	(In millions)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 6,150	$ 5,364
Short-term investments	863	483
Trading securities	1,256	496
Accounts receivable, notes receivable, and accrued income, net	20,429	23,533
Inventories	18,111	23,157
Other	3,018	3,054
TOTAL CURRENT ASSETS	**49,827**	**56,087**
OTHER ASSETS		
Investments and advances	5,840	4,131
Goodwill	4,111	3,764
Intangibles, net	1,559	1,237
Other assets	5,733	6,529
TOTAL OTHER ASSETS	**17,243**	**15,661**
PROPERTY		
Owned property, plant & equipment	38,349	36,638
Property under finance leases	544	443
Construction in progress	3,350	2,913
Gross property	42,243	39,994
Less accumulated depreciation and amortization	(24,013)	(22,924)
NET PROPERTY	**18,230**	**17,070**
TOTAL ASSETS	**$ 85,300**	**$ 88,818**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Short-term debt	$ 3,451	$ 4,575
Financial instruments sold with agreements to repurchase	1,481	2,209
Accounts payable, accrued expenses, and other	17,594	22,010
Accrued income taxes	165	196
TOTAL CURRENT LIABILITIES	**22,691**	**28,990**
OTHER LIABILITIES		
Long-term debt	13,150	11,523
Other liabilities	5,034	5,185
TOTAL LIABILITIES	**40,875**	**45,698**
EQUITY		
Capital stock	7	7
Retained earnings	47,232	45,174
Accumulated other comprehensive loss	(3,141)	(2,385)
TOTAL CARGILL, INCORPORATED SHAREHOLDERS' EQUITY	**44,098**	**42,796**
Noncontrolling interests	327	324
TOTAL EQUITY	**44,425**	**43,120**
TOTAL LIABILITIES AND EQUITY	**$ 85,300**	**$ 88,818**

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

	Year Ended May 31, 2023	2022
	(In millions)	
Sales and other revenues	$ 176,738	$ 165,034
Cost of sales and other revenues	162,563	147,085
(Exclusive of depreciation and amortization, as shown below)		
Gross profit	14,175	17,949
Expenses and other income		
Selling, general and administrative expenses	6,829	6,613
Depreciation and amortization	2,210	2,051
Interest expense	703	436
Restructuring and asset impairment charges	301	186
Other (income) expense, net	(444)	144
Earnings of consolidated companies before income taxes	4,576	8,519
Income tax expense	817	2,063
Net earnings of consolidated companies	3,759	6,456
Add equity in net earnings of nonconsolidated companies	107	259
Net earnings	3,866	6,715
Deduct net earnings attributable to noncontrolling interests	(55)	(29)
NET EARNINGS ATTRIBUTABLE TO CARGILL, INCORPORATED	$ 3,811	$ 6,686
Net earnings per share attributable to Cargill, Incorporated	**($ Per Share)**	
Basic	$ 5.37	$ 9.35
Diluted	$ 5.34	$ 9.26

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(In millions)	
Net earnings	$ 3,866	$ 6,715
Other comprehensive (loss) income, net of tax		
Foreign currency translation adjustments	(742)	(544)
Unrealized (loss) gain on securities	(1)	1
Unrealized gain on cash flow hedges	24	65
Pension and other postretirement benefits liability adjustments	(35)	517
Other comprehensive (loss) income, net of tax	(754)	39
Total comprehensive income	3,112	6,754
Deduct comprehensive income attributable to noncontrolling interests	(57)	(26)
Comprehensive income attributable to Cargill, Incorporated	$ 3,055	$ 6,728

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 3,866	$ 6,715
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Equity in net earnings of nonconsolidated companies, net of dividends	191	(88)
Depreciation and amortization	2,210	2,051
Restructuring and asset impairment charges	301	186
Deferred income taxes	(91)	315
Share-based compensation	182	210
Private investment funds loss (gain), net of dividends	12	(41)
Other, net	169	225
Total cash from operations	6,840	9,573
(Increase) decrease in trading securities	(760)	85
Decrease (increase) in accounts receivable, notes receivable and accrued income	3,540	(2,966)
Decrease (increase) in inventories	5,290	(4,483)
Decrease in financial instruments sold with agreements to repurchase	(728)	(868)
(Decrease) increase in accounts payable and accrued expenses	(4,489)	3,457
(Increase) decrease in other current assets and liabilities	(1,364)	582
Increase in other assets and liabilities	(373)	(736)
Net cash provided by operating activities	7,956	4,644
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property	(3,259)	(3,246)
Investments in businesses acquired, less cash acquired	(1,586)	(273)
Investments in nonconsolidated companies	(2,099)	(361)
Total capital investments	(6,944)	(3,880)
Proceeds from the disposal of property, businesses, and nonconsolidated companies	123	377
Net proceeds from (investments in) loan portfolios	32	(4)
Other, net	45	(58)
Net cash used by investing activities	(6,744)	(3,565)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (payments on) proceeds from short-term debt	(1,341)	926
Proceeds from long-term debt	2,924	3,431
Payments on long-term debt	(1,095)	(971)
Dividends paid to shareholders	(626)	(1,211)
Dividends paid to noncontrolling interests	(40)	(17)
Purchase of noncontrolling interests, less cash acquired	(19)	—
Capital stock transactions, net	(907)	(677)
Other, net	(164)	95
Net cash (used) provided by financing activities	(1,268)	1,576
Effect of exchange rate changes on cash and cash equivalents	(75)	(114)
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(131)	2,541
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, PERIOD START	6,875	4,334
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, PERIOD END	$ 6,744	$ 6,875
Reconciliation of cash, cash equivalents and restricted cash to Consolidated Balance Sheets		
Cash and cash equivalents	6,150	5,364
Restricted cash included in other current assets	594	1,511

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF TOTAL EQUITY

	Cargill, Incorporated Shareholders					
	Capital Stock	Additional Paid In Capital	Retained Earnings	Accum. Other Comprehensive Income/(Loss)	Non-controlling Interests	Total Equity
Balance at May 31, 2021	$ 7	$ —	$ 40,269	$ (2,427)	$ 184	$ 38,033
Shares issued	—	1	—	—	11	12
Shares reacquired	—	(192)	(484)	—	(2)	(678)
Acquisition of subsidiaries with noncontrolling interest	—	—	—	—	122	122
Net earnings	—	—	6,686	—	29	6,715
Other comprehensive income	—	—	—	42	(3)	39
Share-based compensation	—	191	—	—	—	191
Dividends	—	—	(1,211)	—	(17)	(1,228)
Other	—	—	(86)	—	—	(86)
Balance at May 31, 2022	$ 7	$ —	$ 45,174	$ (2,385)	$ 324	$ 43,120
Shares issued	—	—	—	—	21	21
Shares reacquired	—	(162)	(745)	—	(7)	(914)
Purchase of noncontrolling interest	—	—	7	—	(26)	(19)
Net earnings	—	—	3,811	—	55	3,866
Other comprehensive loss	—	—	—	(756)	2	(754)
Share-based compensation	—	163	—	—	—	163
Dividends	—	—	(919)	—	(40)	(959)
Other	—	(1)	(96)	—	(2)	(99)
Balance at May 31, 2023	$ 7	$ —	$ 47,232	$ (3,141)	$ 327	$ 44,425

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

Significant accounting policies followed in preparing the consolidated financial statements are summarized below.

Nature of Business

Cargill, Incorporated and subsidiaries ("Cargill" or "the Company") is engaged in the international marketing and processing of food, agricultural, industrial and financial products and services. Operating in 70 countries worldwide, the Company markets its products principally in four geographic regions: Asia/Pacific, Europe/Africa, Latin America and North America.

Fiscal Year

The Company's fiscal year ends on May 31 each year. The consolidated financial statements include the Company's North America Animal Protein business which is wholly owned and consolidated with a 52-week or 53- week reporting period ending in May. In fiscal year 2023, the Animal Protein fiscal year consisted of 52 weeks and ended May 27, 2023. In fiscal year 2022, the Animal Protein fiscal year consisted of 52 weeks and ended May 28, 2022. The Company reports certain of its non-consolidated equity method investments on a two-month reporting lag. No material transactions or events occurred in the North America Animal Protein business or in the non-consolidated equity method investments during the intervening periods for the years ended May 31, 2023 and 2022.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Cargill, Incorporated and all entities where the Company has a controlling financial interest. Cargill is a privately held company and follows private company disclosure requirements. Intercompany accounts and transactions are eliminated in consolidation.

The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity.

Voting Interest Entities Voting interest entities are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity is consolidated. When the Company is a general partner, it considers substantive removal rights held by other parties in determining if the Company holds a controlling financial interest in a voting interest entity.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Variable Interest Entities (VIE) A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is consolidated by its primary beneficiary, which is the party that has a controlling financial interest in the entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with the (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. If the power to make the decisions that most significantly impact the economic performance of the VIE are shared by two unrelated parties, then neither party is considered to be the primary beneficiary. The Company considers power to be shared when all significant decisions require unanimous consent between unrelated parties. VIEs are consolidated using the most recent available financial information which is within three months of the Company's year-end and is consistent from period to period. Refer to Note 11, *Variable Interest Entities,* for additional disclosure of other significant accounting policies.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on knowledge of current events and actions expected to be undertaken in the future, actual results may ultimately differ from estimates. Significant items subject to such estimates and assumptions include estimated transaction price of the Company's revenue contracts; the useful lives of fixed assets; allowances for doubtful accounts; the valuation of derivatives, deferred tax assets, fixed assets, inventory, investments, lease liabilities, right-of-use assets and acquired assets and liabilities; and reserves for employee benefit obligations, income tax uncertainties, and other contingencies.

Cash, Cash Equivalents, and Restricted Cash

Cash equivalents consist of short-term, highly liquid investments with original maturities of 90 days or less. Restricted cash includes cash that is restricted to withdrawal or usage and primarily consists of collateral posted against our derivative positions. These restricted cash balances are classified within other current assets on the Consolidated Balance Sheets. Restricted cash is included with cash and cash equivalents when reconciling the period start and period end total amounts shown on the Consolidated Statements of Cash Flows.

Short-term Investments

Short-term investments include highly liquid investments with original maturities greater than 90 days, but less than one year. These are primarily short-term deposits accounted for at cost.

Trade Accounts Receivable

Trade accounts receivable is stated at historical carrying amounts net of write-offs and allowances for doubtful accounts. The Company establishes an allowance for doubtful trade accounts receivable based on its history of write-offs, level of past-due accounts, and specific customer collection issues. Uncollectible accounts are written off when a settlement is reached for an amount below the outstanding historical balance or when the Company has determined collection is not probable.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Resale and Repurchase Agreements

Financial instruments purchased with agreements to resell (reverse repurchase agreements) and financial instruments sold with agreements to repurchase (repurchase agreements) are treated as collateralized financing transactions and are recorded at the amount at which the financial instruments were initially acquired or sold, including accrued interest. Interest income is recorded on reverse repurchase agreements and interest expense is recorded on repurchase agreements.

It is the Company's policy to take delivery of financial instruments purchased with agreements to resell. Financial instruments purchased with agreements to resell were classified as short-term investments in the accompanying Consolidated Balance Sheets and were $103 million and $105 million at May 31, 2023 and 2022, respectively. The Company has the ability to sell or repledge the securities. The Company monitors the market value of the securities to be resold daily and obtains additional collateral when deemed appropriate. The market value of the collateral received for securities to be resold totaled $125 million and $120 million at May 31, 2023 and 2022, respectively.

The collateral pledged for the financial instruments sold with agreements to repurchase consists of trading securities, short-term investments, and notes receivable and totaled $1,505 million and $2,211 million at May 31, 2023 and 2022, respectively. The repurchase agreements as of May 31, 2023 all have maturities of less than 30 days, with the exception of $7 million which is due in 60 days or less. The May 31, 2023 payable balance of $1,481 million is collateralized as follows: $287 million by trading securities, $27 million by short-term investments, and $1,191 million by notes receivable. The repurchase agreements as of May 31, 2022 all had maturities of less than 30 days, with the exception of $13 million which was due in 60 days or less. The May 31, 2022 payable balance of $2,209 million is collateralized as follows: $163 million by trading securities, $277 million by short-term investments, and $1,771 million by notes receivable. The transferees have the right to repledge the collateral. The Company offsets resale and repurchase agreements that meet the applicable netting criteria.

Trading Securities

Trading securities are carried at fair value with realized and unrealized gains and losses included in the determination of net earnings.

Loans

Loans receivable are recorded in Accounts receivable, notes receivable, and accrued income, net or Other assets in the Consolidated Balance Sheets dependent upon the duration of the related receivable. Loans receivable are stated at historical carrying amounts net of write-offs and allowances for doubtful accounts and are expected to be settled through payment of principal. Uncollectible accounts are written off when a settlement is reached for an amount below the outstanding historical balance or when the Company stops collection efforts. Loans receivable are considered impaired, based on current information and events, when the Company determines its probable that all amounts due under the original terms of the receivable will not be collected. Recognition of interest income is suspended once the loan is impaired. As of May 31, 2023, there were $530 million of loan receivables that were 90 days or more past due, but do not meet the impairment criteria.

Loans held for sale are carried at the lower of cost or fair value. The estimated fair value is based on a discounted cash flow analysis. Loans held for sale were $916 million and $223 million at May 31, 2023 and 2022, respectively and are recorded in Other current assets in the Consolidated Balance Sheets.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Investments in Equity and Debt Securities

Investments in companies where Cargill does not have a controlling financial interest, but has the ability to exercise significant influence, are accounted for by the equity method. Net earnings include Cargill's share of net income in these companies. Advances to equity method investments are accounted for at amortized cost.

Cargill accounts for investments in equity securities where it does not exercise significant influence over operating and financial decisions at fair value, if readily determinable. Unrealized gains and losses on these investments are included in the determination of net earnings. The Company has elected the measurement alternative for investments in equity securities without readily determinable fair values. As such, these investments are measured at cost, less any impairment, plus or minus any changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. The carrying value for those investments where the Company elected the measurement alternative was $214 million and $199 million at May 31, 2023 and 2022, respectively. There were no mark-to-market adjustments recognized for the investments using the measurement alternative for the year ended May 31, 2023 and $42 million of mark-to-market adjustments for the year ended May 31, 2022.

Debt securities classified as available for sale are recognized at fair value with unrealized gains and losses included in other comprehensive income.

Derivatives

Derivative instruments, including swaps, futures contracts, forward commitments, options and other similar types of contracts and commitments are traded by the Company to manage exposures associated with commodity prices, freight costs, foreign currency exchange rates, interest rates and energy costs.

These instruments are carried at their fair value, with realized and unrealized gains and losses included in the determination of net earnings, unless the Company has elected a normal purchases normal sales exception, or has documented and qualified for hedge accounting, in which case the instrument is recorded at fair value with changes in fair value recorded in accumulated other comprehensive loss ("AOCI") until the item affects earnings.

Refer to Note *27, Derivative Instruments and Hedging Activities* for additional information on derivative instruments.

Trading Securities Sold, Not Yet Purchased

Trading securities sold, not yet purchased represent obligations of the Company to deliver specified securities at a contracted price. These transactions result in off-balance-sheet market risk as the Company's ultimate obligation for trading securities sold, not yet purchased may exceed the amounts recognized in the Consolidated Balance Sheets. Trading securities sold, not yet purchased were classified as Accounts payable, accrued expenses, and other in the accompanying Consolidated Balance Sheets and were $22 million and $83 million at May 31, 2023 and 2022, respectively.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Inventories

Certain agricultural inventories that meet the requirements for mark-to-market treatment are stated principally at selling price. Other inventory is stated principally at either the lower of cost or net realizable value, determined by either the first-in, first-out (FIFO) or weighted average method, or the lower of cost or market, determined by the last-in, first-out (LIFO) method. Selling price is primarily determined from market prices quoted on public commodity exchanges, adjusted for expected freight costs to normal delivery points and a price premium or discount to cover local supply and demand factors as estimated by management. The availability and market price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, plantings, domestic and foreign government farm programs and policies, global production, geo-political matters and other factors. The Company manages the risk of market fluctuations of these inventories through utilization of futures and options, forward contracts, and foreign exchange contracts.

Owned Property, Plant and Equipment

Owned property, plant and equipment is stated at cost. Costs of significant assets include capitalized interest incurred during the construction and development period. Repairs and maintenance costs are expensed when incurred. Assets are placed in service on the date they are ready and available for intended use.

Depreciation and amortization is primarily determined on the straight-line method over the estimated useful lives of the assets. Buildings are generally depreciated over 15 to 40 years. Machinery and equipment and transportation equipment are generally depreciated over 4 to 15 years. Software is generally depreciated over 4 to 8 years.

The Company periodically evaluates the carrying amount of these long-lived assets for impairment when events and circumstances indicate the carrying amount of an asset group may not be recoverable. An impairment loss on assets held and used would be recognized when estimated undiscounted future cash flows from the operation and disposition of the asset group are less than the carrying amount of the asset group. Asset groups have identifiable cash flows and are largely independent of other asset groups. Measurement of an impairment loss would be based on the excess of the carrying amount of the individual assets over its fair value. Fair value is measured using a discounted cash flow model, market data, or independent appraisals, as appropriate.

Goodwill

Goodwill is not amortized, but is tested annually in the third quarter for impairment and reviewed for indicators of impairment at each quarter end, in between annual tests. Impairment testing for goodwill is done at a reporting unit level and the impairment loss is measured as the amount by which the carrying value of the reporting unit's net assets exceeds its estimated fair value.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Intangible Assets

Intangible assets principally consist of trademarks, customer relationships, land use rights, and other intangible assets resulting from or related to businesses and assets purchased by the Company. Definite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 2 – 25 years. The Company reviews amortizing intangible assets for possible impairment as part of a long-lived asset group whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. An impairment loss on amortizing intangible assets would be measured and recognized similar to property, plant and equipment.

The Company reviews indefinite-lived intangible assets, principally comprised of certain trademarks, annually for impairment during the third quarter, and more frequently if events and circumstances indicate that the asset might be impaired. The impairment test for indefinite-lived intangible assets encompasses calculating a fair value of an indefinite-lived intangible asset and comparing the fair value to its carrying value. If the carrying value exceeds the fair value, an impairment loss equal to the excess carrying value is recorded.

Asset Retirement Obligations

The Company incurs obligations related to the retirement of certain long-lived assets. The fair values of these retirement obligations are recorded as liabilities on a discounted basis at the time the obligations are incurred. These liabilities are classified in Other liabilities in the Consolidated Balance Sheets. Upon recognition of the liability, the cost is capitalized as part of the related long-lived asset and depreciated over the estimated useful life of the related asset. Accretion expense in connection with the discounted liability is recognized up to the estimated settlement date. The Company's asset retirement obligations were $110 million and $116 million at May 31, 2023 and 2022, respectively.

Pension and Postretirement Plans

The Company and its subsidiaries have various defined benefit pension and postretirement benefit plans covering most of its domestic employees and many of its foreign employees. The benefits are based on age, years of service and compensation levels during the final years before retirement.

The Company records annual amounts relating to its pension and postretirement plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in accumulated other comprehensive loss and amortized to net periodic cost using the corridor method. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

Service costs are recognized as employees render the services necessary to earn the pension and postretirement benefits. Actuarial gains and losses for active plans are amortized over the average remaining service life of the active employees. While for plans that have been frozen for future benefit accruals, the actuarial gains and losses are amortized over the remaining life expectancy of the inactive participants.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Revenue Recognition

The Company recognizes revenue from the sale of commodities and processed products such as food ingredients, animal feed, protein and salt to customers such as food and beverage manufacturers, food service companies, retailers, feed manufacturers and distributors, and farmers, when control of the commodity or product has transferred to the customer. Control generally transfers to the customer at a single point time upon shipment or delivery of the commodity or processed product depending on the terms of the contract. Service revenue, primarily generated from transportation and storage activities, is recognized over time based on the output method as the Company performs the service for the customer. The output method is applied based on the Company's performance to date, time elapsed, or results achieved.

Sales that are primarily of a financial nature, such as those related to trade structured financing and risk management solutions, are recorded net, including unrealized gains and losses on derivative contracts. Margins earned on such transactions are included in sales and other revenues.

For physically settled commodity sales contracts accounted for as derivatives, the Company recognizes gross revenue when control of the commodity is transferred.

Share-Based Payment Plans

As discussed more fully in Note 22, *Share-Based Payment Plans*, the Company recognizes expense for its share-based compensation based on the fair value of the awards that are granted. Measured compensation cost is recognized ratably over the service period of the related share-based compensation award. The Company recognizes the impact of any forfeitures when they occur.

Interest Income

Advances to suppliers and loan financing receivables bear interest at contractual rates that reflect current market interest rates at the time of the transaction. Interest income is calculated based on the terms of the individual agreements and is recognized on an accrual basis.

Shipping and Handling Costs

Shipping and handling costs related to contracts with customers for sale of goods are accounted for as a fulfillment activity and are included in Cost of sales and other revenues. Amounts billed to customers for such costs are included in Sales and other revenues.

Transaction Taxes

The Company excludes transaction taxes collected from customers and remitted to governmental authorities from revenue.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Income Taxes

The Company and substantially all domestic subsidiaries are members of a group, which files a consolidated Federal income tax return. Federal income taxes or tax benefits are allocated to each subsidiary on the basis of its individual taxable income or loss and tax credits included in the return. Deferred income taxes are recognized for tax consequences of temporary differences by applying enacted statutory tax rates, applicable to future years, to differences between the financial reporting and the tax basis of existing assets and liabilities. The Company records a valuation allowance reducing deferred tax assets when it is more likely than not that such assets will not be realized.

The Company records liabilities for uncertain income tax positions based on assessments of the technical merits of the individual tax positions. When the individual tax position has a likelihood of greater than 50% of being sustained, including resolution of any related appeals or litigation processes, a benefit is recognized. The amount of the benefit recorded is dependent upon the Company's assessment of the relevant facts and circumstances. For tax positions that are estimated to have a less than 50% likelihood of being sustained, zero tax benefit is recorded. In future periods, changes in facts, circumstances or new information may require the Company to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in results of operations and financial position in the period in which such changes occur.

It is generally the policy of the Company to reinvest unremitted earnings of foreign subsidiaries indefinitely, or for foreign subsidiaries to remit earnings only when the tax effect is minor. Accordingly, no provision has been made for income taxes that may be payable upon the remittance of such earnings.

The cumulative amount of unremitted earnings of foreign subsidiaries for which no deferred taxes have been provided at May 31, 2023 and 2022, was approximately $31.89 billion and $29.12 billion, respectively.

Refer to Note 25, *Income Taxes,* for additional disclosure of other significant accounting policies.

Net Earnings Per Share

Basic earnings per share are determined by dividing net earnings attributable to Cargill, Inc. by the weighted average number of shares outstanding. Shares outstanding include Common, Employee Stock Ownership Plan (ESOP) Common, Management, and Retiree stock. In computing diluted earnings per share, the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and the issuance of shares from stock grants. The number of additional shares is calculated by assuming stock grants are issued and options were exercised and that the proceeds from exercises were used to acquire shares at the average fair market value during the reporting period.

Cargill, Incorporated and Subsidiaries

Note 1 Summary of Significant Accounting Policies (cont.)

Foreign Currency Translation

Translation of the financial statements of foreign subsidiaries, whose functional currency is their local currency, is performed for balance sheet accounts using the current exchange rates in effect as of the balance sheet date, and for revenue and expense accounts using a monthly weighted-average exchange rate throughout the year. The translation adjustments are included in other comprehensive income.

Remeasurement gains and losses of foreign subsidiaries operating in hyperinflationary economies and foreign subsidiaries where the U.S. dollar is the functional currency are included in net earnings. Net foreign currency transaction and remeasurement results included in net earnings were a $311 million gain and $126 million gain for the years ended May 31, 2023 and 2022, respectively.

New Accounting Pronouncements Adopted

In March 2020, the FASB issued Accounting Standard Update (ASU) 2020-04, Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This standard provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued (e.g., LIBOR). ASU 2022-06 was issued in December 2022 extending the effective date of the expedients in ASU 2020-04 from December 31, 2022 to December 31, 2024. The Company has applied the expedients and exceptions provided by the amended guidance and will continue to apply such relief to impacted contracts prior to the December 31, 2024 expiry date. The adoption of the amended guidance has not had, nor is expected to have, a material impact on the consolidated financial statements.

New Accounting Pronouncements Issued but Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, which revises guidance for the accounting for credit losses on financial instruments within its scope including trade receivables. The new standard, along with related amendments, introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments and modifies the impairment model for available-for-sale debt securities. The new approach to estimating credit losses applies to most financial assets measured at amortized cost and certain other instruments. The Company will adopt this guidance on June 1, 2023 and is expected to result in a $120 - $170 million cumulative effect adjustment to decrease retained earnings. The expected adoption impact is primarily related to the Company's loan receivable portfolio.

Cargill, Incorporated and Subsidiaries

Note 2 Revenues

Revenue Recognition

Revenue is measured and recognized based on the transaction price to which the Company expects to be entitled for the product delivered or service performed as outlined in the contract with the customer. Sales and other revenues include gross sales less sales based taxes and other discounts and incentives. Discounts and incentives primarily include volume based incentives, early payment discounts and other discount arrangements which reduce the transaction price in the contract with the customer. The Company estimates the reduction to the transaction price utilizing the most likely method based on analysis of historical performance of contracts with the customer. The estimate is reassessed on a quarterly basis and adjustments are made to the accrued liability and revenue when the most likely outcome changes as a result of new information.

At contract inception, the expected timing between the transfer of control of the goods or services to the customer and receipt of payment from the customer is based upon normal contractual terms which do not exceed one year. As such, the Company has elected the practical expedient in Accounting Standard Codification 606, Revenue from Contracts with Customers (Topic 606) to not adjust the amount of consideration for the effects of a financing component.

Disaggregation of Revenues

The Company disaggregates revenues from contracts with customers by revenues recognized at a point in time versus over time. The table below presents disaggregated revenue and a reconciliation to the Sales and other revenues line on the Consolidated Statements of Earnings which includes revenues outside the scope of Topic 606 for the years ended:

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(In millions)	
Point in time	$ 81,642	$ 76,615
Over time	1,102	927
Total Topic 606 revenue	82,744	77,542
Topic 815 revenue (realized, unrealized, physically settled) [1]	92,493	86,682
Other revenues [2]	1,501	810
Total sales and other revenues	$ 176,738	$ 165,034

[1] ASC Topic 815, *Derivatives and Hedging (Topic 815)*, revenue relates to gains and losses generated from recognizing derivatives at fair value and the physical delivery or the cash settlement of the Company's sales contracts that are accounted for as derivatives and are outside the scope of Topic 606.

[2] Other revenues relate to revenues earned by means other than contracts with customers and are outside the scope of Topics 606 and 815.

Cargill, Incorporated and Subsidiaries

Note 2 Revenues (cont.)

Contract Balances

Gross receivables from contracts with customers under Topic 606 are recorded in Accounts receivable, notes receivable, and accrued income, net and were $7,332 million and $7,421 million as of May 31, 2023 and 2022, respectively. An allowance is maintained for accounts receivables for customer accounts when collectability is doubtful. Adjustments to the allowance are recorded in Selling, general and administrative expenses on the Consolidated Statements of Earnings and were immaterial for the years ended May 31, 2023 and 2022.

Contract assets relate to unbilled amounts resulting from goods already transferred to the customer where revenue recognized exceeds the amount billed to the customer and right to payment is not subject to the passage of time. Contract assets are recorded in Accounts receivable, notes receivable, and accrued income, net and were immaterial as of May 31, 2023 and 2022.

Contract liabilities arise from the Company's obligation to transfer goods or services to a customer for which the Company has already received consideration from the customer. This includes customer options which represent a material right, advance payments and deferred revenues. Contract liabilities are recorded in accounts payable and accrued expenses and were $325 million and $424 million as of May 31, 2023 and 2022, respectively.

Transaction Price Allocated to Remaining Performance Obligations

The majority of the Company's contracts with customers have one performance obligation and a contract duration of one year or less. The Company has elected the practical expedient in Topic 606 to not disclose information about remaining performance obligations that have original expected durations of one year or less.

Cargill, Incorporated and Subsidiaries

Note 3 Other Financial Statement Data

The following table provides information related to selected balance sheet accounts:

	At May 31,	
	2023	2022
	(In millions)	
Accounts receivable, notes receivable, and accrued income, net		
Trade	$ 11,290	$ 12,133
Unrealized gains on derivative contracts	3,327	5,565
Income tax receivables	698	310
Receivables from non-consolidated affiliates	299	557
Non-Trade	5,418	5,521
	21,032	24,086
Less: Allowance for doubtful accounts	603	553
Total	$ 20,429	$ 23,533
Accounts payable and accrued expenses		
Trade	$ 8,604	$ 9,876
Unrealized losses on derivative contracts	1,897	3,667
Accrued expenses	3,228	3,735
Other	3,865	4,732
Total	$ 17,594	$ 22,010

Note 4 Trading Securities

Trading securities are carried at fair value and include the following:

	At May 31,	
	2023	2022
	(In millions)	
Trading securities		
Foreign issued securities	$ 1,087	$ 316
U.S. Treasury securities	88	—
Corporate and other securities	81	180
Total	$ 1,256	$ 496

The before-tax net unrealized gain (loss) for trading securities for the years ended May 31, 2023 and 2022 were $29 million and $(29) million, respectively.

Cargill, Incorporated and Subsidiaries

Note 5 Inventories

The following is a summary of inventories:

	At May 31, 2023	At May 31, 2022
	(In millions)	
LIFO inventories		
FIFO value	$ 1,843	$ 1,766
LIFO reserve	(643)	(570)
LIFO inventories carrying value	1,200	1,196
FIFO and weighted average inventories	8,930	8,668
Inventories at selling price	7,981	13,293
Total inventories	$ 18,111	$ 23,157

Note 6 Related Party Transactions

Cargill purchases agricultural commodity products from certain of its nonconsolidated companies. Such related party purchases comprised 2% or less of total Cost of sales and other revenues for the year ended May 31, 2023 and 2022. Cargill also sells agricultural commodity products to certain of its nonconsolidated companies. Such related party sales comprised less than 1% of total Sales and other revenues for the year ended May 31, 2023 and 2022. In addition, Cargill receives services from and provides services to its nonconsolidated companies, including tolling, port handling, administrative support and other services. These services were not material to Cargill's consolidated results.

At May 31, 2023 and 2022, receivables and payables related to the above related party transactions and included in Accounts receivable, notes receivable, and accrued income, net, Accounts payable, accrued expenses, and other, Other assets, and Long-term debt, in the Consolidated Balance Sheets, were not material.

Note 7 Formation of U.S. Poultry Joint Venture

On July 22, 2022, Cargill and Wayne Farms Holdings LLC (Partner) acquired Sanderson Farms, Inc. for $4,531 million through a new equally controlled joint venture. The Partner is a holding company owned 76% by Continental Grain and 24% by BBSB Investments. The Partner contributed its wholly owned U.S. poultry production business, Wayne Farms LLC. Cargill contributed $1,402 million into the joint venture and paid the Partner $588 million to equalize the ownership shares. The newly formed joint venture called Wayne-Sanderson Farms combines the poultry production operations of Sanderson Farms, Inc. with Wayne Farms, LLC to create a best-in-class poultry company with a high-quality asset base, deep customer relationships, shared culture and values, and industry-leading management. The new joint venture has 25,000 employees at 25 poultry operations across the Southeastern United States.

Cargill reports its investment in Wayne-Sanderson Farms as a non-consolidated investment using equity method accounting and includes its 50% share of earnings in our Consolidated Statements of Earnings as Equity in net earnings of nonconsolidated companies on a two-month lag. The joint venture utilizes a 52-week or 53-week reporting period ending the last Saturday in March. At May 31, 2023, Cargill's investment of $1,803 million is included in Investments and advances in the Consolidated Balance Sheets.

Note 8 Acquisitions

Equus UK TopCo

On June 30, 2022, Cargill acquired 100 percent of Equus UK TopCo (Equus), a leading global specialty chemical provider of plastics additives, coatings and adhesives, and functional fluids such as dielectric fluids and lubricants space, for $796 million. Equus' primary manufacturing facilities are located in the United Kingdom and the Netherlands with distribution and sales in all regions of the world.

Cargill preliminarily allocated the purchase price to Equus's tangible and identifiable intangible assets acquired and liabilities assumed based on estimated fair values as of June 30, 2022. Cargill is still assessing the valuation of deferred taxes and goodwill. Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax laws.

Cargill, Incorporated and Subsidiaries

Note 8 Acquisitions (cont.)

Owensboro Grain Company
On January 11, 2023, Cargill acquired 100 percent of Owensboro Grain Company (Owensboro), a family-owned soybean processing facility and refinery located in Owensboro, Kentucky for $772 million.

Cargill allocated the purchase price to Owensboro's tangible and identifiable intangible assets acquired and liabilities assumed based on estimated fair values as of January 11, 2023. Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax laws.

A summary of the fair values of assets acquired and liabilities assumed during the year ended May 31, 2023, at the date of acquisition is as follows:

	Equus	Owensboro	Other	Total
		(In millions)		
Cash and cash equivalents	$ 12	$ 3	$ 5	$ 20
Accounts receivable	92	55	13	160
Inventories	140	205	7	352
Other current assets	4	6	4	14
Intangibles	160	263	20	443
Other assets	4	1	9	14
Goodwill	255	188	22	465
Owned property, plant & equipment	296	165	34	495
Current liabilities	(55)	(46)	(32)	(133)
Other liabilities	(112)	(68)	(18)	(198)
Net assets acquired / consideration	796	772	64	1,632
Less: Fair value of previously held equity interest	—	—	(26)	(26)
Cash paid	$ 796	$ 772	$ 38	$ 1,606

Other acquisitions for the year ended May 31, 2023 include the purchase of a controlling interest in a previously nonconsolidated animal feed joint venture as well as other immaterial transactions.

Cargill, Incorporated and Subsidiaries

Note 8 Acquisitions (cont.)

Fiscal Year 2022 Acquisitions

Acquisition of Aalst Chocolate Pte, Ltd.

On October 29, 2021, Cargill acquired 100% of the voting shares of Aalst Chocolate Pte Ltd. (Aalst), a leading chocolate and chocolate compound manufacturer located in the Singapore for $116 million.

Cargill allocated the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed based on the fair values as of October 29, 2021. Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax rules.

Acquisition of ProGold LLC

On March 1, 2022, Cargill acquired 50% of the voting shares of ProGold LLC (PG), which owns a corn wet milling facility in Wahpeton, North Dakota for $75 million. PG is a variable interest entity and Cargill is the primary beneficiary. As a result, Cargill consolidated PG and accounted for the investment as an asset acquisition. The only asset held by PG is a corn wet milling facility that is leased to Cargill. Cargill allocated the purchase price to the property, plant and equipment based on the fair values as of March 1, 2022.

A summary of the fair values of assets acquired and liabilities assumed during the year ended May 31, 2022, at the date of acquisition is as follows:

	Aalst	ProGold	Other	Total
	(In millions)			
Cash and cash equivalents	$ 17	$ —	$ 37	$ 54
Accounts receivable	6	—	13	19
Inventories	17	—	26	43
Other current assets	1	—	2	3
Intangibles	37	—	18	55
Goodwill	43	—	42	85
Owned property, plant & equipment	22	155	167	344
Current liabilities	(16)	(5)	(55)	(76)
Other liabilities	(11)	—	(47)	(58)
Net assets acquired	116	150	203	469
Less: Noncontrolling interests	—	75	47	122
Total consideration	116	75	156	347
Noncash consideration	—	—	(20)	(20)
Cash paid	$ 116	$ 75	$ 136	$ 327

Other acquisitions for the year ended May 31, 2022 included a 75% interest in a commercial-scale, renewable butanediol facility in the U.S., a 51% interest in a port terminal in the Odessa region of the Black Sea, and a 100% ownership in an epoxides business.

Cargill, Incorporated and Subsidiaries

Note 9 Disposals

During the year ended May 31, 2023, total cash proceeds from the disposal of property, nonconsolidated companies and businesses amounted to $123 million and resulted in a net before-tax gain of $60 million. This primarily relates to the sale of specialty canola seed breeding intellectual property in North America.

During the year ended May 31, 2022, total cash proceeds from the disposal of property, nonconsolidated companies and businesses amounted to $377 million and resulted in a net before-tax gain of $84 million. This primarily relates to the sale of Cargill's 50% interest in Alvean Sugar Intermediação E Agenciamento Ltda, a 100% owned subsidiary Central Energética Vale do Sapucaí Ltda.

Note 10 Transfers of Assets with Continuing Involvement

The Company sells certain trade receivables and trade related loans through established programs to various third parties, which primarily include foreign and domestic financial institutions. As part of these transactions, the Company often maintains continuing involvement with the transferred assets. The continuing involvement includes, but is not limited to servicing responsibilities and recourse obligations. Servicing responsibilities consist of the collection and remittance of cash on assets sold and are compensated through retaining a portion of the interest. Most of these transactions are accounted for as sales in accordance with accounting standards for transfers and servicing of financial assets.

Therefore, the assets transferred are removed from the Consolidated Balance Sheets and a gain or loss is recognized for the difference between the assets sold and the assets and liabilities recognized as part of these transactions. Assets and liabilities recognized as part of these transactions, including retained interests and recourse obligations are measured at fair value. In the event of customer payment default, the Company's recourse obligation on assets transferred with recourse is generally a maximum of 15 percent.

The following tables present information regarding receivable transfers by type of continuing involvement and for which the Company has received sales treatment.

	At May 31,	
	2023	2022
	(In millions)	
Assets sold balance as of		
Principal amount outstanding		
With limited recourse	$ 6,333	$ 4,859
With no recourse	2,952	3,125
Total	$ 9,285	$ 7,984

Cargill, Incorporated and Subsidiaries

Note 10 Transfers of Assets with Continuing Involvement (cont.)

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(In millions)	
Sale proceeds		
Cash proceeds from sale		
With limited recourse	$ 5,571	$ 4,273
With no recourse	9,989	9,914
Total	$ 15,560	$ 14,187

During the years ended May 31, 2023 and 2022, the recourse obligations recorded for new transfers were immaterial.

The following table presents information regarding the initial fair value of retained interests for new transfers and pre-tax gain recorded on the sale of assets with continuing involvement:

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(In millions)	
Initial fair value of retained interests for new transfers	$ 153	$ 163
Pre-tax gain recorded on the sale of assets	70	103

Transfers of financial assets that do not qualify for sale accounting are reported as secured borrowings. Accordingly, the related assets remain on the Company's balance sheet and continue to be reported and accounted for as if the transfer had not occurred. Cash proceeds from these transfers are reported as liabilities. For the years ended May 31, 2023 and 2022, the principal amount outstanding for secured borrowings was immaterial.

Cargill, Incorporated and Subsidiaries

Note 11 Variable Interest Entities

The Company enters into various types of transactions with entities that involve variable interests. Variable interests are generally defined as contractual, ownership or other economic interests in an entity that change with fluctuations in the entity's net asset value. The Company determines whether it is the primary beneficiary of a VIE based on a qualitative assessment of the VIE. This includes a review of the VIE's capital structure, contractual relationships and terms, the nature of the VIE's operations and purpose, the nature of the VIE's interests issued, and the Company's involvement with the entity. The Company also evaluates the design of the VIE and the related risks the entity was designed to expose the variable interest holders to in evaluating consolidation.

The Company has variable interests with entities that are involved in leasing, food and industrial activities. These VIEs are typically financed through debt and/or equity provided by the investors, including the Company. The investors and creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because generally they do not have sufficient equity to finance their activities without additional subordinated financial support. The Company does not generally provide financial support to any of these VIEs beyond that which is contractually required.

Cargill, Incorporated and Subsidiaries

Note 11 Variable Interest Entities (cont.)

The following table displays the carrying amount and classification of assets and liabilities of consolidated VIEs that are included in the Company's Consolidated Balance Sheets as of May 31, 2023 and 2022. The equity interests of consolidated VIEs not owned by the Company are reported as noncontrolling interests on the Company's Consolidated Balance Sheets. During the year ended May 31, 2022 the Company acquired a variable interest in an entity involved with leasing assets.

	At May 31,	
	2023	2022
	(In millions)	
Cash and cash equivalents	$ —	$ 4
Accounts receivable, notes receivable, and accrued income, net	105	58
Inventories	184	193
Other	10	14
Total current assets	299	269
Investments and advances	5	10
Other assets	19	21
Total other assets	24	31
Net property	362	382
Total assets	$ 685	$ 682
Accounts payable and accrued expenses	134	108
Total current liabilities	134	108
Other liabilities	178	202
Total liabilities	$ 312	$ 310

The assets of the consolidated VIEs can only be used to settle the liabilities of those VIEs. The creditors of the consolidated VIEs do not have recourse to Cargill.

The Company also holds variable interests in the form of loan and equity investments in a variety of VIEs for which the Company is not the primary beneficiary. The Company's involvement with nonconsolidated VIEs consists of assisting in the formation and financing of the entity and making passive debt and or equity investments. The Company is not required to consolidate these entities because the nature of its involvement with the activities of the VIEs does not give it power over decisions that significantly affect their economic performance. The classification of the Company's variable interest in these entities in the consolidated financial statements is based on the nature of the entity and the type of investment held. These investments are classified in the following captions in the accompanying Consolidated Balance Sheets: Accounts receivable, notes receivable, and accrued income, net for current receivables from nonconsolidated VIE affiliates, Inventories and Investments and advances for long term receivables and investments in nonconsolidated VIE companies accounted for using the equity method of accounting.

Cargill, Incorporated and Subsidiaries

Note 11 Variable Interest Entities (cont.)

The following table summarizes the carrying amounts of the assets and the maximum loss exposure as of May 31, 2023 and 2022, related to the Company's involvement with variable interests in nonconsolidated VIEs.

	At May 31,	
	2023	2022
	(In millions)	
Accounts receivable, notes receivable, and accrued income, net	$ 99	$ 73
Inventories	12	7
Investments and advances	62	59
Maximum exposure to loss [1]	173	140

[1] Includes maximum exposure to loss attributable to guarantees and unfunded commitments

Note 12 Foreign Operations

The following table summarizes amounts included in the accompanying consolidated financial statements for operations located outside the U.S., before elimination of intercompany accounts with domestic companies:

	At and for the Year Ended May 31,	
	2023	2022
	(In millions)	
Working capital	$ 17,232	$ 15,253
Net other assets, property and liabilities	16,342	16,055
	33,574	31,308
Less noncontrolling interests	199	191
Equity in net assets exclusive of noncontrolling interests	33,375	31,117
Net earnings of foreign operations	$ 2,432	$ 2,932

Cargill, Incorporated and Subsidiaries

Note 13 Investments and Advances

The following table is a summary of investments and advances:

	At May 31, 2023	At May 31, 2022
	(In millions)	
Nonconsolidated companies accounted for using the equity method of accounting:		
Investments	$ 4,850	$ 3,028
Advances	22	10
Investments carried at cost	214	199
Available for sale securities	109	92
Investments in private investment funds	591	679
Other miscellaneous investments	54	123
Total	$ 5,840	$ 4,131

Investments in non-consolidated companies using the equity method of accounting include a 50% interest in Wayne-Sanderson Farms, a U.S. poultry producer, a 44% interest in Ardent Mills, a U. S. flour milling company; a 50% interest in Teys, an Australian beef processing business; a 24.5% interest in Salmones Multiexport S.A., a Chilean salmon producer; and various other agricultural joint ventures.

The summarized financial information shown below includes all nonconsolidated companies accounted for using the equity method of accounting, and is based on the most recently available financial information which approximates the information as of and for the years ended May 31, 2023 and 2022.

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(In millions)	
Sales and other revenues	$ 25,587	$ 18,138
Net earnings	412	737
Cargill's equity in net earnings	107	259
Cash	$ 843	$ 886
Financial instruments	26	29
Accounts receivable	2,490	2,184
Inventories	3,172	2,867
Other assets	6,092	2,817
Property, plant and equipment	6,364	3,882
Total assets	18,987	12,665
Debt obligations	5,800	3,153
Other liabilities	3,538	3,640
Net assets	$ 9,649	$ 5,872
Cargill's equity in net assets	$ 4,850	$ 3,028

Cargill, Incorporated and Subsidiaries

Note 13 Investments and Advances (cont.)

As of May 31, 2023, $396 million of the debt obligations shown above have recourse to Cargill and are supported by Cargill guarantees with terms equal to the related debt amounts. No liability has been recorded related to these guarantees as the amount of expected obligation associated with these guarantees is immaterial. The remaining $5,404 million of debt obligations as of May 31, 2023 are non-recourse to Cargill, are collateralized by specific assets of the nonconsolidated companies and the lenders do not have recourse to any other assets of the Company.

The summarized financial information shown below includes all nonconsolidated investments in private investment funds accounted for using the equity method of accounting, and is based on the most recently available financial information, which approximates the information as of and for the years ended May 31, 2023 and 2022.

	Year Ended May 31,	
	2023	2022
	(In millions)	
Net investment income	$ 379	$ 281
Realized gains	134	578
Unrealized (losses)	(732)	(397)
Cash	270	456
Cash deposits and collateral held with brokers	129	413
Investments in securities, at fair value	2,891	4,142
Investments in loan portfolios, at fair value	1,009	1,215
Investments in special opportunities, at fair value	1,867	2,018
Receivable for securities sold	45	74
Other assets	53	77
Total assets	$ 6,264	$ 8,395
Investments in securities sold short, at fair value	50	379
Financial instruments sold with agreements to repurchase	523	593
Payable for securities purchased	7	266
Debt obligations	225	264
Margin payable	74	8
Other liabilities	48	89
Net assets	$ 5,337	$ 6,796
Equity in net assets	$ 592	$ 679

Cargill, Incorporated and Subsidiaries

Note 14 Restructuring and Asset Impairment Charges

Restructuring charges for the years ended May 31, 2023 and 2022 resulted primarily from global function and business reorganizations.

For the year ended May 31, 2023, asset impairments principally related to our China starches and sweeteners plant and poultry business. On May 25, 2023, Cargill announced it signed an agreement to sell its China poultry business to DCP Capital for $75 million. The sale is subject to regulatory approvals and is expected to close in the first quarter of fiscal 2024. The long-lived assets were written down to the expected selling price in the fourth quarter.

For the year ended May 31, 2022, asset impairments principally related to assets in our China poultry business and impairment of a trademark.

The following is a summary of restructuring and asset impairment charges:

	Year Ended May 31,	
	2023	2022
	(In millions)	
Restructuring	$ 56	$ 62
Asset impairment		
China starches and sweeteners plant	156	—
China poultry business	59	55
Intangible asset impairments	—	29
Other	30	40
Total asset impairment charges	245	124
Total restructuring and asset impairment charges	$ 301	$ 186

Note 15 Other (income) expense, net

Other income, net for the year ended May 31, 2023, includes $60 million of gains on sales of property, businesses, and nonconsolidated companies; $492 million of net foreign currency transaction and remeasurement gains, and $102 million of charitable contribution expense.

Other expense, net for the year ended May 31, 2022, includes $84 million of gains on sales of property, businesses, and nonconsolidated companies; $61 million of net foreign currency transaction and remeasurement losses, and $152 million of charitable contribution expense.

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Note 16 Property

The following is a summary of the components of property:

	At May 31, 2023	At May 31, 2022
	(In millions)	
Owned property, plant and equipment at cost:		
Land	$ 882	$ 827
Buildings	10,068	9,921
Machinery and equipment	24,098	22,919
Transportation equipment	1,168	1,102
Software	2,133	1,869
Total owned property, plant and equipment	38,349	36,638
Property under finance leases:		
Land, improvements and buildings	22	36
Machinery and equipment	9	11
Transportation equipment	513	396
Total property under finance leases	544	443
Construction in progress	3,350	2,913
Gross Property	42,243	39,994
Accumulated depreciation and amortization:		
Owned property, plant and equipment	23,877	22,867
Property under finance leases	136	57
Total accumulated depreciation and amortization	24,013	22,924
Net Property	$ 18,230	$ 17,070

Capitalized interest on major construction projects was $36 million and $15 million in the years ended May 31, 2023 and 2022, respectively.

Cargill, Incorporated and Subsidiaries

Note 17 Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the year ended May 31, 2023 and 2022, respectively, were as follows:

	At and for the Year Ended May 31,	
	2023	2022
	(In millions)	
Beginning balance	$ 3,764	$ 3,864
Additional goodwill acquired	465	85
Decrease in goodwill from disposals	(5)	(14)
Foreign currency translation and other	(113)	(171)
Ending balance	$ 4,111	$ 3,764

Acquired intangible assets consisted of the following:

	At May 31,			
	2023		2022	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
	(In millions)		(In millions)	
Amortizing intangible assets:				
Trademarks	$ 151	$ 38	$ 148	$ 29
Customer relationships	1,305	501	1,241	697
Land use rights	163	41	152	40
Other assets	303	113	225	97
Total	$ 1,922	$ 693	$ 1,766	$ 863
Indefinite-lived intangible assets:				
Trademarks	$ 330		$ 334	

Cargill, Incorporated and Subsidiaries

Note 17 Goodwill and Other Intangible Assets (cont.)

Based on the identified intangible assets recorded at May 31, 2023, the future amortization expense for the next five years is as follows:

	Amount	
Years ending May 31	(In millions)	
2024	$	141
2025		140
2026		135
2027		124
2028		112
Thereafter		577
Total	$	1,229
Amortization expense 2023	$	127
Amortization expense 2022	$	126

Note 18 Short-term Debt

Short-term debt consists of the following:

	At May 31,			
	2023		2022	
	(In millions)			
Notes payable to banks	$	1,750	$	3,010
Current portion of long-term debt and obligations under finance leases		1,350		1,129
Secured loans		—		5
Unsecured loans		351		431
Total	$	3,451	$	4,575

As of May 31, 2023, Cargill has a $1.5 billion 364-day credit facility and a $4.5 billion 5-year syndicated committed facility. These facilities were refinanced in fiscal years 2023 and 2022, respectively, and have maturity dates of October 2023 and October 2026. These credit facilities provide backup liquidity to Cargill's commercial paper and industrial revenue bond programs. Cargill had $300 million of commercial paper and $746 million industrial revenue bonds outstanding as of May 31, 2023. Commercial paper is used to finance working capital needs.

Cargill has an additional revolving 364-day credit facility with a limit of $600 million. The $600 million facility was renewed in April 2023 with a maturity date of April 2024. This credit facility is an additional source of liquidity outside of the commercial paper program. As of May 31, 2023 and 2022, the Company had no borrowings under this facility.

Cargill, Incorporated and Subsidiaries

Note 18 Short-term Debt (cont.)

Throughout fiscal year 2023, Cargill entered into uncommitted facilities in Russia including a 20 billion ruble facility that was originally secured by local assets. The collateral requirement was subsequently replaced by a guarantee from another local Cargill entity. As of May 31, 2023, facilities in Russia totaled 23.5 billion rubles, all of which were uncommitted and unsecured. There were no outstanding borrowings under these facilities as of that date.

In March 2023, Cargill entered a committed facility in Singapore in the amount of $500 million U.S. dollars, or the Japanese yen equivalent, with a maturity date of March 2024. As of May 31, 2023, there were no outstanding borrowings under this facility.

Cash paid for interest on short-term debt, long-term debt and repurchase agreements, was $867 million and $437 million in the years ended May 31, 2023 and 2022, respectively.

Note 19 Long-term Debt

On April 17, 2023, Cargill issued €500 million face value of 7 year 3.875% unsecured senior notes that mature on April 24, 2030, $600 million face value of 3 year 4.500% unsecured senior notes that mature on June 24, 2026, and $500 million face value of 10 year 4.750% unsecured senior notes that mature on April 24, 2033. The proceeds of each of these senior notes are expected to be used for general corporate purposes. Interest payments are required on a semi-annual basis.

On October 5, 2022, Cargill issued $750 million face value of 3 year 4.875% unsecured senior notes that mature on October 10, 2025 and $500 million face value of 10 year 5.125% unsecured senior notes that mature on October 11, 2032. The proceeds of each of these senior notes are expected to be used for general corporate purposes. Interest payments are required on a semi-annual basis.

On April 19, 2022, Cargill issued $500 million face value of 3 year, 3.500% unsecured senior notes (2025 Senior Notes) that mature on April 22, 2025, $500 million face value of 5 year, 3.625% unsecured senior notes (2027 Senior Notes) that mature on April 22, 2027, $650 million face value of 10 year, 4.000% unsecured senior notes (2032 Senior Notes) that mature on June 22, 2032, and $500 million face value of 30 year, 4.375% unsecured senior notes (2052 Senior Notes) that mature on April 22, 2052. The proceeds of each of these Senior Notes are expected to be used for general corporate purposes. Interest payments are required on a semi-annual basis.

On November 8, 2021, Cargill issued $1.0 billion face value of 10 year, 2.125% unsecured senior notes (2031 Senior Notes) that mature on November 10, 2031 and $250 million face value of 30 year, 3.125% unsecured senior notes (Additional 2051 Senior Notes) that mature on May 25, 2051. The proceeds of each of these Senior Notes are expected to be used for general corporate purposes. Interest payments are required on a semi-annual basis.

The Company has pledged assets of $48 million and $57 million at May 31, 2023 and 2022, respectively, as security for various long-term loans. Annual maturities of long-term debt, excluding obligations under finance leases (refer to Note *28 Leases*) are $639 million in 2025, $1,418 million in 2026, $1,221 million in 2027, $256 million in 2028, and $9,303 million thereafter.

Cargill, Incorporated and Subsidiaries

Note 19 Long-term Debt (cont.)

Long-term debt consists of the following:

	At May 31,	
	2023	2022
Senior Notes and Debentures:	(In millions)	
0.400%, $500 face value, due February, 2024	$ 500	$ 500
0.750%, $500 face value, due February, 2026	499	499
1.700%, $500 face value, due February, 2031	500	500
1.375%, $750 face value, due July, 2023	750	750
2.125%, $750 face value, due April, 2030	749	749
2.125%, $1,000 face value, due November, 2031	996	996
3.125%, $250 face value, due May, 2051	275	276
3.125%, $500 face value, due May, 2051	495	494
3.25%, $500 face value, due March, 2023	—	500
3.25%, $650 face value, due May, 2029	648	648
3.500%, $500 face value, due April 22, 2025	484	500
3.625%, $500 face value, due April 22, 2027	498	497
3.875%, $350 face value, due May, 2049	345	345
4.000%, $650 face value, due June 22, 2032	646	646
4.1%, $243 face value, due November, 2042	242	242
4.375%, $500 face value, due April 22, 2052	498	498
4.500%, $600 face value, due June 24, 2026	599	—
4.750%, $500 face value, due April 24, 2033	499	—
4.76%, $602 face value, due November, 2045	482	480
4.875% $750 face value, due October, 2025	749	—
5.125% $500 face value, due October 2032	499	—
6.125%, $162 face value, due April, 2034	160	160
6.125%, $133 face value, due September, 2036	132	132
6.625%, $197 face value, due September, 2037	196	196
6.875%, $99 face value, due February, 2036	99	99
7.25%, $91 face value, due November, 2036	91	91
7.28%, $35 face value, $5 due annually to June, 2023	5	10
7.375%, $156 face value, due October, 2025	156	156
7.5%, $105 face value, due September, 2026	105	105
8.93%, $100 face value, due December, 2024	100	100
U.S. Medium Term Notes:		
6.875%, $90 face value, due May, 2028	90	90
7.41%, $99 face value, due June, 2027	99	99
7.07% to 7.3%, $78 face value, due in various installments to November, 2028	78	78
European Medium Term Notes:		
2.5%, €500 face value, due February, 2023	—	536
3.875%, €500 face value, due April, 2030	532	—
5.375%, £150 face value, due March, 2037	185	189
Industrial Revenue Bonds:		
.0875% to 8.85%, due in various installments to December, 2049	1,015	989
Obligations under finance leases	407	380
Obligations of foreign subsidiaries	134	150
Other, net of debt issuance costs	(37)	(28)
Total long-term debt including current portion	14,500	12,652
Less current portion	1,350	1,129
Total long-term debt	$ 13,150	$ 11,523

Cargill, Incorporated and Subsidiaries

Note 20 Capital Stock

All of the following classes of stock are equal in preference, except that the preferred stock and special preferred stock are senior to all other classes of stock. All of the classes of stock have the same voting rights, except for the retiree stock and special management stock, which have no voting rights. The preferred stock and special preferred stock receive 5% cumulative dividends, and all other classes of stock receive dividends at the same rate.

The following summarizes transactions in the Company's capital stock:

	Issued	Outstanding	Amount
	(Shares in thousands)		(In millions)
Preferred stock			
5% cumulative dividend, $50 par value; 400,000 shares authorized:			
Balance at May 31, 2021, 2022, and 2023	199	—	$ —
Special preferred stock			
5% cumulative dividend, $50 par value; 10,000 shares authorized:			
Balance at May 31, 2021, 2022, and 2023	6	6	$ 0.3
Common stock			
$.01 par value; 2,400,000 shares authorized:			
Balance at May 31, 2021, and 2022	1,802,808	679,487	$ 6.8
Acquired for treasury	—	(4,463)	$ —
Balance at May 31, 2023	1,802,808	675,024	$ 6.8
ESOP common stock			
$.01 par value; 500,000,000 shares authorized:			
Series A ESOP common stock			
125,000,000 shares designated:			
Balance at May 31, 2021	115,875	30,591	$ 0.3
Acquired for treasury	—	(1,673)	—
Balance at May 31, 2022	115,875	28,918	0.3
Acquired for treasury	—	(538)	—
Balance at May 31, 2023	115,875	28,380	$ 0.3

Cargill, Incorporated and Subsidiaries

Note 20 Capital Stock (cont.)

	Issued	Outstanding	Amount
	(Shares in thousands)		(In millions)
Series B ESOP common stock			
50,000,000 shares designated:			
Balance at May 31, 2021, 2022, and 2023	2,897	—	$ —
Management stock			
$.01 par value; 321,000,000 shares authorized:			
Balance at May 31, 2021	107,850	2,573	$ —
Acquired for treasury	—	(2,609)	—
Issued from treasury under employee compensation plans	—	2,971	—
Balance at May 31, 2022	107,850	2,935	—
Acquired for treasury	—	(2,088)	—
Issued from treasury under employee compensation plans	—	2,025	—
Balance at May 31, 2023	107,850	2,872	$ —
Retiree stock			
$.01 par value; 71,500,000 shares authorized:			
Balance at May 31, 2021	20,015	2,196	$ —
Acquired for treasury	—	(1,593)	—
Issued from treasury	—	1,337	—
Balance at May 31, 2022	20,015	1,940	—
Acquired for treasury	—	(1,090)	—
Issued from treasury	—	814	—
Balance at May 31, 2023	20,015	1,664	$ —
Special management stock			
$.01 par value; 3,500,000 shares authorized:			
Balance at May 31, 2021, 2022, and 2023	500	—	$ —

At May 31, 2023 and 2022, the Company held 1,342,205 thousand and 1,336,864 thousand shares of treasury stock, respectively, at cost.

Cargill, Incorporated and Subsidiaries

Note 21 Dividends on Capital Stock

The Company generally pays cash dividends on its capital stock. The following summarizes the dividends declared per share:

	Year Ended May 31,	
	2023	2022
	($ per share)	
Preferred and Special preferred	$ 1.250	$ 3.750
Common	1.285	1.675
ESOP common	1.285	1.675
Management	1.285	1.675
Retiree	1.285	1.675

Note 22 Share-Based Payment Plans

Cargill has a Long-Term Incentive Plan (the Plan) designed to reward employees for creating sustained stockholder value, to encourage ownership of Cargill stock, to foster teamwork, and to retain and motivate high-caliber executives while aligning their interests with those of our shareholders. Plan awards consist of three components: stock options, restricted stock units, and performance share units. The Company establishes Plan grant levels based on the following criteria: company performance, current market practice, peer group data, and the number of shares available under the Plan. Awards granted in previous years are not a factor in determining the current year's Plan award; nor is potential accumulated wealth.

The Company's annual stock option, performance share unit, and restricted stock unit grant is made in September to provide a strong and immediate link between the performance of individuals during the preceding year and the size of their annual stock compensation grants. The grant to eligible employees uses the closing stock price on the grant date. The Company settles awards under the Plan with treasury shares.

Compensation expense associated with share-based awards is recognized on a straight-line basis over the shorter of the vesting period or the minimum required service period and reflects actual forfeitures. Share-based compensation expense recognized in the Consolidated Statements of Earnings was $182 million and $210 million in the years ended May 31, 2023 and 2022 respectively.

Stock Options

Stock options to purchase shares of Management Stock are issued at fair market value on the date of grant. Options granted prior to 2014 may be exercised after three years (cliff vesting) and expire ten years from the grant date. Options granted in 2014 and thereafter may be exercised after one year (three year graded vesting) and expire ten years from the grant date.

Cargill, Incorporated and Subsidiaries

Note 22 Share-Based Payment Plans (cont.)

A summary of stock option activity under the Plan is as follows:

	Shares	Weighted average exercise price	Weighted average remaining contractual life (Years)
Balance at May 31, 2021	23,175,741	$ 56.49	6.0
Granted	3,964,034	89.24	
Forfeited/expired	(195,215)	78.35	
Exercised	(8,765,340)	52.91	
Balance at May 31, 2022	18,179,220	65.12	6.2
Granted	1,780,707	90.12	
Forfeited/expired	(358,426)	84.15	
Exercised	(6,589,003)	58.44	
Balance at May 31, 2023	13,012,498	71.40	6.1
Exercisable at May 31, 2023	7,255,727	63.68	4.9

Using the Black-Scholes option-pricing model, the weighted average fair value of options granted was estimated based on weighted average assumptions as follows:

	Year Ended May 31, 2023	Year Ended May 31, 2022
Weighted average fair value	$ 13.23	$ 9.01
Risk free interest rates	3.38 %	1.02 %
Expected life	6.0 years	6.0 years
Expected dividend yield	1.83 %	1.45 %
Expected volatility	12.58 %	12.65 %

Risk free interest rates reflect the yield on U. S. Treasury securities and use the same expected life as the term. Expected lives are based on the average period of time the options are expected to be outstanding. Expected volatility is based on the historic volatility of Company stock.

The total intrinsic value of stock options exercised was $213 million and $336 million in the years ended May 31, 2023 and 2022, respectively. At May 31, 2023, total unrecognized compensation expense of nonvested stock options was $13 million. That expense is expected to be recognized over a weighted average period of 1.4 years. The total fair value of stock options vested during the years ended May 31, 2023 and 2022 was $33 million and $28 million, respectively.

Restricted Stock Units

Restricted stock units give recipients the right to receive shares of Management Stock upon satisfaction of continued service vesting requirements. Restricted stock units are granted with a fair value equal to the Company's stock price on the date of grant and vest in one to ten years.

Cargill, Incorporated and Subsidiaries

Note 22 Share-Based Payment Plans (cont.)

A summary of restricted stock unit activity under the Plan is as follows:

	Shares	Weighted average grant date fair value (Per Share)	Weighted average remaining contractual life (Years)
Balance at May 31, 2021	3,252,985	$ 63.25	1.0
Granted	1,198,240	89.54	
Forfeited/expired	(95,185)	72.38	
Vested	(1,560,309)	61.80	
Balance at May 31, 2022	2,795,731	75.18	1.0
Granted	1,928,847	89.76	
Forfeited/expired	(175,908)	86.56	
Vested	(1,360,531)	70.02	
Balance at May 31, 2023	3,188,139	85.57	1.2

At May 31, 2023, total unrecognized compensation expense of nonvested restricted stock units was $113 million. That expense is expected to be recognized over a weighted average period of 1.8 years. The total intrinsic value of restricted stock units vested during the years ended May 31, 2023 and 2022 was $123 million and $140 million, respectively.

Performance Share Units

Performance share units are issued to certain executive employees and represent shares potentially issuable in the future. The number of shares to be issued is based on the Company's return on invested capital performance relative to target and adjusted operating earnings growth relative to peers over a three-year performance period. The number of shares of Management Stock that could be delivered at the end of the three-year performance period may be anywhere from 0% to 200% of each performance share unit granted, depending on the performance of the Company during such performance period. The fair value of performance share unit is calculated based on the stock price on the date of grant. Each performance share unit cliff vests three years from the grant date.

Cargill, Incorporated and Subsidiaries

Note 22 Share-Based Payment Plans (cont.)

A summary of performance share unit activity under the Plan is as follows:

	Shares	Weighted average grant date fair value (Per Share)	Weighted average remaining contractual life (Years)
Balance at May 31, 2021	1,211,884	$ 62.67	1.4
Granted	400,931	89.24	
Forfeited/expired	(23,505)	76.13	
Performance change	332,562	60.66	
Vested	(663,972)	60.66	
Balance at May 31, 2022	1,257,900	71.90	1.3
Granted	348,811	90.12	
Forfeited/expired	(50,735)	83.96	
Performance change	361,164	64.48	
Vested	(722,328)	64.48	
Balance at May 31, 2023	1,194,812	78.95	1.1

The expense recognized each period is dependent upon the Company's estimate of the number of shares that will ultimately be issued at the end of the performance period. At May 31, 2023, there was $24 million of compensation expense that has yet to be recognized related to performance share units. This expense is expected to be recognized over a weighted average period of 1.8 years. The total intrinsic value of performance share units vested during the years ended May 31, 2023 and 2022 was $65 million and $59 million, respectively.

Note 23 Employee Stock Ownership Plan

In February 1992, the Company established an Employee Stock Ownership Plan (ESOP). The ESOP common stock pays a dividend equal to the dividends on common stock. A dividend of $1.285 per share was declared for the year ended May 31, 2023. The Company is obligated to make additional contributions to the ESOP when funding shortfalls occur.

The ESOP covers most U.S. non-union employees and allocates shares to employees as a substitute for certain pension and retiree health care benefits and as a 401K contribution match of 100% on the first 3% of pay and a 50% match on the next 2% of pay. ESOP income included in net earnings consists of dividends received less expenses determined on a shares-allocated method, and was zero dollars for both years ended May 31, 2023 and 2022.

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits

The Company and its subsidiaries have defined benefit pension plans covering most of their domestic employees and many of their foreign employees. Most pension plans have been closed to new participants, who have been transitioned to defined contribution plans. Benefits are based on years of service and compensation. U.S. pensions are funded in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006. Foreign pensions are funded in compliance with local laws and practices. The Company uses a measurement date of May 31 for its pension and postretirement benefit plans.

In addition to providing pension benefits, the Company and certain subsidiaries provide health care and some life insurance benefits for certain retired employees. The Company records the expected cost of retiree health benefits as an expense during the service lives of employees.

The following summarizes the key components of the defined benefit pension plans and postretirement benefit plans for domestic and foreign companies as of and for the years ended May 31:

	Pension plans		Postretirement plans	
	Year Ended May 31,		Year Ended May 31,	
	2023	2022	2023	2022
	(In millions)			
Change in benefit obligations:				
Benefit obligation at beginning of year	$ 7,120	$ 9,256	$ 141	$ 171
Service cost	76	89	1	2
Interest cost	252	172	5	4
Actuarial (gain) loss	(740)	(1,631)	(10)	(20)
Currency fluctuations	(54)	(456)	—	(2)
Plan amendments	1	2	—	—
Acquisitions / divestitures	219	4	1	—
Benefits paid	(336)	(317)	(11)	(13)
Other	3	1		(1)
Benefit obligation at end of year	$ 6,541	$ 7,120	$ 127	$ 141

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits (cont.)

	Pension plans		Postretirement plans	
	Year Ended May 31,		Year Ended May 31,	
	2023	2022	2023	2022
	(In millions)		(In millions)	
Change in plan assets:				
Fair value at beginning of year	$ 6,888	$ 8,131	$ —	$ —
Actual return on plan assets	(483)	(652)	—	—
Employer contributions	133	151	11	13
Benefits paid	(336)	(317)	(11)	(13)
Currency fluctuations	(52)	(433)	—	—
Acquisitions / divestitures	225	4	—	—
Other	3	4	—	—
Fair value at end of year	$ 6,378	$ 6,888	$ —	$ —
Funded status as of May 31	$ (163)	$ (232)	$ (127)	$ (141)
Amounts recognized in the balance sheet:				
Noncurrent assets	$ 570	$ 662	$ —	$ —
Current liabilities	(43)	(42)	(11)	(12)
Noncurrent liabilities	(690)	(852)	(116)	(129)
Net liability	$ (163)	$ (232)	$ (127)	$ (141)
Amounts recognized in accumulated other comprehensive loss consist of:				
Net actuarial loss / (gain)	$ 1,253	$ 1,206	$ (25)	$ (19)
Net prior service credit	(38)	(46)	(2)	(8)
Total	$ 1,215	$ 1,160	$ (27)	$ (27)

The Company's pension plans with projected benefit obligations in excess of plan assets as of May 31 were as follows:

	At May 31,	
	2023	2022
	(In millions)	
Projected benefit obligations	$ 3,141	$ 2,653
Fair value of plan assets	2,408	1,759

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits (cont.)

The net periodic benefit cost of the Company's pension and postretirement plans were as follows:

	Pension plans		Postretirement plans	
	Year Ended May 31,		Year Ended May 31,	
	2023	2022	2023	2022
	(In millions)		(In millions)	
Net periodic benefit costs:				
Service cost	$ 76	$ 89	$ 1	$ 2
Interest cost	252	172	5	4
Expected return on assets	(325)	(312)	—	—
Amortization	8	56	(9)	(8)
Other	2	5	—	—
Total	$ 13	$ 10	$ (3)	$ (2)

The weighted average assumptions used to determine benefit obligations and net benefit cost were as follows:

	Pension plans		Postretirement plans	
	Year Ended May 31,		Year Ended May 31,	
	2023	2022	2023	2022
Weighted average assumptions used to determine benefit obligations:				
Discount rate	5.0 %	3.9 %	5.0 %	4.0 %
Rate of increase in compensation levels	4.1 %	3.6 %	3.0 %	3.0 %
Expected long-term rate of return on plan assets	5.1 %	4.6 %	—	—
Weighted average assumptions used to determine net benefit cost:				
Discount rate for benefit obligations	3.9 %	2.4 %	4.0 %	2.5 %
Rate for interest on benefit obligations	3.7 %	2.0 %	3.9 %	2.2 %
Discount rate for service cost	3.2 %	2.1 %	1.9 %	1.0 %
Rate for interest on service cost	3.1 %	2.0 %	1.9 %	1.0 %
Rate of increase in compensation levels	3.6 %	3.0 %	3.0 %	3.0 %
Expected long-term rate of return on plan assets	4.6 %	4.2 %	—	—

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits (cont.)

The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the measurement date. The U.S. rate was determined using a cash flow matching technique whereby the rates of a yield curve, developed by the Company's actuary from high-quality debt securities, were applied to the expected benefit obligations to determine the appropriate discount rate. For the Company's non-U.S. plans, discount rates were derived using the respective yield curves, based on appropriate local market data and conditions. For non-U.S. countries where the market for high-quality long-term corporate bonds is not deep enough to construct a yield curve, discount rates are based on comparable indices of long-term corporate or government bonds. When government bonds are used to determine the discount rate, a credit risk spread may be added to approximate corporate bond yields.

The rate of increase in compensation levels is determined by the Company based upon the long-term plans for such increases.

The expected long-term rate of return on U.S. plan assets is based on the strategic asset allocation of the plan using forward-looking expected returns provided by the Company's actuary and other external investment professionals for each asset category represented in the investment program. The rate of return for non-U.S. plans is calculated on a plan-by-plan basis using plan asset allocations and expected returns.

Assumed health care trend rates used to measure the expected cost of benefits covered by the postretirement plans were as follows:

	Year Ended May 31,	
	2023	**2022**
Weighted average assumptions used to determine benefit obligations:		
Health care cost trend rate assumed	5.1 %	5.3 %
Ultimate health care cost trend rate	4.0 %	3.9 %
Year that the rate reaches the ultimate trend rate	2030	2029
Weighted average assumptions used to determine net postretirement cost:		
Health care cost trend rate assumed	5.3 %	5.4 %
Ultimate health care cost trend rate	3.9 %	3.8 %
Year that the rate reaches the ultimate trend rate	2029	2029

The Company reviews external data and its own historical trends for health care costs to determine the health care cost trend rates for the postretirement medical benefit plan.

In the year ending May 31, 2024, the Company estimates it will contribute $102 million to the domestic and foreign pension plans and $12 million to the postretirement plans.

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits (cont.)

Following are expected pension and postretirement benefit payments for the next five years and in the aggregate for the five years thereafter:

Year ending May 31	Pension Plans	Postretirement Plans
	(In millions)	
2024	$ 360	$ 12
2025	349	11
2026	361	11
2027	376	10
2028	382	10
Next five years (aggregate)	2,048	45

The investment objective for the defined benefit plans is to secure the benefit obligations to participants at a reasonable cost to the Company by optimizing long-term return on plan assets at an acceptable level of risk. To achieve the investment objective, the investment policy includes a target strategic asset allocation. The target allocation is diversified across broad asset categories. Within asset categories, the portfolio is further diversified across investment strategy, style, geography, and investment manager. A portion of the assets are matched to the interest rate profile of the benefit obligation through long duration fixed income securities. Actual allocations to broad asset categories may vary around the long-term target allocation based on market fluctuations. Rebalancing to the target allocation will occur when actual allocations move outside of acceptable ranges around the target. Plan assets are held in trusts and managed by external investment managers.

The Company's weighted average retirement plan asset allocation and the target by asset category are as follows:

	2023 Target	Plan assets as of May 31, 2023	2022 Target	Plan assets as of May 31, 2022
Asset Category:				
Equity securities	14 %	16 %	26 %	14 %
Debt securities	72 %	61 %	36 %	43 %
Real estate	5 %	7 %	2 %	5 %
Cash and cash equivalents	1 %	7 %	22 %	25 %
Other assets	8 %	9 %	14 %	13 %
Total	100 %	100 %	100 %	100 %

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits (cont.)

The fair values of the assets held by the defined benefit plans as of May 31, 2023, by asset category are as follows:

	Fair value measurements using inputs considered as			Fair value at May 31, 2023
	Level 1	Level 2	Level 3	
Asset Category:	(In millions)			
Equity securities [1]:				
U.S.	$ 252	$ —	$ —	$ 252
Non-U.S.	197	73	—	270
Debt securities [2]:				
Government bonds	481	2	—	483
Corporate bonds and other	918	681	—	1,599
Real estate [3]	—	—	24	24
Private equity [3]	—	—	20	20
Cash and cash equivalents	369	—	—	369
Other	21	(51)	78	48
Subtotal	2,238	705	122	3,065
Investments valued at net asset value [4]				3,313
Total	$ 2,238	$ 705	$ 122	$ 6,378

Cargill, Incorporated and Subsidiaries

Note 24 Pension and Other Postretirement Benefits (cont.)

The fair values of the assets held by the defined benefit plans as of May 31, 2022, by asset category are as follows:

	Fair value measurements using inputs considered as			Fair value at May 31, 2022
	Level 1	Level 2	Level 3	
Asset Category:	(In millions)			
Equity securities [1]:				
U.S.	$ 29	$ —	$ —	$ 29
Non-U.S.	107	—	—	107
Debt securities [2]:				
Government bonds	536	—	—	536
Corporate bonds and other	15	698	—	713
Real estate [3]	—	—	2	2
Private equity [3]	—	—	74	74
Cash and cash equivalents	1,647	—	—	1,647
Other	15	(9)	93	99
Subtotal	2,349	689	169	3,207
Investments valued at net asset value [4]				3,681
Total	$ 2,349	$ 689	$ 169	$ 6,888

[1] Consists of individual securities valued at the closing price on the major stock exchange on which they are traded and are classified as level 1 within the valuation hierarchy.

[2] Government issued bonds are valued at the closing price reported in the active market in which the individual security is traded and are classified as level 1. Corporate bonds, along with other bonds and notes, are valued at either the yields currently available on comparable securities or valued under a discounted cash flow model. Individual corporate bonds held by the trust are classified as level 2.

[3] Consists of interests in limited partnerships that invest in real estate, private equity and hedge funds. Real estate includes debt and equity investments. Private equity includes debt and equity investments and is diversified across buyouts, growth capital, distressed debt, mezzanine debt, and venture capital. Real estate and private equity valuations are classified as level 3. Hedge fund investments are diversified by manager, geography and strategy.

[4] Primarily common collective trust funds, real estate, private equity and hedge funds that are measured at fair value using the net asset value per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy.

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Note 24 Pension and Other Postretirement Benefits (cont.)

The following table sets forth a summary of changes in the fair values of the pension plans' level 3 assets for the year ended May 31, 2023:

	Fair value at May 31, 2022	Realized/ unrealized gains (losses)	Net purchases, sales and settlements	Net transfers in and out of Level 3	Fair value at May 31, 2023
			(In millions)		
Real Estate	$ 2	$ —	$ 22	$ —	$ 24
Private equity	74	—	(54)	—	20
Other	93	(15)	—	—	78
Total	$ 169	$ (15)	$ (32)	$ —	$ 122

The following table sets forth a summary of changes in the fair values of the pension plans' level 3 assets for the year ended May 31, 2022:

	Fair value at May 31, 2021	Realized/ unrealized gains (losses)	Net purchases, sales and settlements	Net transfers in and out of Level 3	Fair value at May 31, 2022
			(In millions)		
Real Estate	$ 26	$ —	$ (24)	$ —	$ 2
Private equity	10	—	64	—	74
Other	132	(39)	—	—	93
Total	$ 168	$ (39)	$ 40	$ —	$ 169

The Company sponsors defined contribution plans covering both domestic and foreign employees. The general purpose of these plans is to provide additional financial security during retirement by providing employees with an incentive to make regular savings. The Company's expense for payments made to defined contribution plans was $150 million and $141 million for the years ended May 31, 2023 and 2022, respectively.

Cargill, Incorporated and Subsidiaries

Note 25 Income Taxes

U.S. and foreign income tax expense is made up of the following components:

	Year Ended May 31,	
	2023	2022
	(In millions)	
United States:		
Current	$ 184	$ 937
Deferred	122	16
Foreign:		
Current	724	811
Deferred	(213)	299
Total	$ 817	$ 2,063

For the years ended May 31, 2023 and 2022, the effective tax rate is different from the statutory U.S. Federal income tax rate for the following reasons:

	Year Ended May 31,	
	2023	2022
U.S. statutory rate	21.0 %	21.0 %
Impact of foreign operations	(6.0)	1.5
Change in valuation allowance	6.6	3.3
State and local income taxes	(0.1)	1.2
Additional accruals	0.5	0.2
Special deductions and credits	(2.3)	(1.5)
Other	(1.8)	(1.5)
Effective tax rate	17.9 %	24.2 %

Cargill, Incorporated and Subsidiaries

Note 25 Income Taxes (cont.)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are presented below:

	At May 31, 2023		At May 31, 2022	
	(In millions)			
Deferred tax liabilities:				
Depreciation and amortization	$	1,159	$	1,027
Other		1,867		1,985
Total deferred tax liabilities		3,026		3,012
Deferred tax assets:				
Accrued expenses and other		1,944		1,770
Tax loss carryforwards		1,851		1,844
Capital loss carryforwards		2		2
Tax credits		229		222
Total deferred tax assets		4,026		3,838
Valuation allowance		(1,620)		(1,449)
Total deferred tax assets		2,406		2,389
Net deferred tax liabilities	$	(620)	$	(623)

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of the Company's income tax provision. Interest and penalties accrued in the Consolidated Balance Sheets at May 31, 2023 and 2022, were $108 million and $79 million, respectively, and with the majority included in Other liabilities (long-term). For the years ended May 31, 2023 and 2022, the Company recognized an expense of $36 million and $14 million, respectively, in the accompanying Consolidated Statements of Earnings related to interest and penalties.

The Company operates in multiple tax jurisdictions, both within the U.S. and outside the U.S., and is subject to audits from various tax authorities. Resolution of any related tax issues through negotiations with tax authorities may take years to complete and it is difficult to predict the timing of the resolution. Although unpredictable, it is reasonably possible that the amount of the unrecognized tax benefit with respect to uncertain tax positions will increase or decrease during the next twelve months; however, Cargill does not currently expect any change to have a significant effect on the Consolidated Statements of Earnings or the Consolidated Balance Sheets. Cargill has filed refund claims for its fiscal year ending May 31, 2015 and May 31, 2016. The refund claim for fiscal year ending May 31, 2015 has been accepted by the IRS and is under processing for payment. The refund claim for fiscal year ending May 31, 2016 is currently under review by the IRS. The audit of fiscal years ended May 31, 2017 through May 31, 2019 is in progress.

At May 31, 2023, the Company has net operating loss carryforwards, capital loss carryforwards and tax credits of approximately $7,803 million, $9 million and $229 million, respectively. Of the total loss carryforwards, $1,934 million expires in various years through 2043, and $5,878 million is available indefinitely. The majority of the tax credits are available indefinitely.

Cash paid for income taxes was $1,333 million and $1,374 million in the years ended May 31, 2023 and 2022, respectively.

Cargill, Incorporated and Subsidiaries

Note 26 Fair Value Measurements

Fair value is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances. The Company determines the fair value of derivatives, marketable securities and certain other assets and liabilities using the following fair value definition and hierarchy levels:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Values generated from model-based techniques that use significant assumptions not observable in the market. Commodity prices are based on a combination of futures exchange quoted prices, observable market prices obtained through publications, broker quotes, and/or recently reported transactions in the marketplace when available, and the Company's internally developed prices and option pricing models. Freight prices are based on observable market prices obtained through publications, broker quotes, and/or recently reported transactions in the marketplace when available, and internally developed prices. Internally developed prices and models reflect the Company's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

Cargill, Incorporated and Subsidiaries

Note 26 Fair Value Measurements (cont.)

The following table sets forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of May 31, 2023.

	May 31, 2023		
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:		(In millions)	
Derivatives			
Commodity	$ 1,107	$ 2,986	$ 524
Foreign exchange	—	1,257	5
Freight	—	173	209
Interest rate	—	220	—
Other	—	36	—
Total derivatives	1,107	4,672	738
Cash and cash equivalents	220	—	—
Short-term investments			
Available for sale securities	4	37	—
Other	—	7	—
Trading securities			
Debt securities	871	277	27
Equity securities	75	—	6
Investments and advances			
Available for sale securities	—	—	109
Total assets	$ 2,277	$ 4,993	$ 880
Liabilities:			
Derivatives			
Commodity	$ 1,571	$ 2,067	$ 160
Foreign exchange	—	859	16
Freight	—	134	31
Interest rate	—	149	—
Other	—	10	—
Total derivatives	1,571	3,219	207
Trading securities sold, not yet purchased			
Debt securities	—	22	—
Total liabilities	$ 1,571	$ 3,241	$ 207

Cargill, Incorporated and Subsidiaries

Note 26 Fair Value Measurements (cont.)

The following table sets forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of May 31, 2022.

	May 31, 2022		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:		(In millions)	
Derivatives			
Commodity	$ 1,709	$ 5,922	$ 431
Foreign exchange	—	2,045	2
Freight	—	33	186
Interest rate	—	210	—
Other	—	11	—
Total derivatives	1,709	8,221	619
Cash and cash equivalents	15	—	—
Short-term investments			
Available for sale securities	—	54	—
Other	—	3	—
Trading securities			
Debt securities	1	295	20
Equity securities	175	—	5
Investments and advances			
Available for sale securities	—	—	92
Total assets	$ 1,900	$ 8,573	$ 736
Liabilities:			
Derivatives			
Commodity	$ 3,432	$ 3,064	$ 187
Foreign exchange	—	944	16
Freight	—	65	507
Interest rate	—	149	—
Other	—	6	—
Total derivatives	3,432	4,228	710
Trading securities sold, not yet purchased			
Debt securities	—	16	—
Equity securities	67	—	—
Total liabilities	$ 3,499	$ 4,244	$ 710

Cargill, Incorporated and Subsidiaries

Note 26 Fair Value Measurements (cont.)

The Company uses the market approach valuation technique to measure the majority of its assets and liabilities carried at fair value. There were no significant changes in valuation techniques during the fiscal year.

The Company's derivative contracts that are measured at fair value include forward commodity purchase and sale contracts, exchange-traded commodity futures and option contracts, and Over- The-Counter (OTC) instruments related primarily to agricultural, metals and energy commodities, foreign currencies, freight and interest rates. Exchange-traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified in Level 1. Fair value for forward commodity purchase and sale contracts is estimated primarily based on exchange-quoted prices adjusted for differences in local markets. These differences are generally valued using inputs from broker or dealer quotations or market transactions in either the listed or OTC markets. When observable inputs are available for substantially the full term of the asset or liability, the derivative contracts are classified in Level 2. When unobservable inputs have a significant impact on the measurement of fair value, the contract's fair value is classified in Level 3.

Based on historical experience with the Company's suppliers and customers, the Company's knowledge of current market conditions, and the Company's own credit risk, the Company does not view counterparty risk to be a significant input to fair value for the majority of its forward commodity purchase and sale contracts. However, in situations when the Company believes the counterparty risk to be a relevant input, the Company records estimated fair value adjustments and classifies the contracts in Level 2 or 3 in the fair value hierarchy depending on the significance of the adjustment. The fair value of derivatives is included in the Consolidated Balance Sheets in Accounts receivable, other long-term assets, accounts payable, or Other long-term liabilities. Changes in the fair market value of commodity-related derivatives are recognized in the Consolidated Statements of Earnings as a component of sales and other revenues or cost of sales and other revenues. Changes in the fair market value of foreign currency-related derivatives are recognized in the Consolidated Statements of Earnings as a component of sales and other revenues or cost of sales and other revenues. Changes in the fair market value of derivatives designated as cash flow hedges are recognized in the Consolidated Balance Sheets as a component of accumulated other comprehensive loss.

The Company's trading and available-for-sale securities are comprised of government treasury securities, obligations of government agencies, corporate and municipal debt securities, and equity investments. Treasury securities and certain publicly traded equity investments are valued using quoted market prices and are classified in Level 1. Obligations of government agencies, corporate and municipal debt securities, and certain equity investments are valued using third-party pricing services and substantially all are classified as Level 2. Security values that are determined using pricing models are classified in Level 3.

Cargill, Incorporated and Subsidiaries

Note 26 Fair Value Measurements (cont.)

The following table presents transfers into and out of Level 3 hierarchy, and purchases of Level 3 assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended May 31, 2023 and 2022, respectively.

	Derivatives (Net)			Trading securities	Investments and advances
	Commodity	Foreign exchange	Freight	Debt/Equity securities	Available for sale securities
	(In millions)				
Year Ended May 31, 2023					
Transfers into Level 3	$ (35)	$ —	$ —	$ —	$ —
Transfers out of Level 3	(1)	—	—	(10)	—
Purchases	54	3	—	8	16
Year Ended May 31, 2022					
Transfers into Level 3	$ 19	$ 6	$ —	$ —	$ —
Transfers out of Level 3	5	—	—	(16)	—
Purchases	47	—	—	286	9

Internal estimates are required when there is minimal to no observable market activity or because fair value calculations require significant adjustments to credit default risk. Transfers into or out of Level 3 hierarchy is primarily due to an increase or decrease in the use of internal estimates.

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Note 26 Fair Value Measurements (cont.)

The following table sets forth the Company's assets that were accounted for at fair value on a nonrecurring basis due to impairments or lower of cost or fair value measurements as of May 31, 2023 and 2022.

	At May 31,	
	2023	2022
	(In millions)	
Other current assets:		
Loans held for sale	$ 26	$ 49
Investment and advances	28	79
Intangibles	34	79
Other assets	3	—
Net Property	155	82
	$ 246	$ 289

Fair value for nonrecurring measurements is typically determined using a discounted cash flow approach, which is an income valuation technique. In addition, where market information is available, such as appraisals and bid solicitations or comparable transactions, the information was also considered in the determination of fair value. All nonrecurring fair value measurements are considered Level 3 measurements as of May 31, 2023.

Cargill, Incorporated and Subsidiaries

Note 27 Derivative Instruments and Hedging Activities

Because of its global operations and financing activities, the Company is exposed to changes in agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs which may affect results of operations and financial position. Derivative instruments are used for the purpose of managing the exposures associated with commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs. While these hedging instruments are subject to fluctuations in value, those fluctuations are generally offset by the value of the underlying exposures being hedged.

While the hedging positions are intended to minimize the volatility on operating profits, occasionally the hedging activity can result in earnings volatility, some of which may be material. The counterparties to hedge instruments are primarily major financial institutions or, in the case of commodity futures and options, a commodity exchange. Certain hedges are executed through the over-the-counter market, and related counterparty exposure is managed through credit analysis and review by a credit committee. As a result, there is no concentration of credit risk arising from these contracts. The Company's finance and risk management committee supervises, reviews and periodically revises overall risk management policies and risk limits.

Commodity Derivatives

The Company operates in many areas of the food industry, from agricultural raw materials to the production and sale of food products. As a result, the Company purchases and produces various materials, many of which are agricultural commodities, including soybeans, soybean oil, soybean meal, sunflower seed, rapeseed or canola, wheat, corn, cotton, and cocoa beans. In addition, the Company consumes energy and metal commodities at its facilities. The Company also provides customers with risk management solutions for the aforementioned commodities. Agricultural, energy and metal commodities are subject to price fluctuations due to a number of unpredictable factors that may create price risk. The Company is subject to the risk of counterparty defaults on non-exchange traded contracts.

The Company enters into various derivative contracts, primarily purchase and sale contracts for physical delivery and exchange-traded futures and options, with the objective of managing exposure to adverse price movements in agricultural and metals commodities as well as energy costs related to operations. The Company has established policies that limit the amount of unhedged fixed-price commodity positions permissible for each business, which are a combination of quantity and value-at-risk limits. Net commodity positions are measured and reviewed on a daily basis.

Freight Derivatives

The market price for ocean freight varies depending on the supply and demand for ocean vessels, global economic conditions and other factors. The Company uses derivative financial instruments in its ocean freight operations, including forward freight agreements and voyage charter contracts to manage ocean freight costs.

Cargill, Incorporated and Subsidiaries

Note 27 Derivative Instruments and Hedging Activities (cont.)

Foreign Exchange Derivatives

The Company's global operations require active participation in foreign exchange markets. To reduce the risk arising from foreign exchange rate fluctuations, the Company follows a policy of hedging monetary assets and liabilities and commercial transactions with foreign currency exposure. The Company will enter into derivative financial instruments, such as forward contracts and swaps, and foreign currency options, to limit exposures to changes in foreign currency exchange rates with respect to foreign currency denominated assets and liabilities and local currency operating expenses. The Company may also hedge other foreign currency exposures as deemed appropriate. The Company uses foreign currency forwards, cross-currency swaps, and foreign denominated debt to hedge portions of the Company's net investment in foreign operations. The Company had $981 million and $915 million of pre-tax gains in AOCI related to net investment hedges at May 31, 2023 and 2022, respectively. For the years ended May 31, 2023 and May 31, 2022, gains of $25 million and $11 million, respectively, from the change in fair value of derivative components excluded from hedge effectiveness testing, were recorded as interest expense.

Interest Rate Derivatives

The Company uses various derivative instruments for trading purposes and to manage interest rate risk associated with outstanding or forecasted fixed- and variable-rate debt and debt issuances, including interest rate swaps, options, and futures as may be required. The interest rate swaps used as derivative hedging instruments have been recorded at fair value in the accompanying Consolidated Balance Sheets with changes in fair value recorded currently in earnings. Additionally, for interest rate swaps designated as fair value hedges pursuant to Topic 815, the carrying amount of the associated debt is adjusted through earnings for changes in the fair value due to changes in interest rates.

The majority of the Company's foreign currency exchange contracts, commodities contracts and freight contracts do not qualify for hedge accounting treatment; therefore, unrealized gains and losses are recorded in the Consolidated Statements of Earnings. Unrealized gains and losses on foreign currency exchange contracts related to inventory purchases, commodities contracts and certain forward freight agreements are recorded in cost of sales and other revenues in the Consolidated Statements of Earnings.

Notional Amounts

As of May 31, 2023 and 2022, the total absolute notional volume associated with the Company's outstanding derivative instruments is summarized below:

Derivative Category	At May 31, 2023	At May 31, 2022
	(In millions)	
Interest rate	$ 6,971	$ 7,508
Foreign exchange	83,971	84,201
Commodity	72,647	106,528
Freight	2,856	6,267
Other	465	400

Cargill, Incorporated and Subsidiaries

Note 27 Derivative Instruments and Hedging Activities (cont.)

Derivatives in the Financial Statements

The table below shows the unrealized gains and (losses) on derivative instruments related to interest rate contracts, foreign currency exchange contracts, commodity contracts and freight contracts.

Derivatives in the Consolidated Statements of Earnings

		Derivatives not designated as an accounting hedge	
		Year Ended May 31,	
Income location	**Type of derivative**	**2023**	**2022**
		(In millions)	
Sales and other revenues	Interest rate	$ 69	$ 37
	Foreign exchange	28	427
	Commodity	(496)	738
	Other	17	2
Expense location			
Cost of sales and other revenues	Foreign exchange	(209)	280
	Commodity	(1,639)	(1,650)
	Freight	537	(25)
Selling, general and administrative	Foreign exchange	—	(3)
Other expense, net	Foreign exchange	93	99

Cargill, Incorporated and Subsidiaries

Note 27 Derivative Instruments and Hedging Activities (cont.)

Amounts below are derivative assets and liabilities, on a gross basis, prior to the offsetting of amounts where legal right of offset exists.

Derivatives in the Consolidated Balance Sheets

		May 31, 2023		May 31, 2022	
	Type of derivative	Derivatives not designated as an accounting hedge	Derivatives designated as an accounting hedge	Derivatives not designated as an accounting hedge	Derivatives designated as an accounting hedge
		(In millions)			
Asset location					
Accounts receivable, notes receivable and accrued income, net	Interest rate	$ 36	$ —	$ 35	$ —
	Foreign exchange	977	38	1,712	98
	Commodity	4,249	—	7,259	—
	Freight	335	—	194	—
	Other	31	—	7	—
Other assets (long term)	Interest rate	184	—	173	2
	Foreign exchange	86	161	91	146
	Commodity	368	—	803	—
	Freight	47	—	25	—
	Other	5	—	4	—
Liability location					
Accounts payable and accrued expenses	Interest rate	$ 134	$ 15	$ 149	$ —
	Foreign exchange	849	26	922	38
	Commodity	3,798	—	6,683	—
	Freight	165	—	572	—
	Other	10	—	6	—

Cargill, Incorporated and Subsidiaries

Note 27 Derivative Instruments and Hedging Activities (cont.)

Master Netting and Collateral Arrangements

In connection with its derivative activities, the Company may enter into master netting arrangements and collateral arrangements with its counterparties. These agreements provide the Company with the right, in the event of a default by the counterparty (such as bankruptcy or a failure to pay or perform), to net a counterparty's rights and obligations under the agreement and to liquidate and set-off collateral against any net amount owed by the counterparty. The following tables present information about the offsetting of derivative instruments and related collateral amounts. Amounts not offset in the Consolidated Statements of Earnings meeting the offsetting guidance were immaterial as of May 31, 2023 and 2022.

	May 31, 2023		
Offsetting arrangements	**Gross amounts [1]**	**Amounts offset in the Consolidated Balance Sheet [2]**	**Net amounts presented in the Consolidated Balance Sheet**
		(In millions)	
Assets			
Short-term derivatives	$ 5,666	$ 2,339	$ 3,327
Long-term derivatives	851	467	384
Margin deposits	1,731	1,137	594
Total assets	$ 8,248	$ 3,943	$ 4,305
Liabilities			
Short-term derivatives	$ 4,997	$ 3,100	$ 1,897
Margin deposits	984	843	141
Total liabilities	$ 5,981	$ 3,943	$ 2,038

(1) Amounts include all derivative instruments and margins irrespective of whether there is a legally enforceable master netting arrangement in place.

(2) Amounts relate to legally enforceable master netting arrangements and collateral arrangements and are reported on a net basis in the Consolidated Balance Sheets when criteria are met in accordance with applicable offsetting accounting guidance.

Cargill, Incorporated and Subsidiaries

Note 27 Derivative Instruments and Hedging Activities (cont.)

Offsetting arrangements	May 31, 2022 Gross amounts [1]	Amounts offset in the Consolidated Balance Sheet [2]	Net amounts presented in the Consolidated Balance Sheet
		(In millions)	
Assets			
Short-term derivatives	$ 9,305	$ 3,740	$ 5,565
Long-term derivatives	1,244	590	654
Margin deposits	3,231	1,720	1,511
Total assets	$ 13,780	$ 6,050	$ 7,730
Liabilities			
Short-term derivatives	$ 8,370	$ 4,703	$ 3,667
Margin deposits	1,541	1,347	194
Total liabilities	$ 9,911	$ 6,050	$ 3,861

[1] Amounts include all derivative instruments and margins irrespective of whether there is a legally enforceable master netting arrangement in place.

[2] Amounts relate to legally enforceable master netting arrangements and collateral arrangements and are reported on a net basis in the Consolidated Balance Sheets when criteria are met in accordance with applicable offsetting accounting guidance.

Credit-Risk-Related Contingent Features

Certain derivative instruments contain provisions that require the Company to post collateral. These provisions also state that if the Company's long-term debt were to be rated below investment grade, certain counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position on May 31, 2023 and 2022, was $11 million and $107 million, respectively. At May 31, 2023 and 2022, the Company has posted no cash collateral in the normal course of business associated with these contracts. If the credit-risk-related contingent features underlying these agreements were triggered on May 31, 2023 and 2022, the Company would be required to post up to an additional $11 million and $107 million, respectively, of collateral assets, which would be cash collateral to the counterparties.

Cargill, Incorporated and Subsidiaries

Note 28 Leases

The Company leases land, buildings, storage facilities, barges, railcars, vehicles, and various machinery and equipment. The Company also has long-term ocean freight supply agreements which contain the right to use ocean vessels for the purpose of transporting agricultural and other commodities for the Company and our customers.

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. Some of the lease contracts contain renewal options exercisable by the Company before the end of the non-cancellable contract period. If a renewal option is reasonably certain to be exercised, the additional terms are used when calculating the asset and liability balances. The Company assesses at the lease commencement whether it is reasonably certain to exercise the renewal options. The Company also reassesses whether it is reasonably certain to exercise the renewal options if there is a significant event or change in circumstances within its control. The Company has elected not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less.

Certain leases include index and non-index escalation clauses and options to purchase the leased asset. Some of the Company's lease agreements related to rail cars, barges, ocean vessels, and vehicles contain residual value guarantees. None of the Company's lease agreements contain material restrictive covenants.

The Company has elected not to separate non-lease components from lease components for the majority of asset types, with the exception of ocean vessels and other assets operated by a third party.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Certain of the Company's ocean freight supply agreements as well as land leases for the production of crops include rental payments that are variable in nature. Variable payments under ocean freight supply agreements are dependent on a daily index rate which may move up or down depending on market conditions. Payments under land leases for crop production may be dependent on the quantity of crops produced. Payments based on an index are included in the calculation of the lease asset and liability at the transition or inception date of the associated lease. Non-index based variable payments and subsequent changes in index based payments are not reflected in the lease asset and liability and recorded in earnings in the period in which the adjustment occurs.

Cargill, Incorporated and Subsidiaries

Note 28 Leases (cont.)

The following tables sets forth the amounts relating to the Company's total lease cost and other information:

	Year Ended May 31,	
	2023	2022
Lease cost	(in millions)	
Operating lease cost	$ 1,290	$ 1,171
Finance lease cost:		
Amortization of right-of-use assets	128	88
Interest on lease obligations	12	6
Short-term lease cost	1,982	2,393
Variable lease payment adjustment	(126)	349
Total lease cost	$ 3,286	$ 4,007

	Year Ended May 31,	
Other information	2023	2022
Cash paid for amounts included in the measurement of:		
Operating lease liabilities	$ 1,335	$ 1,211
Financing lease liabilities	135	92
Right-of-use assets obtained in exchange for new:		
Operating lease liabilities	656	1,191
Financing lease liabilities	24	307
Weighted average remaining lease term:		
Operating lease liabilities	7 years	6 years
Financing lease liabilities	6 years	8 years
Weighted-average discount rate:		
Operating lease liabilities	3.0 %	2.0 %
Financing lease liabilities	3.0 %	2.0 %

Cargill, Incorporated and Subsidiaries

Note 28 Leases (cont.)

Maturities of operating and finance lease liabilities as of May 31, 2023, were as follows:

Years ending May 31	Operating Leases	Financing Leases
	(in millions)	
2024	$ 902	$ 101
2025	509	100
2026	306	78
2027	205	32
2028	106	20
Thereafter	534	106
Total lease payments	2,562	437
Less interest	268	30
Present value of lease liabilities	$ 2,294	$ 407

The Company has additional freight supply agreements for ocean vessels, that have not commenced as of May 31, 2023, of $472 million. These leases are excluded from the maturity table above and will generally commence in the next twelve months, with lease terms of up to 14 years.

Supplemental balance sheet information for operating leases is as follows:

Operating leases	Balance sheet location	At May 31, 2023	2022
		(In millions)	
Assets			
Operating right-of-use assets	Other assets	$ 2,342	$ 2,707
Liabilities			
Current lease liabilities	Accounts payable, accrued expense and other	828	1,111
Non-current lease liabilities	Other liabilities	1,466	1,549

Cargill, Incorporated and Subsidiaries

Note 29 Net Earnings Per Share

The following is a reconciliation of basic net earnings per share to diluted net earnings per share:

	Year Ended May 31, 2023	Year Ended May 31, 2022
	(Shares in millions)	
Basic net earnings per share	$ 5.37	$ 9.35
Average shares outstanding – basic	709	715
Shares from assumed stock option exercises and issuance of stock grants	5	7
Adjusted average shares outstanding – diluted	714	722
Diluted net earnings per share	$ 5.34	$ 9.26

Note 30 Accumulated Other Comprehensive Loss

The following provides the components of accumulated other comprehensive loss:

	Foreign currency translation adjustments	Unrealized (loss) gain on securities	Unrealized (loss) gain on cash flow hedges	Pension & other post-retirement benefits liability adjustments	Accumulated other comprehensive loss
			(In millions)		
Balance at May 31, 2021	(1,022)	2	(25)	(1,382)	(2,427)
Current-period other comprehensive income (loss)	(459)	1	95	665	302
Amounts reclassified to earnings	40	—	(14)	48	74
Tax effect	(122)	—	(16)	(196)	(334)
Balance at May 31, 2022	(1,563)	3	40	(865)	(2,385)
Current-period other comprehensive income (loss)	(730)	(1)	35	(52)	(748)
Amounts reclassified to earnings	(1)	—	(3)	(1)	(5)
Tax effect	(13)	—	(8)	18	(3)
Balance at May 31, 2023	$ (2,307)	$ 2	$ 64	$ (900)	$ (3,141)

The Company's accounting policy is to release the income tax effects from AOCI in the period when the corresponding unit of account is liquidated, sold, or extinguished.

Cargill, Incorporated and Subsidiaries

Note 30 Accumulated Other Comprehensive Loss (cont.)

The following provides the amounts reclassified to earnings from accumulated other comprehensive loss:

	Affected line item in the Consolidated Statements of Earnings	Year Ended May 31, 2023	2022
		(In millions)	
Foreign currency translation adjustments			
Sale/liquidation of foreign entities	Other expense, net	$ (1)	$ 40
	Total	**$ (1)**	**$ 40**
Unrealized gain (loss) on cash flow hedges			
Foreign exchange derivative contracts	Cost of sales and other revenues	$ (12)	$ (4)
	Selling, general and administrative expenses	(1)	(5)
	Other expense, net	16	8
	Sales and other revenues	—	(14)
Interest rate derivative contracts	Interest on long-term debt	(6)	1
	Total	**$ (3)**	**$ (14)**
Pension & other postretirement benefits liability adjustments			
Amortization of prior service costs	These items are included in the computation of net periodic pension cost. Refer to Note 24 Pension and Other Postretirement Benefits	$ (14)	$ (16)
Net actuarial loss		13	64
	Total	$ (1)	$ 48

The Company uses foreign denominated debt, cross-currency swaps, and foreign currency forwards to hedge portions of the Company's net investment in foreign operations. For hedges that meet the effectiveness requirements, the net gains or losses are recorded in foreign currency translation adjustments within accumulated other comprehensive loss.

Cargill, Incorporated and Subsidiaries

Note 31 Contingencies and Commitments

Contingencies

The Company and its subsidiaries have various legal actions, claims and proceedings pending against them including those arising from product defects, employment-related matters, intellectual property and governmental regulations. Further, the Company has been, is currently and expects to be in the future, subject to inquiries from federal, state or foreign governments and their departments and agencies.

The Company has established reserves for matters in which losses are probable and can be reasonably estimated. Cargill does not expect the outcome of these matters, net of established reserves, to have a material adverse effect on the Company's consolidated financial statements. However, due to their inherent uncertainty, there can be no assurance as to the ultimate outcome of current or future litigation, proceedings, investigations or claims and it is possible that a resolution of one or more such proceedings could result in judgments, awards, fines and penalties that could adversely affect our business or consolidated financial statements.

Five class actions and fifty-two individual actions were filed in the United States, and two class actions in Canada, alleging that Cargill and Cargill Meat Solutions (CMS), a wholly owned subsidiary of the Company, along with other companies in the beef industry, conspired to suppress slaughter volumes of fed cattle, resulting in lower prices paid to cattle producers and higher prices charged to consumers of beef products. Cargill and CMS were also notified of a civil investigation by the US Department of Justice and approximately thirty state attorneys into the same conduct at issue in the civil litigation. Cargill has cooperated in the investigation and has provided all of the requested information and interviews. While it is reasonably possible that these matters may have a material impact on our consolidated financial statements, the Company does not believe a material loss is probable or reasonably estimable at this time because the Company believes that it has valid and meritorious defenses against the allegations. Additionally, the classes have not yet been defined or certified by the court.

The Company and its subsidiaries are contingently liable for guaranteed obligations of third parties and non-consolidated investments totaling $873 million, of which $477 million is outstanding at May 31, 2023. No liability has been recorded related to these guarantees as payment is not deemed probable.

Commitments

The Company and its subsidiaries have performance guarantees of $192 million and outstanding letters of credit issued by banks of $881 million for the purchase of commodities, margin deposit requirements, and other purposes at May 31, 2023.

The Company has approved capital expenditures aggregating $2,530 million at May 31, 2023, for the future purchase or construction of property, plant and equipment and for the acquisition of other businesses.

The Company has unfunded commitments to hedge funds of $80 million as of May 31, 2023. These commitments can be drawn by the funds on demand.

The Company has entered into a put option with the other shareholder of Teys, a nonconsolidated joint venture investment, and may be required to purchase an additional 50% ownership interest. The redemption value of the put option as of May 31, 2023 was $333 million, which is exercisable for 30 days after the Teys annual audited consolidated financial statements are made available to the Teys Board of Directors.

Cargill, Incorporated and Subsidiaries

Note 32 Ukraine and Russia Operations

In February 2022, Russian forces invaded Ukraine disrupting business operations in the region as well as global supply chains. Cargill has operations in both countries, which represent key international grain originating regions. The Company's Ukraine operations were limited to rail, truck, and barge grain exports due to safety concerns until August 2022. At this time, Cargill resumed exporting grain through Ukraine ports which are subject to the Black Sea Grain Initiative. The grain export agreement between Ukraine, Russia, Turkey and the United Nations was renewed on May 17, 2023 for an additional 60 days. However, Cargill has not exported grain via Cargill's port facility under this agreement since April 2023 due to interruptions in vessel inspections by the Joint Coordination Centre. On July 17, 2023, Russia ended their participation in the agreement and therefore it was not extended. Cargill has limited grain origination activity in Ukraine to quantities which can be exported within available export routes. In response to the devastating war in Ukraine, Cargill scaled back its business activities in Russia, operating only essential food and feed facilities. Cargill will stop elevating Russian grain for export after the completion of the 2022-2023 season. However, Cargill intends to continue shipping grain from Russia to destination markets. As a result of this decision, Cargill's port assets were written down to fair value less cost to sell in the third quarter of fiscal year 2023. Cargill's other essential food and feed activities, including starch and sweeteners, oils and fats, and animal feed are not impacted by these changes.

The Company continues to review the recoverability of its Ukrainian assets. Our sunflower seed crush plant in Russian-occupied territory of Ukraine has been damaged due to the conflict but we have not been able to assess the damage. We evaluated the plant for impairment using a range of potential outcomes and concluded the value of the asset was no longer recoverable and the plant was fully impaired during the first quarter of fiscal 2023. We are not aware of other properties in Ukraine or Russia that have sustained damages, but we will continue to monitor. To the extent they are accessible, commodity inventories in Ukraine were valued based on estimated selling prices as of May 31, 2023, adjusted for freight costs to export through alternative routes.

Prolonged unrest, volatility in global commodity and financial markets, increased military actions, exports controls, and sanctions could have a material adverse effect on our consolidated operating results, financial position, and cash flows. The conflict may further disrupt the Company's delivery of products, cause a shift of some or all of the Company's supply chain operations to other countries or result in damage to, abandonment of or expropriation of assets in these countries. During the years ended May 31, 2023 and 2022, sales and other revenues from our operations in Ukraine and Russia represented 2% or less of total sales, before elimination of intercompany accounts, and approximately 2% of the Company's consolidated net assets as of May 31, 2023 and May 31, 2022.

Cargill, Incorporated and Subsidiaries

Note 33 Subsequent Events

Cargill has evaluated subsequent events through July 27, 2023 which is the date these consolidated financial statements were available to be issued.

On June 6, 2023, a dividend of $0.415 per share was paid to shareholders of record on May 30, 2023 for the common, ESOP, management and retiree classes of stock and a dividend of $0.625 per share was paid to shareholders of record on May 30, 2023 for the special preferred class of stock.

On July 1, 2023, Netherlands enacted a new pension reform law requiring all defined benefit pension plans to convert to defined contribution plans by January 1, 2028. This could result in significant pension benefit curtailment and settlement gains or losses in the future depending on the transition plan adopted by Cargill.

On July 11, 2023, a dividend of $0.4075 per share was declared for the shareholders of record on August 30, 2023 for the common, ESOP, management and retiree classes of stock and a dividend of $0.625 per share was declared for the shareholders of record on August 30, 2023 for the special preferred class of stock.

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	08.03.2016	27.04.2016
Telefon	Deres referanse	Vår referanse
22078139	Einar Wathne	2016/212279

EWOS AS
Postboks 4 Sentrum
5803 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 8. mars 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Cargill Norway Holding AS	org.nr. 914 992 990
Cargill Norway AS	org.nr. 914 993 024
EWOS AS	org.nr. 979 184 832
Statkorn Aqua AS	org.nr. 976 527 623

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Cargill Norway Holding AS er norsk konsernspiss i et underkonsern. Cargill Norway Holding AS er eiet av det amerikanske selskapet Cargill Inc. Konsernet produserer fiskefor til oppdretts-næringen. To av konsernselskapene har tidligere fått tillatelse til å benytte engelsk språk. Arbeidsspråket er engelsk. Selskapene opererer i en internasjonal bransje hvor alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er eiet av et utenlandsk selskap. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

Financial Statements

Cargill Norway Holding AS

1.6.2022 - 31.5.2023

Registration No. 914 992 990

Cargill Norway Holding AS

Annual Report – May 2023

Operation and Location

Cargill Norway AS' registered office is at Thormøhlens gate 51B, N-5006 Bergen, Norway.

Cargill Norway Holding AS is a wholly owned subsidiary of Cargill International Luxembourg 3 S a.r.l. and aims to invest in securities and managing these investments.

Cargill has more than 150 years of experience in providing food, agriculture, financial and industrial products and services to the world. With over 150,000 employees in 70 countries Cargill is committed to feeding the world in a responsible way, reducing environmental impact and improving the communities where they operate.

The Company is exposed to various risks of operational and financial nature. The Board of Directors has established a framework for risk management and value creation to ensure that the Company has good internal controls and appropriate systems for risk management adapted to the nature of and the risks related to its operations and finance.

Annual Financial Statements

Cargill Norway Holding AS reported a loss before tax of 60,7 million NOK for year ending 31st May 2023 compared to a loss in the prior fiscal year of 96,2 million NOK.

The company's total assets as at 31st May 2023 had a balance of 11 785 million NOK compared to 11 785 million NOK as at 31st May 2022.

Total non-current assets at year-end 2023 was 11 784 million NOK of which 11 750 million NOK was investment in subsidiaries and 34,5 million NOK was deferred tax asset. Total current assets at year-end 2023 was 787 thousand NOK. The prior financial year for the same balances reflect as follows: total fixed assets were 11 784 million NOK, investment in subsidiary 11 750 million NOK, deferred tax assets 34 thousand NOK and total current assets 701 thousand NOK

The total equity balance as at 31st May 2023, was 11 706 million NOK whilst for the fiscal year ended 31st May 2022 it was 10 037 million NOK.

The total liabilities was 79 million NOK for the 2023 fiscal year compared with 1 748 million NOK for the fiscal year 2022. Long term debt for was 0 million NOK for the 2023 fiscal year compared with 1 538 million NOK prior fiscal year. The long term debt has been converted to equity in FY23. Totalt current debt was 79 million NOK compared to 210 million NOK prior fiscal year.

Net cash flow from operations for 2023 was 7 million NOK compared to zero prior fiscal year. Net cash flow from investments and finance were 7 million NOK in FY23 compared to zero for FY22. Total bank deposit and cash at financial year end 2023 was 5 thousand NOK compared to 5 thousand NOK prior fiscal year.

The current fiscal year runs from 1st June 2022 until 31st May 2023 and is comparable to the prior financial year.

Cargill

Cargill Norway Holding AS

Annual Report – May 2023

Inclusion and Diversity

Cargill is committed to creating and sustaining an inclusive and diverse work environment where all employees are treated with dignity and respect. It is further committed to the principles of equal employment opportunity, complying with affirmative action obligations, and providing employees with a professional work environment free from discrimination and harassment. Cargill's purpose is to be the global leader in nourishing the world in a safe, responsible and sustainable way. Diversity, Equity and Inclusion are key enablers to achieving this purpose and help us to be the most trusted partner in agriculture, food, and nutrition. Cargill has committed to achieve gender parity at all levels of corporate leadership by 2030. Gender parity is just one aspect of Cargill's Diversity, Equity and Inclusion (DEI) strategy, which was introduced in 1999 and updated in 2017 with "equity" added to the commitment. Equity means fair treatment and access to opportunity for all and goes beyond equal opportunity.

Cargill Norway AS company has no employees. The board of directors comprises two members who are one male and one female. The company has an agreement on insurance for the member of the board and the general manager as part of Cargill's self-insurance scheme.

External Environment

Cargill aims to be the most trusted partner in agriculture, food and nutrition. With global presence, market expertise and supply chain capabilities, Cargill is committed to creating a more sustainable, food-secure future. Our customers and communities trust Cargill for solutions that will nourish the world and protect the planet, ensuring current and future generations will *thrive*.

The company has no activities with an environment impact and no research and development acitivites.

Going Concern

In accordance with the Accounting Act § 3-3, we confirm that the financial statements have been prepared under the assumption of going concern. The basis for this is the company's financial position and its long-term strategic plans.

Bergen, Norway 27st November 2023

DocuSigned by: Fredrik Witte 578297A2927B4D0...	DocuSigned by: FE2825E64C9D4A0...
Fredrik Witte	Hilde Waage
Chairman of the Board	Director/Board member

INCOME STATEMENT

Cargill Norway Holding AS

Amounts in TNOK	Note	2023	2022
Operating income and operating expenses			
Other expenses	2, 3	1 243	509
Total expenses		**1 243**	**509**
Operating profit		**-1 243**	**-509**
Financial income and expenses			
Other financial income from group company		-	669
Other financial income		125	-3
Interest expense to group companies	3	58 969	17 043
Other financial expenses	3	584	79 344
Net financial items		**-59 428**	**-95 721**
Net profit before tax		-60 671	-96 229
Income tax expense	4	-212	-21 318
Net profit after tax		**-60 460**	**-74 912**
Net profit or loss		**-60 460**	**-74 912**
Attributable to			
Transferred from other equity	6	60 460	74 912
Total		**-60 460**	**-74 912**

STATEMENT OF FINANCIAL POSITION

Cargill Norway Holding AS

Amounts in TNOK	Note	2023	2022
Assets			
Non-current assets			
Deferred tax assets	4	34 594	34 382
Total intangible assets		**34 594**	**34 382**
Non-current financial assets			
Investments in subsidiaries	5	11 749 704	11 749 704
Total non-current financial assets		**11 749 704**	**11 749 704**
Total non-current assets		**11 784 297**	**11 784 086**
Current assets			
Other short-term receivables	3	782	696
Total receivables		**782**	**696**
Cash and cash equivalents		5	5
Total current assets		**787**	**701**
Total assets		**11 785 084**	**11 784 787**

STATEMENT OF FINANCIAL POSITION

Cargill Norway Holding AS

Amounts in TNOK	**Note**	**2023**	**2022**
Equity and liabilities			
Paid in capital			
Share capital		1 530 000	1 500 000
Share premium reserve		12 618 673	10 919 078
Total paid in capital		**14 148 673**	**12 419 078**
Retained earnings			
Other equity		-2 442 977	-2 382 518
Total retained earnings		**-2 442 977**	**-2 382 518**
Total equity	**6, 7**	**11 705 696**	**10 036 560**
Liabilities			
Other non-current liabilities			
Other non-current liabilities	3	-	1 538 100
Total non-current liabilities		**-**	**1 538 100**
Current liabilities			
Other current liabilities	3	79 387	210 126
Total current liabilities		**79 387**	**210 126**
Total liabilities		**79 387**	**1 748 226**
Total equity and liabilities		**11 785 084**	**11 784 787**

Bergen, 27.11.2023
The board of Cargill Norway Holding AS

DocuSigned by:
Fredrik Witte
578297A...
Fredrik Witte
Chairman of the board

DocuSigned by:
FE2825E...
Hilde Waage
Member of the board

Cash Flow Statement
TNOK

	1.6.22 - 31.5.23	1.6.21 - 31.5.22
Cash flow from operations		
Operating profit	-1 243	-509
Net interest expense and other financial income	-459	-95 721
Change in other current assets and liabilities	-5 726	96 230
Net cash flow from operations	**-7 428**	-
Cash flow from financing activities		
Change in cashpool and group financing	- 165 572	-
Innflow due to capital infusion	173 000	-
Net cash flow from financing activities	7 428	-
Net change in cash and cash equivalents for the period	-	-
Cash and cash equivalents at period beginning	5	5
Bank deposits, cash and equivalents at 31 May	**5**	**5**

Note 1 General information and accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Consolidated accounts

The Company's ultimate parent company, Cargill Incorporated, prepare consolidated accounts which include Cargill Norway Holding AS and its subsidiaries. The foreign consolidated financial statements are available from Cargill Norway Holding AS, Thormøhlens gate 51, 5006 Bergen.

Operating income and expenses

In principle, sales costs and other expenses are recognized in the same period as the related income. Where there is no clear correlation between an acquisition and the related revenue a depreciation over the asset's useful lifetime of the company. Where the acquisition can not be activated because of a materiality consideration or short lifetime the cost is recognized in the income statement at the acquisition date. Other exceptions to the matching principle are specified where applicable.

Valuation & classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date. All items in foreign currencies in the income statement are translated into NOK at the exchange rate prevailing at the date of the transaction.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost in the parent company accounts. A write-down to recoverable amount will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted acccounting principles. Dividends and group contributions are recognised as other financial income. Dividends and other contributions from subsidiaries are recognised when the motion is carried.

Receivables

Trade receivables and other receivables are carried at face value less an allowance for expected losses. An estimate is made for doubtful debts based on a review of all amounts outstanding at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Taxes

Taxes in the income statement include tax payable and changes in deferred tax. Deferred tax is calculated at 22 % based on the temporary differences between accounting and tax values, as well as tax losses carried forward at the end of the fiscal year.

Taxable and deductible temporary differences that reverse or may reverse in the same period are offset and the tax effect is calculated on the netvalue.

Presentation

As of the financial statements for the period 01.06.2022-31.05.2023 all amounts are presented in thousands. Comparative figures have been adjusted accordingly.

Note 2 Wages, number of employees, benefits, loan to employees etc.

The company has no employees.

No payment has been made to members of the Board, and no guarantees have been made on behalf of the members of the Board.

Audit fees

TNOK	**01.06.2022-31.05.2023**	**01.06.2021-31.05.2022**
Statutory audit	84	79
Tax assistance	145	29
Other assurance services	29	22
Total	**257**	**129**

Note 3 Transactions and amounts owed by/to group enterprises

TNOK

Company	**Income st./ Balance st.**	**Type of transaction**	**01.06.2022-31.05.2023**	**01.06.2021-31.05.2022**
Cargill Int. Lux.	Income st	Administrative expenses	177	219
Cargill Int. Lux.	Income st	Interest costs	55 067	15 894
Cgl. Global Fund	Income st	Interest costs	3 902	1 150
Cargill Int. Lux.	Balance st.	Long-term loan obligation	-	1 538 100
Cargill Int. Lux.	Balance st.	Incurred interest expenses	-	5 722
Cgl. Global Fund	Balance st.	Short-term loan obligation	-	125 953
Ewos AS	Balance st.	Group contribution	669	669
Cargill AS	Balance st.	Other ccurrent liability	79 084	79 084

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Note 4 Tax

TNOK	**01.06.2022-31.05.2023**	**01.06.2021-31.05.2022**
Tax base calculation:		
Operating result before tax	- 60 671	- 96 229
Permanent differences	740	- 669
Interest limited from deduction	58 969	
Allocation of loss to be brought forward	962	96 898
Tax base	-	-
Tax payable (22 %)	-	-
Payable tax on this year's result	-	-
Tax payable in balance sheet (22 %)	-	-
Income tax expense:		
Income tax payable this year	-	-
Change in deferred tax	- 212	- 21 318
Tax on ordinary profit/(loss)	**- 212**	**- 21 318**
Deferred tax:		
Differences to be balanced		
	31.05.2023	**31.05.2022**
Interest limited from deduction	- 1 520 879	- 1 461 909
Loss carried forward	- 157 244	- 156 282
Temporary differences not recorded as an asset	1 520 879	1 461 909
Basis for deferred tax	- 157 244	- 156 282
Deferred tax (asset) (22 %)	**- 34 594**	**- 34 382**

The company assesses the probability of utilizing the interest limitation as low. Based on this, deferred tax asset relating to this tax position is not recognized.

The deferred tax benefit relating to net operating losses carried forward is included in the balance sheet on the basis of future income. The company is part of a tax group and is available to receive group contribution that will create taxable profit in appropriate periods.

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Note 5 Investments in subsidiaries

Subsidiary	Share capital	Number of shares	Net profit 2023	Equity	Carrying amount
Cargill Norway AS	TNOK 2 679 810	30 000	TNOK 1 152	TNOK 11 807 048	TNOK 11 749 704

Management's assessment is that there are no significant changes in market conditions related to increases in production costs or lower market prices for products sold by the subsidiaries that could lead to an impairment of shares in subsidiaries.

Note 6 Equity

TNOK	Share capital	Other paid-in capital		Retained earnings		Total equity
Equity 31.05.2022	1 500 000	10 919 078	-	2 382 518		10 036 560
Share capital increase*	30 000	1 699 596		-		1 729 596
Profit/loss for the financial year	-	-	-	60 460	-	60 460
Equity 31.05.2023	**1 530 000**	**12 618 673**	-	**2 442 977**		**11 705 696**

* The capital increase was registered at 25th of april 2023. The capital increase consisted of convertion of non-cunrrent liabilities 1 556 596 thousand NOK and 173 000 thousand NOK of cash contribution. Share capital was increased with 30 000 thousand NOK, no new shares was issued

Note 7 Share capital and shareholder information

Shares	Number of shares	Nominal amount	Carrying amount
Ordinary shares*	30 000	TNOK 51	TNOK 1 530 000

* See comment in note 6 regarding capital increase registered in current year, which increased the carrying amount of ordinary shares.

Ownership atructure	Number of shares	Ownership	Voting share
Cargill International Luxembourg 3 S.á.r.l, Luxembourg	30 000	100 %	100 %

Control
The Company's ultimate parent company is Cargill Incorporated, Minneapolis, MN-55440 Minnesota, USA.

KPMG AS
Kanalveien 11
P.O. Box 4 Kristianborg
N-5822 Bergen

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Cargill Norway Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Cargill Norway Holding AS (the Company), which comprise the balance sheet as at 31 May 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 May 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

KPMG

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Bergen, 19 December 2023
KPMG AS

KPMG

Knut Olav Karlsen
State Authorised Public Accountant
(This document is signed electronically)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Knut Olav Karlsen
Partner
På vegne av: KPMG AS
Serienummer: 9578-5993-4-2537194
IP: 80.232.xxx.xxx
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INCOME STATEMENT

Cargill Norway Holding AS

Amounts in TNOK	Note	2023	2022
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Other expenses	2, 3	1 243	509
Total expenses		**1 243**	**509**
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Net profit or loss		**-60 460**	**-74 912**
Attributable to			
Transferred from other equity	6	60 460	74 912
Total		**-60 460**	**-74 912**

STATEMENT OF FINANCIAL POSITION

Cargill Norway Holding AS

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Total receivables		**782**	**696**
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Total assets		**11 785 084**	**11 784 787**

STATEMENT OF FINANCIAL POSITION

Cargill Norway Holding AS

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Total paid in capital		**14 148 673**	**12 419 078**
Retained earnings			
Other equity		-2 442 977	-2 382 518
Total retained earnings		**-2 442 977**	**-2 382 518**
Total equity	**6, 7**	**11 705 696**	**10 036 560**
Liabilities			
Other non-current liabilities			
Other non-current liabilities	3	-	1 538 100
Total non-current liabilities		**-**	**1 538 100**
Current liabilities			
Other current liabilities	3	79 387	210 126
Total current liabilities		**79 387**	**210 126**
Total liabilities		**79 387**	**1 748 226**
Total equity and liabilities		**11 785 084**	**11 784 787**

Bergen, 28.11.2023
The board of Cargill Norway Holding AS

Fredrik Witte
Chairman of the board

Hilde Waage
Member of the board